

**NEW ISSUE—BOOK-ENTRY ONLY**

**Insured Ratings:** Moody's: "A1"  
S&P: "AA"  
**Underlying Ratings:** Moody's: "A1"  
S&P: "AA-"  
(See "RATINGS" herein)

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2024 Bonds (1) is excludable from gross income for federal income tax purposes except for any period during which a Series 2024 Bond is held by a "substantial user" of the facilities financed by the Series 2024 Bonds or a "related person" within the meaning of Section 147(a) of the Code, (2) is an item of tax preference for purposes of the federal alternative minimum tax and (3) is exempt from income taxation by the State of Nebraska. Bond Counsel notes that interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.*

**AIRPORT AUTHORITY OF THE CITY OF OMAHA****\$304,715,000****Airport Facilities Revenue Bonds (AMT), Series 2024****Dated: Date of Delivery****Due: December 15, as shown on inside cover**

The Airport Authority of the City of Omaha (the "Authority") is issuing its Airport Facilities Revenue Bonds (AMT), Series 2024 (the "Series 2024 Bonds") as registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. When initially issued, the Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2024 Bonds. Purchases of the Series 2024 Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2024 Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2024 Bonds. So long as DTC or its nominee is the registered owner of the Series 2024 Bonds, payments of the principal of and interest on the Series 2024 Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. Interest on the Series 2024 Bonds is payable on June 15 and December 15 of each year, beginning June 15, 2025, by check or draft mailed to the registered owners thereof as of the fifteenth day next preceding each such interest payment date. BOKF, National Association, Lincoln, Nebraska, will act as trustee, paying agent and registrar. For terms relating to principal and interest payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see "DESCRIPTION OF THE SERIES 2024 BONDS—Book-Entry-Only System" herein.

The Series 2024 Bonds are issued for the purposes of (a) paying a portion of the costs of financing the TMP Project, as described herein, (b) depositing an amount necessary to fund a pooled debt service reserve account for the Series 2024 Bonds, (c) funding capitalized interest on a portion of the Series 2024 Bonds through June 15, 2027, and (d) paying costs of issuance of the Series 2024 Bonds, including the premium for the municipal bond insurance policy issued by the Insurer. See "PLAN OF FINANCE." The Series 2024 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described herein under "DESCRIPTION OF THE SERIES 2024 BONDS—Redemption of Series 2024 Bonds."

**THE SERIES 2024 BONDS AND ANY BONDS ISSUED ON A PARITY THEREWITH ARE LIMITED OBLIGATIONS OF THE AUTHORITY ARE PAYABLE SOLELY FROM, AND ARE SECURED SOLELY BY, A PLEDGE OF AND LIEN UPON THE AUTHORITY'S NET REVENUES AND CERTAIN FUNDS HELD WITH RESPECT TO THE SERIES 2024 BONDS, AS MORE FULLY DESCRIBED HEREIN. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE CITY OF OMAHA NOR THE STATE OF NEBRASKA SHALL BE LIABLE FOR THE SERIES 2024 BONDS.**

**An investment in the Series 2024 Bonds involves risk. See "BONDHOLDERS' RISKS" herein.**

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by **ASSURED GUARANTY INC.** See "BOND INSURANCE."

**ASSURED  
GUARANTY**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

**MATURITY SCHEDULE – See Inside Cover**

The Series 2024 Bonds are offered subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, subject to the approval of their validity and enforceability by Gilmore & Bell, P.C., Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP. D.A. Davidson & Co. has served as Municipal Advisor to the Authority. It is expected that the Series 2024 Bonds in definitive form will be available for delivery through the DTC book-entry system on or about December 5, 2024.

**BofA Securities****Northland Securities, Inc.****Piper Sandler****Ramirez & Co., Inc.****Wells Fargo Securities****R. Seelaus & Co., LLC**

## MATURITY SCHEDULE

**\$304,715,000**  
**Airport Facilities Revenue Bonds (AMT), Series 2024**

<b>Maturity (December 15)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP* (681725)</b>
2025	\$ 870,000	5.000%	3.450%	101.550%	MP9
2026	1,010,000	5.000	3.400	103.108	MQ7
2027	5,090,000	5.000	3.410	104.536	MR5
2028	5,345,000	5.000	3.470	105.704	MS3
2029	5,610,000	5.000	3.550	106.622	MT1
2030	5,895,000	5.000	3.640	107.300	MU8
2031	6,185,000	5.000	3.670	108.172	MV6
2032	6,495,000	5.000	3.730	108.739	MW4
2033	6,825,000	5.000	3.790	109.176	MX2
2034	7,165,000	5.000	3.850	109.490	MY0
2035	7,525,000	5.000	3.880 <sup>†</sup>	109.229	MZ7
2036	7,900,000	5.000	3.930 <sup>†</sup>	108.796	NA1
2037	8,295,000	5.250	3.960 <sup>†</sup>	110.589	NB9
2038	8,730,000	5.250	3.980 <sup>†</sup>	110.415	NC7
2039	9,185,000	5.250	4.010 <sup>†</sup>	110.154	ND5
2040	9,670,000	5.250	4.040 <sup>†</sup>	109.894	NE3
2041	10,175,000	5.250	4.110 <sup>†</sup>	109.290	NF0
2042	10,710,000	5.250	4.160 <sup>†</sup>	108.861	NG8
2043	11,275,000	5.250	4.190 <sup>†</sup>	108.605	NH6
2044	11,860,000	5.250	4.230 <sup>†</sup>	108.264	NJ2

\$69,335,000 5.250% Term Bond due December 15, 2049, Yield 4.350%<sup>†</sup>, Price 107.249%, CUSIP Number\* 681725 NK9  
\$89,565,000 5.250% Term Bond due December 15, 2054, Yield 4.410%<sup>†</sup>, Price 106.747%, CUSIP Number\* 681725 NL7

<sup>†</sup>Yield to first optional call date of December 15, 2034.

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\* CUSIP data herein is provided by the CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The CUSIP numbers have been assigned by an organization not affiliated with the Authority and are included for the convenience of the holders of the Series 2024 Bonds. None of the Authority, the Underwriters, the Municipal Advisor or the Registrar is responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the Series 2024 Bonds or as indicated above.

**OMAHA AIRPORT AUTHORITY, EPPELEY AIRFIELD  
TERMINAL MODERNIZATION PROGRAM**



 Terminal Renovation  
 Terminal Expansion

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

**BOARD OF DIRECTORS**

Howard M. Kooper, Chair

John F. Lund, Vice Chair

John W. Henderson, Member

Kristine A. Karnes, Member

Eric L. Butler, Member

**EXECUTIVE STAFF**

David L. Roth, Chief Executive Officer

Stephen J. McCoy, Chief Strategy and Technology Officer

Casey J. Schapmann, Chief Financial Officer

Timothy A. Schmitt, Chief Operating Officer

Jason A. Snowden, Chief Commercial Officer

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**COUNSEL**

McGrath North Mullin & Kratz, PC LLO, Authority Counsel

Gilmore & Bell, P.C., Bond Counsel

Kutak Rock LLP, Underwriters' Counsel

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**MUNICIPAL ADVISOR**

D.A. Davidson & Co.

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**AIRPORT CONSULTANT**

LeighFisher

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**TRUSTEE, PAYING AGENT AND REGISTRAR**

BOKF, National Association

No dealer, broker or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Series 2024 Bonds offered hereby, nor shall there be any offer or sale of the Series 2024 Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Series 2024 Bonds implies that the information herein is correct as of any time subsequent to the date hereof.

The information contained in this Official Statement has been obtained from the Authority and other sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities 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 Series 2024 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance on an exemption contained therein, and have not been registered or qualified under the securities laws of any state. The Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on an exemption contained therein. The Series 2024 Bonds have not been recommended by any federal or state securities commission or any regulatory commission. Furthermore, none of the foregoing authorities have confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.**

#### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Official Statement contains “forward-looking statements” within the meaning of federal securities laws. These forward-looking statements include statements about the Authority’s future plans and strategies, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of management of the Authority. When used in this Official Statement, the words “plan,” “expect,” “estimate,” “budget,” “intend,” “anticipate,” “should,” “will,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include those discussed in the “**BONDHOLDERS’ RISKS**” section of this Official Statement. The Authority undertakes no obligation to update any forward-looking statements contained in this Official Statement to reflect future events or developments.

#### **BOND INSURANCE**

Assured Guaranty Inc. (“AG”) makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “**BOND INSURANCE**” and “**APPENDIX F—Specimen Municipal Bond Insurance Policy**”.

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APPENDIX E	SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION
APPENDIX F	SPECIMEN MUNICIPAL BOND INSURANCE POLICY

## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained elsewhere in this Official Statement, including all reports contained herein. Unless otherwise defined below, all capitalized terms used in the Summary Statement shall have the meanings set forth in this Official Statement, including in Appendix E, “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION.**”

### Purpose of the Series 2024 Bonds

The Authority is issuing its \$304,715,000 Airport Facilities Revenue Bonds (AMT), Series 2024 (the “**Series 2024 Bonds**”) to (a) pay a portion of the costs of financing the TMP Project, as described below, (b) fund a pooled debt service reserve account for the Series 2024 Bonds, (c) fund capitalized interest on a portion of the Series 2024 Bonds through June 15, 2027, and (d) pay costs of issuance of the Series 2024 Bonds, including the premium for the municipal bond insurance policy issued by the Insurer (the “**Insurance Policy**”).

### The Airport

The Authority’s Omaha Eppley Airfield (the “**Airport**” or “**Eppley Airfield**”) is the principal air carrier airport serving Omaha and the regions of eastern Nebraska, western Iowa and southeastern South Dakota. Most Airport passengers begin or end their air travel in Omaha, rather than connecting for flights to other communities. The economy of the Airport’s air trade area is diversified and growing. The Airport is served by a well-diversified base of airlines and is not overly reliant on the services of any single airline. The Airport has a record of safe, efficient and economical operations and continues to be improved and expanded with a goal of meeting the growing needs of Airport users. The Airport is managed by an experienced executive team. See “**THE AUTHORITY**” and “**THE AIRPORT**.”

### The Terminal Modernization Program (TMP) Project

The Series 2024 Bonds are being issued in part to finance part of the facilitation, acquisition, and construction of extensions, enlargements, improvements, equippings and furnishings to the Airport System at or related to the Authority’s Airport facilities, including, but not limited to modernization, renovation and expansion of the existing terminal facilities (collectively, the “**TMP Project**”). See “**PLAN OF FINANCE—Build OMA—Summary of the CIP.**”

### Security and Sources of Payment for the Series 2024 Bonds

The Series 2024 Bonds are being issued pursuant to a Master Resolution dated as of December 20, 2016 (the “**Master Resolution**”) and a Second Series Resolution dated as of November 20, 2024 (the “**Second Series Resolution**” and, together with the Master Resolution, the “**Resolution**”), each adopted by the Board of Directors of the Authority. Pursuant to the Master Resolution, the Authority has pledged the Net Revenues of the Airport System to the payment of the Series 2024 Bonds and any other Bonds. “**Net Revenues**” means Revenues less Operation and Maintenance Expenses. The Authority generates Revenues primarily by assessing fees and charges payable by air carriers, general aviation operators, concessionaires and other users of the Airport System. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS.**”

Pursuant to the Second Series Resolution, the Authority irrevocably committed certain Passenger Facility Charges (“**PFCs**”) and certain Customer Facility Charges (“**CFCs**”) to be deposited into the Bond Fund to pay a portion of the debt service on the Series 2024 Bonds. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—PFC Commitment for Series 2024 Bonds**” and “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—CFC Commitment for Series 2017 Bonds and Series 2024 Bonds.**”

The Series 2024 Bonds are further secured by amounts in the respective Accounts established therefor in the Reserve Fund. During the period when any Bonds are Outstanding, each Account in the Reserve Fund shall be maintained at the Reserve Requirement for the applicable Series of Bonds, subject to the applicable limitations imposed by the Internal Revenue Code of 1986, as amended. The Reserve Requirement for a particular Series of

Bonds is determined in connection with each Series of Bonds issued under the Resolution, and may be \$0. The Reserve Requirement for the Series 2024 Bonds is the Pooled Reserve Requirement. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—Reserve Fund; Pooled Reserve Account.**"

The Series 2024 Bonds are limited obligations of the Authority payable solely from Net Revenues of the Airport System and the other funds pledged under the Resolution for the Series 2024 Bonds. The Authority has no taxing power. The Series 2024 Bonds do not constitute general obligations or a debt of the State of Nebraska or of the City of Omaha, and neither the State of Nebraska nor the City of Omaha is liable thereon. No owner of any of the Series 2024 Bonds has the right to compel the exercise of any taxing powers of the State of Nebraska or the City of Omaha to pay the Series 2024 Bonds or interest thereon.

The Series 2024 Bonds are secured pursuant to the Master Resolution as more fully described herein under "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS.**" See "**DEBT SERVICE SCHEDULE**" herein.

#### **Rate Maintenance Covenant**

Pursuant to the Master Resolution, the Authority has covenanted and agreed that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either (i) the amounts needed for making the required deposits in the Fiscal Year to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund (if any), or (ii) an amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.

## OFFICIAL STATEMENT

### AIRPORT AUTHORITY OF THE CITY OF OMAHA

**\$304,715,000  
Airport Facilities Revenue Bonds (AMT),  
Series 2024**

## INTRODUCTION

The purpose of this Official Statement, which includes the cover page, Summary Statement and Appendices, is to furnish information concerning the Airport Authority of the City of Omaha (the “**Authority**”), the governing board of directors of which (the “**Board**”) is a body corporate and politic, constituting a public corporation and an agency of the City of Omaha, Nebraska (the “**City**”), the financing of the hereinafter-defined TMP Project and certain other information in connection with the issuance of the Authority’s \$304,715,000 Airport Facilities Revenue Bonds (AMT), Series 2024 (the “**Series 2024 Bonds**”).

The proceeds of the Series 2024 Bonds, together with certain investment income and other available funds, will be used for the purposes of providing funds to (a) pay a portion of the costs of financing the TMP Project, as described herein, (b) fund a pooled debt service reserve account for the Series 2024 Bonds, (c) fund capitalized interest on a portion of the Series 2024 Bonds through June 15, 2027, and (d) pay costs of issuance of the Series 2024 Bonds, including the premium for the municipal bond insurance policy issued by Assured Guaranty Inc. (the “**Insurer**”). See “**PLAN OF FINANCE**.”

As of the date of issuance of the Series 2024 Bonds, the Series 2024 Bonds and the Authority’s (i) Airport Facilities Revenue Bonds (AMT), Series 2017A (the “**Series 2017A Bonds**”) and (ii) Airport Facilities Revenue Bonds, Taxable Series 2017C (the “**Series 2017C Bonds**” and, together with the Series 2017A Bonds, the “**Series 2017 Bonds**”) will be the only Bonds Outstanding under and secured by the Resolution. The Series 2024 Bonds and the Series 2017 Bonds, together with any additional Bonds that may be issued pursuant to the hereinafter-defined Master Resolution, are hereinafter collectively referred to as the “**Bonds**.” See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS**” herein.

The Series 2024 Bonds and any other Bonds are limited obligations of the Authority. They are payable solely from, and are solely secured by, a pledge of and lien upon the Net Revenues derived by the Authority from the Airport System, as described herein, and the other funds pledged under the Resolution. The Authority has no taxing power. Neither the City nor the State of Nebraska (the “**State**”) shall be liable for the Series 2024 Bonds.

The Series 2024 Bonds are subject to optional and mandatory sinking fund redemption as more fully described herein. See “**DESCRIPTION OF THE SERIES 2024 BONDS—Redemption of Series 2024 Bonds**.”

Unless otherwise indicated, capitalized terms used in this Official Statement shall have the meanings established in the Master Resolution, and the Second Series Resolution as hereinafter defined. See “**AUTHORIZATION**” below, and Appendix E, “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION**.”

## AUTHORIZATION

The Series 2024 Bonds will be issued pursuant to the Cities Airport Authorities Act, Sections 3-501 through 3-514, inclusive, R.R.S. Neb., as amended, or any substitute or successor statute or statutes (the “**Act**”). The Series 2024 Bonds will be issued and secured pursuant to a resolution approved by the Board on December 20, 2016 (the “**Master Resolution**”), together with a resolution authorizing the issuance of the Series 2024 Bonds approved by the Board on January 16, 2024 and dated as of November 20, 2024 (the “**Second Series Resolution**”). The Series 2017 Bonds were issued under and pursuant to the Master Resolution and a First Series Resolution. The First Series

Resolution, the Second Series Resolution and the Master Resolution are collectively referred to as the “**Resolution**”). BOKF, National Association, Lincoln, Nebraska, has been appointed trustee (the “**Trustee**”) for all Bonds issued under the Resolution, and as registrar (the “**Registrar**”) and paying agent (the “**Paying Agent**”) for the Series 2024 Bonds.

## DESCRIPTION OF THE SERIES 2024 BONDS

### Principal Amount, Date and Maturities

The Series 2024 Bonds will be issued in the aggregate principal amount of \$304,715,000, will be dated their date of delivery and will bear interest from their date to their respective maturities in the amounts and at the interest rates set forth on the inside cover page of this Official Statement. Interest on the Series 2024 Bonds will be payable semiannually on June 15 and December 15 of each year, commencing June 15, 2025 and principal will be paid on December 15 of the years set forth on the inside cover page of this Official Statement.

### Form and Denominations; Exchanges and Transfers

The Series 2024 Bonds will be issued as fully registered bonds without coupons in the denominations of any integral multiple of \$5,000.

### Book-Entry-Only System

The Series 2024 Bonds initially are being issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company (“**DTC**”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners (as hereinafter defined) and will not be or be considered to be, and will not have any rights as, owners or holders of the Series 2024 Bonds under the Resolution.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity of the Series 2024 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**”). DTC has a rating of AA+ from S&P Global Ratings, a Standard & Poor’s Financial Services LLC business. 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 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 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 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 2024 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 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 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 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within a 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 Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar and Paying Agent and the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Registrar and Paying Agent or the Authority. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The Authority and the Underwriters take no responsibility for the accuracy thereof.

### **Redemption of Series 2024 Bonds**

**Optional Redemption.** The Series 2024 Bonds shall be subject to redemption prior to the maturity thereof at the option of the Authority on and after December 15, 2034, in whole or in part at any time, at the redemption price of 100% of the principal amount to be redeemed, plus accrued interest, if any, to the redemption date.

If less than all of the Series 2024 Bonds of a maturity are to be redeemed at any time, the particular Series 2024 Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall determine, but only in the principal amount of \$5,000 or any integral multiple thereof.

**Mandatory Sinking Fund Redemption.** The Series 2024 Bonds maturing December 15, 2049 and December 15, 2054 are also subject to mandatory redemption by the Authority, in part, by lot, prior to maturity from Sinking Fund Installments at 100% of the principal amount thereof, together with accrued interest thereon to date of redemption, which Sinking Fund Installments shall be sufficient to redeem on each Payment Date in the years and in such principal amounts as follows:

<b><u>Date (December 15.)</u></b>	<b><u>Principal Amount</u></b>
2045	\$12,485,000
2046	13,145,000
2047	13,830,000
2048	14,555,000
2049†	15,320,000

† Maturity

<b><u>Date (December 15.)</u></b>	<b><u>Principal Amount</u></b>
2050	\$16,130,000
2051	16,975,000
2052	17,865,000
2053	18,805,000
2054†	19,790,000

† Maturity

**Notice of Redemption.** Notice of redemption of the Series 2024 Bonds shall be mailed by first class mail by the Registrar, not less than 30 days prior to the redemption date, to each Owner whose Series 2024 Bonds are called for redemption. Failure of any owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. If funds shall not be so available on the redemption date, such Series 2024 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS**

### **Source of Payment**

Pursuant to the Resolution, the Authority irrevocably pledges to the payment of the principal of, interest on, and any premium upon the redemption of, the Series 2024 Bonds, (i) the Net Revenues and (ii) the funds pledged under the Resolution therefor; excluding, however, amounts on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Junior Lien Obligations Fund, the Capital Improvement and General Purpose Fund and the

Rebate Fund. The facilities comprising the Airport System have not been mortgaged or pledged to secure payment of the Series 2024 Bonds.

Net Revenues means all Revenues remaining after payment of Operation and Maintenance Expenses. **“Revenues”** means all revenues or income of the Authority from the ownership, use and operation of the Airport System, but excludes (a) interest income on or profits from the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund; (b) interest income on or profits from investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (c) amounts received by the Authority from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Authority; (d) the proceeds of any Passenger Facility Charges, Customer Facility Charges or similar charge levied by, or on behalf of, the Authority, unless such funds are treated as Revenues by the Authority; (e) grants-in-aid, donations, and/or bequests; (f) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (g) the proceeds of any condemnation awards; (h) the proceeds of any sale of land, buildings or equipment; and (i) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use. In addition, any **“Released Revenues”** as such term is described below are also excluded from the definition of Revenues.

**The Series 2024 Bonds are limited obligations of the Authority. They are payable solely from Net Revenues of the Airport System and the other funds pledged under the Resolution. The Authority has no taxing power. The Series 2024 Bonds do not constitute general obligations or a debt of the City or of the State, and neither the City nor the State is liable thereon. No owner of any of the Series 2024 Bonds has the right to compel the exercise of any taxing powers of the City or the State to pay the Series 2024 Bonds or interest thereon.**

#### **Parity Bonds**

The Series 2017 Bonds and the Series 2024 Bonds, together with any additional Bonds which may be issued pursuant to the Master Resolution, are equally and ratably secured as to the Net Revenues pursuant to the Master Resolution.

The Authority may, at any time after the date of issuance of the Series 2024 Bonds, issue additional bonds on a parity with the Series 2024 Bonds, upon compliance with the terms of the Master Resolution. See **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—Additional Bonds”** below.

#### **CFC Commitment for Series 2017 Bonds and Series 2024 Bonds**

Pursuant to a resolution of the Authority adopted February 17, 2015, the Authority instituted a Customer Facility Charge (“CFC”) required to be imposed by a rental car company upon any rental car customer arriving at the Airport and renting a vehicle from a rental car company. The per customer per day charge is collected by the rental car companies and remitted monthly to the Authority. Originally instituted at \$2.50, the CFC rate was increased to \$3.50 in July 2020 and \$5.00 on August 1, 2024. The Authority may increase or decrease the CFC upon 60 days’ written notice to each rental car company. CFCs generally may be applied to finance or fund any expenditure that a rental car company or customer receives a direct or indirect benefit from at the Airport, including rental car facilities, allocable areas of the terminal such as flooring or joint use facilities, operation and maintenance expenses for rental car facilities or allocable areas of the terminal, and debt service in excess of the Designated CFC Revenues. CFCs revenues were \$3,725,955 in 2023, \$3,238,624 in 2022, \$2,604,550 in 2021, \$1,640,114 in 2020 and \$2,920,624 in 2019. See **“BONDHOLDERS’ RISKS—Availability of CFCs.”**

The Authority covenanted in the First Series Resolution to deposit all of the CFC revenues received from the rental car agencies, if any, to the CFC Fund. The Authority has further covenanted that it will transfer approximately \$2,489,000 annually, through and including the Fiscal Year ending December 31, 2036 from the CFC Fund to the Bond Fund (the **“2017 CFC Revenues”**). The 2017 CFC Revenues shall be deposited into the Bond Fund on such date or dates as shall be determined by the Authority, and the covenant to make such deposit shall apply only with respect to the Series 2017 Bonds during the period described in this paragraph and only so long as any Series 2017 Bonds are Outstanding.

The Authority has further covenanted that it will transfer approximately \$550,000 annually, beginning with the Fiscal Year commencing January 1, 2027 through and including the Fiscal Year ending December 31, 2054 from the CFC Fund to the Bond Fund (the “**2024 CFC Revenues**”). The 2024 CFC Revenues shall be deposited into the Bond Fund on such date or dates as shall be determined by the Authority, and the covenant to make such deposit shall apply only with respect to the Series 2024 Bonds during the period described in this paragraph and only so long as any Series 2024 Bonds are Outstanding.

Under the Resolution, the 2017 CFC Revenues and the 2024 CFC Revenues are “**Designated CFC Revenues**” with respect to the Series 2017 Bonds, or the Series 2024 Bonds, as applicable, and accordingly, any 2017 CFC Revenues or 2024 CFC Revenues deposited into the Bond Fund are credited against the Authority’s debt service payments with respect to the Series 2017 Bonds or the Series 2024 Bonds, respectively. Under the Resolution, unless approved by the Authority, (a) the 2017 CFC Revenues may not be applied to offset any deposits into the Bond Fund required for any other Series of Bonds, other than the Series 2017 Bonds and (b) the 2024 CFC Revenues may not be applied to offset any deposits into the Bond Fund required for any other Series of Bonds, other than the Series 2024 Bonds. As such, the 2017 CFC Revenues are not pledged for the Series 2024 Bonds and the 2024 CFC Revenues are not pledged for the Series 2017 Bonds.

Under the Second Series Resolution and as permitted by the First Series Resolution, application of the 2017 CFC Revenues and the 2024 CFC Revenues to the Bond Fund shall be made ratably with respect to the Series 2017 Bonds and the Series 2024 Bonds until such annual deposits reach the requisite amount 2017 CFC Revenues and 2024 CFC Revenues, respectively.

### **PFC Commitment for Series 2024 Bonds**

The Authority is permitted under the Aviation Safety and Capacity Expansion Act of 1990 and various Federal Aviation Administration (“**FAA**”) regulations thereunder to impose a Passenger Facility Charge (“**PFC**”) of up to \$4.50 for each eligible paying passenger enplaning at the Airport. The Authority began instituting PFCs in 2018 and is currently charging a PFC of \$4.50. As required by federal law, air carriers at the Airport are required to collect a PFC and remit such amounts to the Authority on a monthly basis, less a \$0.11 handling fee per PFC. PFC charges are permitted to finance FAA-approved airport projects that preserve or enhance capacity, safety, or security of the national air transportation system, reduce noise from the airport, or provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. The Authority’s most recent PFC application was submitted to the FAA in 2023, and was approved for \$296,300,000 for improvements associated with the TMP through July 1, 2044. PFC revenues were \$11,356,419 in 2023, \$8,927,079 in 2022, \$7,612,888 in 2021, \$3,978,560 in 2020 and \$9,932,696 in 2019. See “**BONDHOLDERS’ RISKS—Availability of PFCs**.”

The Authority covenanted in the Second Series Resolution to deposit all of the PFCs remitted by the air carriers, if any, to the PFC Fund. The Authority has further covenanted that it will transfer approximately \$4,330,000 annually, through and including the Fiscal Year ending December 31, 2054 from the PFC Fund to the Bond Fund (the “**PFC Revenues**”). The PFC Revenues shall be deposited into the Bond Fund on such date or dates as shall be determined by the Authority, and the covenant to make such deposit shall apply only with respect to the Series 2024 Bonds during the period described in this paragraph and only so long as any Series 2024 Bonds are Outstanding. Under the Resolution, the PFC Revenues are “**Designated PFC Revenues**” with respect to the Series 2024 Bonds, and accordingly, any PFC Revenues deposited into the Bond Fund are credited against the Authority’s debt service payments with respect to the Series 2024 Bonds. Under the Resolution, unless approved by the Authority, the PFC Revenues may not be applied to offset any required deposits into the Bond Fund required for any other Series of Bonds, other than the Series 2024 Bonds. As such, the PFC Revenues are not pledged for the Series 2017 Bonds. In addition, the Authority expects to apply PFCs to a portion of debt service on additional Bonds issued in the future to complete the TMP. See “**PLAN OF FINANCE**.”

### **Reserve Fund; Pooled Reserve Account**

The Second Series Resolution establishes a Pooled Reserve Account in the Debt Service Reserve Fund (the “**Pooled Reserve Account**”) for the Series 2024 Bonds. The Pooled Reserve Account also secures any additional Bonds issued as Pooled Reserve Participating Bonds pursuant to any supplemental resolution (the “**Pooled Reserve Participating Bonds**”), provided that the amount on deposit in the Pooled Reserve Account upon issuance of such

Participating Pooled Reserve Bonds is at least equal to the Pooled Reserve Requirement (defined below) for all Outstanding Pooled Reserve Participating Bonds as of the date of such issuance. The Pooled Reserve does not secure the Authority's Series 2017 Bonds.

The Reserve Requirement for the Pooled Reserve Account is as follows (the "**Pooled Reserve Requirement**")**:** As of any date of calculation, an amount equal to the least of (a) 10% of the initial offering price to the public of the Pooled Reserve Participating Bonds as determined under the Code, or (b) the greatest amount of Debt Service for the Pooled Reserve Participating Bonds in any Fiscal Year during the period commencing with the Fiscal Year in which the determination is being made and terminating with the last Fiscal Year in which any Pooled Reserve Participating Bond is due, or (c) 125% of the sum of the Debt Service for the Pooled Reserve Participating Bonds for all Fiscal Years during the period commencing with the Fiscal Year in which such calculation is made (or if appropriate, the first full Fiscal Year following the issuance of any Pooled Reserve Participating Bonds) and terminating with the last Fiscal Year in which any Debt Service for the Pooled Reserve Participating Bonds is due, divided by the number of such Fiscal Years, all as computed and determined by the Authority. The Pooled Reserve Requirement shall constitute the "Reserve Requirement" for the Series 2024 Bonds and any Pooled Reserve Participating Bonds as required by the Master Resolution.

As of the date of issuance of the 2024 Bonds, the Pooled Reserve Requirement is \$20,833,250. The Authority will initially satisfy the Pooled Reserve Requirement through the deposit of cash consisting of proceeds of the Series 2024 Bonds with the Trustee.

As provided in the Second Series Resolution, on the date of each required payment from the Bond Fund with respect to the Series 2024 Bonds and any other Pooled Reserve Participating Bonds, the Trustee shall apply amounts in the Pooled Reserve Account ratably (based on amounts due) to the extent necessary to cure any deficiency in the Bond Fund for the principal and interest then due with respect to the Pooled Reserve Participating Bonds.

If any withdrawal from any Account in the Reserve Fund, including the Pooled Reserve Account, is made to make debt service on the applicable Series of Bonds, the amount of such withdrawal must be restored by the Authority in no more than 12 substantially equal, consecutive, monthly installments, commencing with the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in equal monthly installments over the remainder of the restoration period for the initial withdrawal.

Money on deposit in any Account in the Reserve Fund shall be applied as follows:

(a) On the date of each required payment from the Bond Fund with respect to the Series 2024 Bonds and any other Pooled Reserve Participating Bonds, the Trustee shall apply amounts in the Pooled Reserve Account ratably (based on amounts due) to the extent necessary to cure any deficiency in the Bond Fund for the principal and interest then due with respect to the Pooled Reserve Participating Bonds.

(b) Any amount in the Pooled Reserve Account in excess of the Reserve Requirement with respect to the Pooled Reserve Participating Bonds shall be transferred to the Bond Fund and credited against the payments of the principal and interest next becoming due on the Pooled Reserve Participating Bonds ratably (based on Debt Service next falling due). Notwithstanding the foregoing, upon the written direction of an Authorized Representative (as defined in the Master Resolution) delivered to the Trustee, such excess shall be applied to the reimbursement of each drawing on a Pooled Reserve Surety Policy (as defined below) credited to such Pooled Reserve Account (to the extent not reimbursed upon the reinstatement of such Pooled Reserve Surety Policy).

(c) Whenever the amount in the Pooled Reserve Account (excluding Pooled Reserve Surety Policies), together with the amount available therefor in the Bond Fund, is sufficient to pay in full all Pooled Reserve Participating Bonds in accordance with their terms, upon the written direction of an Authorized Representative delivered to the Trustee, the funds on deposit in the Pooled Reserve Account shall be transferred to the Bond Fund and applied to the payment of the Outstanding Pooled Reserve Participating Bonds (including principal or applicable redemption price and interest thereon).

(d) In the event of the refunding, purchase or redemption of one or more Pooled Reserve Participating Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Representative, withdraw from the Pooled Reserve Account any or all of the amounts on deposit therein (excluding Pooled Reserve Surety Policies) and deposit such amounts with itself as Trustee or with the applicable escrow agent to be held for the payment of the principal of, and interest on, the Pooled Reserve Participating Bonds (or portions thereof) being refunded, purchased or redeemed; provided that such withdrawal shall not be made unless immediately thereafter the amount remaining in the Pooled Reserve Account after such withdrawal, taking into account any deposits to be made in the Pooled Reserve Account in connection with such refunding, purchase or redemption, shall not be less than the Pooled Reserve Requirement for the Pooled Reserve Participating Bonds to be Outstanding upon such refunding, purchase or redemption.

**“Pooled Reserve Surety Policy”** means an insurance policy or surety bond, or a letter of credit, deposited for credit to the Pooled Reserve Account in lieu of or partial substitution for cash or securities on deposit in the Pooled Reserve Account. The entity providing such Pooled Reserve Surety Policy shall be rated by one or more Rating Agencies, at the time such instrument is provided, in one of the three highest long-term rating categories, meaning a rating category designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.

With respect to Pooled Reserve Surety Policies held in the Pooled Reserve Account as part of the Pooled Reserve Requirement:

(a) In lieu of the deposits and transfers to the Pooled Reserve Account required by the Master Resolution, the Authority may cause to be deposited in the Pooled Reserve Account one or more Pooled Reserve Surety Policies in an aggregate amount equal to the difference between the applicable Pooled Reserve Requirement and the sums, if any, then on deposit in the Pooled Reserve Account or being deposited in the Pooled Reserve Account concurrently with such Pooled Reserve Surety Policy or Policies.

(b) In computing the amount on deposit in the Pooled Reserve Account, a Pooled Reserve Surety Policy shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

(c) The Trustee shall draw upon or otherwise take such action as is necessary in accordance with the terms of the Pooled Reserve Surety Policies credited to the Pooled Reserve Account to receive payments with respect to the Pooled Reserve Surety Policies (including the giving of notice as required thereunder): (x) on any date on which moneys will be required to be withdrawn from the Pooled Reserve Account and applied to the payment of principal or interest on any Pooled Reserve Participating Bonds and such withdrawal cannot be met by moneys on deposit in the Pooled Reserve Account; (y) unless such Pooled Reserve Surety Policy expires on the final maturity date for the Outstanding Pooled Reserve Participating Bonds, on the first Business Day which is at least thirty (30) days prior to the expiration date of each Pooled Reserve Surety Policy, in an amount equal to the deficiency which would exist in the Pooled Reserve Account if the Pooled Reserve Surety Policy expired, unless a substitute Pooled Reserve Surety Policy with an expiration date not earlier than one hundred eighty (180) days after the expiration date of the expiring Pooled Reserve Surety Policy (or the final maturity date of the Outstanding Pooled Reserve Participating Bonds, if sooner) is delivered to the Trustee prior to such date or the Authority deposits funds in the Pooled Reserve Account on or before such date such that the amount in the Pooled Reserve Account on such date (without regard to such expiring Pooled Reserve Surety Policy) is at least equal to the applicable Pooled Reserve Requirement.

(d) If at any time a Pooled Reserve Surety Policy is delivered pursuant to this subsection (d) there shall be any amount in the Pooled Reserve Account in excess of the applicable Pooled Reserve Requirement, such excess amount may be applied to the cost of acquiring such Pooled Reserve Surety Policy and, to the extent not so applied, shall be applied to either: (i) the purchase or redemption of Bonds as directed in writing by an Authorized Representative (other than amounts due for interest on such purchase or redemption which shall be paid from amounts accumulated in the Bond Fund with respect to such interest or other available funds); or (ii) any lawful purpose as directed by an Authorized Representative if the Authority

delivers to the Trustee an Opinion of Bond Counsel (as defined in the Master Resolution) to the effect that such application is permitted pursuant to the terms of the documents governing the affected Bonds and it will have no adverse effect on the tax-exempt status of interest on the affected Bonds.

(e) If a disbursement is made pursuant to a Pooled Reserve Surety Policy credited to the Pooled Reserve Account, the Authority shall be obligated either (i) to reinstate the maximum limits of such Pooled Reserve Surety Policy or (ii) to deposit into the Pooled Reserve Account, in accordance with the Master Resolution, funds in the amount of the disbursement made under such Pooled Reserve Surety Policy, or a combination of such alternatives, as shall provide that the amount in the Pooled Reserve Account equals the applicable Pooled Reserve Requirement; provided, however, that to the extent a Pooled Reserve Surety Policy will be reinstated so that the amount in the Pooled Reserve Account (including Pooled Reserve Surety Policies) shall equal the applicable Pooled Reserve Requirement, amounts in the Pooled Reserve Account in excess of the applicable Pooled Reserve Requirement shall be applied to the reimbursement of drawings under a Pooled Reserve Surety Policy.

### **Released Revenues**

The Authority is permitted to exclude certain Revenues from the pledge and lien of the Resolution (“Released Revenues”) upon providing the following to the Trustee:

(a) a request of an Authorized Representative describing such Revenues and requesting that such Revenues be excluded from the pledge and lien of this Resolution on Net Revenues;

(b) either

(i) an Airport Management Consultant’s certificate to the effect that, based upon reasonable assumptions, projected Net Revenues after the Revenues covered by the Authorized Representative’s request are excluded, calculated in accordance with the additional Bonds test for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, will not be less than the larger of (A) the amounts needed for making the required deposits to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund, and the Junior Lien Obligations Fund or (B) an amount not less than 150% of the average Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such Revenues (disregarding any Bonds that have been or will be paid or discharged); or

(ii) an independent certified public accountant’s certificate to the effect that Net Revenues in the two most recently completed Fiscal Years, after the Revenues covered by the Authorized Representative’s request are excluded, were not less than the larger of (A) the amounts needed for making the required deposits to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund, and the Junior Lien Obligations Fund or (B) 135% of (1) average Annual Debt Service on all Bonds Outstanding in each such Fiscal Year (disregarding any Bonds that have been paid or discharged), plus (2) average Annual Debt Service with respect to any additional Bonds issued since the completion of such Fiscal Year or proposed to be issued at the time such certificate is delivered;

(c) an Opinion of Bond Counsel to the effect that (i) the conditions set forth in the Resolution to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the pledge and lien of the Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax;

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of such Revenues from the pledge and lien of the Resolution will not cause a withdrawal of or reduction in any unenhanced rating then assigned to the Bonds; and

(e) if applicable, evidence that notice of the proposed Released Revenues was given to all current Credit Providers in respect of any Bonds at least 15 days prior to the proposed effective date of the release of such Revenues.

Upon the Trustee's receipt of such documents, the Revenues described in the Authorized Representative's request shall be excluded from the pledge and lien of the Resolution, and the Trustee shall take all reasonable steps requested by the Authorized Representative to evidence or confirm the release of such pledge and lien on the Released Revenues.

### **Rate Maintenance Covenant**

Pursuant to the Master Resolution, the Authority covenants and agrees that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either (i) the amounts needed for making the required deposits in the Fiscal Year to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund; or (ii) an amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.

The Authority covenants that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified above, the Authority will require the Airport Management Consultant to make recommendations as to the revision of the Authority's schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System as may be necessary to produce Net Revenues in the amount specified above in the Fiscal Year following the Fiscal Year covered by such audit report.

### **Application of Revenues**

The Master Resolution establishes with the Authority the Revenue Fund into which all Revenues shall be deposited, and into which amounts from any available source may be deposited. The Revenue Fund and the money deposited therein shall be used and applied only as set forth in the Master Resolution. Amounts in the Revenue Fund are not pledged to Owners of Bonds.

In addition to the Revenue Fund, the following Funds and Accounts have been established under the Resolution:

- (a) Operation and Maintenance Fund, to be held by the Authority;
- (b) Bond Fund, to be held by the Trustee, in which there shall be established an Interest Account, a Principal Account and a Sinking Fund Account;
- (c) Reserve Fund, to be held by the Trustee, in which there is established a Pooled Reserve Account for the Series 2024 Bonds and any additional Bonds secured by the Pooled Reserve Account;
- (d) CFC Fund, to be held by the Authority;
- (e) PFC Fund, to be held by the Authority;
- (f) Junior Lien Obligations Fund, to be held by the Authority or the Trustee;
- (g) Capital Improvement and General Purpose Fund, to be held by the Authority;
- (h) Rebate Fund, to be held by the Authority; and

(i) Construction Fund, in which there is established a 2024 Account to be held by the Authority.

Certain funds were established under a Series Resolution and relate solely to the Series 2017 Bonds or Series 2024 Bonds. The Authority may establish other funds as it shall determine as set forth in a Supplemental Resolution adopted in accordance with the terms of the Resolution.

So long as any Bonds shall remain Outstanding, the Authority will on the first day of each month administer and allocate all of the money then held in the Revenue Fund, to the following Funds in the following order of priority:

***Operation and Maintenance Fund.*** To the Operation and Maintenance Fund, there shall be paid and credited the then-current month's Operation and Maintenance Expenses.

***Bond Fund.*** There shall next be paid and credited monthly to the Interest Account, the Principal Account and the Sinking Fund Account in the Bond Fund, an amount such that if the same amount were deposited on the first day of each month thereafter, the balance on the next succeeding Payment Date (a) of the Interest Account would be sufficient to pay the interest due on the Bonds, (b) the Principal Account would be sufficient to pay the principal amount maturing with respect to the Bonds, and (c) the Sinking Fund Account would be sufficient to pay any Sinking Fund Installment (or any unsatisfied balance thereof) due with respect to the Bonds. Any amounts (x) deposited in the Interest Account as accrued interest or as capitalized interest or (y) constituting Designated PFC Revenues or Designated CFC Revenues deposited by the Authority into the Bond Fund in accordance with any Series Resolution shall be credited against the Authority's payment obligations as set forth in this subparagraph with respect to a particular Series of Bonds.

***Reserve Fund.*** There shall next be paid and credited to each Account established in the Reserve Fund, all remaining Revenues until the amount on deposit in each Account in the Reserve Fund aggregates the Reserve Requirement for the Series of Bonds for which such Account was established. So long as each Account in the Reserve Fund aggregates the Reserve Requirement with respect to the Series of Bonds for which such Account was established, no further payments into such Account shall be required, but if the Authority is ever required to expend and use a part of the money in any Account for the purpose authorized under the Resolution and such expenditure reduces the amount below the Reserve Requirement for the Series of Bonds for which such Account was established, the Authority shall resume and continue such monthly payments into the Account until such Account shall again aggregate the Reserve Requirement with respect to the applicable Series of Bonds.

***Junior Lien Obligations Fund.*** There shall next be paid and credited to each Account established in the Junior Lien Obligations Fund the amount, if any, equal to the required deposits pursuant to the Junior Lien Resolutions.

***Capital Improvement and General Purpose Fund.*** All remaining amounts in the Revenue Fund shall be paid and credited to the Capital Improvement and General Purpose Fund.

If at any time the Revenues are insufficient to make any payment to a Fund or Account, the Authority will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received from the operation of the Airport System, such payments and credits being made and applied in the order set forth above.

## **The Rebate Fund**

Amounts in the Rebate Fund are held in trust to satisfy rebate amounts payable to the United States. Amounts in the Rebate Fund are not pledged to Owners of Bonds.

## **The Construction Fund**

Amounts from the proceeds of Bonds shall be deposited in the Construction Fund and applied to pay Costs of the Airport System as provided in the Resolution. The proceeds of insurance maintained pursuant to the Resolution against physical loss of or damage to any portion of the Airport System, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof, must be paid into an Account established in the Construction Fund. To the extent that other money is not available, amounts in the Construction Fund shall be applied to the payment of principal of and interest on Bonds when due. Amounts credited to the Construction Fund which the Authority at any time determines to be in excess of the amounts required for the purposes thereof may be transferred to the Bond Fund. Nothing in the Resolution shall be construed to prevent the Authority from permanently discontinuing the acquisition or construction of any portion of the Airport System, the Costs of which are at the time being paid out of the Construction Fund, if the Authority determines that such discontinuance is necessary or desirable in the conduct of the business of the Authority and not disadvantageous to the Owners of the Bonds.

## **Junior Lien Obligations; Special Facility Bonds**

The Authority may issue Junior Lien Obligations for any lawful purpose of the Authority related to the Airport System, which Junior Lien Obligations shall be payable out of, and may be secured by a security interest in, the Junior Lien Obligations Fund. Any security interest and pledge with respect to Junior Lien Obligations shall be, and shall be expressed to be, subordinated in all respects to the security interest in and pledge created by the Resolution as security for the Bonds. As of the date of issuance of the Series 2024 Bonds, there are no Junior Lien Obligations outstanding.

Except as otherwise expressly set forth in the Resolution, in addition to Bonds issued in accordance with this section and as described below under "**—Additional Bonds**," the Authority may issue (i) Special Facility Bonds, (ii) other bonds, notes or obligations payable from and secured by revenues other than Revenues and Net Revenues and (iii) bonds, notes or other obligations payable from Net Revenues, including revenue anticipation notes, on a basis subordinate to the Bonds.

## **Capital Improvement and General Purpose Fund**

Amounts in the Capital Improvement and General Purpose Fund are available for use by the Authority for any lawful purpose. Amounts in the Capital Improvement and General Purpose Fund are not pledged to Owners of Bonds.

## **The CFC Fund**

The Authority has covenanted in the First Series Resolution and the Second Series Resolution to deposit all CFCs, when and if received by the Authority, into the CFC Fund. The CFC Fund is not pledged to the payment of principal of or interest on any Bonds. Except as to the irrevocable commitment described under "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—CFC Commitment for Series 2017 Bonds and Series 2024 Bonds**," amounts in the CFC Fund may be expended for any lawful purpose as the Authority may determine.

## **The PFC Fund**

The Authority has covenanted in the Second Series Resolution to deposit all PFCs, when and if received by the Authority, into the PFC Fund. The PFC Fund is not pledged to the payment of principal of or interest on any Bonds. Except as to the irrevocable commitment described under "**SECURITY AND SOURCES OF PAYMENT**

**FOR THE SERIES 2024 BONDS—PFC Commitment for Series 2024 Bonds,”** amounts in the PFC Fund may be expended as permitted by regulation and the Authority.

### **Investment Income or Loss**

Moneys in all Funds and Accounts established under the Resolution shall be invested in Permitted Investments (as such term is defined in Appendix E, “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION**”). All investment income or losses on all Funds and Accounts shall be credited to the Fund or Account on which such amount was earned or lost; provided, however, that (i) prior to completion of the related Projects, to the extent not needed to maintain the balance therein equal to the Reserve Requirement for a Series of Bonds, earnings on a pro rata portion of the amount in the applicable Account in the Reserve Fund, if any, shall be transferred immediately after each Payment Date with respect to the related Series of Bonds to the related Series Account in the Construction Fund, such portion being in relation to the portion of the Projects financed with such Series of Bonds which are not yet completed, and after all such Projects are completed, all such earnings not needed to satisfy the Series Reserve Requirement shall be transferred to the Revenue Fund and applied in accordance with applicable federal tax law, and (ii) earnings on amounts in Accounts in the Bond Fund with respect to a Series of Bonds shall be transferred to the Interest Account.

### **Additional Bonds**

So long as any Bonds remain Outstanding, the Authority agrees that it will not issue any additional bonds or incur or assume any other debt obligations, including capital leases, payable out of the Revenues or any part thereof which are superior to the Bonds. The Authority covenants and agrees that so long as any of the Bonds remain Outstanding, it will not issue any additional Bonds payable out of the Net Revenues or any part thereof which stand on a parity or equality with the Bond unless the following conditions are met:

(a) The Authority shall not be in default in the payment of principal of or interest on any Bonds at the time Outstanding or in making any payment at the time required to be made into the respective funds and accounts under the Resolution (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default); and

(b) The Authority shall have satisfied one of the following:

(1) An Authorized Representative has delivered to the Trustee a certificate stating that Net Revenues in the completed Fiscal Year immediately preceding the issuance of such additional Bonds were not less than the larger of (A) the amounts needed for making the required deposits to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund or (B) 125% of (i) Annual Debt Service on Bonds Outstanding in such immediately preceding Fiscal Year (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (ii) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

(2) An Airport Management Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the Authority’s debt service coverage rate covenant (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the additional Bonds proposed to be issued) for each of the next three full Fiscal Years following issuance of the additional Bonds, or each full Fiscal Year from issuance of the additional Bonds through two full Fiscal Years following completion of the Projects financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be Outstanding following the issuance of the proposed additional Bonds in any Fiscal Year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last Fiscal Year of the test must use such Maximum Annual Debt Service; provided further,

that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last Fiscal Year of the period described in this sentence, the Airport Management Consultant shall extend the test through the first full Fiscal Year for which there is no longer capitalized interest.

(3) With respect to additional Bonds proposed to be issued to refund Outstanding Bonds, either the requirement set forth in (1) or (2) is satisfied, or an Authorized Representative has provided to the Trustee a certificate stating that (A) the aggregate Annual Debt Service in each Fiscal Year with respect to all Bonds outstanding after issuance of such refunding Bonds shall be less than the aggregate Annual Debt Service in each such Fiscal Year through the last Fiscal Year in which Bonds are Outstanding prior to the issuance of such refunding Bonds and (B) the Maximum Annual Debt Service with respect to all Bonds to be Outstanding after issuance of such refunding Bonds shall not exceed the Maximum Annual Debt Service with respect to all Bonds Outstanding immediately prior to such issuance.

Additional Bonds issued under the conditions set forth in this section shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net Revenues with the Bonds.

### **Provisions Relating to Bond Insurance**

Notwithstanding anything in the Resolution to the contrary, so long as the Insurance Policy is in effect and the Insurer is not then in default thereunder:

The prior written consent of the Insurer shall be a condition precedent to the deposit of any Credit Facility provided in lieu of a cash deposit into the Pooled Reserve Account. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Pooled Reserve Account shall be applied solely to the payment of debt service due on the Series 2024 Bonds and any Pooled Reserve Participating Bonds.

The Insurer shall be deemed to be the sole Owner of the Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2024 Bonds are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies, (ii) the duties and obligations of the Paying Agent, and (iii) amendments, consents and waivers. In furtherance thereof and as a term of the Resolution and each Series 2024 Bond, each Owner of the Series 2024 Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Series 2024 Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an **“Insolvency Proceeding”**) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a **“Claim”**), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Series 2024 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Series 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent acknowledges such appointment, delegation and assignment by each Owner of the Series 2024 Bonds for the Insurer’s benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

The Insurer is a third party beneficiary of the Resolution.

The exercise of any provision of the Resolution which permits the purchase of Series 2024 Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Series 2024 Bond so purchased is not cancelled upon purchase.

Any amendment, supplement, modification to, or waiver of, the Resolution or any other transaction document, including any underlying security agreement (each a “**Related Document**”), that requires the consent of Owners of the Series 2024 Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the 2024 Account in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2024 Bonds.

The rights granted to the Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Series 2024 Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners of the Series 2024 Bonds or any other person is required in addition to the consent of the Insurer.

Only (1) cash, (2) non-callable direct obligations of the United States of America (“**Treasuries**”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody’s for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody’s have determined to be permitted defeasance securities, shall be used to effect defeasance of the Series 2024 Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Series 2024 Bonds, the Authority shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Series 2024 Bonds in full on the maturity or redemption date (“**Verification**”), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Series 2024 Bonds are no longer “Outstanding” under the Resolution and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2024 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, the Paying Agent and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow. Series 2024 Bonds shall be deemed “Outstanding” under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Resolution and the Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

#### Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“**Payment Date**”) there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the “**Insurer’s Fiscal Agent**”) by telephone of the

amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2024 Bonds and the amount required to pay principal of the Series 2024 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Series 2024 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2024 Bonds registered to the then current Owner of the Series 2024 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the Authority on any Series 2024 Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2024 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners of the Series 2024 Bonds referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners of the Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2024 Bonds under the sections of the Resolution regarding payment of Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Resolution to the contrary, the Authority agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "**Insurer Advances**"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "**Insurer Reimbursement Amounts**"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then-applicable highest rate of interest on the Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. The Paying Agent shall notify the Insurer of any funds remaining in the Policy Payments Account after the Paying Agent has made the payments for which a claim was made to the Owners of the Series 2024 Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

The Insurer shall, to the extent it makes any payment of principal or interest on the Series 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

The Authority shall pay or reimburse the Insurer, solely from the Net Revenues, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document. Amounts payable by the Authority hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents.

After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund (including all accounts therein) to the respective Reserve Requirement.

The Insurer shall be entitled to pay principal or interest on the Series 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

The Authority will permit the Insurer to discuss the affairs, finances and accounts of the Authority or any information the Insurer may reasonably request regarding the security for the Series 2024 Bonds with appropriate officers of the Authority and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Authority on any Business Day upon reasonable prior notice.

The Authority shall notify the Insurer of any known failure of the Authority to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.

Notwithstanding satisfaction of the other conditions to the issuance of additional Bonds set forth in the Resolution, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund (including all accounts therein) is fully-funded at the respective Reserve Requirement (including the proposed issue) upon the issuance of such additional Bonds, in either case unless otherwise permitted by the Insurer.

In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

## PLAN OF FINANCE

### General

The Authority is issuing the Series 2024 Bonds to (a) pay a portion of the costs of the TMP Project, as described below, (b) fund the Pooled Reserve Account, (c) fund capitalized interest on a portion of the Series 2024 Bonds through June 15, 2027 and (d) pay costs of issuance of the Series 2024 Bonds, including the premium for the municipal bond insurance policy issued by the Insurer.

### Build OMA

The Authority has a \$1.1 billion Capital Improvement Plan (“**Build OMA CIP**”) for the Airport. The Build OMA CIP was developed based on the most recent Master Plan for the Airport, which was completed in 2013 and led to a comprehensive vision for key facilities at the Airport, known as the “Build OMA Terminal Modernization Program” (as previously defined, the “**TMP**”). The TMP is the Airport’s most significant upgrade in nearly 40 years. The current Airport terminal was completed in 1986 and while the Authority has undertaken some cosmetic and practical upgrades since then, current traveler expectations, security needs, and anticipated continued growth are driving factors for instituting the TMP at this time. Every part of the program is purpose-driven to provide meaningful benefits designed to enable growth, meet the expectations of today’s travelers and enhance the travel experience. Additional features of the TMP and related Build OMA CIP projects are described below.

**Summary of the CIP.** Build OMA CIP extends through 2030 and is primarily focused on the TMP. A summary of the major projects in the Build OMA CIP are as follows:

- **Terminal Modernization.** The TMP involves the expansion and renovation of the current terminal at the Airport. The TMP, for which the Board approved an overall budget of \$950 million, is intended to lead to the expansion of terminal capacity to meet future forecasted demand at the Airport.

When the TMP is completed, the Airport terminal will feature multiple enhancements, including:

- An increase to approximately 646,000 square feet from the existing 375,000 square feet
- A single, unified concourse with one centralized Transportation Security Administration (TSA) security screening checkpoint versus the existing two separate concourses and separate TSA checkpoints
- An increase to 22 arrival/departure gates from the current 20, with the ability to add further gates for future growth
- Larger gate boarding areas
- Two gates capable of handling/accommodating international flights and a new Customs and Border Protection international arrivals hall for prospective international passenger processing
- Constructing new concession spaces which will result in the majority of available restaurants and retail concessions moving beyond the security checkpoint in the new terminal (currently the majority of space is before the security checkpoint)
- New concessions featuring 17 different National and local branded dining and retail options (nine of the 17 will be local Omaha brands)
- Enhanced vertical circulation for passengers including new elevators and additional escalators
- New airline ticketing space
- New automated inline baggage handling system
- Expanded baggage claim area
- New and expanded restrooms including companion care and family restrooms, nursing rooms and service animal relief area
- Enhancements focused on accessibility throughout the terminal

The TMP will expand the terminal capacity to 6 million total passengers (approximately 3 million enplaned passengers), which is anticipated to occur in the early 2030s. The number of terminal gates can easily be expanded in the future to increase capacity. Most other systems (checkpoints,

ticketing, bag claim, outbound bags) – the engine of the terminal and back of house systems – are being built with capacity to expand to 8 million total annual passengers with minimal new investment, which is expected to occur after 2040 to beyond 2050 on current high and low forecasts, respectively.

The TMP is being developed pursuant to a Design-Build Contract entered into in March 2019 with Holder Construction Group, LLC (“**Holder Construction**”). Corgan Associates, Inc. is the lead designer/architect working under the Holder Construction team. Construction is proceeding pursuant to a guaranteed maximum price (“**GMP**”) in January 2024 with Holder Construction for approximately \$798 million. At the time of execution of the GMP, all of the subcontractor bids were materially complete. The TMP is on schedule and on budget, and 100% of the design is complete. The TMP is presently expected to cost \$930 million. To promote risk management, among other approaches, the Authority established a \$45 million owner contingency within the owner budget and a separate Design-Builder contingency of \$47 million within the GMP. As of October 31, 2024, none of the owner contingency has been utilized and ample contingencies remain within the GMP. The TMP is expected to be completed in 2028. As of October 1, 2024, construction of the TMP was approximately 13% complete.

Minimal disruption for passengers and airlines is expected during construction. The Authority has relocated two gates in each terminal to allow for construction of the new centralized utility plant during the first phase of construction and ultimately, the central pavilion to the new terminal.

- **Central Utility Plant.** Included in the TMP is the construction of a new 21,550 square foot central utility plant for the Airport, which will replace aging facilities and equipment, and efficiently provide utilities for the new terminal. The project is included in the overall \$930 million TMP estimate. Construction on the central utility plant began in February 2024 and is expected to be completed in 2025. As of October 1, 2024, construction of the Central Utility Plant was approximately 51% complete.
- **Skywalks to Passenger Terminal.** Separate from the TMP, but part of the Build OMA program, are new and rehabilitated skywalks to the terminal building. An important element of the TMP is relocating ticketing to the second level of the terminal where there is a new consolidated security screening checkpoint located in the center of the terminal. The two existing skywalks and vertical circulation provide access from the ground transportation, parking, and rental car areas to the terminal. An estimated 60% of passengers utilize the existing two skywalks. The Authority plans to design and construct a new central skywalk and also to improve and rehabilitate the two existing skywalks to extend their life, modernize the infrastructure, and enhance safety/capacity. This project has an estimated budget of \$21.9 million. The Authority initiated design in October 2024 and anticipates completing design during 2025, at which point the Authority may solicit bids and authorize construction. Construction will commence thereafter.
- **Terminal Roadway/Canopy.** The ongoing Terminal Roadway/Canopy project has a budget of \$65 million. This is separate from the TMP but part of the overall Build OMA program. The project involves building a new roadway at the curbside of the terminal and a new glass canopy covering the entire roadway and passenger area from the South Garage parking facility to the terminal. This project will add an additional passenger drop-off lane, enhance the accessibility of the drop-off and pick-up area, and provide cover from weather elements. The project adds capacity and enhances safety for travelers at the Airport. Construction began in October 2023 and the project is expected to be completed in 2025. As of October 1, 2024, construction of the Terminal Roadway/Canopy project was approximately 73% complete.

Approximately \$49 million in CIP spending was incurred through 2023, and approximately \$213 million is expected to be incurred during 2024. The Authority’s CIP and planned funding (including the TMP) for the CIP timeframe are summarized below.

**SUMMARY OF CIP COSTS AND FUNDING**  
(Dollars in thousands)

<b>CIP Spending</b>	<b>Through</b>			<b>2025-30</b>	<b>Total</b>
	<b>2023</b>	<b>2024</b>	<b>2025-30</b>		
Terminal Drive & Canopy	\$ 20,910	\$ 44,090	\$ -	\$ 65,000	
Skywalks to Passenger Terminal	-	-	21,896		21,896
TMP	27,877	163,247	738,875		930,000
Other CIP Projects	-	5,233	39,450		44,683
<b>Total CIP spending</b>	<b>\$ 48,787</b>	<b>\$ 212,570</b>	<b>\$ 800,221</b>	<b>\$ 1,061,579</b>	

<b>CIP funding sources</b>						
<b>Bonds</b>						
Non-PFC supported	\$ -	\$ 67,388	\$ 364,612	\$ 432,000		
PFC-supported	-	17,255	92,745		110,000	
<b>Total Bond funding</b>	<b>\$ -</b>	<b>\$ 84,643</b>	<b>\$ 457,357</b>	<b>\$ 542,000</b>		
<b>Grants</b>						
AIP	1,644	8,368	10,207		20,219	
BIL	4,146	40,696	23,623		68,465	
TSA	-	160	24,555		24,715	
<b>Total grant funding</b>	<b>\$ 5,790</b>	<b>\$ 49,224</b>	<b>\$ 58,386</b>	<b>\$ 113,399</b>		
Authority cash	42,997	68,336	205,143		316,476	
PFC pay-go	-	9,503	55,497		65,000	
CFCs	-	864	15,594		16,458	
FEMA/insurance	-	-	8,245		8,245	
<b>Total funding sources</b>	<b>\$ 48,787</b>	<b>\$ 212,570</b>	<b>\$ 800,221</b>	<b>\$ 1,061,579</b>		

Source: Omaha Airport Authority. Totals may not foot due to rounding.

**CIP Funding.** There are four primary funding sources for the CIP – Bonds, Authority cash, grants, and PFCs – as well as contributions from other miscellaneous sources.

- **Bonds.** The Authority intends to finance a maximum of approximately \$542 million of CIP costs (approximately 50% of the total CIP) with proceeds of three bond issues – this Series 2024 Bond issue followed by two additional bond issues currently planned for 2026 and 2028. Debt service on \$4,330,000 annually is expected to be repaid with PFCs and \$550,000 annually is expected to be repaid with CFCs. To the extent that present forecasts or expectations surrounding revenue generation or grant sources produce more available cash funding, the Authority may incur less debt than presently expected.
- **Authority cash.** The Authority is projecting to invest \$316 million of unrestricted Authority cash balances in the CIP. This encompasses current Authority cash balances as well as future net cash flows generated from Airport operations through 2030. Management of the Authority intends to monitor cash usage with a target of maintaining 600 days' unrestricted cash balance on hand during the implementation of the CIP. The Authority does not have a covenant to maintain a minimum days' unrestricted cash balance on hand.
- **Grants.** The Authority is expecting to receive a total of \$113 million of grant funding for the CIP, including \$20 million of federal Airport Improvement Program (“AIP”) grants, \$68 million of Bipartisan Infrastructure Law (“BIL”) grants, and \$25 million of Transportation Security

Administration (“**TSA**”) funds through an Other Transaction Agreement. If such grants are not awarded or funded for any reason, the Authority expects to finance any such deficiency with additional Bonds or Authority cash.

- **PFCs.** In addition to the PFC-supported debt noted above, the Authority expects to apply \$65 million of PFC revenues to the TMP on a pay-as-you-go basis.
- **Other funding sources.** The Authority expects to apply approximately \$16.5 million of CFCs to rental car related elements of the CIP. Additionally, the Authority expects to receive \$8.2 million of funding through insurance proceeds or grants from the Federal Emergency Management Agency (“**FEMA**”) to cover CIP costs related to rebuilding facilities damaged by the tornado that struck parts of the Airport in April 2024 (included in “**Other CIP Projects**”). The portion of replacement costs related to the tornado, and reimbursement for funding which is dependent on costs, is subject to change as the Authority has not yet completed planning for replacement of assets or received estimates.

***Airline Communications.*** While the Authority has no contractual obligation to obtain the approval of, the airlines to implement the CIP, the Authority has engaged in discussions with the airlines regarding the TMP, the general schedule for implementation, and the potential resulting impact on airline rates and charges. The airlines have expressed support for the program, and the attendant operational changes that will benefit the airlines and the Airport.

## **SOURCES AND USES OF FUNDS**

The estimated application of the Series 2024 Bond proceeds is as follows:

### **Sources of Funds**

Principal Amount of Bonds	\$304,715,000.00
Original Issue Premium	<u>23,741,710.40</u>
Total Sources of Funds	<u><b>\$328,456,710.40</b></u>

### **Uses of Funds**

Deposit to Construction Fund (including Capitalized Interest)	\$305,841,887.55
Deposit to Pooled Reserve Account in the Reserve Fund	20,833,250.00
Costs of Issuance (including Underwriters' Discount and insurance premium)	<u>1,781,572.85</u>
Total Uses of Funds	<u><b>\$328,456,710.40</b></u>

### DEBT SERVICE SCHEDULE

The following table includes approximate debt service due on the Series 2017 Bonds and the Series 2024 Bonds. Certain amounts have been rounded.

<b>Fiscal Year Ending <u>December 31,</u></b>	<b>Series 2017 Bonds <u>(Principal and Interest)</u></b>	<b>Series 2024 Bonds <u>Principal</u></b>	<b>Series 2024 Bonds <u>Interest</u></b>	<b>Total Debt <u>Service</u></b>
2024	\$ 2,870,419	-	-	\$ 2,870,419
2025	2,869,662	\$ 870,000	\$ 16,272,549	20,012,211
2026	2,869,576	1,010,000	15,789,250	19,668,826
2027	2,865,322	5,090,000	15,738,750	23,694,072
2028	2,869,878	5,345,000	15,484,250	23,699,128
2029	2,870,120	5,610,000	15,217,000	23,697,120
2030	2,871,050	5,895,000	14,936,500	23,702,550
2031	2,867,418	6,185,000	14,641,750	23,694,168
2032	2,864,222	6,495,000	14,332,500	23,691,722
2033	2,865,430	6,825,000	14,007,750	23,698,180
2034	2,866,336	7,165,000	13,666,500	23,697,836
2035	2,866,692	7,525,000	13,308,250	23,699,942
2036	2,861,246	7,900,000	12,932,000	23,693,246
2037	-	8,295,000	12,537,000	20,832,000
2038	-	8,730,000	12,101,513	20,831,513
2039	-	9,185,000	11,643,188	20,828,188
2040	-	9,670,000	11,160,975	20,830,975
2041	-	10,175,000	10,653,300	20,828,300
2042	-	10,710,000	10,119,113	20,829,113
2043	-	11,275,000	9,556,838	20,831,838
2044	-	11,860,000	8,964,900	20,824,900
2045	-	12,485,000	8,342,250	20,827,250
2046	-	13,145,000	7,686,788	20,831,788
2047	-	13,830,000	6,996,675	20,826,675
2048	-	14,555,000	6,270,600	20,825,600
2049	-	15,320,000	5,506,463	20,826,463
2050	-	16,130,000	4,702,163	20,832,163
2051	-	16,975,000	3,855,338	20,830,338
2052	-	17,865,000	2,964,150	20,829,150
2053	-	18,805,000	2,026,238	20,831,238
2054	-	19,790,000	1,038,975	20,828,975
<b>Total</b>	<b><u>\$37,277,371</u></b>	<b><u>\$304,715,000</u></b>	<b><u>\$312,453,516</u></b>	<b><u>\$654,445,887</u></b>

## THE AUTHORITY

The responsibility for establishing the policies to guide the development, operation and maintenance of the Airport System is vested in the Authority. The Authority, created in 1959, operates under the authority of the Act.

The Authority is governed by a Board of Directors consisting of five members appointed by the Mayor and confirmed by the City Council of the City. The members are appointed for five-year terms which are staggered so that one term expires each year.

### Authority Board of Directors

<u>Name and Board Position</u>	<u>Occupation</u>	<u>Board Term Expiration Date</u>
Howard M. Kooper, Chair	Co-owner, Broadmoor Development	April 10, 2025
John F. Lund, Vice Chair	Chairman, The Lund Company	January 29, 2026
John W. Henderson, P.E., Member	Vice Chairman and Chief Executive Officer, HDR	May 7, 2027
Kristine A. Karnes, J.D., Member	Senior Director, Business Owner Advisory Services, FNBO	March 16, 2028
Eric L. Butler, Member	President and CEO, Aswani Butler Investment Associates	March 12, 2029

### Management

The affairs of the Authority are administered by a professional management staff which consists of a Chief Executive Officer, a Chief Strategy and Technology Officer, a Chief Operating Officer, a Chief Commercial Officer and a Chief Financial Officer. The names of the individuals currently serving as the Authority's management staff are set forth elsewhere in this Official Statement and in the following biographical summaries:

**David L. Roth, Chief Executive Officer.** Mr. Roth joined the Authority in September 2003 as the Assistant Director of Planning and Engineering Services and became the Director of Planning and Engineering Services in February 2005. He was promoted to Deputy Executive Director in 2015 and became the Executive Director (now Chief Executive Officer) in 2017. Mr. Roth was previously employed at Alvine & Associates from 1999 to 2003, the Trane Company from 1995 to 1999, the United States Army from 1991 to 1995 and as an intern with the Nebraska Department of Roads from 1988 to 1990. Mr. Roth graduated from South Dakota School of Mines & Technology with a B.S. in Electrical Engineering. In 2012, he received an M.B.A. from the University of Nebraska at Omaha. Mr. Roth is a licensed Professional Engineer in the State of Nebraska. He serves on the Board of Directors for the Omaha Branch of the Federal Reserve Branch of Kansas City and the Board of Directors for Airports Council International – North America.

**Stephen J. McCoy, Chief Strategy and Technology Officer.** Mr. McCoy joined the Authority in June 2003 as an Operations Supervisor and was promoted to Assistant Operations Manager in April 2014. He was promoted to Manager of Airline Affairs in July 2015. In February 2019 Mr. McCoy was promoted to Director of Air Service and Business Development. He was promoted to Chief Information and Development Officer in January 2021. In May 2024 Mr. McCoy was promoted to Chief Strategy & Technology Officer. Mr. McCoy serves on the Airports Council International – North America Operations, Planning, Safety, Infrastructure, and Development Steering Group. Mr. McCoy graduated from the University of Nebraska at Omaha with a B.S. in Aviation Administration. In 2011, he received a Masters in Public Administration from the University of Nebraska at Omaha. In 2021, he received a Masters in Business Administration also from the University of Nebraska at Omaha.

**Casey J. Schapmann, Chief Financial Officer.** Ms. Schapmann joined the Omaha Airport Authority in 2015 as Accounting Manager. In 2021, she was promoted to Senior Manager of Accounting and Administration, and in 2023, to Chief Financial Officer. Ms. Schapmann was previously the Accounting Manager for the Metropolitan Entertainment & Convention Authority where she was employed from 2002-2015. She graduated from the University of Nebraska at Omaha with a B.S. in accounting, with a

specialization in human resource management. In 2019, Ms. Schapmann became a Certified Public Accountant and maintains an active license.

**Timothy A. Schmitt, Chief Operating Officer.** Mr. Schmitt joined the Authority in May 2001 as an Operations Supervisor and was promoted to Operations Manager in December 2004 and Director—Operations (now Chief Operating Officer) in December 2016. Prior to his arrival, Mr. Schmitt was an Air Traffic Controller in the United States Air Force from 1981 to 2001 at various military installations throughout the country. Mr. Schmitt holds an Associate's Degree in Airway Science from Community College of the Air Force and a B.S. in Professional Aeronautics from Embry-Riddle Aeronautical University.

**Jason A. Snowden, Chief Commercial Officer.** Mr. Snowden joined the Authority in January 2020 and is the Chief Commercial Officer. Prior to joining the Authority, Mr. Snowden had been assisting the Authority for over 15 years as a consultant. In his previous experience Mr. Snowden was the Managing Director of LeighFisher's Business and Finance practice. Mr. Snowden has over 23 years of experience in airport finance including passenger facility charges, bond financing, lease negotiations, airline rates and charges, ground transportation, parking and strategic planning. Mr. Snowden serves on the Airports Council International – North America Finance Committee Steering Group. Mr. Snowden graduated from Bellarmine University in Louisville, Kentucky with a B.S. in Mathematics and minors in Computer Science and Business Administration.

## THE AIRPORT

The Airport, also known as Eppley Airfield, is classified by the FAA as a medium hub airport. Located four miles northeast of downtown Omaha, it is the principal air carrier airport serving Omaha and the regions of eastern Nebraska, western Iowa and southeastern South Dakota. Founded on a 192-acre site in 1925, the Airport now occupies a land area of approximately 2,650 acres.

### Terminal/Parking Area

Airport terminal facilities consist of the South Terminal and A Concourse, dedicated in February 1986, an interterminal connector housing concession and office areas, and the remodeled (in 1986) North Terminal and B Concourse. The terminals and concourses essentially mirror one another in their functional layout. Each terminal provides for ticketing, baggage claim and concession operations on the ground level and concession operations and offices on the second level. The concourses provide for airline operations and maintenance space at ground level and boarding through all-weather, covered jetways at the second level. In total, prior to the TMP there were 20 gates in the concourses. Additionally, there are 15 apron positions for aircraft on the north and south diversion aprons.

The current inventory of public parking capacity includes 4,834 spaces in the combined North and South parking garages, 3,312 spaces in the South Economy parking lot, 562 spaces in the South Canopy parking lot, and 779 spaces in the North Economy parking lot. In addition, there are 692 spaces in the employee lot and 957 spaces in Levels 1 and 2 of the North Garage, reserved for the ready-car and return areas for rental car companies. The North and South Terminals are each connected to the parking garage by walkways from the second level of the terminal building over the circulation roadway. The Authority provides free shuttle service between the terminal and the North and South Economy parking lots, the South Canopy lot and employee lot. The North parking garage was financed in part with the proceeds of the Series 2017 Bonds and was completed in 2019.

The Authority is planning material updates to its terminal, utilities and roadway entrance facilities based on a \$1.1 billion capital plan approved by the Authority. The Build OMA CIP is the Airport's most significant upgrade in nearly 40 years. See "**PLAN OF FINANCE—Capital Improvement Plan**" for additional information about the TMP and related Build OMA CIP projects, including the TMP Project.

### Landing Areas

The runway and taxiway system at Eppley Airfield provides for safe and efficient movement for all types of aircraft. One of the principal air carrier runways (14R-32L) is 9,502 feet long and has up to Category III B

instrumentation. It has the capacity to handle most commercial aircraft presently in use, including Boeing 747s. The parallel runway (14L-32R) is 8,500 feet and is equipped with up to Category III B instrumentation. The crosswind runway (18-36) is 8,153 feet long and is equipped with up to Category I instrument landing capabilities.

### **General Aviation Areas**

The Authority provides two exclusive areas for general aviation users: an area on the east side of Eppley Airfield (“**Eppley GA Area**”) and at Millard Airport (“**Millard**”), a reliever airport, which is located 15 miles southwest of downtown Omaha.

The Eppley GA Area is an area segregated from scheduled commercial aircraft operations and dedicated solely to general aviation users. Safety and capacity were the primary objectives of the plan. To these ends, the original general aviation runway (14L-32R) was constructed in 1968 on the far east side of the airfield. This parallel runway has since been replaced by the full commercial runway referred to above under “**Landing Areas**.” The flood levee was relocated closer to the Missouri River by the Authority in 1975 making an additional 600 acres of land available for airport development of the area. There are two principal fixed base operators (“**FBOs**”) serving the Eppley GA Area: Atlantic Aviation and Signature Flight Support. In addition, the Eppley GA Area is used by Alpine Air, a cargo operator, and there are also seven corporate hangars, 38 T-hangars and two FAA Part 135 operators.

The Authority assumed responsibility for Millard in 1971 when the City acquired it through annexation. It occupies 163 acres and has been designated by the FAA as a reliever airport to Eppley Airfield. Millard has been developed to capacity. It has 129 based aircraft, 137 T-hangars with a waiting list for any opening, one full service FBO and one specialized aircraft maintenance operator.

### **Cargo Area**

In accordance with the Airport Layout Plan (ALP), the northwest area of Eppley Airfield has been designated for the development of cargo-handling facilities. About 80 acres of land have been allocated of which over one-half have been developed. The cargo area is currently being served by operators including FedEx, DHL, and UPS.

### **Service Territory**

Eppley Airfield is the principal air carrier airport for Omaha (including the eight-county Omaha MSA comprised of Cass, Douglas, Sarpy, Saunders and Washington Counties in Nebraska and Harrison, Mills, and Pottawattamie Counties in Iowa) and the regions of eastern Nebraska, western Iowa and southeastern South Dakota. Eppley Airfield’s service area extends to all of Nebraska and western Iowa, eastern South Dakota, southern Minnesota and northern Missouri. The closest airports are in Lincoln, Nebraska, 62 miles southwest of Omaha; Sioux City, Iowa, 90 miles north; Des Moines, Iowa, 142 miles east, Sioux Falls, South Dakota, 184 miles north and Kansas City, Missouri, 170 miles south.

A map of the Authority’s service area generally is included in Appendix A “**REPORT OF THE AIRPORT CONSULTANT**”.

For most potential air travelers, there will be service through Eppley Airfield of equal or better quality (schedule frequency, aircraft equipment, nonstop destinations) and of equal or lesser fares than the service and fares available in Lincoln, Sioux City, Des Moines and Sioux Falls. Residents of the Omaha MSA are expected to continue to use Eppley Airfield as their “airport of choice” rather than less accessible airports.

See Appendix A, “**REPORT OF THE AIRPORT CONSULTANT**” for certain general information about the City and the Omaha Metropolitan Statistical Area.

### **Service Trends**

The Airport was served by eight airlines, three major cargo airlines and two regional cargo airlines in 2023. Eppley Airfield has averaged 67 passenger airline departures per day in 2024 through October, a level of activity the Authority expects to continue. Since the COVID-19 pandemic, airlines have been increasing aircraft gauge in lieu of

greater operational frequency. Larger, more fuel-efficient aircraft with fewer operations continues to be the trend over the past several years. The average seats per aircraft in the first six months of 2024 is 134 compared to 110 in 2019. Nearly all enplanements at the Airport consist of origin and destination passengers (passengers beginning or ending their trips at the Airport, as opposed to passengers connecting through the Airport to other cities).

#### Airlines Serving the Airport

<b>Major and National Passenger Airlines</b>	<b>Regional Passenger Airlines</b>	<b>Major and National Cargo Airlines</b>	<b>Regional Cargo Airlines</b>
Alaska	Air Wisconsin (American)	FedEx	Ameriflight
Allegiant	CommuteAir (United)	UPS	Baron Aviation
American	Endeavor (Delta)	DHL	
Delta	Envoy (American)		
Frontier	GoJet (Delta/United)		
Southwest	Mesa (United)		
Sun Country	PSA (American)		
United	Republic (American/Delta/United)		
	SkyWest (American/Delta/United)		

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## Air Traffic Statistics

	Year Ended December 31,			% Incr. (Dec.)
<b>PASSENGERS</b>	<b>2023</b>	<b>Share %</b>	<b>2022</b>	<b>Share %</b>
Enplaned	2,509,161		2,248,013	
Deplaned	2,517,478		2,258,700	
Total	5,026,639		4,506,713	
<b>CARGO/MAIL (LBS)</b>				
Enplaned	48,744,079		55,608,709	
Deplaned	66,371,106		79,285,835	
Total	115,115,185		134,894,544	
<b>AIRCRAFT OPERATIONS</b>				
General Aviation	29,125		30,872	
Air Carrier	48,997		46,495	
Air Taxi	19,510		20,373	
Military	1,306		2,892	
Total	98,938		100,632	
<hr/>				
<b>PASSENGERS BY AIRLINE</b>				
ALASKA	118,770	2.4%	102,292	2.3%
SkyWest (1)	0	0.0%	0	0.0%
<i>Alaska sub total</i>	118,770	2.4%	102,292	2.3%
ALLEGIANT	166,007	3.3%	141,465	3.1%
AMERICAN	758,485	15.1%	600,033	13.3%
Air Wisconsin (3)	31,150	0.6%	0	0.0%
Envoy	34,785	0.7%	134,612	3.0%
Mesa (4)	0	0.0%	18,473	0.4%
PSA (1)	0	0.0%	21,924	0.5%
Republic	77,573	1.5%	59,345	1.3%
SkyWest	74,165	1.5%	67,107	1.5%
<i>American sub total</i>	976,158	19.4%	901,494	20.0%
DELTA	437,569	8.7%	389,867	8.7%
Endeavor Air (1)	51,660	1.0%	37,973	0.8%
Republic	70,344	1.4%	60,121	1.3%
SkyWest	344,209	6.8%	403,089	8.9%
<i>Delta sub total</i>	903,782	18.0%	891,050	19.8%
FRONTIER	107,449	2.1%	126,839	2.8%
SOUTHWEST	1,830,193	36.4%	1,633,333	36.2%
SUN COUNTRY (5)	9,143	0.2%	0	0.0%
UNITED	807,669	16.1%	485,071	10.8%
Air Wisconsin (6)	0	0.0%	13,191	0.3%
CommuteAir (2)	141	0.0%	1,938	0.0%
GoJet (1)	1,055	0.0%	16,594	0.4%
Mesa (1)	27,093	0.5%	23,357	0.5%
Republic (1)	30,534	0.6%	16,986	0.4%
SkyWest	41,669	0.8%	141,695	3.1%
<i>United sub total</i>	908,161	18.1%	698,832	15.5%
CHARTERS	6,976	0.14%	11,408	0.25%
Total	5,026,639	100.0%	4,506,713	100.0%
				11.5%

(1) Provides irregular origin/departure service  
 (2) Formerly CommuteAir  
 (3) Air Wisconsin began flying for American on 3/1/2023  
 (4) Mesa ended flying for American on 4/3/2023  
 (5) Sun Country commenced operations on 5/26/2023  
 (6) Air Wisconsin ended flying for United on 6/1/2023

**Year-to-Date Air Traffic Statistics through September 2024**

**Also see Tables 8 and 9 in “APPENDIX A—REPORT OF THE AIRPORT CONSULTANT.”**

	Year through September		%
	2024*	2023	
<b>PASSENGERS</b>			
Enplaned	1,976,061	1,860,790	6.2%
Deplaned	2,004,805	1,880,445	6.6%
Total	3,980,866	3,741,235	6.4%
<b>CARGO/MAIL (LBS)</b>			
Enplaned	35,148,203	36,639,905	-4.1%
Deplaned	48,764,997	48,825,456	-0.1%
Total	83,913,200	85,465,361	-1.8%
<b>AIRCRAFT OPERATIONS</b>			
General Aviation	24,919	21,404	16.4%
Air Carrier	38,367	36,165	6.1%
Air Taxi	14,071	15,037	-6.4%
Military	797	1,104	-27.8%
Total	78,154	73,710	6.0%

\* Results for the first nine months of 2024 may not be indicative of results for the full year.

For the year ended December 31, 2023, Southwest was the largest airline in terms of total passengers at the Airport (36.4% of passenger volume, serving several of Omaha’s major origin and destination markets). In 2023, Southwest served 1,830,193 passengers at the Airport. American Airlines had a market share in 2023, including regional carriers, of 19.4%. United had an 18.1% market share, including its use of regional carriers. Delta had a market share of 18.0%, including regional carriers. The next four airline groups (Alaska, Allegiant, Frontier and Sun Country) had a combined market share of 8%. The Authority believes that its operations and revenues are not materially exposed to the possible cessation of service to Omaha by one or two major airlines due to merger, bankruptcy or other business reasons.

The top 10 origin and destination markets to and from Omaha for the twelve months ended March 31, 2024 were Phoenix, Denver, Las Vegas, Chicago, Orlando, Los Angeles, Dallas, Washington D.C., New York and Atlanta. Of these top 10 markets, all were served nonstop by two or more airlines, with the exception of Los Angeles (American only).

For passenger traffic by airline and emplaned passengers for historical periods, see Table 9 and Table 10 in “APPENDIX A—REPORT OF THE AIRPORT CONSULTANT.”

**Airline Rates and Charges**

The Authority enters into one-year airline lease agreements with the airlines serving the Airport (each, an **“Airline Lease Agreement”**), which are renewed each January 1. There are no long-term Airline Lease Agreements. Airline rates and charges are established annually by the Board by resolution. The Authority employs a compensatory system of airline rates and charges. Nonairline revenues are not credited against Airport costs for the calculation of airline fees and charges, and there are no requirements for airline approval of Airport capital projects (such as “majority-in-interest” airline approvals). The Authority has, however, engaged in discussions with the airlines regarding the TMP, the general schedule for implementation, and the potential resulting impact on airline rates and charges. The airlines have expressed support for the program, and the attendant operational changes that will benefit the airlines and the Airport.

The Airline Lease Agreements are substantially similar to each other. The one-year agreements govern the use and occupancy of the Airport and provide for compensation as determined by the Authority. The Authority calculates and adjusts airline charges on an annual basis or, under certain circumstances, more frequently. The airline charges are calculated based on the allocation of certain expenses of the Authority to airline-supported cost centers. (All Airport facilities from which airlines operate are owned by the Authority.) The charges paid by airlines recover the airlines’ pro rata share of the Authority’s costs in these airline-supported cost centers. While landing fees increase to compensate for any reductions in aircraft landed weight, terminal rental rates do not increase to compensate for

vacancy in space. The revenues derived from airline charges in combination with revenues derived from non-airline sources must be sufficient to meet all annual financial obligations. Airlines have no obligation to pay higher charges to ensure that the Net Revenues will be sufficient to satisfy the rate maintenance covenant under the Resolution. See **“BONDHOLDERS’ RISKS—Ability to Meet Rate Covenant”** elsewhere in this Official Statement.

The schedule of rates since 2020 is presented below for landing fees (per thousand pound units of certificated aircraft landed weight) and annual average terminal rent (per square foot).

<u>Year</u>	<u>Landing Fees</u>	<u>Average Terminal Rental Rates</u>
2020	\$2.988	\$ 87.84
2021	2.988	87.95
2022	3.512	93.84
2023	3.567	99.60
2024	3.743	110.76

## Landed Weights

<u>Year</u>	<u>Scheduled Airlines Landed Weight (in thousands of pounds)</u>	<u>% Increase (Decrease)</u>
2019	3,253,803	
2020	2,159,741	-33.6%
2021	2,734,050	26.6%
2022	2,942,549	7.6%
2023	3,207,691	9.0%

## Landed Weights by Scheduled Airline

<u>Airline</u>	<u>2022 Total Weight (in thousands of pounds)</u>	<u>2023 Total Weight (in thousands of pounds)</u>	<u>Difference</u>
<b>Carriers</b>			
American	476,532	499,751	4.9%
Delta	517,524	525,645	1.6%
Frontier	68,019	56,736	-16.6%
Southwest	872,371	1,030,090	18.1%
Alaska	53,205	63,626	19.6%
Allegiant	65,379	76,948	17.7%
United	386,284	524,523	35.8%
Sun Country <sup>(1)</sup>	0	6,875	0.0%
Total	2,439,314	2,784,194	14.1%
<b>Cargo</b>			
Federal Express	281,364	194,301	-30.9%
UPS	179,842	186,224	3.5%
DHL	27,346	34,349	25.6%
Silver Airways <sup>(2)</sup>	14,683	8,623	-41.3%
Total	503,235	423,497	-15.8%
Grand Total	2,942,549	3,207,691	9.0%

<sup>(1)</sup> Sun Country started service at the Airport on May 26, 2023.

<sup>(2)</sup> Silver Airways ended service at the Airport on July 3, 2023.

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## Airline Cost Per Enplaned Passenger

The passenger airline cost per enplaned passenger increased about 19% cumulatively from 2019 through 2023, primarily driven by inflation in the general economy, even though annual enplaned passenger totals were flat. The spike in 2020 and 2021 relates to the impact of the COVID-19 pandemic, when Airport passenger numbers declined significantly.

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Air Carrier (Non-Cargo) Costs					
Terminal Rent	\$ 8,564,683	\$ 8,320,825	\$ 8,422,801	\$ 8,909,299	\$ 9,900,667
Landing Fees	8,074,986	5,138,563	6,675,191	8,597,063	9,936,761
Apron Fees	140,918	130,606	141,739	127,275	114,200
Total	16,780,587	13,589,994	15,239,731	17,633,637	19,951,628
Cost % Change	-	-19.01%	12.14%	15.71%	13.15%
Enplaned Passengers	2,509,997	1,067,070	1,873,271	2,248,013	2,509,161
Cost Per Enplaned Passenger	\$ 6.69	\$ 12.74	\$ 8.14	\$ 7.84	\$ 7.95

## Operations Agreements

**Parking.** The Authority has a management agreement, expiring May 31, 2028, with Metropolis Technologies, Inc. (formerly known as SP Plus Corporation) to operate shuttle bus operations and public auto parking facilities on the Airport. Under the agreement, the Authority receives 100% of all gross parking revenue and pays for certain reimbursable expenses including management fees. The Authority has options to extend the agreement to May 31, 2030.

**Rental Cars.** The Authority has entered into nonexclusive agreements, expiring June 30, 2029, with Avis, Budget, Dollar, Enterprise, Hertz, Alamo/National, Thrifty and Payless to provide rental cars to the public at Eppley Airfield. As a concession fee, the Authority receives 10% of gross receipts from the rental cars, subject to a minimum annual fee that adjusts annually, and is equal to 10% of 75% of the immediately preceding year's gross receipts. In addition, each company pays rent for its counter and ready car space.

**Dining and Retail.** The Authority has existing agreements with Rigel Airport Services, GPMM, and Hudson News (Hudson) that will expire December 31, 2024. On September 17, 2024, the Authority announced a new dining and retail concessions program associated with the TMP. The new agreements are with joint ventures lead by Hudson and Plum Market. The new agreements include operating the interim spaces beginning January 1, 2025, as well as the new spaces to be operational in 2027/2028 as the new terminal areas become operational. The new agreements provide for a greater of a minimum annual or percentage rents which are levied on a tiered basis. The agreement terms are estimated to extend to 2042, or 15 years after completion of the new concession spaces.

Upon completion of the TMP, the concessions program will encompass 19 dining and retail locations, including 17 different National and local branded dining and retail options (nine of the 17 will be local Omaha brands). The program will also feature 22 local brand products offered at the various dining and retail options throughout the terminal.

Under the Hudson agreement, capital investment of \$13.9 million will be required of the concessionaire during the term of the agreement, with a minimum annual guarantee (MAG) of \$1,100,000 starting in the third year of the agreement and an estimated effective rent of 20% of Hudson's gross sales (the effective rent is estimated to be 25% of sales during the interim period before the new TMP facilities open). The MAG will adjust annually to 85% of the prior year's gross sales.

Under the Plum Market agreement, capital investment of \$13.8 million will be required of the concessionaire during the term of the agreement, with a MAG of \$1,050,000 starting in the third year of the agreement and an

estimated effective rent of 14.5% of Plum Market's gross sales (the effective rent is estimated to be 18.6% of sales during the interim period before the new TMP facilities open). The MAG will adjust annually to 85% of the prior year's gross sales. See Appendix A, "**REPORT OF THE AIRPORT CONSULTANT—FINANCIAL ANALYSIS—REVENUES—TERMINAL CONCESSIONS.**"

**Advertising.** The Authority has an agreement with Clear Channel to operate the terminal advertising concession for the period ending December 31, 2024. The agreement may be extended monthly until a new agreement is in place. The agreement calls for payment of 50% of gross receipts.

**Ground Transportation Providers.** The Authority entered into Non-Exclusive License Agreements with the Transportation Network Companies ("TNCs") such as Uber and Lyft in May 2020 that expire December 31, 2025. Effective June 1, 2020 the Authority began collecting \$2.75 per Uber and Lyft trip. The For Hire Companies (which includes Taxicabs, Limousines, and Open Class [shared ride]) began a \$2.75 fee per each trip effective January 1, 2021. The TNCs and For Hire Companies fee per trip increases to \$3.25 effective January 1, 2025. There is also an Off-Airport Parking User Fee Resolution that was approved by the Board in June 2021 that includes a 10% of gross user fee on off-airport parking revenues.

## **Insurance**

The Authority maintains property and casualty, liability, rental value insurance, worker's compensation insurance and other insurance coverages consistent with airport operators' industry standards. The Authority does maintain war liability and property terrorism coverage. Aon Risk Services Inc. represents the Authority in the insurance marketplace. See Note 8 to the Authority's Financial Statements of the Airport Authority of the City of Omaha for the year ended December 31, 2023 (with Independent Auditors' Report thereon) included in Appendix B-1 to this Official Statement.

## **Airport Security**

At Eppley Airfield, the TSA is responsible for the security screening of passengers and baggage, while the Authority through its Airport Police is responsible for airport perimeter security in compliance with TSA and FAA regulations as well as general security. Eppley Airfield's A Concourse and B Concourse are currently served by four checkpoint lanes each. The Authority, in cooperation with the TSA, has undertaken to minimize passenger inconvenience through the screening process, while maintaining the required levels of security. Part of the TMP includes significant updates to the Airport's screening facilities. See "**PLAN OF FINANCE—Capital Improvement Plan.**"

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## SUMMARY OF FINANCIAL OPERATIONS AND DEBT SERVICE COVERAGE RATIOS<sup>1</sup>

	<b>Audited</b>				
	2019	2020	2021	2022	2023 <sup>2</sup>
<b>Airline Revenue</b>					
Landing & Airport Fees	\$ 9,631,366	\$ 6,750,633	\$ 8,496,797	\$10,713,420	\$11,782,215
Terminal Rent	8,564,683	8,320,825	8,422,801	8,909,299	9,900,667
Total	18,196,049	15,071,458	16,919,597	19,622,719	21,682,882
<b>Nonairline Revenue</b>					
Auto Parking and Ground Transportation <sup>3</sup>	20,022,151	10,986,971	15,429,483	25,028,273	36,514,155
Rental Cars	5,625,599	3,106,279	5,338,260	6,362,623	7,192,815
Other Terminal Revenue	4,731,625	3,001,198	3,790,814	3,839,182	4,136,516
General Aviation & Fuel Fees	1,690,269	1,660,981	1,938,324	2,094,534	3,001,734
Millard Airport	471,139	486,470	490,936	488,841	495,013
Other Revenue	1,527,099	1,553,043	1,661,636	1,756,857	1,855,758
Total	34,067,882	20,794,942	28,649,454	39,570,310	53,195,990
Operating Revenue	52,263,931	35,866,400	45,569,051	59,193,029	74,878,872
Net Investment Return	4,061,842	1,807,955	-774,506	-4,258,339	4,672,733
AVAILABLE REVENUES	56,325,773	37,674,355	44,794,545	54,934,690	79,551,605
Operating Expenses <sup>3</sup>					
Salaries, Wages & Benefits	16,884,459	17,462,766	17,353,463	18,981,656	20,724,009
Utilities & Communications	1,868,077	1,711,382	1,736,704	1,906,761	1,941,796
Supplies & Materials	2,219,736	1,998,866	1,840,014	1,886,763	2,129,628
Contractual Services	3,271,665	3,062,872	3,569,195	4,167,822	4,561,092
Other Expenses	1,040,226	1,030,698	1,420,004	1,433,810	7,203,476
TOTAL OPERATING EXPENSES	25,284,163	25,266,584	25,919,380	28,376,813	36,560,001
NET AVAILABLE REVENUES	31,041,610	12,407,771	18,875,166	26,557,878	42,991,604
Historical Debt Service <sup>4</sup>	2,991,292	2,992,532	2,991,849	2,851,971	378,316
<b>Unaudited</b>					
Historical Debt Service Coverage	2019	2020	2021	2022	2023
	10.38x	4.15x	6.31x	9.31x	113.64x

<sup>1</sup> This table is based on calculations pursuant to the Master Resolution and reflects audited results as well as adjustments to remove certain GAAP non-cash items. See Appendix B-2 for the Unaudited Authority Summary Statements of Income and Expenses for the Nine Months Ended September 30, 2024 and 2023.

<sup>2</sup> See Appendix B-1 for Management's Discussion and Analysis for the year ended December 31, 2023.

<sup>3</sup> In 2023, the Authority entered into a new parking management agreement. The 2023 operating expenses now reflect a parking management expense. In the 2023 audited financials, 2022 was restated in the summary of changes for net position table for comparability and a \$4.1 million expense offsetting Auto Parking and Ground Transportation revenues was moved to Operating Expenses. The table above was not adjusted for 2022 and reflects the Authority's 2022 audit.

<sup>4</sup> Net of Designated CFC Revenues of \$2,489,000 in each year that are excluded from definition of "Annual Debt Service" pursuant to the Resolution.

## INFORMATION CONCERNING THE AIRLINE INDUSTRY AND THE AIRLINES

### General

For discussion on key factors affecting the level of aviation activity and the airline industry, see Appendix A, “**REPORT OF THE AIRPORT CONSULTANT—AIRLINE TRAFFIC ANALYSIS—KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC**” and “**BONDHOLDERS’ RISKS.**”

### Airline Information

Certain of the airlines or their parent corporations are subject to the information reporting requirements of the Exchange Act, and as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements may be inspected in the Public Reference Room of the SEC which can be located by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. Nothing filed with or furnished to the SEC contained on its website or linked thereto is incorporated by reference to this Official Statement. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (“**DOT**”). These reports may be inspected at the following location: Department of Transportation, Research and Special Programs Administration, Office of Airlines Statistics at Room 4125, 400 7th Street, SW, Washington, DC 20590, and copies of the reports may be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

**Neither the Authority nor any Underwriter undertakes any responsibility for nor makes any representations as to the accuracy or completeness of the content of information appearing on the SEC’s website as described above, including, but not limited to, updates of such information or links to other internet sites accessed through the SEC’s website. Neither the Authority nor any Underwriter makes any representation whatsoever with respect to the continued viability of any of the airlines serving the Airport.**

## BOND INSURANCE

### Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, Assured Guaranty Inc. (“**AG**”) will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds (the “**Policy**”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

### Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**” and together with its subsidiaries, “**Assured Guaranty**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “**AGO**.<sup>1</sup>” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

#### *Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.*

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

#### *Current Financial Strength Ratings*

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

#### *Capitalization of AG*

At September 30, 2024:

- The policyholders' surplus of AG was approximately \$3,644 million.
- The contingency reserve of AG was approximately \$1,374 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,438 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

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

#### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 (filed by AGL with the SEC on November 12, 2024).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2024 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

#### *Miscellaneous Matters*

AG makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "**BOND INSURANCE**".

### **BONDHOLDERS' RISKS**

An investment in the Series 2024 Bonds involves risk. Accordingly, the Series 2024 Bonds may not be suitable for all investors. Prospective purchasers of the Series 2024 Bonds should carefully consider the information provided in this Official Statement, including all appendices hereto and the following information, before making an investment decision. The factors set forth below, among others, may negatively impact the Authority, its operations or financial condition, or its ability to pay debt service on the Series 2024 Bonds.

## **The Series 2024 Bonds are Limited Obligations**

**The Series 2024 Bonds are limited obligations of the Authority payable solely from and secured solely by a pledge of and lien on the Net Revenues and the other funds pledged therefor, as described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS.” The Series 2024 Bonds are not general obligations of the Authority. The Authority has no taxing power. Neither the taxing power of the City, State nor any political subdivision of the State is pledged to pay principal of and interest on the Series 2024 Bonds. None of the Authority’s properties are subject to any mortgage or lien for the benefit of Owners of the Series 2024 Bonds.**

## **Factors Affecting the Airline Industry**

**General.** Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Series 2024 Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs) and other necessary supplies; the cost and availability of financing; regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; functionality of technological and software systems; capacity of the Airport and competition from other airports for connecting traffic; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, the economic recession that occurred between 2008 and 2009, and the COVID-19 pandemic. Other business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at the Airport and could have a more pronounced effect in the future.

In addition to revenues received from the airlines, the Authority derives a substantial portion of its revenues from operations contracts including parking operations, food and beverage concessions, retail concessions, car rental companies, and others. Declines in passenger traffic at the Airport may adversely affect the commercial operations of many of these concessionaires. While the Authority’s agreements with concessionaires require the concessionaires to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Authority’s control. Changes in demand, decreases in aviation activity and their potential effect on enplaned passenger traffic at the Airport may result in reduced Revenues, CFCs, and PFCs. Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, threats of terrorism, costs of aviation fuel, and airline concentration. See also “**—Aviation Security Concerns**” below for additional discussion on the costs of security.

**Economic Conditions.** Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. See Appendix A, “**REPORT OF THE AIRPORT CONSULTANT—AIRLINE TRAFFIC ANALYSIS—KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC.**”

**Cost of Aviation Fuel.** Airline earnings are significantly affected by changes in the price of aviation fuel. Historically, aviation fuel prices have been particularly sensitive to global political instability. Fuel prices continue to be subject to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by growth of economies such as China and India, levels of fuel inventory maintained by certain industries, reserve levels maintained by governments, currency fluctuations, disruptions to production and refining facilities and the weather. Significant increase in the cost of aviation fuel have had an adverse impact on the airline industry. Such adverse impacts could, or have already caused, certain airlines to

reduce capacity, fleet and personnel as well as increase airfares and implement various surcharges upon its passengers, all of which may negatively affect the demand for air travel and passenger activity at the Airport.

**Airline Concentration; Effect of Airline Industry Consolidation.** The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share sales strategies. While historical mergers have not had any material impact on airline service or enplanements at the Airport or on Revenues, historical or future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced CFC or PFC collections and/or increased costs for the other airlines serving the Airport.

**Industry Workforce Shortages.** Workforce and labor shortages are an aviation industry-wide issue. For example, a shortage in pilots have especially affected smaller regional airlines. There are several causes for such shortage. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines were required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Additionally, at the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages and, according to certain media reports, approximately 10% of pilots took early retirement. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases as air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. As a result, small regional airlines have a particularly difficult time hiring qualified new pilots, despite increased incentives. The shortage of pilots available to regional airlines may result in reduced service to some smaller U.S. markets. An additional concern regarding the pilot workforce has recently come to light due to the COVID-19 pandemic. Pilots have self-reported increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights, which has meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

**Aircraft Shortages.** After disposing of many aircraft during the COVID-19 pandemic, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft. Such delays result from several factors, including supply-chain disruptions, staffing shortages and quality control and safety issues. Delays in aircraft delivery may hamper airlines' ability to increase capacity to meet travel demand. As a result of delayed deliveries of the Boeing 737 MAX 10, Southwest has reduced schedules and terminated some routes; although none to date at the Airport. If such aircraft-delivery delays persist, airlines could further reduce service domestically and internationally, including from the Airport.

## **Effect of Airline Bankruptcies**

**General.** Numerous airlines operating at the Airport have filed for bankruptcy protection over the past several years including, among others, Delta, US Airways (which filed for protection twice and later was purchased by American Airlines), UAL Corporation, the parent of United, AMR Corporation, the parent of American Airlines and American Eagle, Frontier, and Republic Airways. Each of these airlines has emerged from bankruptcy and continue to operate at the Airport.

**Assumption or Rejection of Agreements.** An airline that has executed an Airline Lease Agreement and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its Airline Lease Agreement within 120 days after the bankruptcy filing, or the date of the entry of an order confirming a Chapter 11 Plan, or such other applicable period as provided in the United States Bankruptcy Code.

In the event of assumption and/or assignment of any agreement to a third party, the airline would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable Airline Lease Agreement or other agreements.

Rejection of an Airline Lease Agreement or other agreement or executory contract will give rise to an unsecured claim of the Authority for damages, the amount of which in the case of an Airline Lease Agreement or other agreement is limited by the United States Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of an Airline Lease Agreement or other agreement could be considerably less than the maximum amounts allowed under the United States Bankruptcy Code. Certain amounts unpaid as a result of a rejection of an Airline Lease Agreement or other agreement in connection with an airline in bankruptcy, such as airfield, terminal, concourse and ramp costs would be passed on to the remaining airlines under their respective Airline Lease Agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs. In addition, payments made by an airline in bankruptcy (or by its surety) within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy, in particular if the debtor posts collateral with its surety. In general, risks associated with bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the Authority may not be able to enforce any of its remedies under the agreements with a bankrupt airline.

Most of the foregoing airlines were each operating at the Airport under an Airline Lease Agreement at the time of their respective filings for bankruptcy protection. Each signed a new Airline Lease Agreement when it emerged from bankruptcy protection.

With respect to an airline in bankruptcy proceedings in a foreign country, the Authority is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

**Pre-Petition Obligations.** During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Authority on account of goods and services provided prior to the bankruptcy. Thus, the Authority's stream of payments from a debtor airline would be interrupted to the extent of pre-petition goods and services, including accrued rent and landing fees. All of the pre-petition obligations of Delta, US Airways, United, American, and Frontier were paid in full.

### **Effect of Bankruptcy of Tenant, Concessionaire, or other Contracting Party**

A bankruptcy of a significant tenant, concessionaire, or other entity that has a contract with the Authority could also result in a decrease of Revenues, along with delays or reductions in payments on, or other loss with respect to the Bonds, for reasons similar to those discussed above with respect to airline bankruptcies. Regardless of any specific adverse determinations by a court in a bankruptcy proceeding of a significant tenant, concessionaire, or other contract counterparty, such as the project manager or TMP contractor or subcontractor, a bankruptcy proceeding itself could have an adverse effect on the Revenues and the Airport's liquidity and results of operations.

### **Aviation Security Concerns**

**General.** Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

The Authority cannot predict whether the Airport will be a target of terrorism in the future. Additionally, the Authority cannot predict the effect of any future government-required security measures on passenger activity at the Airport.

**Threats of Terrorism.** Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks may influence passenger travel behavior and air travel demand. Recent and

ongoing terrorist attacks and threats of terrorism have had, and may continue to have, a negative impact on air travel. According to news reports, terrorist attacks in Nice, Munich, Paris, Brussels and Istanbul, among other cities, have had a negative impact on tourists traveling to, and throughout, Europe and, thereby, a negative effect on airline revenues. The Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001 or in Nice, Munich, Paris, Brussels and Istanbul, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines operating at the Airport from such incidents or disruptions.

***Effect of the COVID-19 Pandemic and other Global Health Concerns.*** The COVID-19 pandemic and resulting restrictions on human activities severely disrupted the economics of the United States and other countries. There can be no assurance that any resurgence of COVID-19 will not have a material adverse effect on the demand for passenger air travel.

In addition, the COVID-19 pandemic resulted in operational difficulties for certain airlines as they have increased capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

Future outbreaks, pandemics, or outbreaks outside the Authority's control may reduce demand for air travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Authority Revenues, CFC collections and/or PFC collections.

### **Regulations and Restrictions Affecting the Airport**

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Lease Agreements, and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security and Airport management.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions or legislation or regulations would adversely affect Revenues. See “—Aviation Security Concerns.”

### **Ability to Meet Rate Covenant**

As discussed in “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—Rate Maintenance Covenant**” the Authority has covenanted in the Master Resolution to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services rendered by the Authority, pursuant to airport use agreements or otherwise, so that during each Fiscal Year the rate covenant set forth in the Master Resolution is met. In addition to Net Revenues, the Authority has irrevocably committed certain CFCs to pay the debt service on the Series 2017 Bonds and the Series 2024 Bonds. See “—Availability of CFCs” below. If CFCs have been irrevocably committed or are otherwise used to pay principal of and/or interest on specified Bonds, such as the Series 2017 Bonds and the Series 2024 Bonds, a like amount of principal and/or interest on such Bonds is excluded from the calculation of Annual Debt Service; thus decreasing the Annual Debt Service and increasing debt service coverage for purposes of the rate covenant under the Master Resolution. See “**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—CFC Commitment for Series 2017 Bonds and Series 2024 Bonds.**” Likewise, the Authority has irrevocably committed certain PFCs to pay the debt service on the Series 2024 Bonds. See “—Availability of PFCs” below. If PFCs have been irrevocably committed or are otherwise used to pay principal of and/or interest on specified Bonds, such as the Series 2024 Bonds, a like amount of principal and/or interest on such Bonds is excluded from the calculation of Annual Debt Service; thus decreasing the Annual Debt Service and increasing debt service coverage for purposes of the rate covenant under the Master Resolution. See

## **“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—PFC Commitment for Series 2024 Bonds.”**

If Net Revenues were to fall below the levels necessary to meet the rate covenants, the Master Resolution provides for procedures under which the Authority would retain and direct the Airport Management Consultant to make recommendations as to the revision of the Authority’s schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System is subject to contractual, statutory and regulatory restrictions (see “**—Regulations and Restrictions Affecting the Airport**” above). Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport. The Airline Lease Agreements do not address the rate covenant under the Master Resolution.

### **Certain Factors Affecting the TMP**

Any significant construction project, such as the TMP, is subject to increased costs, delays and related risks, the occurrence of any of which could have a material adverse effect on the TMP. In a project of this size and scope, there is a significant possibility of cost increases, delays, and other adverse effects resulting from, among other things, (i) design, engineering, or construction problems, and resulting change orders; (ii) subsurface conditions, concealed or unknown conditions or other site or safety and health conditions; (iii) environmental conditions or compliance with hazardous material laws; (iv) utility relocation problems; (v) labor or significant material price increases, shortages, interruptions, disputes or stoppages, including those resulting from global supply chain issues due to a pandemic or conflict; (vi) permitting and governmental approval issues, including the inability to obtain or renew necessary permits; (vii) extraordinary inclement or severe weather conditions; (viii) occurrence of a casualty, or damage or destruction of completed or partially completed work; (ix) discovery of artifacts, fossils, relics or other archaeologically significant items that must be preserved and compliance with historic preservation laws and related agreements with historic preservation authorities; (x) discovery of endangered or threatened species protected under federal or state law; (xi) changes in laws; (xii) variable cost of contract allowances, and (xiii) other force majeure events. As a result, the Authority may encounter unanticipated difficulties and the construction and development of the TMP may be more costly or time-consuming than the Authority anticipates. While the Authority and Holder Construction have established a GMP for the TMP, contracts that are described as such are not necessarily guaranteed to be free from cost increases resulting from some of the conditions described above or for other reasons. The Authority’s budget for the TMP includes approximately \$45 million to cover contingencies including potential costs associated with the conditions described above. The contingency amount is not included in the GMP which also has its own contingency.

### **Cybersecurity and Data Security**

The Authority, like many other large public and private organizations, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity and operational threats, including but not limited to hacking, phishing, viruses, malware and other attacks on, or failures of, its computing and other digital networks and systems (collectively, “**Systems Technology**”). For example, a July 2024 technology failure caused by a faulty software update led to world-wide cancelation of thousands of flights due to debilitating impacts on airline software used to check in passengers, and for crew scheduling and pre-flight calculations. While the event was determined to be unintentional, the broad impact of the software failure had significant negative impacts on all US airline operations and passenger travel. Successful cybersecurity breaches could damage the Airport’s technology environment, compromise safety and security at the Airport, or cause material disruption to the Airport’s operations and thus finances. As a recipient and provider of personal, private, or sensitive information (collectively, “**Data**”) and as a part of the country’s critical infrastructure services, the Airport may be the target of cybersecurity incidents that could result in adverse consequences to the Airport’s Systems Technology and Data, requiring a response action to mitigate adverse consequences.

Cybersecurity incidents could result from unintentional events such as technological failures, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Airport's Systems Technology and Data in order to misappropriate assets or information or cause operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the Authority maintains multiple forms of cybersecurity and operational safeguards. The Authority maintains a cybersecurity framework supported by policies, procedures and controls in line with industry best practices and applicable regulations (collectively, the "**Cybersecurity Program**") to support, maintain and secure the Airport's Systems Technology and Data. The objectives of the Cybersecurity Program also include managing risk, improving cybersecurity event detection and remediation, and facilitating cyber awareness across all Airport departments.

While Airport cybersecurity and operational safeguards are periodically reviewed and tested, no assurance can be given by the Airport that such measures will ensure against all cybersecurity incidents. Cybersecurity breaches could damage the Airport's Systems Technology and Data, and cause material disruption to the Authority's finances or operations. The costs of remedying any such damage or protecting against future incidents could be substantial. Further, cybersecurity incidents could expose the Authority to material litigation or other legal risks, which could cause the Authority to incur material costs related to such legal claims or proceedings.

The airlines serving the Airport and other Airport tenants and counterparties also face cybersecurity threats that could affect their operations and finances. Notwithstanding security measures, information technology and infrastructure at the Airport, any of the airlines serving the Airport or other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored therein. Any such disruption or other loss of information could disrupt the operations of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Authority to generate revenue.

### **Availability of Funding for the TMP**

The Authority's plan of finance for the TMP assumes that proceeds of Additional Bonds, PFC revenues and CFC revenues on a pay-as-you-go basis, federal grants, and other available revenues of the Authority will be received by the Authority in certain amounts and at certain times to pay the costs of the TMP and related Build OMA projects. No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed.

To the extent that any portion of the funding assumed in the plan of finance for the TMP and related Build OMA projects is not available as anticipated, the Authority may be required to defer, modify, or remove certain components of the planned projects or issue Additional Bonds in an amount greater than currently contemplated to pay the costs of such projects. See "**PLAN OF FINANCE.**"

### **Availability of CFCs**

In addition to the use of Net Revenues, the Authority has applied \$2,489,000 of CFCs each Fiscal Year since 2018 to debt service on the Series 2017 Bonds, and has committed to apply \$550,000 of CFCs in each Fiscal Year beginning in 2027 through 2054 to pay a portion of the average annual debt service on the Series 2024 Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—CFC Commitment for Series 2017 Bonds and Series 2024 Bonds**" and "**BONDHOLDERS' RISKS—Ability to Meet Rate Covenant**" above. Together with the commitment for the Series 2017 Bonds, the CFC commitment constitutes approximately 7% of debt service on the outstanding Bonds, exclusive of capitalized interest.

The amount of CFCs received by the Authority in future years will vary based upon the actual number of Airport customers who rent vehicles from the rental car companies. No assurance can be given that any level of rental car customers will be realized. Any of the factors described under "**BONDHOLDERS' RISKS—Factors Affecting the Airline Industry**" or "**—Aviation Security Concerns**" could decrease the number of rental car customers arriving from the Airport and accordingly, the number of customers who rent cars from the rental car companies and availability of CFCs for debt service on the Series 2017 Bonds or the Series 2024 Bonds. A shortfall in CFCs may cause the Authority to increase rates and charges at the Airport to meet the debt service requirements on the Bonds that the Authority otherwise planned to pay from CFCs. While the Authority may by resolution increase the CFC

beyond its current rate at any time upon 60 days' notice to the rental car companies, excessive CFC rates could deter Airport customers from renting cars at the Airport facility in favor of off-Airport rental facilities.

### **Availability of PFCs**

In addition to the use of Net Revenues, the Authority has covenanted to apply \$4,330,000 of PFCs each Fiscal Year to pay a portion of the average annual debt service on the Series 2024 Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS—PFC Commitment for Series 2024 Bonds**" and "**BONDHOLDERS' RISKS—Ability to Meet Rate Covenant**" above. Together with the commitment for the Series 2017 Bonds, the PFC commitment constitutes approximately 20% of debt service on the outstanding Bonds, exclusive of capitalized interest.

The amount of PFCs received by the Authority in future years will vary based upon the actual number of Airport customers who emplane at the Airport. No assurance can be given that any level of customer will be realized. Any of the factors described under "**BONDHOLDERS' RISKS—Factors Affecting the Airline Industry**" or "**—Aviation Security Concerns**" could decrease the number of passengers enplaning at the Airport and accordingly, the availability of PFCs for debt service on the Series 2024 Bonds. A shortfall in PFCs may cause the Authority to increase rates and charges at the Airport to meet the debt service requirements on the Bonds that the Authority otherwise planned to pay from PFCs. The Authority expects to apply PFCs to a portion of debt service on additional Bonds issued in the future to complete the TMP. See "**PLAN OF FINANCE**."

### **Federal Funding**

The Airport and Airway Improvement Act of 1982, as amended, created the AIP, which is administered by the FAA. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system).

The AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described in more detail below. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Authority for the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues or Additional Bonds), (ii) result in decreases to planned capital projects, including the TMP or (iii) extend the timing for completion of certain projects.

Federal funding received by the Authority and aviation operations could be adversely affected by the implementation of sequestration – a unique budgetary feature first introduced in the Budget Control Act of 2011, which, among other things, reduced spending for most federal programs.

Sequestration could also adversely affect FAA and TSA budgets, operations and the availability of certain federal grant funds typically received annually by the Authority which may cause the FAA or TSA to implement furloughs of its employees and hiring freezes, including air traffic controllers, and result in flight delays and flight cancellations, implement hiring freezes.

Between 2020 and 2023, the Authority received, on average, approximately \$24.36 million of grants per year from the FAA and the TSA. The Authority is unable to predict future federal funding or sequestration or the impact of such actions on the Airport's airline traffic, grant receipts and Revenues.

### **Natural Disasters**

The occurrence of natural disasters, such as fires, tornadoes, earthquakes, or floods, could damage the Airport's facilities, interrupt services or otherwise impair operations and the ability of the Airport to produce Revenues. The Airport is located on the west bank of the Missouri River. This proximity to the Missouri River makes it particularly susceptible to flooding risks. In 2011, during Missouri River flooding that reached more than seven feet above flood stage, levees protecting the Airport were in danger of failing, and rising groundwater and sinkholes also threatened the Airport's facilities. Repairs and improvements have since been made to the levees, and measures

put in place to reduce the impact of Missouri River flooding on the Airport's facilities. If catastrophic flooding does occur and impacts the Airport facilities, it could negatively impact the Authority's ability to operate and it could ultimately have a material adverse effect on Revenues. However, even if flooding of the Missouri River in and around Omaha does not impact the Airport directly, it can result in road closures around the Airport making operations difficult and travel to the airport time-consuming for customers.

### **Summary Financial Information**

Certain historical financial information of the Authority is summarized in this Official Statement. There can be no assurance that the financial results achieved by the Authority in the future will be similar to historical results contained therein. Such future results will vary from historical results, and actual variations may be material. Therefore, the historical operating results of the Authority contained in this Official Statement cannot be viewed as a representation that the Authority will be able to generate sufficient revenues in the future to make timely payment of principal of, redemption premium, if any, and interest on its debt obligations, including the Series 2024 Bonds.

### **Unaudited Financial Information**

Certain operating results of the Authority for the nine-month period ended September 30, 2024 and 2023 are included as part of Appendix B-2 to this Official Statement. Such results are not necessarily representative of any other nine-month period of the Authority and may not be indicative of results for the full Fiscal Year 2024. Additionally, such results cannot be viewed as a representation that the Authority will be able to generate sufficient revenues in the future to make timely payment of principal of, redemption premium, if any, and interest on its debt obligations, including the Series 2024 Bonds.

The Authority's independent auditors have not compiled, examined, or performed any procedures with respect to the unaudited interim financial information contained in this Official Statement. The Authority's independent auditors have not been consulted in connection with the preparation of any financial information contained in this Official Statement.

### **Potential Limitation of Tax Exemption of Interest on Series 2024 Bonds**

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **No Acceleration**

Events of Default under the Resolution and related remedies are described herein under Appendix E, **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION—Defaults and Remedies.”** The occurrence of an Event of Default does not grant any right to accelerate payment of the Series 2024 Bonds. Since Net Revenues are Revenues net of Operation and Maintenance Expenses, and the Authority is not subject to involuntary bankruptcy proceedings, the Authority may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport even if an Event of Default has occurred and no payments are being made on the Series 2024 Bonds. See Appendix E, **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION—No Acceleration; No Cross Defaults.”**

## **Assumptions in the Report of the Airport Consultant**

The Report of the Airport Consultant incorporates numerous assumptions as to the utilization of the Airport and other matters and states that any forecast is subject to uncertainties. The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the assumptions contained in the Report of the Airport Consultant will occur. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. For example, the forecast is likely conservative on the total debt necessary to be issued for the TMP due to conservative components including interest rates, passenger enplanement growth, revenue expectations for both parking growth and for terminal dining and retail. Additionally, the Report of the Airport Consultant does not reflect the final terms of the Series 2024 Bonds. See “**REPORT OF THE AIRPORT CONSULTANT**” and Appendix A, “**REPORT OF THE AIRPORT CONSULTANT**.” For a discussion of the key factors affecting future airline traffic and revenue generation at the Airport as discussed in the Report of the Airport Consultant see Appendix A, “**REPORT OF THE AIRPORT CONSULTANT—AIRLINE TRAFFIC ANALYSIS—KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC.**”

## **Bond Insurance**

The Insurer may direct, and must consent to, any remedies that are exercised and the Insurer’s consent may be required in connection with amendments to the Resolution.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, any Series 2024 Bonds will be payable solely from the moneys received by the Trustee pursuant to the Resolution. In the event the Insurer becomes obligated to make payments with respect to any Series 2024 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2024 Bonds or the marketability (liquidity) of the Series 2024 Bonds.

The long-term insured ratings on any insured Series 2024 Bonds would be dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on any Series 2024 Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) of such Series 2024 Bonds.

Any insured Series 2024 Bonds would be general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

None of the Authority, Bond Counsel, the Municipal Advisor, the Underwriters or any of their counsel, will make any independent investigation of the claims paying ability of the Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest with respect to the Series 2024 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment.

## **LITIGATION**

There is no action, suit at law or at equity, proceeding, inquiry or investigation pending or, to the best of the knowledge of the Authority, threatened, against the Authority in any court, administrative agency or other public body, in any way affecting the legal existence of the Authority or the title of the officers of the Authority to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2024 Bonds, or in any material way adversely affecting the collection of revenues or assets of the Authority pledged or to be pledged under the Resolution, the validity or enforceability of the Series 2024 Bonds, the Resolution or the power or authority of the Authority with respect thereto.

## CONTINUING DISCLOSURE

The Authority will agree in an undertaking (the “**Undertaking**”) for the benefit of the holders of the Series 2024 Bonds to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (“**MSRB**”) annually and to provide notice to the MSRB of certain events, pursuant to the requirements of Rule 15c2-12 (“**Rule**”) under the Securities Exchange Act of 1934, as amended. See Appendix C, “**FORM OF CONTINUING DISCLOSURE UNDERTAKING**.”

A failure by the Authority to comply with the Undertaking will not constitute an event of default with respect to the Series 2024 Bonds, although any holder would have any available remedy at law or in equity, including seeking specific performance by court order, to cause the Authority to comply with its obligations under the Undertaking. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2024 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2024 Bonds and their market price.

The Authority believes it has complied in all material respects with its prior undertakings under the Rule in the past five years, except in 2022 it filed notice of a ratings upgrade approximately 5 months late.

## UNDERWRITING

Pursuant to a Bond Purchase Agreement (the “**Agreement**”) by and between the Authority and BofA Securities, Inc., as representative of itself and Piper Sandler & Co., Wells Fargo Bank, National Association, Northland Securities, Inc., Samuel A. Ramirez & Co., Inc., and R. Seelaus & Co., LLC (collectively, the “**Underwriters**”), the Series 2024 Bonds are being purchased by the Underwriters at an aggregate purchase price of \$327,838,239.76 (representing the aggregate principal amount of the Series 2024 Bonds plus aggregate original issue premium of \$23,741,710.40 and less Underwriters’ discount of \$618,470.64).

The Agreement provides that the Underwriters will purchase all of the Series 2024 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2024 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Series 2024 Bonds or any proceedings in connection with the issuance thereof and the absence of material adverse changes in the financial or business condition of the Authority.

The Underwriters are not acting as a financial advisor to the Authority in connection with the offer and sale of the Series 2024 Bonds.

The Underwriters have provided the following two paragraphs for inclusion in this Official Statement:

While the Underwriters expect, insofar as possible, to maintain a secondary market for the Series 2024 Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriters or others, and prospective purchasers of the Series 2024 Bonds should therefore be prepared to hold their Series 2024 Bonds to their maturity.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas

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

The following paragraph has been provided by BofA Securities, Inc. for inclusion in this Official Statement:

BofA Securities, Inc., an underwriter of the Series 2024 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2024 Bonds.

The following paragraph has been provided by Piper Sandler & Co. for inclusion in this Official Statement:

Piper Sandler & Co., one of the Underwriters of the Series 2024 Bonds, has entered into a distribution agreement (the “**Piper Distribution Agreement**”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings, including the Series 2024 Bonds, at the original issue prices. Pursuant to the Piper Distribution Agreement, CS&Co. will purchase Series 2024 Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Series 2024 Bond that CS&Co. sells.

The following two paragraphs have been provided by Wells Fargo Bank, National Association for inclusion in this Official Statement:

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), one of the Underwriters of the Series 2024 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 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2024 Bonds with WFA. WFBNA has also entered into an agreement (the “**WFSLLC Distribution Agreement**”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

## TAX MATTERS

The following is a summary of the material federal and State of Nebraska income tax consequences of holding and disposing of the Series 2024 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2024 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Nebraska, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series

2024 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2024 Bonds.

### **Opinion of Bond Counsel**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law existing as of the issue date of the Series 2024 Bonds:

**Federal and Nebraska Tax Exemption.** The interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes except for any period during which a Series 2024 Bond is held by a “substantial user” of the facilities financed by the Series 2024 Bonds or a “related person” within the meaning of Section 147(a) of the Code and is exempt from income taxation by the State of Nebraska.

**Alternative Minimum Tax.** The interest on the Series 2024 Bonds is an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 2024 Bonds, subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2024 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2024 Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

### **Other Tax Consequences**

**Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Series 2024 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2024 Bond is the sum of all payments on the Series 2024 Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2024 Bond is generally the first price at which a substantial amount of the Series 2024 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2024 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2024 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2024 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

**Sale, Exchange or Retirement of Series 2024 Bonds.** Upon the sale, exchange or retirement (including redemption) of a Series 2024 Bond, an owner of the Series 2024 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Series 2024 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2024 Bond. To the extent a Series 2024 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2024 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2024 Bonds, and to the proceeds paid on the sale of the Series 2024 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

***Collateral Federal Income Tax Consequences.*** Prospective purchasers of the Series 2024 Bonds should be aware that ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2024 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2024 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2024 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

#### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the validity and enforceability of the Series 2024 Bonds, including their authorization, issuance and sale by the Authority, are subject to the approval of Gilmore & Bell, P.C., bond counsel to the Authority. The proposed form of such opinion is included in this Official Statement as Appendix D. Certain matters will be passed upon for the Underwriters by Kutak Rock LLP.

#### **RATINGS**

S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), and Moody’s Investors Service, Inc. (“Moody’s”) have assigned underlying ratings of “AA- (negative outlook)” and “A1 (stable outlook)”, respectively, to the Series 2024 Bonds. S&P and Moody’s are expected to assign insured ratings of “AA” (stable outlook) and “A1” (stable outlook), respectively, to the Series 2024 Bonds, based upon the issuance of the Policy by AG at the time of delivery of the Series 2024 Bonds. Such ratings reflect only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used, should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041; and Moody’s Investors Service, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings are not a recommendation to buy, sell or hold the Series 2024 Bonds. There can be no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024 Bonds.

#### **INDEPENDENT AUDITORS**

The financial statements and supplementary information of the Authority as of December 31, 2023 and for the year then ended included as Appendix B-1 to this Official Statement have been audited by FORVIS, LLP, independent accountants, as stated in its report appearing therein.

Neither the Authority’s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the interim financial statements included as Appendix B-2 to this Official Statement, nor have they expressed any opinion or any other form of assurance on such statements, and they assume no responsibility for, the interim financial statements included as Appendix B-2 to this Official Statement.

## REPORT OF THE AIRPORT CONSULTANT

The Authority has retained LeighFisher (the “**Airport Consultant**”), which is recognized as an expert in its field, to prepare a report in connection with the Series 2024 Bonds. The Report of the Airport Consultant is included as Appendix A hereto, with the Airport Consultant’s consent. The information regarding the analyses and conclusions contained in the Report of the Airport Consultant is included in the Official Statement in reliance upon the expertise of the Airport Consultant. The Report of the Airport Consultant should be read in its entirety for an understanding of the assumptions and rationale underlying the financial forecasts contained therein and the key factors impacting such forecasts.

The financial forecasts in the Report of the Airport Consultant are based on certain information and assumptions that were provided by, or reviewed and agreed to by, the Authority’s management. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the forecasts.

The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurance can be given that these or any of the other assumptions contained in the Report of the Airport Consultant will occur. As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also “**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**,” and “**BONDHOLDERS’ RISKS—Assumptions in the Report of the Airport Consultant**.”

## MUNICIPAL ADVISOR

D.A. Davidson & Co. serves as municipal advisor to the Authority. The municipal advisor will not be a manager or a member of any purchasing group for the purchase and sale of the Series 2024 Bonds.

## MISCELLANEOUS

This Official Statement has been authorized by the Authority.

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

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**APPENDIX A**

**REPORT OF THE AIRPORT CONSULTANT**

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

AIRPORT AUTHORITY OF THE CITY OF OMAHA

AIRPORT FACILITIES REVENUE BONDS (AMT), SERIES 2024

Prepared for

Airport Authority of the City of Omaha  
Omaha, Nebraska

Prepared by  
LeighFisher  
San Francisco, California

November 12, 2024

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November 12, 2024

Members of the Board  
Airport Authority of the City of Omaha  
4501 Abbott Drive, Suite 2300  
Omaha, Nebraska 68110

**Re: Report of the Airport Consultant, Airport Authority of the City of Omaha,  
Airport Facilities Revenue Bonds (AMT), Series 2024**

Dear Members of the Board:

LeighFisher is pleased to submit this Report of the Airport Consultant in connection with the proposed issuance by the Airport Authority of the City of Omaha (Omaha Airport Authority, or the Authority) of its Airport Facilities Revenue Bonds (AMT), Series 2024 (the Series 2024 Bonds). This letter and the accompanying attachment and financial exhibits constitute our Report.

The Authority owns and operates Omaha Eppley Airfield (the Airport, Eppley Airfield, or OMA) and Millard Airport, a general aviation airport. The Authority proposes to issue the Series 2024 Bonds for purposes of:

- Paying a portion of the costs of financing its Terminal Modernization Program, as described herein,
- Funding debt service reserve and capitalized interest accounts for portions of the Series 2024 Bonds through January 1, 2027, and
- Paying costs of issuance of the Series 2024 Bonds

Currently, the Authority has \$27.3 million of Series 2017 Bonds outstanding. Upon delivery of the Series 2024 Bonds, the Series 2017 Bonds and the Series 2024 Bonds will be the only outstanding debt of the Authority.

Prior to the issuance of the Series 2024 Bonds, LeighFisher expects to prepare an Additional Bonds Test (ABT) certification related to the issuance of the Series 2024 Bonds, in accordance with Section 7.09 of the Master Resolution, as discussed later in the Report.

## **THE CAPITAL IMPROVEMENT PLAN**

The Authority has a \$1.1 billion Capital Improvement Plan (CIP) for the Airport. The CIP was developed based on the most recent Master Plan for the Airport, completed in 2013, which led to a comprehensive vision for key facilities at the Airport, known as the “Build OMA Terminal Modernization Program” (TMP, or Build OMA). Build OMA is the Airport’s most significant upgrade in nearly 40 years. Every part of the program is purpose-driven to provide meaningful benefits designed to enable growth, meet the expectations of today’s travelers, and enhance the travel experience. The program’s goals and objectives include (1) establish a need-based development plan based on activity at the Airport and level of service trigger points; (2) maintain customer convenience and improve the customer experience; and (3) provide a cost-effective, phased implementation plan.

The approved CIP extends through 2030 and is primarily focused on the TMP.

A summary of the major projects in the CIP are as follows:

- **Terminal:** The TMP involves the expansion and renovation of the current terminal at the Airport. The Board has approved a budget of \$950 million for the TMP. The current cost estimate is \$930 million. The TMP is intended to lead to the expansion of terminal capacity to meet future forecasted demand at the Airport. The initial TMP gate/holdrooms expand the terminal capacity to 6 million total passengers (approximately 3 million enplaned passengers), which is anticipated to occur during the early 2030s. Terminal gates can easily be expanded in the future to increase capacity. Most other systems (checkpoints, ticketing, bag claim, outbound bags) – the engine of the terminal and back of house systems – are being built with capacity to expand to 8 million total annual passengers with minimal new investment, which is expected to occur after 2040 to beyond 2050 on current high and low forecasts, respectively. The TMP is being developed under a guaranteed maximum price (GMP) contract. Construction is currently underway and is expected to be complete in 2028.

The TMP also includes the construction of a new 21,550 square foot central utility plant for the Airport, which will replace aging facilities and equipment, and efficiently provide utilities for the new Terminal. This project element is expected to be completed in 2025.

- **Roadway:** The ongoing Terminal Roadway/Canopy project has a budget of \$65 million. This is separate from the TMP but part of the overall Build OMA program. The project involves building a new roadway at the curbside of the terminal and a new glass canopy covering the entire roadway and passenger area from the South Garage parking facility to the Terminal. This project will add an additional passenger drop-off lane, enhance the accessibility of the drop-off and pick-up area, and provide cover from weather elements. The project adds capacity and enhances safety for travelers at the Airport. This project is expected to be completed in 2025.
- **Skywalks to Passenger Terminal:** An important element of the TMP is relocating ticketing to the second level of the terminal where there is a new consolidated security screening checkpoint located in the center of the terminal. The two existing Skywalks and vertical circulation provide access from the ground transportation, parking, and rental car areas to the terminal. An estimated 60% of passengers utilize the existing two existing Skywalks. The Authority plans to design and construct a new central Skywalk and also to improve and rehabilitate the two Skywalks currently in operation to extend their life, modernize the infrastructure, and enhance safety and capacity. The estimated cost of this project is \$21.9 million.

The CIP is expected to be funded through a combination of Bonds, Authority cash, grants, PFCs, CFCs, and miscellaneous other sources.

Members of the Board  
November 12, 2024

## KEY ASSUMPTIONS UNDERLYING THE FORECASTS

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

- **Air Traffic.** Total enplaned passengers forecast average annual growth of 1.9% per year from 2023\* through 2030, increasing from 2.5 million to 2.9 million.
- **Airline Rates and Charges.** The Authority enters into one-year airline lease agreements with the airlines serving the Airport, which renew annually on January 1. There are no long-term airline lease and use agreements. Airline rates and charges are established annually by the Authority Board of Directors by resolution. The Authority employs a compensatory system of airline rates and charges. Nonairline revenues are not credited against Airport costs for the calculation of airline fees and charges, and there are no requirements for airline approval of Airport capital projects (such as “majority-in-interest” airline approvals).
- **Passenger Facility Charge (PFC) Program.** The Authority first levied a \$4.50 PFC in 2017 and has authorization from the FAA to collect and use a total of \$296.3 million of PFCs under the terms of two approved PFC applications, with an expiration date of July 1, 2044. In accordance with the Authority’s second approved PFC application, PFCs are expected to be pledged or used for payment on a portion of the debt (including the Series 2024 Bonds) to be issued for purposes of funding PFC-eligible and approved portions of the TMP. The Authority budgeted \$10.1 million of PFC collections for 2024.
- **Customer Facility Charge (CFC) Program.** The Authority implemented a \$2.50 CFC in 2015. The collection rate is currently \$5.00 and is subject to change upon Authority Board resolution. The Authority had a cash balance of \$4.4 million in the CFC fund as of June 30, 2024. The Authority budgeted \$3.7 million of CFC collections for 2024. As described later in this Report, certain CFC collections constitute Designated CFC Revenues and are used for the payment of debt service on the Series 2017 Bonds and the Series 2024 Bonds, while those Bonds remain outstanding.
- **Series 2024 Bonds.** The estimated Annual Debt Service for the Series 2024 Bonds was provided by D.A. Davidson, the Authority’s registered municipal advisor, assuming a \$333.9 million par, a 2054 maturity, and a 5.0% interest rate. Of this, \$70.7 million of Series 2024 Bond issuance would be repaid from PFC revenues. For purposes of this Report, annual debt service related to the Series 2024 Bonds is estimated to be \$4.6 million in 2025 and 2026 (paid with PFCs in each year), and approximately \$22.2 million per year starting in 2027, of which approximately \$4.6 million would be paid with PFCs and approximately \$551,000 would be paid with CFCs. The plan of finance and estimated Annual Debt Service are preliminary and could change prior to issuing the Series 2024 Bonds.

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\*The Authority’s Fiscal Year ends on December 31 (i.e., the calendar year).

Members of the Board  
November 12, 2024

- **Future Bonds.** The Authority currently expects to issue future bonds for the completion of the TMP. Specifically, the Series 2026 Bonds and the Series 2028 Bonds (together, the Future Bonds) are assumed to be issued before the end of Fiscal Year 2030, which constitutes the Forecast Period for purposes of this Report.

The section of the Report entitled "Basis for Airline Passenger Demand" describes the airport service region and the demographic and economic profile of the region. "Airline Traffic Analysis" describes the role of the Airport, including airline service, passenger traffic, and top markets; the key factors affecting future airline traffic; and the air traffic forecasts. The section of the Report entitled "Capital Improvement Plan and Funding" describes the Authority's CIP, projected capital spending levels, and forecast funding sources for the CIP. The section of the Report entitled "Financial Analysis" provides a summary of the legal framework governing the financial operation of the Authority, debt service requirements, operation and maintenance expenses, and Airport revenues.

## MASTER RESOLUTION AND SERIES RESOLUTIONS

The Series 2024 Bonds are being issued pursuant to the Master Resolution and a Second Series Resolution (collectively, together with the First Series Resolution, the Resolution).\* This Report relies primarily upon the Resolution as a basis for presentation. Except as otherwise defined herein, capitalized terms in this Report are used as defined in the Resolution. Therefore, references to certain terms such as Operation and Maintenance Expenses and Revenues have meanings that are defined under the Resolution, unless otherwise defined herein. A more detailed description of the Resolution is contained in the Report and Appendix E of the Official Statement. The Resolution should be read in its entirety for an understanding of the defined terms as references in this Report do not purport to be comprehensive.

Pursuant to the Resolution, the Authority has pledged the Net Revenues of the Airport System to the payment of the Series 2017 Bonds, the Series 2024 Bonds, and any subsequently issued parity Bonds, along with other funds as described in the Official Statement and as set forth in the Resolution. Net Revenues means Revenues less Operation and Maintenance Expenses. Pursuant to the First Series Resolution, the Authority irrevocably committed certain Customer Facility Charges to be deposited into the Bond Fund to pay a portion of the debt service on the Series 2017 Bonds. Pursuant to the Second Series Resolution, the Authority expects to irrevocably commit certain PFCs and CFCs to be deposited into the Bond Fund to pay a portion of the debt service on the Series 2024 Bonds.

The Series 2024 Bonds are limited obligations of the Authority payable solely from Net Revenues of the Airport System and the other funds pledged under the Resolution for the Series 2024 Bonds. Designated CFC Revenues will be irrevocably committed while the Series 2017 Bonds and Series 2024 Bonds remain outstanding, and Designated PFC Revenues will be irrevocably committed while the Series 2024 Bonds remain outstanding.

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\*The Master Resolution and First Series Resolution were approved by the Board on December 20, 2016. The form of the Second Series Resolution was approved by the Authority in January 2024 when the Authority authorized the issuance of additional bonds. The Second Series Resolution will be finalized at pricing of the Series 2024 Bonds.

Members of the Board  
November 12, 2024

## Rate Covenant Requirement

In Section 7.08 of the Master Resolution (referred to as “Rents, Fees, and Charges”), the Authority “...covenants and agrees that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either: (1) The amounts needed for making the required deposits in the Fiscal Year to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund; or (2) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.”

Additionally “The Authority covenants that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified in subsection (a) of this Section, the Authority will require the Airport Management Consultant to make recommendations as to the revision of the Authority’s schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System as may be necessary.”

## Application of Revenues and Established Funds

Under the Resolution, in Section 5.04, certain funds are established, and the application of Revenues received by the Authority is defined using certain priorities. A Revenue fund is established, and all Revenues must be promptly deposited by the Authority to the credit of the Revenue Fund.

On the first day of the month the Authority applies the Revenues in the following amounts and order of priority:

1. The then current month’s Operation and Maintenance expenses will be deposited into the Operation and Maintenance Fund.
2. Revenues will then be deposited into the Bond Fund (separated into a Principal Account, Interest Account, and Sinking Fund Account) to pay Annual Debt Service. Designated CFC Revenues and PFC Revenues are deposited into the Bond Fund to reduce the amount of Annual Debt Service paid from Revenues.
3. Revenues will then be deposited into the Reserve Fund, to the extent the amount on deposit is less than the Reserve Requirement, until such time that the amount on deposit meets the Reserve Requirement.
4. Revenues will next be deposited into the Junior Lien Obligations Fund. The Authority has no outstanding Junior Lien Resolutions, no Junior Lien Obligations, and no plan to issue Junior Lien Obligations during the Forecast Period.
5. All remaining amounts in the Revenue Fund will be deposited into the Capital Improvement and General Purpose Fund.

Members of the Board  
November 12, 2024

Additionally, in the First Series Resolution the Authority established a CFC Fund and Designated CFC Revenues to offset Annual Debt Service payments on the Series 2017 Bonds. In the Second Series Resolution the Authority established a PFC Fund and Designated PFC Revenues, as well as referencing the CFC Fund and Designated CFC Revenues, to offset Annual Debt Service payments on the Series 2024 Bonds:

- **Designated CFC Revenues.** Designated CFC Revenues “means, for any period of time, the amount of Customer Facility Charges specified in any Series Resolution (or other resolution adopted by the Authority) in which the Board irrevocably commits to pay a portion of the Debt Service on a Series of Bonds.”
- **CFC Fund.** CFC Fund means the fund by that name set forth in Section 3.08 of the First Series Resolution (and referenced in Section 3.08 of the Second Series Resolution). “The CFC Fund, to be held by the Authority, into which all CFCs, when and if received by the Authority, shall be deposited. The CFC Fund is not pledged to secure the payment of principal, Accreted Value and Appreciated Value of and premium, if any, and interest on any Bonds. Except as to the irrevocable commitment set forth in Section 3.10 of the First Series Resolution and Section 3.10 of the Second Series Resolution, amounts in the CFC Fund may be expended for any lawful purpose as the Authority may determine.”
- **Designated PFC Revenues.** Designated PFC Revenues “means, for any period of time, the amount of Passenger Facility Charges specified in any Series Resolution (or other resolution adopted by the Authority) in which the Board irrevocably commits to pay a portion of the Debt Service on a Series of Bonds.”
- **PFC Fund.** PFC Fund means the fund by that name set forth in Section 3.08 of the Second Series Resolution. “The PFC Fund, to be held by the Authority, into which all PFCs, when and if received by the Authority, shall be deposited. The PFC Fund is not pledged to secure the payment of principal, Accreted Value and Appreciated Value of and premium, if any, and interest on any Bonds. Except as to the irrevocable commitment set forth in Section 3.11 of the Second Series Resolution amounts in the PFC Fund may be expended for any lawful purpose as the Authority may determine.”

## SCOPE OF REPORT

In conducting our study, we reviewed:

- The Authority's financial forecast model which documents the Authority's forecast of revenues, operating expenses, CIP costs and funding, and a range of other factors related to the financial operations of the Airport.
- The status and estimated costs of the Authority's CIP (including TMP), the estimated funding sources, and the estimated completion dates of the projects in the CIP.
- The expected sources and uses of funds for the Series 2024 Bonds and estimated annual debt service requirements for the Series 2024 Bonds, as prepared by the Authority's municipal advisor (D.A. Davidson & Co.).
- Projected sources and uses of funds, and estimated annual debt service requirements, for the Future Bonds, as prepared by D.A. Davidson & Co.
- The demographic and economic characteristics of the Airport's service region, historical trends in airline traffic, recent airline service developments and airfares, and other key factors that may affect future airline traffic.
- Drafts of the Preliminary Official Statement for the Series 2024 Bonds and information regarding the projects to be financed with proceeds from those Bonds.
- The Master Resolution, the First Series Resolution, and the Second Series Resolution.
- The Authority's policies and rate-making methodologies and procedures relating to the calculation of airline terminal rents and landing fees, including the Authority's financial model for calculating airline rates and charges.
- The Authority's existing leases with certain air transportation companies and major tenants for concessions.
- The Authority's procedure for allocating direct and indirect expenses as documented in the Authority's financial model for calculating annual airlines rates and charges.
- The historical correlations between and among operating revenues, operating expenses, and passenger enplanements at the Airport.
- The anticipated correlations between and among future operating revenues, operating expenses, and passenger enplanements at the Airport.
- The Authority's actual operating expenses for 2023, budgeted operating expenses for 2024, unaudited actuals through nine months of 2024 as compared to 2023, and the preliminary budget for operating expenses for 2025.
- The Authority's actual operating revenues for 2023, budgeted revenues for 2024, unaudited actuals through nine months of 2024 as compared to 2023, and the preliminary budget for revenues for 2025.
- The Authority's audited financial statements (the Financial Statements) for 2022 and 2023.

Members of the Board  
November 12, 2024

## SUMMARY OF FORECASTS

The table below presents a summary of the forecasts prepared by the Authority, which are presented in more detail in the exhibits at the back of the Report. The forecasts indicate compliance with the terms of the Rate Covenant during the Forecast Period.

### SUMMARY OF FINANCIAL FORECAST AND COMPLIANCE WITH RATE COVENANT REQUIREMENT

Omaha Airport Authority

(Fiscal Years ending December 31; in thousands except coverage ratios, rates, and CPE)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.

	Estimated 2024	Forecast		2026	2027	2028	2029	2030
<b>Forecast Summary</b>								
Enplaned passengers		2,635		2,695	2,730	2,765	2,800	2,835
% change				2.3%	1.3%	1.3%	1.3%	1.2%
Airline Cost per Enplaned Passenger (CPE)	\$ 8.16	\$ 8.91	\$ 9.41	\$ 19.05	\$ 19.34	\$ 22.27	\$ 22.37	
% change		9.2%	5.6%	102.4%	1.5%	15.2%		0.4%
Revenues	[A]	\$ 80,531	\$ 90,763	\$ 92,401	\$ 122,314	\$ 124,571	\$ 135,564	\$ 137,743
% change			12.7%	1.8%	32.4%	1.8%	8.8%	1.6%
Operation & Maintenance Expenses	[B]	\$ 41,139	\$ 45,911	\$ 48,748	\$ 56,128	\$ 58,825	\$ 61,361	\$ 64,010
% change			11.6%	6.2%	15.1%	4.8%	4.3%	4.3%
<b>Compliance with Rate Covenant Requirements</b>								
Net Revenues per Master Resolution	[C=A-B]	\$ 39,392	\$ 44,852	\$ 43,653	\$ 66,186	\$ 65,746	\$ 74,203	\$ 73,733
<b>Annual Debt Service</b>								
Annual Debt Service before Designated CFCs/PFCs	\$ 2,870	\$ 7,480	\$ 8,949	\$ 36,952	\$ 38,895	\$ 46,616	\$ 46,614	
Less: Designated CFCs	(2,489)	(2,489)	(2,489)	(3,040)	(3,040)	(3,040)	(3,040)	
Less: Designated PFCs	-	(4,610)	(6,080)	(6,148)	(7,987)	(8,072)	(8,076)	
Annual Debt Service	[D]	\$ 381	\$ 381	\$ 381	\$ 27,764	\$ 27,868	\$ 35,504	\$ 35,498
Net Revenues after Annual Debt Service Payments	[E=C-D]	\$ 39,010	\$ 44,471	\$ 43,273	\$ 38,422	\$ 37,877	\$ 38,699	\$ 38,235
<b>Rate Covenant Calculation - Master Resolution</b>								
Requirement Section 7.08(ii)								
Net Revenues	[C]	\$ 39,392	\$ 44,852	\$ 43,653	\$ 66,186	\$ 65,746	\$ 74,203	\$ 73,733
Annual Debt Service times 125%	- [F=D * 125%]	(477)	(476)	(476)	(34,705)	(34,835)	(44,380)	(44,373)
Must Not Be Less Than Zero	[C-F]	\$ 38,915	\$ 44,376	\$ 43,177	\$ 31,482	\$ 30,910	\$ 29,823	\$ 29,361
<b>Pro-Forma Coverage on Debt</b>								
Total Available	[C]	\$ 39,392	\$ 44,852	\$ 43,653	\$ 66,186	\$ 65,746	\$ 74,203	\$ 73,733
Annual Debt Service per Master Resolution	[D]	\$ 381	\$ 381	\$ 381	\$ 27,764	\$ 27,868	\$ 35,504	\$ 35,498
Debt Service Coverage	[C/D]	103.28	117.83	114.70	2.38	2.36	2.09	2.08

Source: Omaha Airport Authority and LeighFisher.

Members of the Board  
November 12, 2024

## ASSUMPTIONS UNDERLYING THE FORECASTS

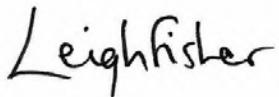
The forecasts in this Report are based on information and assumptions that were provided by or reviewed with and agreed to by Authority management. The forecasts reflect the Authority's expected course of action during the Forecast Period and, in the Authority's judgment, present fairly the expected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

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

\* \* \* \* \*

We appreciate the opportunity to serve as Airport Consultant for the Authority's proposed financing.

Respectfully submitted,



LeighFisher

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Attachment

BACKGROUND, ASSUMPTIONS, AND  
RATIONALE FOR THE FINANCIAL FORECASTS

Airport Authority of the City of Omaha

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## BASIS FOR AIRLINE PASSENGER DEMAND

### AIRPORT SERVICE REGION

Omaha Eppley Airfield, a medium-hub airport as defined by the Federal Aviation Administration (FAA), is located along the border of Nebraska and Iowa, and serves the greater Omaha-Council Bluffs area.\* The Airport service region, as defined for purposes of this Report, is the eight county Omaha, NE-IA Metropolitan Statistical Area (the “Omaha MSA” or “MSA”). The MSA encompasses the Nebraska counties of Cass, Douglas, Sarpy, Saunders, and Washington and the Iowa counties of Harrison, Mills, and Pottawattamie. It contains the cities of Omaha, Nebraska and Council Bluffs, Iowa. According to the Bureau of the Census, the 2023 population of the Omaha MSA was 984,000. Figure 1 shows a map of the Airport service region.

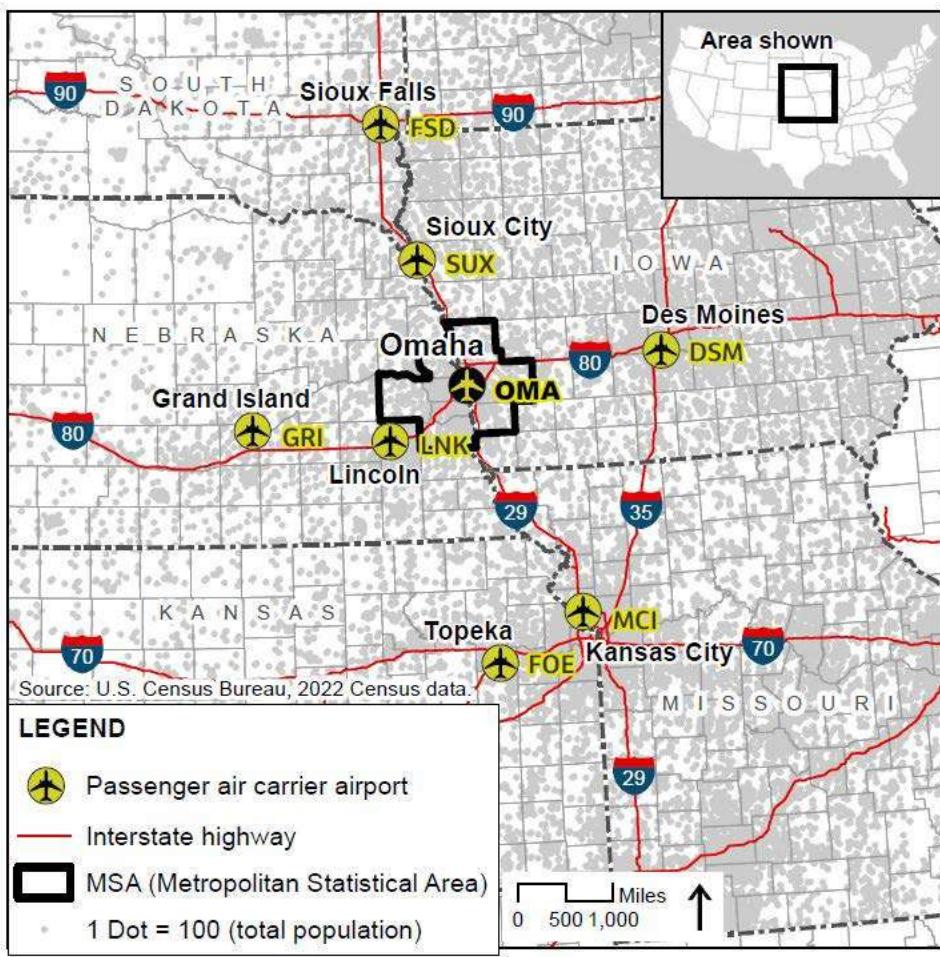


Figure 1  
AIRPORT SERVICE REGION  
Omaha Eppley Airfield

\* Airports are classified by the FAA in terms of the percentage of total passenger boardings within the United States in the most current calendar year: large hubs—1% or more; medium hubs—at least 0.25%, but less than 1%; small hubs—at least 0.05%, but less than 0.25%; and non-hubs—more than 10,000 passenger boardings, but less than 0.05%. In 2023, of the 33 medium-hub airports, Eppley Airfield was ranked as the 30<sup>th</sup> largest.

Other airports offering scheduled passenger air service and located within a two-hour drive of Omaha are Lincoln Airport (LNK) and Sioux Gateway Airport (in Sioux City) (SUX). The nearest airports classified as air traffic hubs by the FAA serve the cities of Kansas City and Des Moines, located 170 and 142 road miles from Omaha, respectively. The availability of air service at the Airport and the other airports helps define the Airport's secondary service region. The average numbers of daily departures from these airports and that of other non-hub airports, as scheduled for July 2024, are listed in Table 1.

Millard Municipal Airport (Millard Airport), located 15 miles from the Airport, is the primary general aviation reliever airport serving the Omaha MSA. It is owned and operated by the Omaha Airport Authority.

**Table 1**  
**DOMESTIC SCHEDULED AIRLINE SERVICE AND ENPLANED PASSENGERS**  
**AT AIRPORTS NEAR OMAHA**  
for July 2024, unless otherwise noted

Airport location	Driving distance from Omaha (miles)	2023 Hub size (a)	Enplaned passengers (b)	Average daily departing flights		
				Mainline carriers (c)	Low-cost carriers	Total
<b>Omaha</b>	--	<b>Medium</b>	<b>2,509,161</b>	<b>42</b>	<b>27</b>	<b>69</b>
Kansas City	170	Medium	5,590,500	75	80	155
Des Moines	142	Small	1,514,059	35	12	47
Lincoln	62	Non-hub	121,877	7	--	7
Grand Island	154	Non-hub	64,557	2	1	3
Manhattan	181	Non-hub	49,417	5	--	5
Sioux City	90	Non-hub	26,509	2	--	2

Note: Rows may not sum to totals due to rounding.

- (a) Federal Aviation Administration, 2023 Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports (preliminary), [www.faa.gov](http://www.faa.gov).
- (b) Passengers enplaned on scheduled and nonscheduled (i.e. charter) flights for calendar year 2023.
- (c) Includes affiliates.

Sources: Omaha Airport Authority records; U.S. DOT, Schedule T100; Airline Data Inc., online database, accessed July 2024.

## HISTORICAL SOCIOECONOMIC INDICATORS

The population and economy of the Omaha MSA are key determinants of long-term passenger demand at the Airport. The following sections describe the economic basis for passenger traffic at the Airport in terms of historical socioeconomic trends and the employment profile of the Omaha MSA. Table 2 presents historical data on population, nonagricultural employment, per capita income, and per capita gross domestic product for the Omaha MSA and the United States.

## **Population**

The population of the Omaha MSA increased an average of 1.0% per year between 2010 and 2019 and 0.9% per year between 2019 and 2023. The population of the nation increased an average of 0.7% per year and 0.5% per year over the same time periods.

## **Nonagricultural Employment**

Between 2010 and 2019, nonagricultural employment in the Omaha MSA increased an average of 1.1% per year, compared with an average increase of 1.6% per year for the nation. Since 2019, average annual employment growth in the Omaha MSA (0.1%) has trailed that of the nation (0.8%), due in part to slower employment recovery post-pandemic.

## **Per Capita Income**

Per capita income for the Omaha MSA has historically been higher than the national average. The Omaha MSA's per capita personal income in 2022 (\$71,409) was 105% of the national average. In 2022, the Omaha MSA ranked 51<sup>st</sup> among the 384 metropolitan statistical areas nationwide in terms of per capita personal income. In 2023, the Omaha MSA had a 6.9% lower cost of living than the national average according to the Council for Community and Economic Research (C2ER) Cost of Living Index.

## **Per Capita Gross Domestic Product (GDP)**

Like per capita income, the per capita GDP for the Omaha MSA has historically been higher than the national average. Real (inflation-adjusted) per capita GDP for the OMA MSA increased an average of 1.7% per year between 2010 and 2019, compared with an average increase of 1.6% per year for the nation. In 2022, per capita GDP for the Omaha MSA was 113% of that for the nation.

Table 2  
**HISTORICAL SOCIOECONOMIC DATA**  
 Calendar years

	Population (thousands)		Nonagricultural employment (thousands)		Per capita personal income (2023 dollars)		Per capita gross domestic product (2023 dollars)	
	Omaha MSA	United States	Omaha MSA	United States	Omaha MSA	United States	Omaha MSA	United States
2000	769	282,162	445	132,011	\$57,962	\$54,059	\$67,000	\$64,285
2005	814	295,517	451	134,033	59,572	55,650	73,184	68,840
2006	825	298,380	459	136,435	61,268	57,197	74,827	69,982
2007	835	301,231	466	137,981	62,179	58,177	76,030	70,613
2008	845	304,094	472	137,224	62,624	57,818	73,023	68,738
2009	856	306,772	462	131,296	61,406	55,827	74,263	67,030
2010	868	309,322	460	130,345	63,141	56,673	74,833	67,984
2011	876	311,557	464	131,914	66,367	57,772	76,934	67,825
2012	885	313,831	470	134,157	66,974	58,708	77,601	68,735
2013	894	315,994	478	136,363	62,775	58,075	76,118	69,873
2014	903	318,301	485	138,939	66,112	59,576	79,561	71,201
2015	913	320,635	493	141,824	68,067	61,785	82,832	73,353
2016	923	322,941	498	144,335	66,318	62,171	82,109	73,926
2017	932	324,986	500	146,607	67,094	63,402	85,802	75,016
2018	941	326,688	503	148,908	68,132	64,687	86,585	76,726
2019	949	328,240	507	150,904	68,469	66,203	87,151	78,144
2020	969	331,527	485	142,186	70,518	69,639	85,062	75,722
2021	973	332,049	493	146,285	73,401	72,447	87,173	79,901
2022	976	333,271	500	152,520	71,409	68,168	90,635	80,426
2023	984	334,915	509	156,051	-	68,531	-	81,695
Average annual percent increase (decrease)								
2000-2007	1.2%	0.9%	0.6%	0.6%	1.0%	1.1%	1.8%	1.4%
2007-2010	1.3	0.9	(0.4)	(1.9)	0.5	(0.9)	(0.5)	(1.3)
2010-2019	1.0	0.7	1.1	1.6	0.9	1.7	1.7	1.6
2019-2023	0.9	0.5	0.1	0.8	n.a.	0.9	n.a.	1.1

n.a. = not available.

MSA = Omaha Metropolitan Statistical Area comprising the 8 counties shown on Figure 1 for all years.

Notes: Population numbers are estimated as of July 1 each year.

Calculated percentages may not match those shown because of rounding.

Per capita gross domestic product number for Omaha MSA for 2000 is estimated.

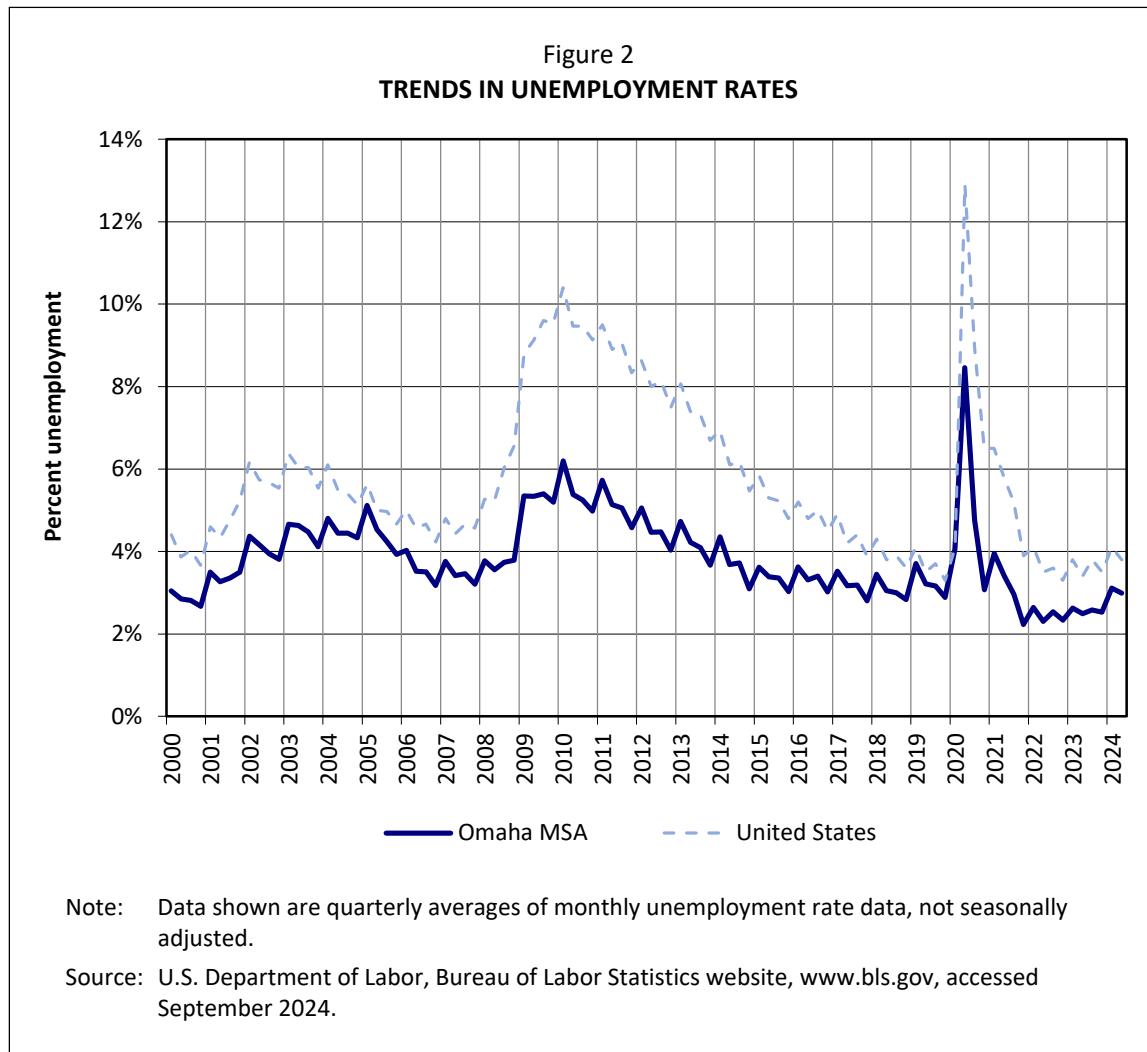
Sources: Population: U.S. Department of Commerce, Bureau of the Census website, [www.census.gov](http://www.census.gov), accessed July 2024.

Income and GDP: U.S. Department of Commerce, Bureau of Economic Analysis website, [www.bea.gov](http://www.bea.gov), accessed July 2024.

Employment: U.S. Department of Labor, Bureau of Labor Statistics website, [www.bls.gov](http://www.bls.gov), accessed July 2024.

## Unemployment Rates

As shown in Figure 2, the unemployment rate in the Omaha MSA has generally followed the same trend as, but has remained lower than that of, the nation. In the second quarter of 2024, the unemployment rate in the MSA was 3.0% compared with 3.8% for the nation.



## ECONOMIC PROFILE BY INDUSTRY SECTOR

Table 3 shows the percentage distribution of nonagricultural employment by industry sector in the Omaha MSA and the nation for 2023 and changes between 2007 (before the 2008-2009 economic recession), 2010 (after the recession), and 2023. The following subsections provide a summary of employment in each industry sector, discussed in descending order of Omaha MSA employment shares.

Table 3  
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR

Industry sector	Share of total 2023		Average annual percent increase (decrease)			
	Omaha MSA	United States	2007-2010		2010-2023	
			Omaha MSA	United States	Omaha MSA	United States
<b>Services</b>						
Education and health services	16.6%	16.2%	2.8%	2.3%	1.3%	1.8%
Professional and business services	14.6	14.6	(0.6)	(2.3)	1.2	2.4
Leisure and hospitality	10.5	10.6	(1.1)	(0.9)	1.5	1.9
Other services	<u>3.4</u>	<u>3.7</u>	<u>1.9</u>	<u>(1.0)</u>	<u>(0.3)</u>	<u>0.7</u>
Subtotal services	45.1%	45.2%	0.7%	(0.3%)	1.2%	1.9%
Trade, transportation, and utilities	18.6%	18.5%	(2.2%)	(2.6%)	0.1%	1.3%
Government	13.2	14.6	2.2	0.4	0.2	0.1
Financial activities	7.7	5.9	0.5	(2.7)	(0.3)	1.4
Manufacturing	7.0	8.3	(2.4)	(6.0)	1.1	0.9
Mining, logging, and construction	6.5	5.5	(6.0)	(9.3)	3.6	2.6
Information	<u>1.8</u>	<u>1.9</u>	<u>(3.9)</u>	<u>(3.7)</u>	<u>(1.5)</u>	<u>0.9</u>
Total	100.0%	100.0%	(0.4%)	(1.9%)	0.8%	1.4%
Total Omaha MSA employment	508,500					

Note: Percent shares may not add to 100.0% because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, [www.bls.gov](http://www.bls.gov), accessed July 2024.

## Services

As in the United States as a whole, the services sector (professional, business, education, health, leisure, hospitality, and other services combined) accounts for the largest share of nonagricultural employment in the Omaha MSA. The services sector accounted for higher overall growth than any other industry sector between 2010 and 2023, adding 32,600 jobs in the Omaha MSA and accounting for 67% of the increase in Omaha MSA employment. The services sector increased its Omaha MSA share of nonagricultural employment from 42.8% in 2010 to 45.1% in 2023. Employment in the services sector increased between 2010 and 2023 at an average rate of 1.2% per year.

**Education and Health Services.** Of the 32,600 services sector jobs added in the Omaha MSA between 2010 and 2023, 40% (13,000) were in the education and health services subsector. This increase in jobs was higher than in any other sector or subsector. In 2023, private educational services accounted for 11,200 jobs and healthcare and social assistance for 73,300 jobs.

Omaha is home to two universities (the University of Nebraska Omaha and Creighton University) and four colleges including Clarkson College, College of St. Mary, Metro Community College, and Nebraska Methodist College. Major health care employers in the Omaha MSA include Nebraska Medicine, CHI Health, Childrens Nebraska, the Methodist Health System, and the University of Nebraska Medical Center.

**Professional and Business Services.** Jobs in the professional and business services subsector accounted for 33% of the growth in service sector jobs between 2010 and 2023. The number of Omaha MSA jobs in this subsector increased by 10,700. Many of these jobs were in the professional, scientific, and technical services subsector and included jobs in such fields as architecture, engineering, computer science, software development, information technology, biosciences, and health technology that support key goods-producing and service-providing industries. Key employers in the region include ACI Worldwide, DLR Group, HDR, and Leo A. Daly.

**Leisure and Hospitality Services.** Between 2010 and 2023, the number of Omaha MSA jobs in leisure and hospitality services increased by 9,600.

The CHI Health Center, with 346,000 square feet of convention and meeting room space and an 18,300-seat attached arena, is located 3 miles southwest of the Airport in downtown Omaha. A skywalk connects the convention center to the 600-room Hilton Omaha and the 330-room Marriott Hotel is located directly across the street. According to Visit Omaha, there are more than 15,000 hotel rooms in the Omaha area, of which more than 3,000 are located within a 3-mile radius of the convention center. The CHI Health Center hosts the annual shareholder's meeting for Berkshire Hathaway, has hosted the U.S. Olympic Swim Trials and U.S. Figure Skating championships, and is home to the Creighton Blue Jays basketball team.

Omaha's Henry Doorly Zoo and Aquarium, considered one of the premier zoos in the country, expects to welcome 1.6 million visitors in 2024. The NCAA Men's College World Series (CWS) has taken place in Omaha each June since 1950 and is currently played at Charles Schwab Field. The NCAA and the City of Omaha signed an agreement in 2008 to keep the CWS in Omaha through 2035. In 2023, attendance over the course of 16 games was 392,946 and it is estimated that approximately one quarter of attendees were from over 60 miles outside of Omaha. According to a study performed by Visit Omaha and Tourism Economics, the 2023 World Series had a \$115 million impact on the local economy and supported over 22,000 jobs and 72,000 hotel room nights.\* Professional sports franchises in Omaha MSA include the Storm Chasers (minor league affiliate of the Kansas City Royals), the Omaha Union (United Soccer League), and the Omaha Beef (National Arena Football League).

Cultural attractions include the Duram Museum, the Omaha Children's Museum, Joslyn Art Museum, Boys Town, the Bemis Center for Contemporary Art, and the Strategic Air Command and Aerospace Museum. The Holland Center for the Performing Arts and the Orpheum Theatre host both local and national stage productions.

### **Trade, Transportation, and Utilities**

The trade, transportation, and utilities sector accounted for similar share of employment in the Omaha MSA as the nation in 2023 (18.6% and 18.5%, respectively). The sector accounts for the second largest share of nonagricultural employment in the MSA. Omaha is located on the Missouri river, at the intersection of interstate highways I-80 and I-29, and major railroad lines, which have contributed to the establishment of Omaha as a trucking and rail freight center.

The Nebraska Department of Transportation released an aviation economic impact study in 2019 (the most recent study available) which stated that more than 51,600 jobs were tied directly to

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\* CWS Omaha Inc.; <https://cwsomaha.com/sports/2023/3/13/economic-impact.aspx#:~:text=A%20new%20economic%20impact%20research,%243%20million%20in%20local%20taxes>.

activity at the Airport leading to a \$4.3 billion impact on the community. According to the Association of American Railroads, in 2021 (the most recent report available) Nebraska ranked 3rd in the nation in the number of freight rail employees with 6,936.

Between 2010 and 2023, the number of jobs in the Omaha MSA in the trade, transportation, and utilities sector was virtually flat (increase of 0.7%). In 2023, of the 94,800 jobs in the sector, retail and wholesale trade accounted for 68,500 jobs and transportation, warehousing, and utilities accounted for 26,300 jobs. Key employers in the region include Union Pacific, Werner Enterprises, Omaha Public Power District (OPPD), Omaha Steaks, Nebraska Furniture Mart, and HyVee.

### **Government**

The government sector accounted for a smaller share of employment in the Omaha MSA (13.2% in 2023) than for the nation (14.6% in 2023). Between 2010 and 2023, the number of Omaha MSA jobs in the government sector increased by 1,900 jobs (2.9%). Offutt Air Force Base is a key government employer in the region. The base employed approximately 11,000 military and civilian personnel in 2023.

### **Financial Activities**

The financial sector accounted for a larger share of employment in the Omaha MSA (7.7%) than for the nation (5.9%) in 2023, reflecting the region's importance as a financial and insurance hub. Between 2010 and 2023, the number of Omaha MSA jobs in the financial activities sector decreased by 1,300 jobs (-3.2%). The lost jobs were largely layoffs due to corporate restructuring, office closures, and cost cutting during and following the pandemic. Notable financial sector employers in the MSA are Berkshire Hathaway, Charles Schwab, Mutual of Omaha, First National Bank, and PayPal.

### **Manufacturing**

The manufacturing sector accounted for a lesser share of employment for the Omaha MSA (7.0%) than for the nation (8.3%). Agriculture and food processing represented a growing presence in the MSA as jobs in this sector increased by 4,600 (14.7%) between 2010 and 2023. Large manufacturing employers include Conagra, Green Plains, Tyson Foods, and Valmont Industries.

### **Mining, Logging, and Construction**

Mining, logging, and construction sector employment increased by 12,200 jobs (58.4%) between 2010 and 2023 and represented 6.5% of total area employment. Recent large-scale development projects in the area include a redevelopment of the riverfront, Steelhouse Omaha (a music venue with capacity for 3,000), and Kiewit Luminarium (a STEM discovery center). Large-scale construction projects currently underway or planned in the MSA include: Build OMA at the Airport (2028); Mutual of Omaha's 44-story office building (2026); a downtown streetcar (2027), and a new soccer stadium and entertainment district (2026). A key employer in the construction subsector is Kiewit Corporation.

### **Information**

Between 2010 and 2023, the number of Omaha MSA jobs in the information sector decreased by 2,000 jobs (-17.9%). Google operates data centers in Council Bluffs, Iowa, and Omaha (Papillion) and a third data center is under construction in northwest Omaha. Yahoo has a presence in Omaha and Meta operates a data center in Papillion.

## **Major Employers**

Table 4 shows major employers in the Omaha area, categorized by the number of employees. The MSA is headquarters to four Fortune 500 companies: Berkshire Hathaway, Union Pacific, Kiewit Corporation, and Mutual of Omaha.

## **ECONOMIC OUTLOOK**

Real GDP for the United States increased 2.3% in 2019, decreased 2.8% in 2020 during the COVID-19 pandemic, increased 5.9% in 2021 as the economy recovered, and increased 2.1% in 2022 and 2.4% in 2023. The Congressional Budget Office forecasts real GDP growth of 1.8% in 2024, 2.0% in 2025, and an average of 2.1% per year through 2029.

Continued U.S. economic growth will depend on, among other factors, stable financial and credit markets, a stable value of the U.S. dollar versus other currencies, stable energy and other commodity prices, the ability of the federal government to reduce historically high fiscal deficits, inflation returning to and remaining within the range targeted by the Federal Reserve, and growth in the economies of foreign trading partners, and stable trading relationships.

The economic outlook for the Omaha MSA generally depends on the same factors as those for the state and for the nation. A December 2023 economic outlook produced by the University of Nebraska Bureau of Business Research noted that the Nebraska economy should grow at a moderate pace in 2024 and 2025 with growth accelerating in 2026. Job growth in the state will be led by the services sectors – business services, healthcare, and leisure and hospitality and non-agricultural income will outpace inflation leading to real income growth.\*

According to an April 2024 presentation by the Federal Reserve Bank of Kansas City, Nebraska's economy is resilient featuring low unemployment despite inflationary pressures and despite increased interest rates, economic activity has not meaningfully slowed. And further, economic conditions remain strong in Nebraska and most households appear to be in strong financial positions.\*\*

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\* University of Nebraska Bureau of Business Research, "BBR Webinar Series, Nebraska Economic Forecast", December 15, 2023. <https://business.unl.edu/research/bureau-of-business-research/news-and-events/webinars/>

\*\* Federal Reserve Bank of Kansas City, Omaha Branch, "Nebraska Economic Update", April 3, 2024. [www.kansascityfed.org](http://www.kansascityfed.org)

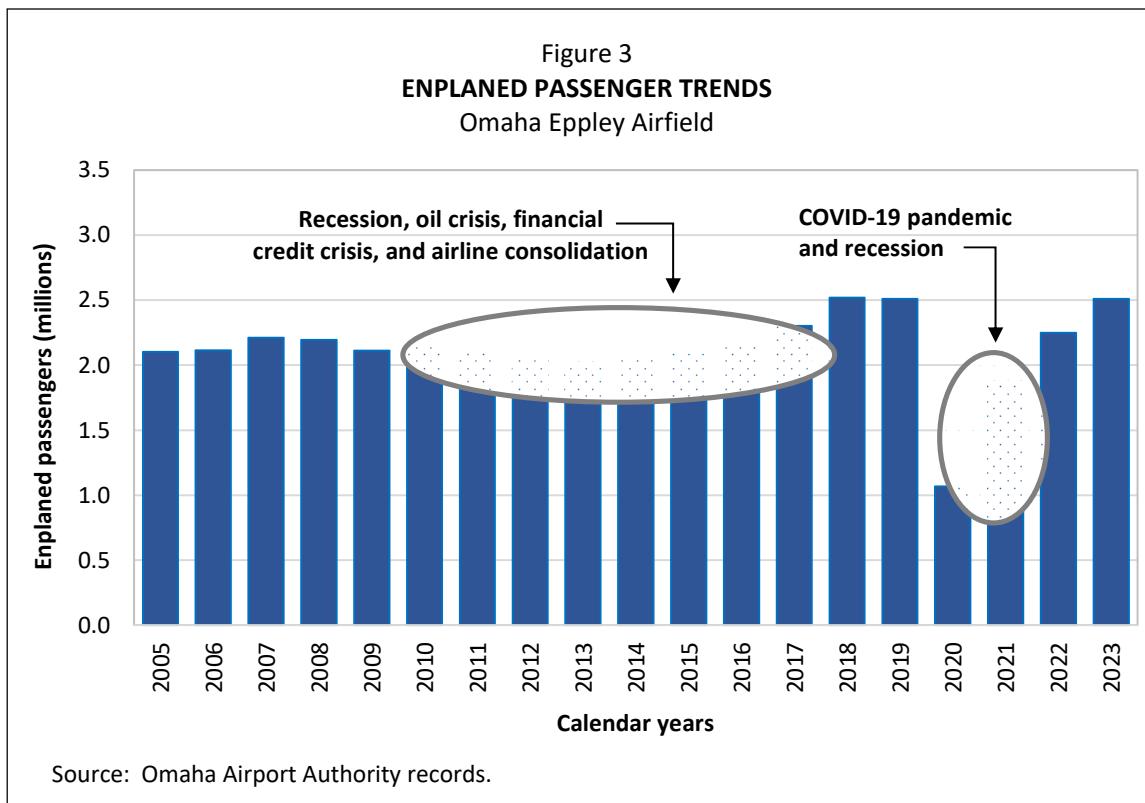
**Table 4**  
**MAJOR EMPLOYERS IN GREATER OMAHA**  
 (number of Omaha area employees, 2022)

Company	Type of business
<b>&gt;5,000</b>	
CHI Health	Health services
Methodist Health System	Health services
Nebraska Medicine	Health services
Offutt Air Force Base	Government
<b>2,500-4,999</b>	
Children's Hospital	Health services
First National Bank of Omaha	Financial services
Fiserv	Information
Mutual of Omaha (a)	Financial services
Union Pacific (a)	Transportation
<b>1,000-2,499</b>	
Bank of the West	Financial services
Baxter Auto Group	Retail trade
Blue Cross & Blue Shield of Nebraska	Financial services
Boys Town	Health services
Cargill	Manufacturing
ConAgra (a)	Manufacturing
Cox Communications	Information
Creighton University	Education
CSG International	Information
Greater Omaha Packing, Co.	Manufacturing
Harrah's Council Bluffs Casino	Arts, entertainment, and recreation
HDR, Inc.	Professional and technical services
Hilcrest Health Services	Health services
Horseshoe Casino	Arts, entertainment, and recreation
Intrado	Telecommunication
Kiewit Corp. (a)	Construction
Lincoln Premium Poultry	Manufacturing
LinkedIn	Information
Lozier Corp.	Wholesale trade
Nebraska Beef	Retail trade
Nebraska Furniture Mart	Retail trade
Omaha Steaks	Retail trade
PayPal (a)	Financial services
Physicians Mutual Insurance	Financial services
Signature Performance	Administrative and support
TD Ameritrade/Charles Schwab (a)	Financial services
Tyson Foods (a)	Manufacturing
Valmont Industries	Manufacturing
Werner Enterprises	Transportation
WholeStone Farms	Manufacturing
Woodhouse Auto Family	Retail trade

(a) Ranked in 2024 Fortune 500 list of largest U.S. companies (based upon 2023 revenues).  
 Sources: Greater Omaha Chamber, 2023; [www.fortune.com](http://www.fortune.com).

## AIRLINE TRAFFIC ANALYSIS

Figure 3 presents the trend in enplaned passengers at the Airport from 2005 through 2023 illustrating long-term growth notwithstanding economic cycles and external events. Between 2005 and 2010, the number of enplaned passengers increased an average of 0.4% per year, notwithstanding the effects of the 2008-2009 economic recession, the 2008 oil price spike, the financial credit crisis, and airline consolidation resulting in overall airline industry reductions in capacity. Passenger traffic decreased in 2011 through 2013 due to a slow economic recovery. Between 2013 and 2019, passenger traffic increased an average of 3.7% per year reflecting new entrants into the Omaha market (Allegiant and Alaska) and service to new destinations. In 2020, the number of enplaned passengers decreased 57.5% as a result of the COVID-19 pandemic and economic recession. By 2023, the number of enplaned passengers numbered 2.5 million and had recovered to the number of passengers enplaned in 2019. In the first 9 months of 2024, the number of passengers enplaned at the Airport was 6.2% higher than the same period of 2023.



## HISTORICAL AIRLINE SERVICE

### Airlines Serving the Airport

As shown in Table 5, eight passenger airlines and five all-cargo airlines served the Airport in June 2024.

Table 5  
**AIRLINES SERVING THE AIRPORT**  
Omaha Eppley Airfield  
As of June 2024

Passenger airlines	All-Cargo airlines
Alaska Airlines	Ameriflight
Allegiant Air	Baron Aviation
American Airlines	FedEx
Delta Air Lines	Kalitta Charters II (a)
Frontier Airlines	UPS
Southwest Airlines	
Sun Country Airlines	
United Airlines	
Regional airline affiliates	
Endeavor Air (Delta Connection)	
Envoy Air (American Eagle)	
GoJet Airlines (United Express)	
Mesa Airlines (United Express)	
Republic Airways (American Eagle, Delta Connection, United Express)	
SkyWest (American Eagle, Delta Connection, United Express)	

(a) Operates on behalf of DHL.

Note: Excludes airlines providing charter service.

Source: Omaha Airport Authority records.

Figure 4 shows the 27 airports (serving 21 destination markets) with nonstop passenger service from the Airport as scheduled for July 2024. Not shown on the map is service to Fort Lauderdale, Florida, Miami, Florida, Punta Gorda, Florida, and San Francisco, California, which are provided seasonally. Of the 27 airports shown, 10 are served by two or more airlines.



## LEGEND

- = Airports with scheduled service by only one airline.
- ▲ = Airports with scheduled service by more than one airline.

Figure 4  
**PASSENGER AIRLINE SERVICE**  
 Omaha Eppley Airfield  
 As Scheduled for July 2024

## Air Service Trends

Table 6 presents historical data on domestic and international passenger airline service from the Airport by airline, as scheduled for July of the years shown.\* In July 2024, 69 average daily departures were scheduled to serve 21 domestic destinations (representing 27 different airports). Scheduled international service is not currently offered from the Airport but it was most recently provided by Air Canada from May 2018 to October 2019.

As scheduled for July 2024, Southwest accounted for 39.5% of departing seats (versus 30.4% in 2010), American for 19.4% (versus 16.0% in 2010), Delta for 16.4% (versus 21.9% in 2010), United for 13.6% (versus 22.2% in 2010) and other airlines for 11.1% (versus 9.4% in 2010).

In July 2024, passenger airlines were scheduled to provide 9,544 average daily nonstop domestic seats from the Airport (an 11.4% increase over 2019 levels) despite offering 12.5% fewer average daily flights. Between July 2019 and July 2024, the average number of seats per departing flight increased 27.3%, from 109 to 138, reflecting the decreased utilization of regional jet aircraft in favor of larger mainline aircraft.

Table 7 presents data on nonstop airline service from the Airport to the top 20 domestic destinations in calendar year 2023, as ranked by the number of domestic originating passengers. Also shown are the airlines providing nonstop service from the Airport to each destination. As scheduled for July 2024, nonstop service was provided from the Airport to 17 of the top 20 destinations and 13 of the destinations had competing service by two or more airlines. Southwest provided daily nonstop service from the Airport to 11 of the 20 destinations in 2024.

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\* Unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American; Northwest Airlines with Delta; Continental Airlines with United; Midwest Airlines with Frontier Airlines; and AirTran Airways with Southwest). Also, data for affiliated regional airlines are accounted for with data for the mainline airline.

Table 6  
**PASSENGER SERVICE BY AIRLINE**  
 Omaha Eppley Airfield  
 As scheduled for July of years shown

	Destinations served nonstop (a)			Average daily departing seats			Average daily departing flights		
	2010	2019	2024	2010	2019	2024	2010	2019	2024
<b>Service by airline</b>									
Southwest	6	12	12	2,387	2,761	3,769	19	19	23
American	3	6	6	1,256	1,508	1,854	12	16	13
Delta	7	6	6	1,717	1,862	1,568	25	20	17
United	4	5	3	1,742	1,563	1,298	21	17	10
Allegiant	-	5	7	-	287	361	-	2	2
Alaska	-	3	1	-	328	344	-	3	2
Frontier	3	3	2	729	204	297	10	1	1
Sun Country	2	-	1	10	-	54	0	-	0
Air Canada	--	<u>1</u>	--	--	<u>50</u>	--	--	<u>1</u>	--
Total	17	25	21	7,842	8,564	9,544	87	79	69
<b>Service by aircraft type</b>									
Large jet	9	18	18	4,560	5,682	8,293	32	38	52
Regional jet	<u>13</u>	<u>16</u>	<u>9</u>	<u>3,282</u>	<u>2,882</u>	<u>1,252</u>	<u>55</u>	<u>41</u>	<u>17</u>
Total	17	25	21	7,842	8,564	9,544	87	79	69
Average seats per flight							90	109	138

Notes: Columns may not add to totals shown because of rounding. Includes domestic and international service. Excludes seasonal service not occurring during in July.

Jet aircraft are categorized as large jets (100+ seats) or regional jets (<100 seats).

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

Source: Airline Data Inc., online database, accessed July 2024.

Table 7  
**AIRLINE SERVICE TO TOP DOMESTIC ORIGINATING PASSENGER DESTINATIONS**  
 Omaha Eppley Airfield  
 As scheduled for July of years shown

Rank (a)	Destination	Airlines providing nonstop service 2024	Average daily					
			departures			departing seats		
			2010	2019	2024	2010	2019	2024
1	Phoenix	AA, G4, WN	5	3	4	600	363	696
2	Denver	F9, UA, WN	14	8	10	1,501	905	1,591
3	Chicago	AA, UA, WN	17	15	11	1,586	1,599	1,501
4	Las Vegas	G4, WN	3	3	3	401	550	476
5	Los Angeles	AA, G4	--	2	1	--	161	128
6	Orlando	G4, WN	--	1	1	--	102	232
7	Dallas/Fort Worth	AA, F9, WN	5	5	6	668	662	1,034
8	Washington D.C.	DL, WN	2	2	2	120	193	234
9	New York	AA, DL	4	5	4	191	366	316
10	Atlanta	DL, WN	5	5	5	326	726	706
11	Houston	UA, WN	6	4	3	350	380	446
12	Seattle-Tacoma	AS	--	1	2	--	176	344
13	San Francisco	--	--	2	--	--	212	--
14	South Florida	--	--	--	--	--	--	--
15	Tampa/St. Petersburg	G4, WN	--	0	1	--	45	99
16	Minneapolis-St. Paul	DL, SY	8	6	4	671	449	402
17	Charlotte	AA	--	3	2	--	226	338
18	San Diego	--	--	2	--	--	223	--
19	Salt Lake City	DL	3	3	2	195	201	150
20	Nashville	WN	--	0	--	--	195	--
Total top 20 markets			69	69	63	6,608	7,557	8,870
Other markets			18	9	6	1,235	956	675
Total all markets			87	78	69	7,842	8,514	9,544

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

Legend: AA=American, DL=Delta, F9=Frontier, G4=Allegiant, SY=Sun Country, UA=United, WN=Southwest.

(a) Top 20 destinations ranked by numbers of domestic originating passengers for calendar year 2023.  
 See table 10 for ranking of domestic originating passengers.

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

## HISTORICAL AIRLINE TRAFFIC

### Enplaned Passengers

Table 8 presents historical data on originating and connecting passengers at the Airport between 2005 and 2023. The Airport serves mainly originating passengers, or area residents and visitors (non-residents), who collectively accounted for 98.5% of enplaned passengers at the Airport in 2023. Connecting passengers accounted for the remainder. The relative proportion of area residents to visitors traveling through the Airport has remained at approximately 60% residents and 40% visitors since 2005.

Table 8  
**HISTORICAL ENPLANED PASSENGERS BY COMPONENT**  
 Omaha Eppley Airfield  
 Calendar years, in thousands

Year	Originating			Connecting	Total	Annual percent increase (decrease)
	Residents	Visitors	Total			
2005	1,225,788	831,249	2,057,037	45,214	2,102,251	
2006	1,218,278	847,651	2,065,929	48,223	2,114,152	0.6%
2007	1,265,033	895,201	2,160,234	49,932	2,210,166	4.5
2008	1,242,396	900,774	2,143,170	50,122	2,193,292	(0.8)
2009	1,229,750	827,032	2,056,782	55,397	2,112,179	(3.7)
2010	1,226,726	858,125	2,084,851	63,055	2,147,906	1.7
2011	1,209,192	824,773	2,033,965	67,430	2,101,395	(2.2)
2012	1,187,881	811,245	1,999,126	61,906	2,061,032	(1.9)
2013	1,177,182	790,506	1,967,688	51,560	2,019,248	(2.0)
2014	1,202,190	812,151	2,014,341	44,243	2,058,584	1.9
2015	1,220,377	819,325	2,039,702	44,194	2,083,896	1.2
2016	1,256,118	872,326	2,128,444	43,076	2,171,520	4.2
2017	1,337,448	924,937	2,262,385	40,794	2,303,179	6.1
2018	1,470,652	1,009,212	2,479,864	40,070	2,519,934	9.4
2019	1,482,384	988,412	2,470,796	39,201	2,509,997	(0.4)
2020	636,509	411,883	1,048,392	18,678	1,067,070	(57.5)
2021	1,117,236	728,079	1,845,315	27,956	1,873,271	75.6
2022	1,347,082	871,673	2,218,755	29,258	2,248,013	20.0
2023	1,511,108	961,294	2,472,402	36,759	2,509,161	11.6
Average annual percent increase (decrease)						
2005-2010	0.0%	0.6%	0.3%	6.9%	0.4%	
2010-2019	2.1	1.6	1.9	(5.1)	1.7	
2019-2023	0.5	(0.7)	0.0	(1.6)	(0.0)	

Notes: Includes passengers on nonscheduled (charter) flights and nonrevenue passengers. Rows may not add to totals shown because of rounding.

Sources: Total enplaned passengers: Omaha Airport Authority records.

Resident and visitor passengers: LeighFisher estimates based on U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

## Passenger Traffic by Airline

Table 9 presents the distribution of enplaned passengers at the Airport for selected years between 2013 and 2023. In 2023, Southwest enplaned the largest share of passengers at the Airport (36.6%), followed by American (19.4%), Delta (18.0%), United (17.9%), and the remaining airlines, combined (8.1%).

The mainline airlines (Alaska, American, Delta, and United), combined, accounted for 57.6% of enplaned passengers at the Airport in 2023. The low-cost carriers (Allegiant, Frontier, Southwest, and Sun Country) accounted for 42.2% and charter airlines accounted for the remaining 0.1%. By contrast, the mainline airlines, LCCs and charter airlines accounted for 62.0%, 37.9%, and 0.1% in 2013.

Table 9  
**HISTORICAL ENPLANED PASSENGERS BY AIRLINE**  
Omaha Eppley Airfield

Airline	2013	2015	2019	2021	2022	2023
Southwest	627,036	704,499	818,792	667,984	817,505	918,424
American	412,381	408,461	478,480	389,665	446,597	485,635
Delta	457,747	506,706	535,248	367,792	444,160	451,894
United	379,330	380,592	450,577	285,470	348,280	449,479
Allegiant	--	19,122	58,725	58,955	71,374	83,732
Alaska	3,324	23,614	81,403	48,511	51,792	59,283
Frontier	138,154	38,583	75,898	50,886	62,337	52,984
Sun Country	--	--	--	--	--	4,272
Air Canada	--	--	6,753	--	--	--
Charter	<u>1,278</u>	<u>2,321</u>	<u>4,121</u>	<u>4,008</u>	<u>5,968</u>	<u>3,458</u>
Airport total	2,019,248	2,083,896	2,509,997	1,873,271	2,248,013	2,509,161
Percent of total						
Southwest	31.1%	33.8%	32.6%	35.7%	36.4%	36.6%
American	20.4	19.6	19.1	20.8	19.9	19.4
Delta	22.7	24.3	21.3	19.6	19.8	18.0
United	18.8	18.3	18.0	15.2	15.5	17.9
Allegiant	--	0.9	2.3	3.1	3.2	3.3
Alaska	0.2	1.1	3.2	2.6	2.3	2.4
Frontier	6.8	1.9	3.0	2.7	2.8	2.1
Sun Country	--	--	--	--	--	0.2
Air Canada	--	--	0.3	--	--	--
Charter	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.1</u>
Airport total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Columns may not add to totals shown due to rounding.

Source: Omaha Airport Authority records.

## Originating Passengers and Airfare Trends

As shown in Table 10, the Airport's top 20 domestic destination markets as ranked by originating passengers in 2023, accounted for 67.4% of total domestic originating passengers. The top five destinations – Phoenix, Denver, Chicago, Las Vegas, and Los Angeles – accounted for 28.5% of domestic originating passengers at the Airport in 2023. The decrease in the number of passengers traveling from the Airport to Chicago, Washington D.C., New York, and San Diego between 2019 and 2023 was offset by increases in passengers traveling to Phoenix, Orlando, Atlanta, Tampa, and Charlotte.

Figure 5 provides a comparison of domestic originating passengers and average domestic one-way airfares paid at the Airport between 2010 and 2023. The data show increases in passenger traffic and corresponding decreases in airfares at the Airport and, conversely, decreases in passenger traffic following increases in airfares. After the 2008-2009 economic recession and through 2015, the average fare paid at the Airport increased. This was largely because of higher oil prices and the capacity reductions resulting from industry consolidation leading to increased pricing power and the ability to charge higher fares. The average fare paid decreased in 2020 as airlines lowered fares to stimulate a return to air travel during the pandemic. The number of domestic originating passengers at the Airport recovered to 2019 levels in 2023 despite a rise in airfares. Passenger levels in 2023 were just 0.8% lower than that of 2019, though the average one-way fare paid in 2023 was 13.3% above that of 2019.

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

Table 10  
**ORIGINATING PASSENGERS BY DESTINATION**  
 Omaha Eppley Airfield  
 Calendar years

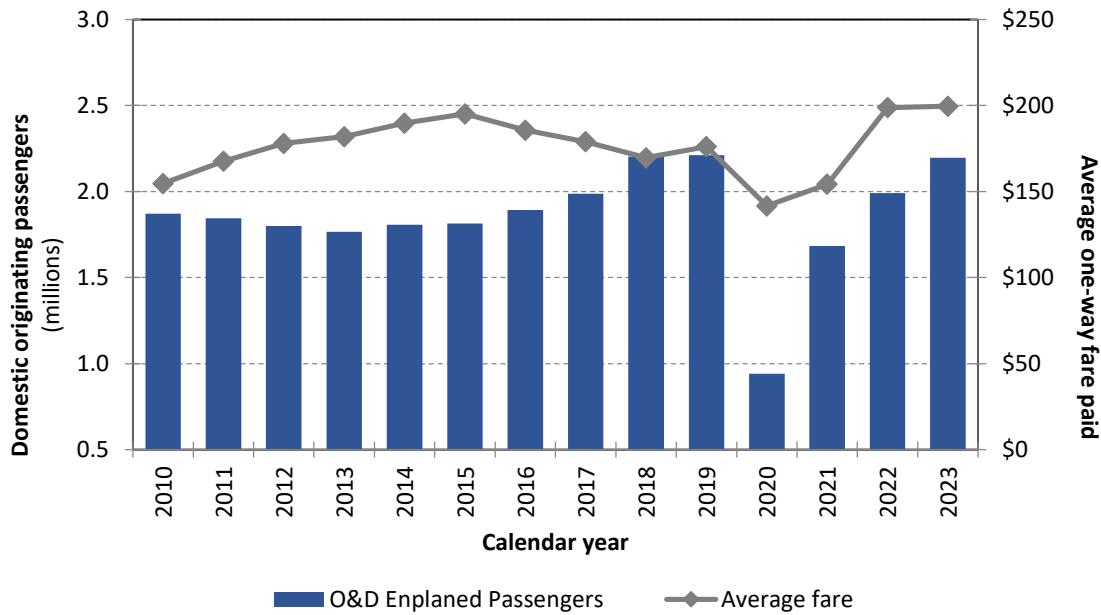
Rank	Destination	2010	2019	2023	As percent of total 2023	Percent increase (decrease)	
						2010-19	2019-23
1	Phoenix (a)	106,767	131,350	152,833	7.0%	23.0%	16.4%
2	Denver	125,319	145,372	138,848	6.3	16.0	(4.5)
3	Chicago (b)	147,416	143,392	115,784	5.3	(2.7)	(19.3)
4	Las Vegas	95,294	115,299	114,223	5.2	21.0	(0.9)
5	Los Angeles (c)	92,400	106,007	103,058	4.7	14.7	(2.8)
6	Orlando (d)	60,104	87,485	99,995	4.6	45.6	14.3
7	Dallas (e)	64,688	91,369	96,333	4.4	41.2	5.4
8	Washington DC (f)	91,045	95,957	80,671	3.7	5.4	(15.9)
9	New York (g)	67,277	94,756	73,353	3.3	40.8	(22.6)
10	Atlanta	39,999	56,572	68,285	3.1	41.4	20.7
11	Houston (h)	40,838	64,650	60,407	2.8	58.3	(6.6)
12	Seattle-Tacoma	39,329	57,455	58,151	2.6	46.1	1.2
13	San Francisco (i)	54,501	62,206	54,426	2.5	14.1	(12.5)
14	South Florida (j)	38,365	43,366	51,710	2.4	13.0	19.2
15	Tampa/St. Petersburg	31,422	38,004	49,260	2.2	20.9	29.6
16	Minneapolis-St. Paul	27,597	36,978	35,302	1.6	34.0	(4.5)
17	Charlotte	9,950	23,261	32,570	1.5	133.8	40.0
18	San Diego	40,592	59,638	32,497	1.5	46.9	(45.5)
19	Salt Lake City	21,770	26,188	30,995	1.4	20.3	18.4
20	Nashville	15,999	31,590	30,574	1.4	97.4	(3.2)
Average top 20 markets		1,210,672	1,510,895	1,479,275	67.4%	24.8%	(2.1%)
All other markets		661,458	700,997	715,667	32.6	6.0	2.1
Average all markets		1,872,130	2,211,892	2,194,942	100.0%	18.1%	(0.8%)

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

- (a) Phoenix Sky Harbor and Phoenix Mesa Gateway airports.
- (b) O'Hare and Midway airports.
- (c) Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
- (d) Orlando and Sanford airports.
- (e) Dallas/Fort Worth Airport and Love Field.
- (f) Dulles, Reagan, and Baltimore airports.
- (g) Kennedy, Newark, and LaGuardia airports
- (h) Bush and Hobby airports.
- (i) San Francisco, Oakland, and San Jose airports.
- (j) Miami, Ft. Lauderdale, and West Palm Beach airports

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

Figure 5  
**DOMESTIC ORIGINATING PASSENGERS AND AVERAGE FARE PAID**  
Omaha Eppley Airfield



Note: Average one-way fares shown are net of all taxes, fees, and PFCs and exclude ancillary fees charged by the airlines.

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

## KEY FACTORS AFFECTING FUTURE AIRLINE TRAVEL

In addition to the demographics and economy of the Omaha region, as discussed earlier, key factors that will affect future airline traffic at the Airport in the long term include:

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

### National Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated on Figure 6, recessions in the U.S. economy in 2001, 2008-2009, and 2020, and associated high unemployment, reduced discretionary income and airline travel demand.

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

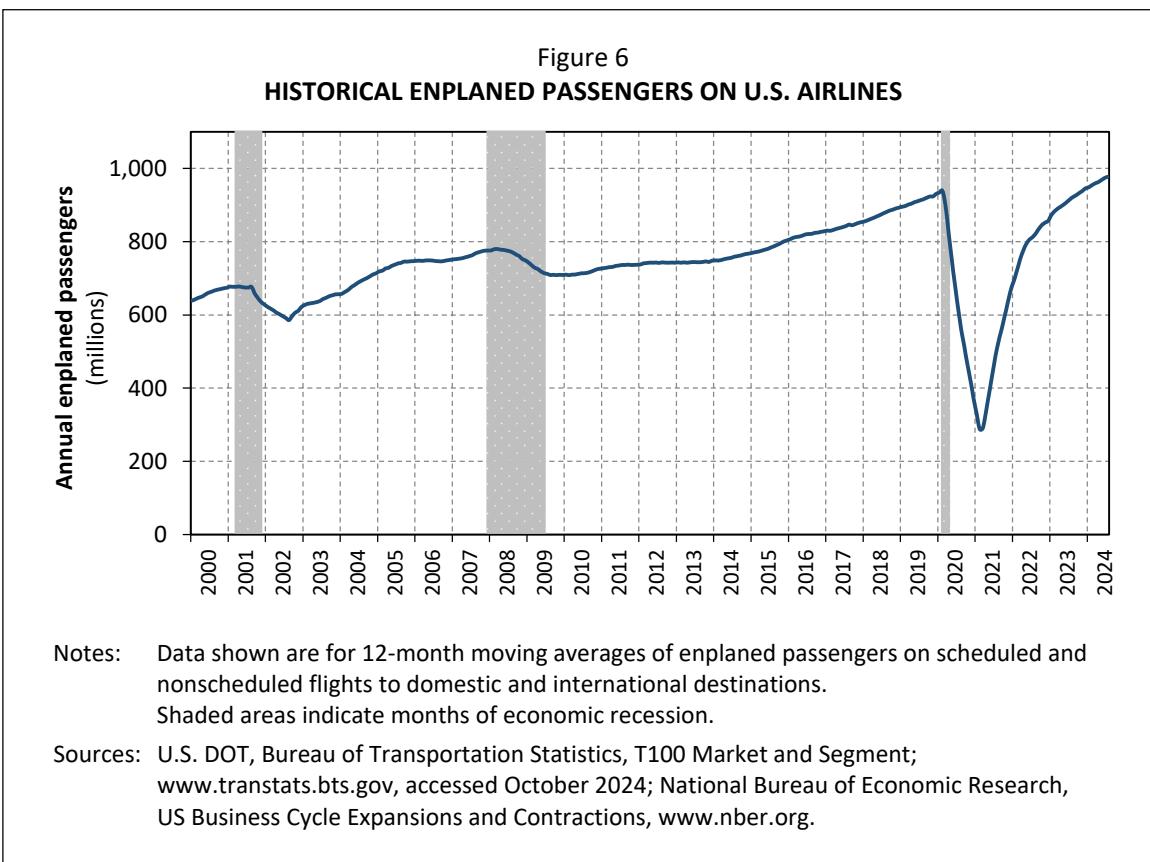
Future increases in domestic passenger traffic at the Airport will depend on the continuation of national economic growth.

### International Economic and Geopolitical Conditions

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

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

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



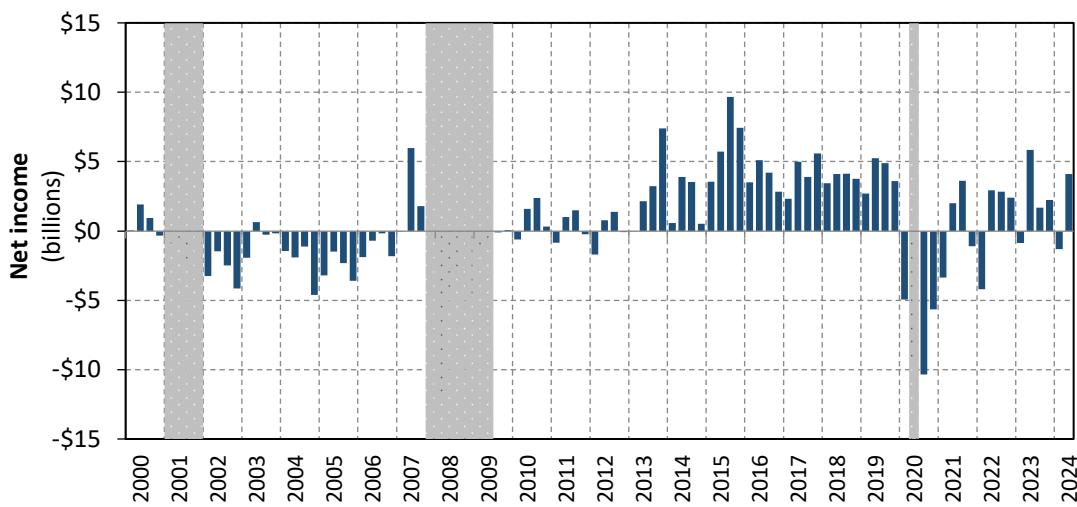
### Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to provide service. Figure 7 shows historical net income for U.S. airlines.

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

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

Figure 7  
NET INCOME FOR U.S. AIRLINES



Notes: Includes scheduled service on U.S. carriers only.

Shaded areas indicate quarters of economic recession.

Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for less than had been originally reported.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, [www.transtats.gov](http://www.transtats.gov), accessed October 2024.

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

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

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

In response to the pandemic-induced losses, airlines took various actions to reduce costs and maintain liquidity, including reducing staffing, accelerating the retirement of older aircraft, and deferring the acquisition of new aircraft. As shown in Figure 7, the U.S. airline industry as a whole returned to profitability in the second quarter of 2022.

Current supply chain constraints causing shortages of aircraft engines, avionics, and other essential components are also affecting the ability of Airbus, Boeing, and other manufacturers to produce the

larger, more fuel-efficient aircraft in the numbers being sought by airlines even while there is industry-wide domestic overcapacity.

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

### **Airline Consolidation**

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

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

In December 2023, Alaska announced plans to acquire Hawaiian. The two airlines together account for approximately 5.7% of passengers enplaned on U.S. airlines. Following the announcement by the U.S. Department of Justice that it would not challenge it on antitrust grounds and conditional approval by the U.S. DOT, the acquisition was closed in September 2024. In 2023, Alaska accounted for 2.4% of enplaned passengers at the Airport. Hawaiian does not serve the Airport.

Airline industry consolidation has resulted in four airlines (American, Delta, Southwest, and United) and their regional affiliates now accounting for approximately 75% of domestic seat-mile capacity. Consolidation has contributed to recent airline industry profitability, but any resumption of financial losses could cause one or more U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines could drastically affect airline service at certain connecting hub airports and change airline travel patterns nationwide.

### **Airline Service and Routes**

Airports serve as gateways to their communities and as connecting points. The number of origin and destination passengers at the Airport depends primarily on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airfares and service provided at the Airport. The number of connecting passengers, on the other hand, depends entirely on the airline fares and service provided.

The large network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends primarily on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been reduced at many former connecting hub airports, including those serving St. Louis (American, 2003-2005), Dallas-Fort Worth (Delta, 2005), Pittsburgh (US Airways, 2006-2008), Las Vegas (US Airways, 2007-2010), Cincinnati (Delta, 2009-2012), Memphis (Delta, 2011-2013), and Cleveland (United, 2014).

Approximately 98.5% of passengers at the Airport are originating their journeys rather than connecting between flights.

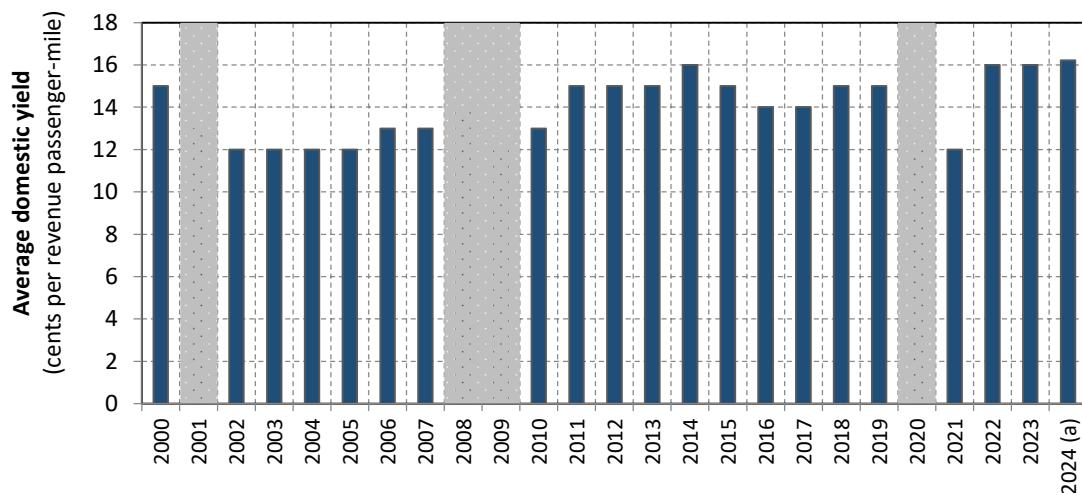
### Airline Competition and Airfares

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

Figure 8 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. After the 2008-2009 recession, the average yield increased through 2014 as airline travel demand strengthened, the airlines collectively reduced available seat capacity and were able to sustain airfare increases. Between 2014 and 2016, the average yield was reduced as a result of airline competition, and, through 2019 was fairly stable. The average yield decreased in 2020 and 2021 as travel demand was depressed during the pandemic then increased in 2022 and 2023 as demand rebounded and airline seat capacity was constrained.

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

Figure 8  
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields shown are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services.

Shaded areas indicate economic recession during all or part of year.

(a) Data for January-June 2024, the most recent data available.

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

## Availability and Price of Aviation Fuel

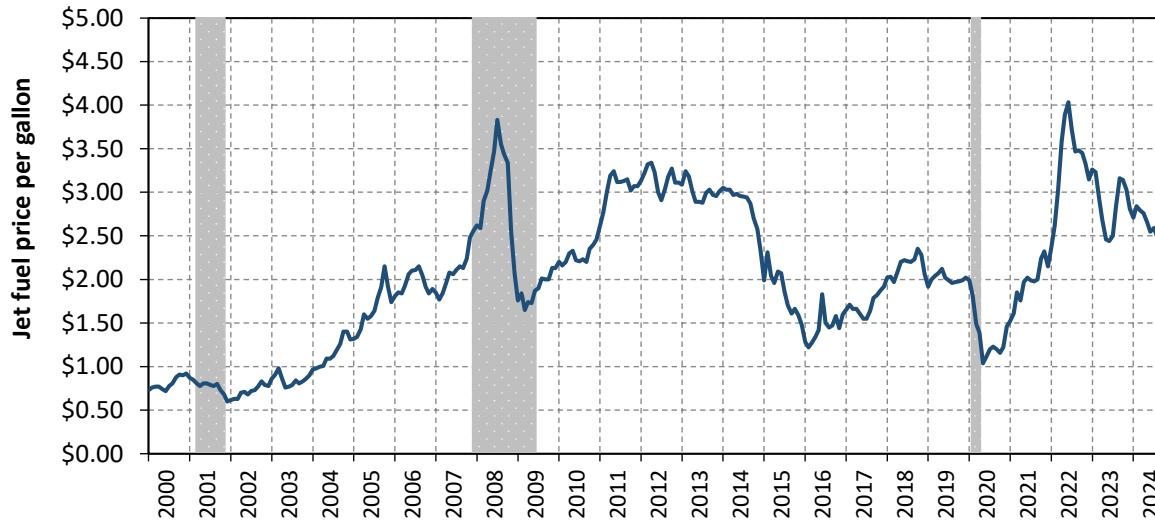
The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 9 shows the historical fluctuation in aviation fuel prices caused by the many factors influencing the global demand for and supply of oil.

Between early 2011 and mid-2014, aviation fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies.

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

As the pandemic drastically reduced the demand for aviation fuel in early 2020, the price of aviation fuel fell sharply, before rebounding in 2021 as pandemic restrictions were eased, economies recovered, and demand exceeded supply. The economic disruption and sanctions resulting from the Russian invasion and war on Ukraine exacerbated the worldwide imbalance of demand and supply and caused increased oil and aviation fuel prices, peaking in June 2022. Higher fuel prices have a negative effect on airline profitability as well as far-reaching implications for the global economy.

Figure 9  
**HISTORICAL AVIATION FUEL PRICES**



Notes: Data shown are monthly averages.  
Shaded areas indicate months of economic recession.

Source: U.S. DOT, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, [www.transtats.gov](http://www.transtats.gov), accessed October 2024.

## **Aviation Safety and Security Concerns**

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. Measures have included strengthened aircraft cockpit doors, increased presence of armed federal air marshals, federalization of airport security under the Transportation Security Administration (TSA), more intensive screening of passengers and baggage, and the deployment of improved screening technologies.

Following fatal crashes of B-737 MAX aircraft caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded in March 2019. Among U.S. airlines, American, Southwest, and United were affected. At the time of the grounding, B 737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity. Southwest has the largest MAX fleet of any airline and its flight operations were particularly affected by the grounding. In November 2020, following the approval of modifications to the flight control system software and pilot training, the FAA rescinded its order grounding the aircraft, allowing it gradually to be reintroduced into service.

In January 2024, a panel in the aircraft fuselage of a B-737 MAX-9 aircraft blew out in flight. As a result of the incident, the FAA temporarily grounded all B-737 MAX-9 aircraft, increased oversight of Boeing's manufacturing processes, and stated that it will not permit the company to increase aircraft production rates until adequate manufacturing quality controls are in place. A subsequent audit by the FAA into the manufacturing processes identified quality control violations by Boeing and its fuselage manufacturer, Spirit AeroSystems. Such production restrictions will constrain Boeing's ability to deliver aircraft as planned and delay the ability of some airlines, including Southwest, to increase capacity and upgrade their fleets with more fuel-efficient aircraft.

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

## **Public Health Concerns**

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

By comparison, the COVID-19 pandemic had far more serious and widespread effects on airline travel worldwide. In late 2019, the novel coronavirus that causes the COVID-19 respiratory illness

emerged, soon spreading through most of the world. COVID-19 was declared a global pandemic by the World Health Organization in March 2020.

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

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

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

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

### **Climate Change Concerns**

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

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

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

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

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

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

### **Capacity of the National Air Traffic Control System**

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transportation System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased because of reduced numbers of aircraft operations (down approximately 9% between 2007 and 2023) but, as airline travel increases in the future, flight delays and restrictions may be expected.

Recent shortages of qualified air traffic controllers have also reduced airspace capacity in some regions. The ability of the FAA to maintain and increase the capacity of the national air traffic control system will depend in part on its ability to hire, train, and retain adequate numbers of skilled controllers.

### **Capacity of the Airport**

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and airport systems, future growth in airline traffic at the Airport will depend on the capacity of the Airport itself. According to the Authority, existing and planned terminal and airfield facilities have the capacity to accommodate growth in airline traffic well beyond the forecast period covered in this report.

## **AIRLINE TRAFFIC FORECAST**

The forecast of airline traffic at the Airport through 2030 was developed on the basis of the socioeconomic indicators, trends in historical airline traffic, and key factors likely to affect future traffic, all as discussed earlier in this report. The forecast for the Airport included in the FAA's *Terminal Area Forecast* (TAF), issued in January 2024, was also reviewed.

Enplaned passenger numbers for 2024 are estimates based on actual aviation activity for the first 6 months of 2024 (January through June) and advance published airline flight schedules through December, which are subject to change. The number of enplaned passengers for the first 9 months of 2024 was 6.3% higher than that for the same period of 2023. Passenger levels for 2024 are estimated at 2.64 million, which is 5.0% above 2023 levels.

In developing the forecast in this report, it was assumed that airline traffic at the Airport will increase as a function of growth in the economy of the MSA and increased airline service. It was also assumed that airline service at the Airport will not be constrained by the availability of aviation fuel, the capacity of the air traffic control system or the Airport, charges for the use of aviation facilities, or government policies or actions that inhibit growth.

### **Passenger Forecast**

For the base passenger forecast, it was assumed that passenger numbers will increase gradually from 2024 on the assumptions that:

- The U.S. economy will experience sustained growth in GDP averaging between 2.0% and 2.5% per year, generally consistent with rates projected by the Congressional Budget Office.
- The economy of the Airport service region will grow at approximately the same rate as the national economy.
- Airlines will add service to meet travel demand at the Airport and competition among airlines will ensure competitive airfares for flights from the Airport, notwithstanding higher aviation fuel costs and general price inflation.
- The airlines serving the Airport collectively will be able to hire and retain enough qualified employees, particularly pilots and mechanics, and acquire enough aircraft and other equipment to support increased flight operations.
- A generally stable international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.
- The airlines serving the Airport will continue to be diverse, including low-cost carriers and network airlines, and provide sufficient capacity to support passenger traffic growth at the Airport.
- There will be no major disruption of airline service or airline travel behavior due to international hostilities, terrorist acts or threats, or government policies restricting or deterring air travel.

The number of enplaned passengers in 2025 is forecast to increase 2.3% over 2024 and then increase approximately 1.3% per year through the forecast period, reaching 2.87 million in 2030. (The FAA forecasts an average annual increase of 2.0% in enplaned passengers for OMA over the 2025-2030 period.) A higher rate of growth is not unusual in passenger forecasts related to facility planning, such as the TAF, compared with forecasts such as the one presented herein, which was developed for financial planning purposes.

Originating and connecting passenger numbers are forecast to increase at similar rates so that the originating percentage is 98.5% throughout the forecast period. Resident and visitor passengers are forecast to account for the same shares of enplaned passengers in 2030 (approximately 61% and 39%, respectively) that they did in 2023.

Table 11 presents historical and forecast enplaned passengers at the Airport by resident, visitor, and connecting subcomponents. Figure 10 displays the passenger forecast and the FAA TAF graphically.

### **Landed Weight Forecast**

Scheduled passenger airline landed weight is forecast to increase in proportion to enplaned passenger numbers. Cargo airline and general aviation landed weight are forecast to increase 1.0% per year, while charter flight landed weight is assumed to remain flat during the forecast period. Total landed weight is forecast to increase 1.8% per year from 2023 to 2030.

The forecast of landed weight can be found in Exhibit F-1c at the back of the Report.

**Table 11**  
**ENPLANED PASSENGER FORECAST**  
**Omaha Eppley Airfield**  
**Calendar years**

The forecast was prepared using the information and assumptions described in the accompanying text. Inevitably, some assumptions will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Year	Originating					Annual percent increase (decrease)
	Residents	Visitors	Total	Connecting	Total	
<b>Historical</b>						
2015	1,220,377	819,325	2,039,702	44,194	2,083,896	1.2%
2016	1,256,118	872,326	2,128,444	43,076	2,171,520	4.2
2017	1,337,448	924,937	2,262,385	40,794	2,303,223	6.1
2018	1,470,652	1,009,212	2,479,864	40,070	2,519,934	9.4
2019	1,482,384	988,412	2,470,796	39,201	2,509,997	(0.4)
2020	636,509	411,883	1,048,392	18,678	1,067,070	(57.5)
2021	1,117,236	728,079	1,845,315	27,956	1,873,271	75.6
2022	1,347,082	871,673	2,218,755	29,258	2,248,013	20.0
2023	1,511,108	961,294	2,472,402	36,759	2,509,161	11.6
2024E	1,583,000	1,012,000	2,595,000	40,000	2,635,000	5.0
<b>Forecast</b>						
2025	1,620,000	1,035,000	2,655,000	40,000	2,695,000	2.3
2026	1,640,000	1,049,000	2,689,000	41,000	2,730,000	1.3
2027	1,662,000	1,062,000	2,724,000	41,000	2,765,000	1.3
2028	1,682,000	1,076,000	2,758,000	42,000	2,800,000	1.3
2029	1,703,000	1,089,000	2,792,000	43,000	2,835,000	1.3
2030	1,724,000	1,103,000	2,827,000	43,000	2,870,000	1.2
Average annual percent increase (decrease)						
2015-2019	5.0%	4.8%	4.9%	(3.0%)	4.8%	
2019-2023	0.5	(0.7)	0.0	(1.6)	(0.0)	
2025-2030	1.3	1.3	1.3	1.5	1.3	

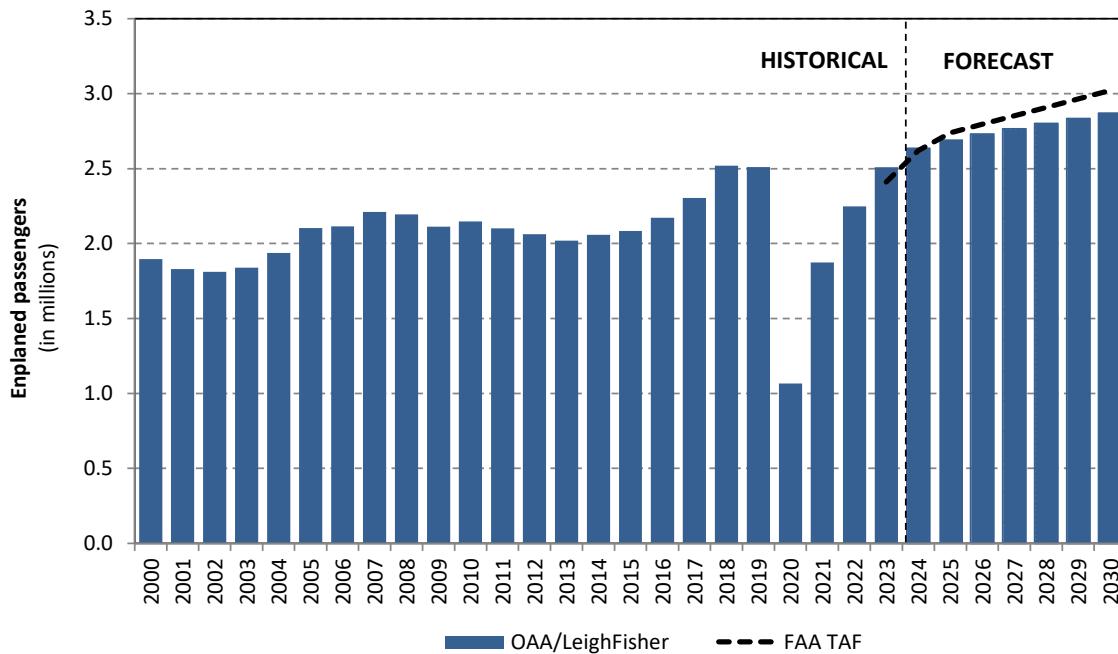
E=Estimated.

Sources: Historical: Omaha Airport Authority records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Forecast: LeighFisher, July 2024.

**Figure 10**  
**HISTORICAL AND FORECAST ENPLANED PASSENGERS**  
 Omaha Eppley Airfield  
 Calendar years

The forecast was prepared using the information and assumptions described in the accompanying text. Inevitably, some assumptions will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.



Source: Historical: Omaha Airport Authority records.

Forecast: LeighFisher, July 2024; FAA TAF, issued January 2024.

## CAPITAL IMPROVEMENT PLAN AND FUNDING

The Authority has a \$1.1 billion Capital Improvement Plan (CIP) for the Airport. The CIP was developed based on the most recent Master Plan for the Airport, completed in 2013, which led to a comprehensive vision for key facilities at the Airport, known as the “Build OMA Terminal Modernization Program or “TMP””. Build OMA is the Airport’s most significant upgrade in nearly 40 years. Every part of the program is purpose-driven to provide meaningful benefits designed to enable growth, meet the expectations of today’s travelers and enhance the travel experience. The program’s goals and objectives include (1) establish a need-based development plan based on activity at the Airport and level of service trigger points; (2) maintain customer convenience and improve the customer experience; and (3) provide a cost-effective, phased implementation plan.

### SUMMARY OF THE CIP

The approved CIP extends through 2030 and is primarily focused on the TMP.

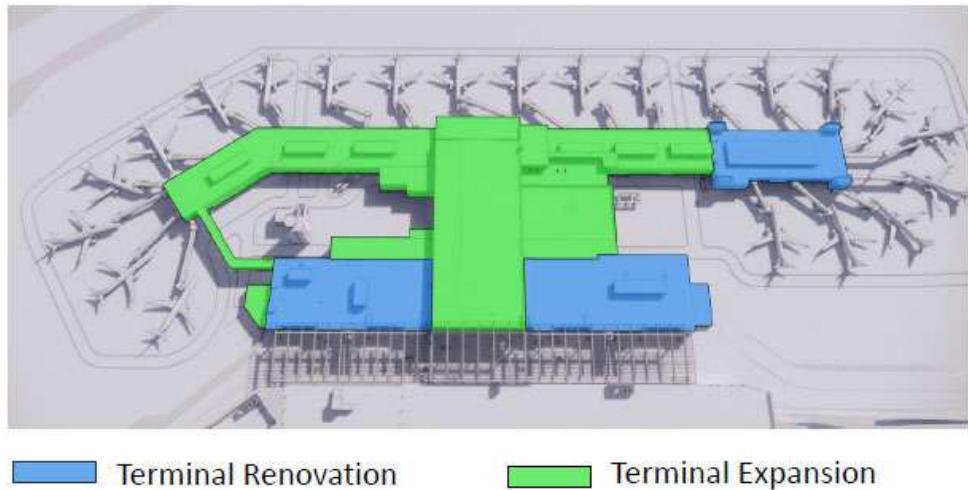
A summary of the major projects in the CIP are as follows:

- **Terminal:** The TMP involves the expansion and renovation of the current terminal at the Airport. The Board has approved a budget of \$950 million for the TMP. The current cost estimate is \$930 million. The TMP is intended to lead to the expansion of terminal capacity to meet future forecasted demand at the Airport. The initial TMP gate/holdrooms expand the terminal capacity to 6 million total passengers (approximately 3 million enplaned passengers), which is anticipated to occur during the early 2030s. Terminal gates can easily be expanded in the future to increase capacity. Most other systems (checkpoints, ticketing, bag claim, outbound bags) – the engine of the terminal and back of house systems – are being built with capacity to expand to 8 million total annual passengers with minimal new investment, which is expected to occur after 2040 to beyond 2050 on current high and low forecasts, respectively. The TMP is being developed under a guaranteed maximum price (GMP) contract. Construction is currently underway and is expected to be complete in 2028.

The TMP also includes the construction of a new 21,550 square foot central utility plant for the Airport, which will replace aging facilities and equipment, and efficiently provide utilities for the new Terminal. This project element is expected to be completed in 2025.

A rendering of the future terminal building is shown as Figure 11.

Figure 11  
**AIRPORT TERMINAL LAYOUT**  
Omaha Eppley Airfield



Source: Omaha Airport Authority.

- **Roadway:** The ongoing Terminal Roadway/Canopy project has a budget of \$65 million. This is separate from the TMP but part of the overall Build OMA program. The project involves building a new roadway at the curbside of the terminal and a new glass canopy covering the entire roadway and passenger area from the South Garage parking facility to the Terminal. This project will add an additional passenger drop-off lane, enhance the accessibility of the drop-off and pick-up area, and provide cover from weather elements. The project adds capacity and enhances safety for travelers at the Airport. This project is expected to be completed in 2025.
- **Skywalks to Passenger Terminal:** An important element of the TMP is relocating ticketing to the second level of the terminal where there is a new consolidated security screening checkpoint located in the center of the terminal. The two existing Skywalks and vertical circulation provide access from the ground transportation, parking, and rental car areas to the terminal. An estimated 60% of passengers utilize the existing two existing Skywalks. The Authority plans to design and construct a new central Skywalk and also to improve and rehabilitate the two Skywalks currently in operation to extend their life, modernize the infrastructure, and enhance safety and capacity. The estimated cost of this project is \$21.9 million.

Approximately \$49 million in CIP spending was incurred through 2023, and \$213 million is expected to be incurred during 2024.

The Authority's CIP and planned funding (including the TMP) are summarized in Table 12 and outlined in more detail in Exhibit A-1 and Exhibit A-2.

While the Authority has no contractual obligation to consult with, or obtain the approval of, the airlines to implement the CIP, the Authority has engaged in discussions with the airlines regarding the TMP, the general schedule for implementation, and the potential resulting impact on airline rates and charges. According to the Authority, the airlines have expressed support for the program, and the attendant operational changes that will benefit the Authority and the airlines.

Table 12  
**SUMMARY OF CIP COSTS AND FUNDING**  
Omaha Airport Authority  
Dollars in thousands

CIP spending	Through			
	2023	2024	2025-30	Total
Terminal Drive & Canopy	\$20,910	\$ 44,090	\$ --	\$ 65,000
Skywalks to Passenger Terminal	--	--	21,896	21,896
Terminal Modernization Program	27,877	163,247	738,875	930,000
Other CIP Projects	--	5,233	39,450	44,683
<b>Total CIP spending</b>	<b>\$48,787</b>	<b>\$212,570</b>	<b>\$800,221</b>	<b>\$1,061,579</b>
CIP funding sources	Through			
	2023	2024	2025-30	Total
<b>Bonds</b>				
Non-PFC supported	\$ --	\$ 67,388	\$364,612	\$ 432,000
PFC-supported	--	17,255	92,745	110,000
<b>Total Bond funding</b>	<b>\$ --</b>	<b>\$ 84,643</b>	<b>\$457,357</b>	<b>\$ 542,000</b>
<b>Grants</b>				
AIP	\$ 1,644	\$ 8,368	\$ 10,207	\$ 20,219
BIL	4,146	40,696	23,623	68,465
TSA	--	160	24,555	24,715
<b>Total grant funding</b>	<b>\$ 5,790</b>	<b>\$ 49,224</b>	<b>\$ 58,386</b>	<b>\$ 113,399</b>
<b>Authority Cash</b>	<b>\$42,997</b>	<b>\$ 68,336</b>	<b>\$205,143</b>	<b>\$ 316,476</b>
PFC pay-go	--	9,503	55,497	65,000
CFCs	--	864	15,594	16,458
FEMA/insurance	--	--	8,245	8,245
<b>Total funding sources</b>	<b>\$48,787</b>	<b>\$212,570</b>	<b>\$800,221</b>	<b>\$1,061,579</b>

Source: Omaha Airport Authority.

## CIP FUNDING

There are four primary funding sources for the CIP – Bonds, Authority cash, grants, and PFCs – as well as contributions from other miscellaneous sources.

**Bonds:** The Authority intends to finance \$542 million of CIP costs (approximately 50% of the total CIP) with proceeds of three Bond issues – this Series 2024 Bond issue followed by two Future Bond issues in 2026 and 2028. Debt service on Bonds financing \$110 million of project costs is expected to be paid with PFCs.

**Authority cash:** The Authority is projecting to invest \$316 million of unrestricted Authority cash balances in the CIP. This encompasses current Authority cash balances as well as future net cash flows generated from Airport operations through 2030. Authority management intends to monitor cash usage with a target of maintaining 600 days' unrestricted cash balance on hand during the implementation of the CIP. The Authority does not have a covenant to maintain a minimum days' unrestricted cash balance on hand.

**Grants:** The Authority is expecting to receive a total of \$113 million of grant funding for the CIP, including \$20 million of AIP grants, \$68 million of Bipartisan Infrastructure Law (BIL) grants, and \$25 million of TSA funds through an Other Transaction Agreement. Substantially all of these amounts have been approved or awarded to the Authority by the respective federal agencies (the FAA and the TSA). If any of these grant funds are not received by the Authority, then the Authority intends to finance such deficiency with additional Bonds or Authority cash.

The Authority is continuing to actively pursue additional grant funding from various sources. If additional grants are received (beyond what is noted above), then the amount of Future Bond issuance may be reduced accordingly.

**PFCs:** In addition to the PFC-supported debt noted above, the Authority expects to apply \$65 million of PFC revenues to the TMP on a pay-as-you-go basis.

**Other funding sources:** The Authority expects to apply \$16.5 million of CFCs to rental car related elements of the CIP. Additionally, the Authority expects to receive \$8.2 million of funding through insurance proceeds or grants from the Federal Emergency Management Agency (FEMA) to cover CIP costs related to rebuilding facilities damaged by the tornado that struck parts of the Airport in April 2024 (included in “Other CIP Projects” in Table 12). The portion of replacement costs related to the tornado, and reimbursement for funding which is dependent on costs, is subject to change as the Authority has not yet completed planning for replacement of assets or received estimates.

## FINANCIAL ANALYSIS

### SUMMARY OF MASTER RESOLUTION AND SERIES RESOLUTIONS

The Master Resolution and First Series Resolution were adopted by the Authority on December 20, 2016. The form of the Second Series Resolution was approved by the Authority in January 2024 when the Authority authorized the issuance of additional bonds. The Second Series Resolution will be finalized at pricing of the Series 2024 Bonds. The Master Resolution, First Series Resolution, and Second Service Resolution are collectively referred to in this Report as the Resolution. The Resolution will govern the Series 2024 Bonds and future bond issuances (Future Bonds) that the Authority expects to undertake during the Forecast Period.

Under the Resolution, Section 2.01 “Authorization of Bonds”, Bonds may be issued from time to time upon approval by resolution of the Board, pursuant to a Series Resolution and subject to the covenants, provisions and conditions therein and herein contained.

The Resolution should be read in its entirety for an understanding of defined terms such as Revenues, Operation and Maintenance Expenses, Net Revenues, Debt Service, and Annual Debt Service. Certain defined terms used in the Resolution are summarized below, but references in this Report are not, and do not purport to be, comprehensive.

The financial forecasts described in this Report incorporate the terms of the Resolution.

#### **Revenues, Operation and Maintenance Expenses, and Net Revenues**

**Revenues.** Revenues include all Authority income with the exception of certain amounts which are not considered revenues per generally accepted accounting principles, or which are restricted in their use. Revenues exclude any revenue related to federal grants, CFCs, and PFCs, unless the Authority determines otherwise.

**Operation and Maintenance Expenses.** Operation and Maintenance Expenses include all Authority expenses as defined using generally accepted accounting principles, however there are certain exclusions for non-cash expenses such as depreciation and post-employment benefits (OPEB) that are “not expended in the Fiscal Year in question.”

**Net Revenues.** Net Revenues are defined as “Revenues less Operation and Maintenance Expenses.”

#### **Debt Service and Annual Debt Service**

**Debt Service.** Debt Service is generally defined as the sum of interest and principal payments due over a given period for a certain bond series, as described in more detail in the Resolution.

**Annual Debt Service.** Annual Debt Service is generally defined as the sum of the Debt Service associated with all outstanding Bonds in a given year. Debt Service paid using Designated CFC Revenues or Designated PFC Revenues is excluded from Annual Debt Service.

### **Rate Covenant Requirement – Section 7.08**

In Section 7.08 of the Resolution (referred to as “Rents, Fees, and Charges”), “..... the Authority covenants and agrees that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either: (1) the amounts needed for making the required deposits in the Fiscal Year to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund; or (2) an amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.”

Additionally: “The Authority covenants that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified in subsection (a) of this Section, the Authority will require the Airport Management Consultant to make recommendations as to the revision of the Authority’s schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System as may be necessary.”

### **Conditions for Issuing Additional Bonds – Section 7.09**

Section 7.09 of the Master Resolution provides general guidelines for the issuance of additional Bonds. Among other provisions, one the following conditions must be met:

(A) An Authorized Representative has delivered to the Trustee a certificate stating that Net Revenues in the completed Fiscal Year immediately preceding the issuance of such additional Bonds were not less than the larger of (1) the amounts needed for making the required deposits to the Principal Account, the Interest Account, and the Sinking Fund Account, the Reserve Fund and the Junior Lien Obligations Fund or (2) 125% of (a) Annual Debt Service on Bonds Outstanding in such immediately preceding Fiscal Year (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (b) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

(B) An Airport Management Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the rate covenant set forth in Section 7.08(a) (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the additional Bonds proposed to be issued) for each of the next three full Fiscal Years following issuance of the additional Bonds, or each full Fiscal Year from issuance of the additional Bonds through two full Fiscal Years following completion of the Projects financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be Outstanding following the issuance of the proposed additional Bonds in any Fiscal Year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last Fiscal Year of the test must use such Maximum Annual Debt Service; provided further, that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last Fiscal Year of the period described in this sentence, the Airport Management

Consultant shall extend the test through the first full Fiscal Year for which there is no longer capitalized interest.

(C) With respect to additional Bonds proposed to be issued to refund Outstanding Bonds, either the requirement set forth in (A) or (B) is satisfied, or an Authorized Representative has provided to the Trustee a certificate stating that (i) the aggregate Annual Debt Service in each Fiscal Year with respect to all Bonds outstanding after issuance of such refunding Bonds shall be less than the aggregate Annual Debt Service in each such Fiscal Year through the last Fiscal Year in which Bonds are Outstanding prior to the issuance of such refunding Bonds and (ii) the Maximum Annual Debt Service with respect to all Bonds to be Outstanding after issuance of such refunding Bonds shall not exceed the Maximum Annual Debt Service with respect to all Bonds Outstanding immediately prior to such issuance.

As the Series 2024 Bonds are the second series of Bonds to be issued under the terms of the Resolution, the Authority intends to request that LeighFisher provide a certificate in accordance with Section 7.09(B) prior to the issuance of the Series 2024 Bonds. The additional bonds test certificate will be provided separately from this Report.

#### **Application of Revenues and Established Funds – Section 5.04**

Under Section 5.04 of the Resolution, certain funds are established and the application of Revenues received by the Authority is defined using certain priorities. A Revenue fund is established and all Revenues must be promptly deposited by the Authority to the credit of the Revenue Fund.

On the first day of the month the Authority applies the Revenues in the following amounts and order of priority:

1. The then current month's Operation and Maintenance expenses will be deposited into the Operation and Maintenance Fund.
2. Revenues will then be deposited into the Bond Fund (separated into a Principal Account, Interest Account, and Sinking Fund Account) to pay Annual Debt Service. Designated CFC Revenues and PFC Revenues are deposited into the Bond Fund to reduce the amount of Annual Debt Service paid from Revenues.
3. Revenues will then be deposited into the Reserve Fund, to the extent the amount on deposit is less than the Reserve Requirement, until such time that the amount on deposit meets the Reserve Requirement.
4. Revenues will next be deposited into the Junior Lien Obligations Fund. The Authority has no outstanding Junior Lien Resolutions, no Junior Lien Obligations, and currently no plans to issue Junior Lien Obligations during the Forecast Period.
5. All remaining amounts in the Revenue Fund will be deposited into the Capital Improvement and General Purpose Fund.

In the First Series Resolution the Authority established a CFC Fund and Designated CFC Revenues to offset Annual Debt Service payments on the Series 2017 Bonds.

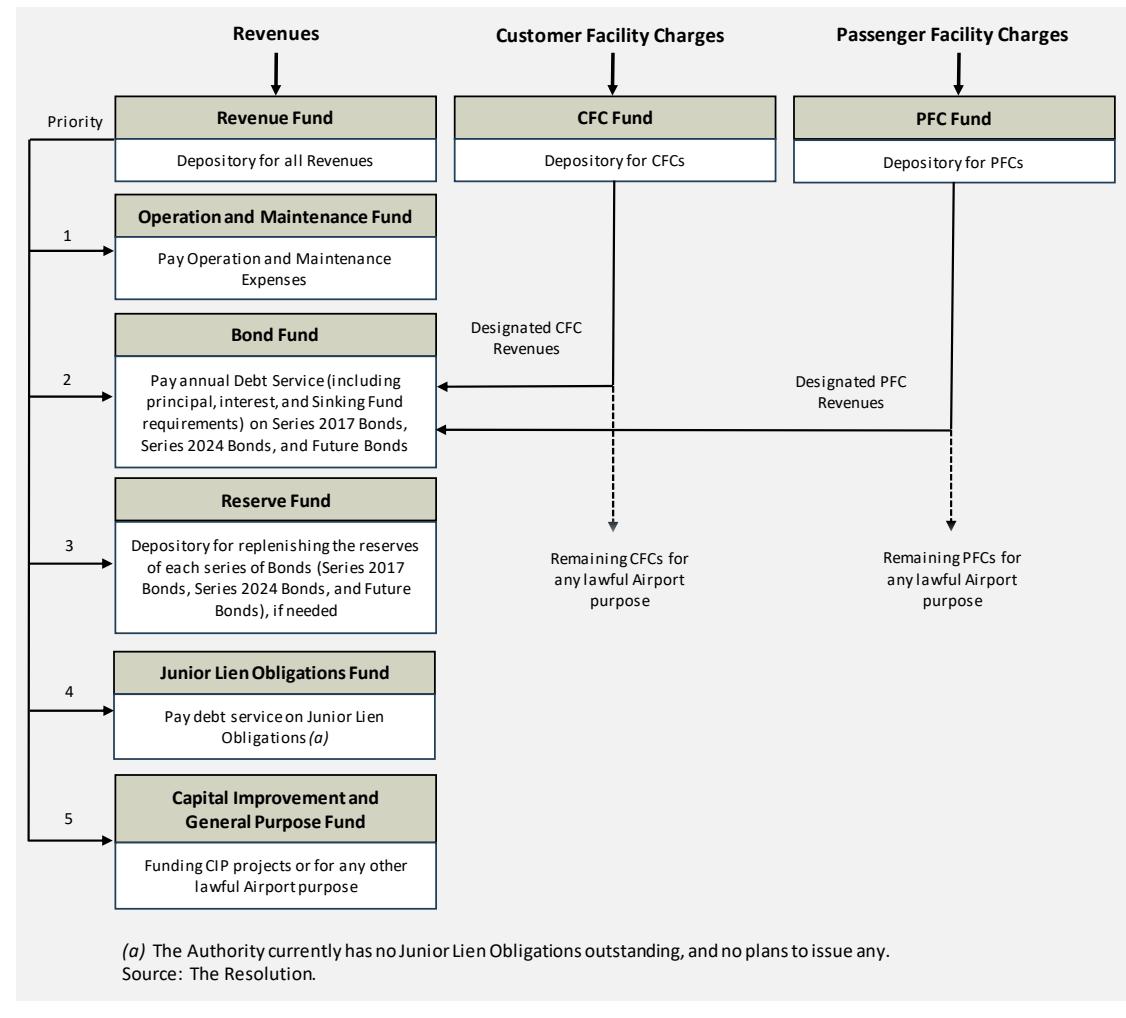
- **Designated CFC Revenues.** Designated CFC Revenues “means, for any period of time, the amount of Customer Facility Charges specified in any Series Resolution (or other resolution adopted by the Authority) in which the Board irrevocably commits to pay a portion of the Debt Service on a Series of Bonds.”
- **CFC Fund.** CFC Fund means the fund by that name set forth in Section 3.08 of the First Series Resolution. “The CFC Fund, to be held by the Authority, into which all CFCs, when and if received by the Authority, shall be deposited. The CFC Fund is not pledged to secure the payment of principal, Accreted Value and Appreciated Value of and premium, if any, and interest on any Bonds. Except as to the irrevocable commitment set forth in Section 3.10 of the First Series Resolution amounts in the CFC Fund may be expended for any lawful purpose as the Authority may determine.”

In the Second Series Resolution the Authority established a PFC Fund and Designated PFC Revenues, (as well as incorporating the ability of the Authority to apply Designated CFC Revenues) to offset Annual Debt Service payments on the Series 2024 Bonds.

- **Designated PFC Revenues.** Designated PFC Revenues “means, for any period of time, the amount of Passenger Facility Charges specified in any Series Resolution (or other resolution adopted by the Authority) in which the Board irrevocably commits to pay a portion of the Debt Service on a Series of Bonds.”
- **PFC Fund.** PFC Fund means the fund by that name set forth in Section 3.08 of the Second Series Resolution. “The PFC Fund, to be held by the Authority, into which all PFCs, when and if received by the Authority, shall be deposited. The PFC Fund is not pledged to secure the payment of principal, Accreted Value and Appreciated Value of and premium, if any, and interest on any Bonds. Except as to the irrevocable commitment set forth in Section 3.11 of the Second Series Resolution amounts in the PFC Fund may be expended for any lawful purpose as the Authority may determine.”

The flow of funds is shown in Figure 12.

**Figure 12**  
**APPLICATION OF REVENUES**  
Omaha Airport Authority



## **DEBT SERVICE REQUIREMENTS**

The estimated Annual Debt Service for the Series 2024 Bonds was provided by D.A. Davidson, the Authority's registered municipal advisor, assuming a \$333.9 million par, a 2054 final maturity, and a 5.0% interest rate. For the purposes of this Report, annual debt service related to the Series 2024 Bonds is assumed to be approximately \$4.6 million in 2025 and 2026, and \$22.2 million annually thereafter. The plan of finance and estimated Annual Debt Service are preliminary and could change prior to issuing the Series 2024 Bonds.

All of the Annual Debt Service on the Series 2024 Bonds is expected to be paid with PFCs in 2025 and 2026. In subsequent years, approximately 23% of the Annual Debt Service on the Series 2024 Bonds is expected to be paid with Designated PFC Revenues and Designated CFC Revenues. All of the Series 2024 Bond debt service (net of amounts paid with PFCs and CFCs) is allocated to the terminal cost center.

The estimated Annual Debt Service for the Future Bonds (Series 2026 Bonds and Series 2028 Bonds) anticipated to be issued to complete the TMP was also provided by D.A. Davidson, and assumes 30-year terms to final maturity and interest rates of 5.75%.

Key assumptions for both the Series 2024 Bonds and Future Bonds are shown in Table 13, and additional detail is provided in Exhibit B.

Exhibit C presents the historical and forecast Annual Debt Service, including the Series 2017 Bonds, the proposed Series 2024 Bonds, and the anticipated Future Bonds for completion of the TMP.

## **PASSENGER FACILITY CHARGES**

The Authority first levied a \$4.50 PFC in 2017 and has authorization from the FAA to collect and use a total of \$296.3 million of PFCs under the terms of two approved PFC applications, with an expiration date of July 1, 2044. As of June 30, 2024, the Authority had collected \$55.3 million of PFC revenue (including \$2.1 million of PFC-restricted interest income) and expended \$25.4 million of PFCs on project costs, leaving a \$29.9 million PFC cash balance in the PFC Fund.

In accordance with the Authority's second approved PFC application, PFCs are expected to be pledged or used for payment on a portion of the debt (including the Series 2024 Bonds) to be issued for purposes of funding PFC-eligible and approved portions of the TMP.

The Authority has budgeted \$10.2 million of PFC collections during 2024. Exhibit D-1 shows the forecast of PFC collections and application of PFC revenues through the Forecast Period. In addition to the payment of debt service on the Series 2024 Bonds and Future Bonds, \$65 million of PFCs are expected to be applied on a pay-as-you-go basis to the costs of the TMP.

**Table 13**  
**BOND FINANCING ASSUMPTIONS**  
**Omaha Airport Authority**  
(Dollars in thousands)

	Future Bonds			
	Series 2024 Bonds	Series 2026 Bonds	Series 2028 Bonds	Total (all issues)
<b>Principal amount</b>				
PFC supported portion	\$ 70,740	\$ 21,765	\$ 27,210	\$119,715
Non-PFC supported portion	<u>263,165</u>	<u>144,670</u>	<u>106,485</u>	<u>514,320</u>
	\$333,905	\$166,435	\$133,695	\$634,035
<b>Net proceeds</b>				
PFC supported portion	\$ 65,000	\$ 20,000	\$ 25,000	\$110,000
Non-PFC supported portion	<u>215,000</u>	<u>125,000</u>	<u>92,000</u>	<u>432,000</u>
	\$280,000	\$145,000	\$117,000	\$542,000
<b>Interest capitalized through</b>				
PFC supported portion (a)	No Cap-I	No Cap-I	No Cap-I	
Non-PFC supported portion	1/1/2027	1/1/2027	1/1/2029	
Interest rate (b)	5.00%	5.75%	5.75%	
Year of final maturity	2054	2055	2057	
Assumed delivery date	12/4/2024	1/1/2026	1/1/2028	

(a) No capitalized interest on the PFC supported portions of the Bond issues.

(b) Reflects market interest rates plus a cushion above current rates for both Series 2024 Bonds and future bonds.

Source: D.A. Davidson, September 26, 2024.

## CUSTOMER FACILITY CHARGES

The Authority implemented a \$2.50 CFC per rental car transaction day in 2015, which is collected and remitted to the Authority by the on-Airport rental car companies. CFCs may be used to recover costs related to rental car facilities, including Operation and Maintenance Expenses, heavy maintenance, and debt service related to facility construction and improvements, as established by Authority resolution.

The CFC collection rate was raised to \$5.00 on August 1, 2024. The CFC is subject to change upon Authority Board resolution at any time. The Authority had a cash balance of \$4.4 million in the CFC fund as of June 30, 2024. As described later in this Report, certain CFC collections constitute Designated CFC Revenues and are forecast to be used for the payment of a portion of the debt service on the Series 2017 Bonds and the Series 2024 Bonds, while those Bonds remain outstanding.

The Authority has budgeted \$3.7 million of CFC collections during 2024 and \$5.5 million of CFC collections for 2025, reflecting a full year of the higher \$5.00 CFC rate. No further increases in the CFC are assumed during the Forecast Period. Exhibit D-2 shows the forecast of CFC collections and application of CFC revenues through the Forecast Period.

## **OPERATION AND MAINTENANCE EXPENSES**

Exhibit E presents historical, estimated, and forecast Operation and Maintenance (O&M) Expenses. Historical O&M Expenses are as reflected in the Authority's audited financial statements. O&M Expenses for 2024 reflect the Authority's budget; and 2025 O&M Expenses reflect the Authority's 2025 preliminary budget and is subject to change. For the first nine months of 2024, O&M Expenses were 1.9% below the budget for that period.

Components of operating expense include: (1) salaries, wages, and benefits, (2) utilities, (3) contractual services, (4) supplies, materials, and repairs, and (5) other expenses. The largest segment of O&M expenses is Authority staff salaries, wages, and benefits, which represent approximately 43% of the Authority's 2025 O&M Expense budget.

Forecast Operation and Maintenance Expenses are based on assumed increases in the unit costs of labor, services, utilities, and supplies as a result of price inflation. In particular, it was assumed that:

- The underlying general rate of increase for Operation and Maintenance Expenses is assumed to be approximately 4.0% per year, which reflects assumed inflation of 2.5% per year plus an allowance for real, net of inflation, increases.
- The forecast includes incremental O&M Expenses for additional staff, insurance (due to higher cost of the building value), utilities, and contracted services (i.e., baggage areas, elevators, escalators, and other systems) related to the TMP entering service during the Forecast Period.
- Total Personnel costs are forecast to increase 8.8% annually between 2023 and 2030, reflecting increases in salary levels, staffing costs and changes in benefits. This encompasses an additional of 20 Authority employees, and approximately a 12% increase in total staffing costs related to the TMP.

Operation and Maintenance Expenses as defined in the Resolution, are forecast to increase from \$36.6 million in 2023 to \$64.0 million in 2030, which is an average annual growth rate of 8.3%. OPEB and depreciation are not components of Operation and Maintenance Expenses as defined in the Resolution.

## **REVENUES**

Exhibit F presents historical, estimated, and forecast Revenues. Historical Revenues are based on the Authority's audited financial statements. Revenues for 2024 reflect the Authority's budget, while Revenues for 2025 reflect the Authority's preliminary budget. For the first nine months of 2024, actual Revenues exceeded budgeted Revenues for that period by 6.8%.

The assumptions underlying the increases in Airline Revenues and nonairline revenues are described in the following sections.

## **Airline Revenues**

Airline revenues are approximately 28% of total Revenues. The Authority enters into one-year airline lease agreements with the airlines serving the Airport, which renew annually on January 1. There are no long-term airline lease and use agreements. Airline rates and charges are established annually by the Authority Board of Directors by resolution. The Authority employs a compensatory system of airline rates and charges. Nonairline revenues are not credited against Airport costs for the calculation of airline fees and charges, and there are no requirements for airline approval of Airport capital projects (such as "majority-in-interest" airline approvals).

The Airport has 20 gates including 16 gates that are leased preferentially and 4 common-use gates. There are no exclusively leased gates at the Airport. The 4 common-use gates provide sufficient capacity for existing airlines and potential new entrants. The airline lease agreements and the Authority's gate allocation protocols also permit the Authority to accommodate airlines on preferential gates when necessary, or to recapture preferential gates when necessary.

The Authority defines ten cost centers to be used in accounting for revenues and expenses and for calculating certain rents, fees, and charges. Costs allocated to these cost centers include the following, hereinafter referred to as recoverable costs:

- Direct and indirect Operation and Maintenance Expenses
- Direct and indirect insurance expense
- Direct and indirect local (non-grant-funded/non-bond funded) depreciation
- Direct and indirect bond principal and interest expense for debt service

The compensatory airline rate-setting procedures are based on the recovery of the costs allocated to certain of these cost centers.

Prior to the beginning of each Fiscal Year, the Authority calculates rents, fees, and charges for the upcoming Fiscal Year based on the annual operating budget, capital expenditure information, estimates of activity, and other relevant information. If, during the course of any Fiscal Year, the Authority believes that significant variances exist in amounts used to calculate rents, fees, and charges for the current Fiscal Year, the Authority may adjust the rents, fees, and charges to reflect revised estimated amounts. The Authority has historically made mid-year adjustments to airline fees and charges on a few occasions.

The calculation of Airline revenues is described in the following paragraphs.

## **Landing Fees**

The landing fee rate per 1,000 pounds of aircraft weight is calculated by dividing the net airfield cost by total projected landed weight. The net airfield cost is calculated as recoverable airfield costs, less certain revenues including apron fees and diversion ramp use, as well as charter airline landing fees.

Nonscheduled aircraft arrivals are charged a rate which is 1.15 times the scheduled landing fee.

The forecast of the landing fee rate and landing fee revenues is shown in Exhibit F-1a.

## **Terminal Rentals**

Terminal building rental rate per square foot is calculated by dividing the net terminal building cost by total revenue-producing area. The forecast of the terminal rental rate and terminal rental revenues is shown in Exhibit F-1b.

## **Apron Fees**

The annual fee for use of apron space at the Airport was \$2.50 per turn for passenger airlines in 2024 and is budgeted at this level for 2025. It is assumed that the \$2.50 fee is maintained throughout the Forecast Period. Cargo carrier and diversion remote aircraft parking charges are also assessed.

## **Other Airline Fees and Charges**

The Authority charges certain other fees and charges for airline use of the Airport. These fees include a joint use fee, and per turn fees for carriers which elect to be charged per turn rather than leasing a gate.

The cost of the joint use space (currently baggage claim) in the terminal is allocated among the passenger airlines. For high volume carriers, 10% of the joint use requirement is allocated equally and 90% of the cost is allocated based on enplanements. Low volume carriers (below a 4.25% share of the market) are allocated joint use fees based entirely on the proportion of each carrier's enplanements.

The per turn fee is calculated as a markup of the average signatory fees per turn. The per turn fee for aircraft greater than or equal to 125 seats in 2024 is \$770.

## **Airline Cost Per Enplaned Passenger**

Airline cost per enplaned passenger is a metric commonly used in the airport industry to assess and compare the total payments made by airlines to an airport operator for the use of airport facilities. The various airport charges (including landing fees, terminal rentals, apron fees, and miscellaneous other charges where applicable) are summed and expressed on a per enplaned passenger basis.

As shown in Exhibit F-1c, the airline cost per enplaned passenger is forecast to increase from \$8.16 in 2024 (as budgeted) to \$22.37 in 2030. This increase is primarily driven by the completion of the TMP, and as previously noted, the general magnitude of the increase in airline charges (particularly the terminal rental rate) due to implementation of the program has been discussed with the airlines.

## **Nonairline Revenues**

Major sources of nonairline revenues include general aviation revenues, terminal building concessions, non-terminal building and land rentals, automobile parking concession, rental car concessions, revenues from Millard Airport (the Authority's general aviation airport), and other revenues noted below. Forecasts of nonairline revenues are based on allowances for inflation, forecast increases in enplaned passengers, and other factors where applicable.

## **Automobile Parking Revenues**

Automobile parking is the largest source of nonairline revenue for the Authority. In 2023, Authority revenue associated with automobile parking was \$35.8 million, equal to approximately 48% of total operating revenue.

Metropolis Technologies, Inc. (formerly SP+ Corporation) operates the public parking facilities and related shuttle busing operations at the Airport under a management agreement which extends to May 31, 2028. Under the agreement, the Authority receives 100% of all gross parking revenue and pays for certain reimbursable expenses including management fees. The Authority has options to extend the agreement to May 31, 2030.

Automobile parking revenues are forecast to increase from \$35.8 million in 2023 to \$44.8 million in 2030. This is an average annual growth rate of 3.2% over the seven-year period. The 2025 budget reflects the parking rates currently in effect, and the forecast reflects anticipated rate increases of \$1.00 in the Premier parking and North and South Garage daily rates to take effect at the start of 2027 and 2029. Current parking rates for each of the parking facilities at the Airport are shown in Table 14.

It is assumed that parking rate increases will not result in any decrease in demand for public parking, as the Authority is regularly operating at capacity in certain of its facilities during peak days each week throughout certain portions of the year.

<b>Table 14</b> <b>OMA DAILY PARKING RATES</b> <b>As of August 15, 2024</b> <b>Omaha Airport Authority</b>	
Premier Parking	\$32.00
North and South Garage*	\$24.00
North and South Garage Rooftop	\$15.00
South Canopy	\$12.00
North Economy	\$ 9.00
South Economy	\$ 6.00

Source: Omaha Airport Authority.  
\*Hourly parking is available for \$1.50 for each 20 minutes up to the daily rate.

## Rental Car Revenues

Nine rental car brands are represented on-Airport through concession agreements with six different companies (including, in some cases, companies that hold a franchise to operate a brand). Each of the six agreements have five-year terms extending through June 30, 2029. The rental car brands are as follows:

• Budget	• Enterprise	• Dollar
• Avis	• Alamo	• Thrifty
• Payless	• National	• Hertz

As a concession fee, the Authority receives 10% of gross receipts from the rental cars, subject to a minimum annual fee that adjusts annually, and is equal to 10% of 75% of the immediately preceding year's gross receipts. The Authority also receives terminal counter rent from the rental cars, and ready/return parking space rent.

Revenues from rental car concessions are forecast to increase from \$6.6 million in 2023 to \$7.1 million in 2030. The increase is based on passenger growth through the end of the Forecast Period.

As discussed earlier, the Authority increased the CFC from \$3.50 to \$5.00 per rental car transaction day on August 1, 2024. The CFC is collected and remitted to the Authority by the on-Airport rental car companies. The forecast of CFCs is shown on Exhibit D-2. The CFC rate is subject to change by Authority Board resolution at any time. CFCs may be used to recover costs related to the rental car facility, including Operation and Maintenance Expenses, heavy maintenance, and debt service related to facility construction and improvements, as established by Authority resolution. The forecast assumes no increase in the CFC rate over the duration of the Forecast Period. CFC revenues are forecast to increase from \$3.7 million in 2023 to \$5.8 million in 2030. As noted earlier, CFC revenues are expected to be applied to debt service on the Series 2017 Bonds and Series 2024 Bonds.

## Other Ground Transportation Revenues

The Authority entered into Non-Exclusive License Agreements with the Transportation Network Companies (TNCs, or Uber and Lyft) in May 2020 that expire on December 31, 2025. Effective June 1, 2020, the Authority began collecting \$2.75 per each Uber and Lyft trip. The For Hire Companies (which includes Taxicabs, Limousines, and Open Class [shared ride]) began a \$2.75 fee per each trip effective January 1, 2021, through a For Hire Trip User Fee Resolution, which was approved by the Board in November 2020. The TNCs and For Hire Companies fee per trip increases to \$3.25 effective January 1, 2025. There is also an Off-Airport Parking User Fee Resolution that was approved by the Board in June 2021 that includes a 10% of gross user fee on off-Airport parking revenues.

The Authority also has an agreement with Turo to pay 10% of gross revenue on peer-to-peer rentals generated at the Airport that expires December 31, 2025.

## **Terminal Concessions**

The Authority has existing agreements with Rigel Airport Services, GPMM, and Hudson News (Hudson) that will expire December 31, 2024. On September 17, 2024, the Authority announced a new dining and retail concessions program associated with the Build OMA Terminal Modernization Program. There are two new agreements with joint ventures led by Hudson and Plum Market. The new agreements include operating the interim spaces beginning January 1, 2025, as well as the new spaces to be operational in 2027/2028 as the new terminal areas become operational. The new agreements provide for a greater of a minimum annual or percentage rents which are levied on a tiered basis. The agreement terms are estimated to extend to 2042, or 15 years after completion of the new concession spaces.

Upon completion of the TMP, the concessions program will encompass 19 dining and retail locations, including 17 different national and local branded dining and retail options (nine of the 17 will be local Omaha brands). The program will also feature 22 local brand products offered at the various dining and retail options throughout the terminal.

Under the Hudson agreement, capital investment of \$13.9 million will be required of the concessionaire during the term of the agreement, with a minimum annual guarantee (MAG) of \$1,100,000 starting in the third year of the agreement and an estimated effective rent of 20% of Hudson's gross sales (the effective rent is estimated to be 25% of sales during the interim period before the new TMP facilities open). The MAG will adjust annually to 85% of the prior year's gross sales.

Under the Plum Market agreement, capital investment of \$13.8 million will be required of the concessionaire during the term of the agreement, with a MAG of \$1,050,000 starting in the third year of the agreement and an estimated effective rent of 14.5% of Plum Market's gross sales (the effective rent is estimated to be 18.6% of sales during the interim period before the new TMP facilities open). The MAG will adjust annually to 85% of the prior year's gross sales.

Dining and retail activities in the terminal contributed \$2.6 million of revenues to the Authority in 2023 (net of a \$1.2 million American Rescue Plan Act concessions credit, which is now fully expended), and the Authority has budgeted \$3.9 million of revenue from this source for 2024. Dining and retail revenue is forecast to increase to \$6.6 million in 2030 due to higher projected sales and percentage rents. This increase reflects the rate of increase in enplaned passengers and in the value of sales which were generally assumed to grow with inflation. Currently the majority of the dining and retail space is located pre-security, but this will change in 2027 with the opening of the TMP's Central Pavilion and the build out of the new concession areas. For this reason, increases in average terminal concession spend rates were assumed in 2027 (e.g., higher spending by passengers due to expanded and enhanced food/beverage and news/gift offerings) as well as new and improved concession offerings in the new terminal facilities.

## **Other Concession Revenues**

Other concession revenues include banking, luggage carts, advertising, business services, security badging and tenant services, and other miscellaneous revenues. Revenues to the Authority from these concessions are forecast to range from \$756,000 to \$815,000 between 2024 and 2030.

### **Other Nonairline Revenues**

Other nonairline revenues consist principally of general aviation fees and building and ground rentals (other than terminal rentals included in Airline Revenues). Revenues in these categories are forecast to increase from \$4.3 million in 2023 to \$6.0 million in 2030. This is an average annual growth rate of 4.7% over the seven-year period. Non-terminal building and land rentals are assumed to have periodic rent adjustments that result in an average increase of approximately 4.0% annually from 2023 to 2030.

### **Millard Airport**

Rentals, fees, and other charges at Millard Airport totaled \$495,000 in 2023. Millard Airport revenues are forecast to be \$541,000 in 2030. Activity at the Millard Airport represented 0.7% of the Authority's total operating revenues in 2023.

### **Non-Operating Revenue**

The primary non-operating revenue source is investment income. Investment income is generated on the Authority's cash and cash equivalent balances. Investment income for 2024 is budgeted to be \$3.0 million. Investment income is anticipated to remain relatively stable throughout the remainder of the Forecast Period (in the range of \$2.4 million to \$3.4 million annually) and is considered a source of available Revenues.

## **APPLICATION OF REVENUES AND COMPLIANCE WITH RATE COVENANT REQUIREMENTS**

Exhibit G presents the forecast Application of Revenues and compliance with the Rate Covenant Requirement. The Authority is forecast to exceed the requirements of the Rate Covenant Requirement during each year of the Forecast Period.

**Exhibit A-1**  
**Capital Improvement Program Summary by Funding Source**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

	Prior Sources							Bonds	OAA Cash
	Total	(a)	Federal	CFCs	PFC Paygo				
Terminal Drive & Canopy	\$ 65,000	\$ 20,910	\$ 44,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skywalks to Passenger Terminal	\$ 21,896	\$ -	\$ 10,948	\$ 10,948	\$ -	\$ -	\$ -	\$ -	\$ -
Terminal Modernization Program	\$ 930,000	\$ 27,877	\$ 52,571	\$ 5,510	\$ 65,000	\$ 542,000	\$ 237,041		
Other CIP Projects	\$ 44,683	\$ -	\$ 8,245	\$ -	\$ -	\$ -	\$ 36,438		
<b>Grand Total</b>	<b>\$ 1,061,579</b>	<b>\$ 48,787</b>	<b>\$ 115,854</b>	<b>\$ 16,458</b>	<b>\$ 65,000</b>	<b>\$ 542,000</b>	<b>\$ 273,479</b>		

(a) Including OAA Cash and Federal grants.

Source: Omaha Airport Authority.

**Exhibit A-2**  
**Capital Improvement Plan Detail Cash Flow and Funding Source**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

	Total	Prior	2024	2025	2026	2027	2028	2029	2030
<b><u>Total Capital Projects Cash Flow by Year</u></b>									
Terminal Drive & Canopy	\$ 65,000	\$ 20,910	\$ 44,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skywalks to Passenger Terminal	\$ 21,896	\$ -	\$ -	\$ -	\$ -	\$ 10,948	\$ 10,948	\$ -	\$ -
Terminal Modernization Program	\$ 930,000	\$ 27,877	\$ 163,247	\$ 198,617	\$ 185,414	\$ 192,218	\$ 102,138	\$ 60,489	\$ -
Other CIP Projects	\$ 44,683	\$ -	\$ 5,233	\$ 14,450	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>Grand Total</b>	<b>\$ 1,061,579</b>	<b>\$ 48,787</b>	<b>\$ 212,570</b>	<b>\$ 213,067</b>	<b>\$ 190,414</b>	<b>\$ 208,166</b>	<b>\$ 118,086</b>	<b>\$ 65,489</b>	<b>\$ 5,000</b>
<b><u>Terminal Drive &amp; Canopy Funding Sources by Year</u></b>									
OAA Cash	\$ 15,120	\$ 15,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AIP	5,109	1,644	3,466	-	-	-	-	-	-
BIL	44,771	4,146	40,624	-	-	-	-	-	-
<b>Total</b>	<b>\$ 65,000</b>	<b>\$ 20,910</b>	<b>\$ 44,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Skywalks Funding Sources by Year</u></b>									
OAA Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFCs	10,948	-	-	-	-	5,474	5,474	-	-
AIP	1,125	-	-	-	-	562	562	-	-
BIL	9,823	-	-	-	-	4,912	4,912	-	-
<b>Total</b>	<b>\$ 21,896</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,948</b>	<b>\$ 10,948</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Terminal Modernization Program Funding Sources by Year</u></b>									
Non-PFC Supported Bonds	\$ 432,000	\$ -	\$ 67,388	\$ 105,069	\$ 81,507	\$ 93,596	\$ 47,844	\$ 36,596	\$ -
PFC Supported Bonds	110,000	-	17,255	27,326	19,998	22,822	12,585	10,014	-
OAA Cash	264,918	27,877	63,103	38,323	43,537	52,049	32,640	7,389	-
OAA PFC Paygo	65,000	-	9,503	16,206	14,331	12,541	6,916	5,503	-
<b>Subtotal</b>	<b>\$ 871,918</b>	<b>\$ 27,877</b>	<b>\$ 157,249</b>	<b>\$ 186,925</b>	<b>\$ 159,373</b>	<b>\$ 181,008</b>	<b>\$ 99,984</b>	<b>\$ 59,502</b>	<b>\$ -</b>
CFCs	5,510	-	864	1,369	1,002	1,143	630	502	-
AIP	13,985	-	4,902	3,022	3,860	1,106	610	485	-
BIL	13,872	-	71	3,909	9,891	-	-	-	-
TSA	24,715	-	160	3,392	11,288	8,961	913	-	-
<b>Total</b>	<b>\$ 930,000</b>	<b>\$ 27,877</b>	<b>\$ 163,247</b>	<b>\$ 198,617</b>	<b>\$ 185,414</b>	<b>\$ 192,218</b>	<b>\$ 102,138</b>	<b>\$ 60,489</b>	<b>\$ -</b>
<b><u>Other CIP Funding Sources by Year</u></b>									
OAA Cash	36,438	-	5,233	6,205	5,000	5,000	5,000	5,000	5,000
AIP	-	-	-	-	-	-	-	-	-
FEMA/Insurance	8,245	-	-	8,245	-	-	-	-	-
<b>Total</b>	<b>\$ 44,683</b>	<b>\$ -</b>	<b>\$ 5,233</b>	<b>\$ 14,450</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>

Source: Omaha Airport Authority.

**Exhibit B**  
**Bond Project Costs, Issuance Assumptions, and Plan of Finance**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

	Non-PFC Supported Bonds (a)			PFC Supported Bonds (a)			Total Bonds
	2024	2026	2028	2024	2026	2028	
<b>Bond Project Costs Cash Flow by Year</b>							
2024 (b)	\$ 67,388	\$ -	\$ -	\$ 17,255	\$ -	\$ -	\$ 84,643
2025	105,069	-	-	27,326	-	-	132,395
2026	42,543	38,964	-	19,998	-	-	101,505
2027	-	86,036	7,560	421	20,000	2,401	116,418
2028	-	-	47,844	-	-	12,585	60,429
2029	-	-	36,596	-	-	10,014	46,610
2030	-	-	-	-	-	-	-
<b>Total Bond Cash Flow</b>	<b>\$ 215,000</b>	<b>\$ 125,000</b>	<b>\$ 92,000</b>	<b>\$ 65,000</b>	<b>\$ 20,000</b>	<b>\$ 25,000</b>	<b>\$ 542,000</b>
<b>Use of Funds</b>							
Bond Project Costs	\$ 215,000	\$ 125,000	\$ 92,000	\$ 65,000	\$ 20,000	\$ 25,000	\$ 542,000
Debt Service Reserve Fund	18,158	9,982	7,347	4,881	1,502	1,877	43,748
Capitalized Interest (c)	26,817	7,949	5,851	-	-	-	40,617
Cost of Issuance	3,190	1,739	1,287	859	263	333	7,670
Less: Construction Interest Earnings	-	-	-	-	-	-	-
<b>Total Uses of Funds (PAR of Bonds)</b>	<b>\$ 263,165</b>	<b>\$ 144,670</b>	<b>\$ 106,485</b>	<b>\$ 70,740</b>	<b>\$ 21,765</b>	<b>\$ 27,210</b>	<b>\$ 634,035</b>

(a) Sizing reflects market interest rates plus approximately a 50 basis point cushion for the 2024 Bonds and approximately a 125 basis point cushion for future bonds.

(b) Estimated 2024 expenditures funded using OAA cash to be reimbursed using bond proceeds.

(c) No capitalized interest on the PFC-supported portions of the Bond issues.

Sources: Omaha Airport Authority; D.A. Davidson, September 26, 2024, using interest rate of 5.0% for 2024 bonds and 5.75% for future bonds.

**Exhibit C**  
**Forecast Annual Debt Service**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Budget 2024	Forecast		2026	2027	2028	2029	2030
<b>Series 2017 Bonds Total</b>	\$ 2,870	\$ 2,870	\$ 2,870	\$ 2,865	\$ 2,870	\$ 2,870	\$ 2,870	\$ 2,871
<b>Future Bonds</b>								
PFC Supported Bonds								
2024 Bonds	-	4,610		4,609	4,608	4,609	4,607	4,608
2026 Bonds	-	-	1,471	1,541	1,538	1,540	1,540	1,540
2028 Bonds	-	-	-	-	1,840	1,925	1,925	1,928
GARB Bonds								
2024 Bonds	-	-	-	17,565	17,663	17,667	17,663	17,663
2026 Bonds	-	-	-	10,374	10,375	10,374	10,374	10,373
2028 Bonds	-	-	-	-	-	7,633	7,633	7,631
<b>Total Future Bonds</b>	\$ -	\$ 4,610	\$ 6,080	\$ 34,087	\$ 36,026	\$ 43,745	\$ 43,743	
<b>Total Debt Service</b>	\$ 2,870	\$ 7,480	\$ 8,949	\$ 36,952	\$ 38,895	\$ 46,616	\$ 46,614	
Less: Designated CFCs (Existing Debt)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)
Less: Designated CFCs (TMP Debt)				(551)	(551)	(551)	(551)	(551)
Less: Designated PFCs	-	(4,610)	(6,080)	(6,148)	(7,987)	(8,072)	(8,076)	
Less: Excess CFCs	-	-	-	-	-	-	-	-
Less: Excess PFCs	-	-	-	-	-	-	-	-
<b>Net Debt Service</b>	\$ 381	\$ 381	\$ 381	\$ 27,764	\$ 27,868	\$ 35,504	\$ 35,498	

Sources: Omaha Airport Authority; D.A. Davidson, September 26, 2024, using interest rates of 5.0% for 2024 bonds and 5.75% for future bonds.

**Exhibit D-1**

**Historical and Forecast Passenger Facility Charge (PFC) Revenues**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except rates)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Actual 2022	Actual 2023	Projected 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>PFC Net Charge per Eligible Enplaned Passenger</b>									
Gross PFC Charge	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
Less: Airline Collection Fee	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>	<u>(\$0.11)</u>
PFC Net Charge per Eligible Enplaned Passenger	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39
<b>PFC Eligible Enplaned Passengers</b>									
Enplaned passengers	2,248	2,509	2,635	2,695	2,730	2,765	2,800	2,835	2,870
Eligibility %	90.6%	87.8%	87.7%	89.8%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Eligible Enplaned Passengers	2,037	2,203	2,312	2,419	2,457	2,489	2,520	2,552	2,583
<b>PFC Revenues</b>									
PFC Collections (excluding interest)	\$ 8,942	\$ 9,670	\$ 10,150	\$ 10,620	\$ 10,786	\$ 10,925	\$ 11,063	\$ 11,201	\$ 11,339
Interest Earnings	<u>259</u>	<u>859</u>	<u>1,770</u>	<u>540</u>	<u>449</u>	<u>454</u>	<u>460</u>	<u>417</u>	<u>523</u>
<b>PFC Revenues</b>	<b>\$ 9,201</b>	<b>\$ 10,529</b>	<b>\$ 11,920</b>	<b>\$ 11,160</b>	<b>\$ 11,235</b>	<b>\$ 11,378</b>	<b>\$ 11,523</b>	<b>\$ 11,618</b>	<b>\$ 11,862</b>
<b>PFC Fund Balance</b>									
Starting Balance		\$ 46,494	\$ 13,414	\$ 14,964	\$ 15,120	\$ 15,349	\$ 13,885	\$ 17,431	
PFC Collections		11,920	11,160	11,235	11,378	11,523	11,618	11,862	
TMP Paygo		(45,000)	(5,000)	(5,000)	(5,000)	(5,000)	-	-	
PFC Debt Service									
2024 Bonds		-	(4,610)	(4,609)	(4,608)	(4,609)	(4,607)	(4,608)	
2026 Bonds		-	-	(1,471)	(1,541)	(1,538)	(1,540)	(1,540)	
2028 Bonds		-	-	-	-	(1,840)	(1,925)	(1,928)	
Additional Excess PFCs Contributed to GARBs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balance		\$ 13,414	\$ 14,964	\$ 15,120	\$ 15,349	\$ 13,885	\$ 17,431	\$ 21,218	

Source: Omaha Airport Authority.

**Exhibit D-2**  
**Historical and Forecast Customer Facility Charge (CFC) Receipts**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except rates)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Actual 2022	Actual 2023	Projected 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>Enplaned Passengers</b>									
Enplaned passengers	2,248	2,509	2,635	2,695	2,730	2,765	2,800	2,835	2,870
Visitor Enplaned Passengers	872	961	1,011	1,035	1,049	1,062	1,076	1,089	1,103
% Visitor	39%	38%	38%	38%	38%	38%	38%	38%	38%
<b>Transaction Days</b>									
	925	1,065	1,046	1,096	1,111	1,125	1,139	1,153	1,168
<b>CFC Level (\$ / Transaction Day) (a)</b>	\$ 3.50	\$ 3.50	\$ 3.50	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>CFC Collections</b>	\$ 3,239	\$ 3,726	\$ 3,660	\$ 5,480	\$ 5,554	\$ 5,623	\$ 5,697	\$ 5,766	\$ 5,840
CFC Interest Earnings			30	180	229	315	222	130	198
CFC Existing Bonds Debt Service			(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)
CFC Future Bonds Debt Service			-	-	-	(550)	(550)	(550)	(550)
<b>Net CFC Cash Flow Deposit to CFC Fund</b>	[A]		1,201	3,171	3,294	2,899	2,880	2,857	2,999
<b>CFC Fund Balance</b>									
Starting Balance			\$ 3,836	\$ 4,916	\$ 7,643	\$ 10,488	\$ 7,413	\$ 4,343	\$ 6,603
Net CFC Cash Flow Deposit	[=A]		1,201	3,171	3,294	2,899	2,880	2,857	2,999
<b>CFC Funded Capital</b>									
Skywalks to Passenger Terminal			-	-	-	(5,474)	(5,474)	-	-
CFC Funded Rent Payment (b)	[=D]		(121)	(444)	(450)	(499)	(476)	(597)	-
<b>Ending Balance</b>			\$ 4,916	\$ 7,643	\$ 10,488	\$ 7,413	\$ 4,343	\$ 6,603	\$ 9,602

(a) The CFC level was increased to \$5.00 per transaction day effective August 1, 2024.

(b) Available CFCs may be used annually to offset expenditures not otherwise funded through rent, but such amounts are not included in Revenues for Rate Covenant.

Source: Omaha Airport Authority.

**Exhibit E**  
**Historical and Forecast Operation and Maintenance Expenses**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Actual 2022	Actual 2023	Budget 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>Operation &amp; Maintenance (O&amp;M) Payroll</b>									
Wages and salaries	\$ 9,856	\$ 10,556	\$ 11,547	\$ 12,747	\$ 13,257	\$ 13,788	\$ 14,339	\$ 14,913	\$ 15,509
Payroll taxes	717	766	834	926	963	1,001	1,041	1,083	1,126
Employee benefits (a)	3,888	3,850	5,315	5,877	6,229	6,603	6,999	7,419	7,864
Subtotal	\$ 14,461	\$ 15,171	\$ 17,696	\$ 19,550	\$ 20,449	\$ 21,392	\$ 22,380	\$ 23,415	\$ 24,500
Incremental for TMP	-	-	-	-	785	2,425	2,775	2,859	2,944
<b>O&amp;M Payroll</b>	<b>\$ 14,461</b>	<b>\$ 15,171</b>	<b>\$ 17,696</b>	<b>\$ 19,550</b>	<b>\$ 21,234</b>	<b>\$ 23,817</b>	<b>\$ 25,155</b>	<b>\$ 26,273</b>	<b>\$ 27,444</b>
<b>Other O&amp;M</b>									
Supplies and materials	\$ 1,763	\$ 2,033	\$ 2,244	\$ 2,351	\$ 2,445	\$ 2,543	\$ 2,645	\$ 2,751	\$ 2,861
Contractual Services	2,083	2,247	2,264	2,613	2,718	4,826	5,019	5,220	5,429
Parking Management	4,188	5,524	5,220	5,851	6,085	6,329	6,582	6,845	7,119
Electricity	1,255	1,336	1,562	1,748	1,818	2,891	3,006	3,127	3,252
Fuel - heating	227	155	214	220	229	238	247	257	268
Water and sewer	273	298	335	341	354	368	383	398	414
Trash disposal	61	68	76	77	80	83	86	90	93
Communications	139	142	137	138	143	149	155	161	167
Gas and oil	202	193	220	224	233	243	252	262	273
Other expenses	39	163	92	120	125	130	135	140	146
<b>Other O&amp;M</b>	<b>\$ 10,231</b>	<b>\$ 12,160</b>	<b>\$ 12,363</b>	<b>\$ 13,682</b>	<b>\$ 14,230</b>	<b>\$ 17,799</b>	<b>\$ 18,511</b>	<b>\$ 19,251</b>	<b>\$ 20,021</b>
<b>General &amp; Administrative (G&amp;A)</b>									
Salaries	\$ 3,249	\$ 4,215	\$ 5,358	\$ 6,098	\$ 6,342	\$ 6,595	\$ 6,859	\$ 7,133	\$ 7,419
Payroll taxes	208	243	326	340	353	367	382	397	413
Employee benefits	1,064	1,095	1,640	1,943	2,060	2,183	2,314	2,453	2,600
Supplies and materials	124	96	121	118	122	127	132	138	143
Professional and contracted services	2,084	2,314	2,192	2,417	2,513	2,614	2,718	2,827	2,940
Marketing	101	42	65	65	68	71	73	76	79
Travel and transportation	53	74	116	131	136	142	147	153	159
Communications	12	10	15	15	16	16	17	18	18
Dues and subscriptions	37	40	39	62	64	67	69	72	75
Other expenses	13	9	9	12	13	13	14	14	15
<b>G&amp;A</b>	<b>\$ 6,946</b>	<b>\$ 8,139</b>	<b>\$ 9,880</b>	<b>\$ 11,200</b>	<b>\$ 11,687</b>	<b>\$ 12,196</b>	<b>\$ 12,727</b>	<b>\$ 13,282</b>	<b>\$ 13,863</b>
<b>Insurance</b>	<b>\$ 927</b>	<b>\$ 1,090</b>	<b>\$ 1,201</b>	<b>\$ 1,479</b>	<b>\$ 1,597</b>	<b>\$ 2,316</b>	<b>\$ 2,432</b>	<b>\$ 2,554</b>	<b>\$ 2,681</b>
<b>Total O&amp;M Expenses (Resolution)</b>	<b>\$ 32,565</b>	<b>\$ 36,560</b>	<b>\$ 41,139</b>	<b>\$ 45,911</b>	<b>\$ 48,748</b>	<b>\$ 56,128</b>	<b>\$ 58,825</b>	<b>\$ 61,361</b>	<b>\$ 64,010</b>

(a) Does not include accrued Other Post Employment Benefit Expense (OPEB).

Source: Omaha Airport Authority.

**Exhibit F**  
**Historical and Forecast Revenues**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Actual 2022	Actual 2023	Budget 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>Landing Area:</b>									
Landing Fees:									
Scheduled	\$ 10,334	\$ 11,443	\$ 11,983	\$ 12,892	\$ 13,492	\$ 14,554	\$ 14,846	\$ 15,277	\$ 15,615
Non-scheduled	71	4	26	-	-	-	-	-	-
Aviation fuel fees	428	420	434	420	425	431	436	442	447
Apron fees	308	335	342	348	351	354	357	360	363
Other revenue	84	91	50	50	50	50	50	50	50
Total landing area	\$ 11,225	\$ 12,293	\$ 12,833	\$ 13,710	\$ 14,319	\$ 15,388	\$ 15,689	\$ 16,128	\$ 16,475
<b>General Aviation Area:</b>									
T-hangar rental	\$ 156	\$ 158	\$ 162	\$ 70	\$ 162	\$ 166	\$ 170	\$ 174	\$ 178
Other facilities rental	438	1,261	1,256	1,228	1,259	1,290	1,323	1,356	1,390
Ground rental FBOs and other	1,072	1,163	1,202	1,234	1,265	1,296	1,329	1,362	1,396
Total gen'l aviation area	\$ 1,666	\$ 2,582	\$ 2,620	\$ 2,533	\$ 2,685	\$ 2,752	\$ 2,821	\$ 2,892	\$ 2,964
<b>Terminal Building Area:</b>									
Total airlines building rental	\$ 8,909	\$ 9,901	\$ 10,406	\$ 12,549	\$ 13,688	\$ 39,716	\$ 40,939	\$ 49,554	\$ 50,295
Other rental	657	744	793	773	787	802	817	832	848
Concessions:									
Advertising	367	534	530	500	506	513	519	526	532
Business services	27	24	30	28	28	29	29	29	30
Dining and Retail	2,495	2,553	3,812	4,400	4,722	5,441	5,853	6,293	6,546
Specialty shops	41	39	55	34	34	35	35	36	36
Telephones	62	62	66	67	68	69	70	71	72
Other miscellaneous	2	2	1	1	1	1	1	1	1
Security badging & tenant services	188	177	188	160	162	164	166	168	170
Total terminal building area	\$ 12,748	\$ 14,037	\$ 15,882	\$ 18,511	\$ 19,998	\$ 46,770	\$ 48,430	\$ 57,510	\$ 58,530
<b>Other Facilities Area:</b>									
Building rental	\$ 1,731	\$ 1,214	\$ 1,815	\$ 2,054	\$ 2,105	\$ 2,158	\$ 2,212	\$ 2,267	\$ 2,324
Ground rental	489	548	613	629	644	660	677	694	711
Auto parking	27,619	35,803	35,120	41,200	41,464	42,838	43,109	44,500	44,775
Rental car concession	6,363	6,640	6,890	6,680	6,767	6,854	6,940	7,027	7,114
Ground transportation	1,051	1,264	1,277	1,556	1,540	1,560	1,580	1,600	1,619
Other revenue	0	3	-	-	-	-	-	-	-
Total other facilities area	\$ 37,252	\$ 45,472	\$ 45,714	\$ 52,118	\$ 52,521	\$ 54,070	\$ 54,518	\$ 56,088	\$ 56,543
<b>Millard Airport:</b>									
Aviation fuel fees	\$ 14	\$ 12	\$ 14	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
Ground rental	63	68	70	72	72	72	72	72	72
T-hangar rental	292	299	297	297	305	312	320	328	336
FBO hangars	120	117	120	122	122	122	122	122	122
Other revenue	-	-	-	-	-	-	-	-	-
Total Millard Airport	\$ 489	\$ 495	\$ 502	\$ 502	\$ 510	\$ 517	\$ 525	\$ 533	\$ 541
Total operating income	\$ 63,381	\$ 74,879	\$ 77,551	\$ 87,373	\$ 90,032	\$ 119,498	\$ 121,984	\$ 133,151	\$ 135,054
<b>Non-Operating Income:</b>									
Investment income	\$ (4,603)	\$ 8,676	\$ 2,980	\$ 3,390	\$ 2,369	\$ 2,816	\$ 2,587	\$ 2,413	\$ 2,689
<b>Total Revenues</b>	<b>\$ 58,778</b>	<b>\$ 83,554</b>	<b>\$ 80,531</b>	<b>\$ 90,763</b>	<b>\$ 92,401</b>	<b>\$ 122,314</b>	<b>\$ 124,571</b>	<b>\$ 135,564</b>	<b>\$ 137,743</b>

Source: Omaha Airport Authority.

**Exhibit F-1a**  
**Historical and Forecast Airline Landing Fee Rate**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except rates)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Budget 2023	Budget 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>Landing Fee</b>								
Operating Expense	\$ 8,348	\$ 9,163	\$ 10,160	\$ 11,008	\$ 12,355	\$ 12,935	\$ 13,509	\$ 14,081
Insurance Expense	167	204	234	242	251	260	269	278
Historical Depreciation	3,940	3,931	3,875	3,667	3,458	3,188	3,068	2,854
Debt Service	-	-	-	-	-	-	-	-
Total Expenses (Fully Allocated)	\$ 12,456	\$ 13,297	\$ 14,269	\$ 14,918	\$ 16,064	\$ 16,383	\$ 16,846	\$ 17,212
Less: Direct Reimbursements	\$ 340	\$ 367	\$ 348	\$ 351	\$ 354	\$ 357	\$ 360	\$ 363
Net Requirements	[A]	\$ 12,116	\$ 12,930	\$ 13,921	\$ 14,567	\$ 15,710	\$ 16,026	\$ 16,486
Projected Landed Weight (1,000 lbs)	[B]	3,397	3,465	3,562	3,606	3,650	3,695	3,739
Calculated Landing Fee (\$/1,000lb)	[A]/[B]	\$ 3.567	\$ 3.732	\$ 3.909	\$ 4.040	\$ 4.304	\$ 4.409	\$ 4.453

Source: Omaha Airport Authority.

**Exhibit F-1b**  
**Historical and Forecast Airline Terminal Rates**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except rates)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Budget	Budget	Prel. Budget	Forecast					2029	2030	
	2023	2024	2025	2026	2027	2028					
<b>Terminal Rental Rates</b>											
Operating Expense	\$ 13,404	\$ 14,548	\$ 16,466	\$ 17,907	\$ 20,122	\$ 21,889	\$ 22,884	\$ 24,047			
Insurance Expense	383	306	352	364	377	390	404	418			
Depreciation	2,429	2,341	4,205	4,482	4,234	3,962	3,692	3,483			
Est. Future Bond Debt Service and Depreciation on TMP	-	-	-	-	28,149	28,249	38,954	38,947			
Total Expenses (Fully Allocated)	\$ 16,216	\$ 17,195	\$ 21,022	\$ 22,754	\$ 52,882	\$ 54,491	\$ 65,933	\$ 66,895			
Less: Direct Reimbursements	\$ 712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Net Requirements	[A]	\$ 15,504	\$ 17,195	\$ 21,022	\$ 22,754	\$ 52,882	\$ 54,491	\$ 65,933	\$ 66,895		
Revenue-Producing Area (s.f.)	[B]	157.602	157.602	157.602	157.602	316.867	316.867	316.867	316.867	316.867	
Average Required Rental Rate	[A]/[B]	\$ 98.37	\$ 109.10	\$ 133.39	\$ 144.37	\$ 166.89	\$ 171.97	\$ 208.08	\$ 211.11		
<b>Finished Rental Rate</b>		\$ 99.60	\$ 110.40	\$ 135.00	\$ 146.16	\$ 166.89	\$ 171.97	\$ 208.08	\$ 211.11		

Source: Omaha Airport Authority.

**Exhibit F-1c**  
**Historical and Forecast Airline Cost Per Enplaned Passenger**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except rates)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	Budget 2024	Prel. Budget 2025	Forecast 2026	2027	2028	2029	2030
<b>Landing Fees</b>							
Landed weight (1,000lb)							
Scheduled passenger airlines	2,781	2,904	2,942	2,979	3,017	3,055	3,092
Nonscheduled (charter) airlines	6	-	-	-	-	-	-
	2,787	2,904	2,942	2,979	3,017	3,055	3,092
Landing fee (\$ per 1,000lb)	\$ 3.732	\$ 3.909	\$ 4.040	\$ 4.304	\$ 4.337	\$ 4.409	\$ 4.453
Passenger airline landing fees	[A] \$ 10,406	\$ 11,351	\$ 11,884	\$ 12,823	\$ 13,085	\$ 13,468	\$ 13,771
<b>Terminal Rental Revenues</b>							
Terminal Rental Rate (Finished Space)	\$ 99.60	\$ 110.40	\$ 135.00	\$ 146.16	\$ 166.89	\$ 171.97	\$ 208.08
Rental Revenues Paid By Airlines	[B] \$ 10,406	\$ 12,549	\$ 13,688	\$ 39,716	\$ 40,939	\$ 49,554	\$ 50,295
<b>Apron Fees</b>							
Apron Fees Paid By Passenger Airlines	[C] \$ 117	\$ 121	\$ 121	\$ 122	\$ 123	\$ 124	\$ 125
<b>Total Payments From Passenger Airlines</b>	<b>[D=A+B+C]</b> \$ 20,929	\$ 24,020	\$ 25,694	\$ 52,661	\$ 54,147	\$ 63,146	\$ 64,190
Enplaned Passengers (a)	[E]	2,565	2,695	2,730	2,765	2,800	2,835
<b>Airline Cost Per Enplaned Passenger</b>	<b>[D/E]</b> \$ 8.16	\$ 8.91	\$ 9.41	\$ 19.05	\$ 19.34	\$ 22.27	\$ 22.37

(a) The enplaned passenger figure reflects the Authority's budgeted (not projected) figure for 2024.

Source: Omaha Airport Authority.

**Exhibit G**

**Forecast Application of Revenues and Compliance with Rate Covenant Requirements**  
**Omaha Airport Authority**  
**(for Fiscal Years ending December 31; in thousands except ratios)**

*This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Authority management as described in the accompanying text. Inevitably some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast and the variations could be material.*

	2024	2025	2026	2027	2028	2029	2030
<b>Revenues</b>							
Landing area	\$ 12,833	\$ 13,710	\$ 14,319	\$ 15,388	\$ 15,689	\$ 16,128	\$ 16,475
General aviation	2,620	2,533	2,685	2,752	2,821	2,892	2,964
Terminal building	15,882	18,511	19,998	46,770	48,430	57,510	58,530
Other facilities	45,714	52,118	52,521	54,070	54,518	56,088	56,543
Millard Airport	502	502	510	517	525	533	541
Investment income	2,980	3,390	2,369	2,816	2,587	2,413	2,689
<b>Total Revenues Available</b>	<b>\$ 80,531</b>	<b>\$ 90,763</b>	<b>\$ 92,401</b>	<b>\$ 122,314</b>	<b>\$ 124,571</b>	<b>\$ 135,564</b>	<b>\$ 137,743</b>
<b>Application of Revenues</b>							
Deposit to Operations and Maintenance Fund	\$ 41,139	\$ 45,911	\$ 48,748	\$ 56,128	\$ 58,825	\$ 61,361	\$ 64,010
Bond Fund							
Existing Bonds							
Annual Debt Service before Designated CFCs	2,870	2,870	2,870	2,865	2,870	2,870	2,871
Less: Designated CFCs	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)	(2,489)
Future Bonds							
Annual Debt Service before Designated PFCs	-	4,610	6,080	34,087	36,026	43,745	43,743
Less: Designated PFCs	-	(4,610)	(6,080)	(6,148)	(7,987)	(8,072)	(8,076)
Less: Designated CFCs	-	-	-	(551)	(551)	(551)	(551)
Less: Excess PFCs	-	-	-	-	-	-	-
Reserve Fund	-	-	-	-	-	-	-
Junior Lien Obligations Fund	-	-	-	-	-	-	-
Capital Improvement and General Purpose Fund	39,010	44,471	43,273	38,422	37,877	38,699	38,235
<b>Total Application of Revenues</b>	<b>\$ 80,531</b>	<b>\$ 90,763</b>	<b>\$ 92,401</b>	<b>\$ 122,314</b>	<b>\$ 124,571</b>	<b>\$ 135,564</b>	<b>\$ 137,743</b>
<b>Net Revenues - Master Resolution</b>							
Revenues	\$ 80,531	\$ 90,763	\$ 92,401	\$ 122,314	\$ 124,571	\$ 135,564	\$ 137,743
Operation and Maintenance Expenses	(41,139)	(45,911)	(48,748)	(56,128)	(58,825)	(61,361)	(64,010)
<b>Net Revenues</b>	<b>[A]</b>	<b>\$ 39,392</b>	<b>\$ 44,852</b>	<b>\$ 43,653</b>	<b>\$ 66,186</b>	<b>\$ 65,746</b>	<b>\$ 74,203</b>
<b>Annual Debt Service</b>							
Annual Debt Service before Designated CFCs and PFCs	\$ 2,870	\$ 7,480	\$ 8,949	\$ 36,952	\$ 38,895	\$ 46,616	\$ 46,614
Designated PFCs and CFCs	(2,489)	(7,099)	(8,569)	(9,188)	(11,027)	(11,112)	(11,116)
<b>Annual Debt Service</b>	<b>[B]</b>	<b>\$ 381</b>	<b>\$ 381</b>	<b>\$ 381</b>	<b>\$ 27,764</b>	<b>\$ 27,868</b>	<b>\$ 35,504</b>
<b>Net Revenues after Annual Debt Service Payments</b>							
<b>Rate Covenant Calculation - Master Resolution</b>							
Requirement Section 7.08(ii)							
Net Revenues	[A]	\$ 39,392	\$ 44,852	\$ 43,653	\$ 66,186	\$ 65,746	\$ 74,203
Annual Debt Service Times 125%	[E] = [B]*125%	(477)	(476)	(476)	(34,705)	(34,835)	(44,380)
Must Not Be Less Than Zero	=[A]-[E]	\$ 38,915	\$ 44,376	\$ 43,177	\$ 31,482	\$ 30,910	\$ 29,823
<b>Pro Forma Coverage on Debt</b>							
Total Available	[A]	\$ 39,392	\$ 44,852	\$ 43,653	\$ 66,186	\$ 65,746	\$ 74,203
Annual Debt Service per Master Resolution	[B]	\$ 381	\$ 381	\$ 381	\$ 27,764	\$ 27,868	\$ 35,504
Debt Service Coverage	=[A]/[B]	103.28	117.83	114.70	2.38	2.36	2.09

Source: Omaha Airport Authority.

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**APPENDIX B-1**

**FINANCIAL STATEMENTS OF THE AIRPORT AUTHORITY OF THE CITY OF OMAHA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

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**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Basic Financial Statements and Supplementary Information  
Uniform Guidance Reports and Passenger Facility  
Charge Program Report

December 31, 2023

(With Independent Auditor's Reports Thereon)

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**



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**AIRPORT AUTHORITY OF THE CITY OF OMAHA**



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## Independent Auditor's Report

Board of Directors  
Airport Authority of the City of  
Omaha, Nebraska

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and the fiduciary activities of the Airport Authority of the City of Omaha, Nebraska (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the Authority as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedules of revenues and expenses, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of passenger facility charges collected and expended as required by the Passenger Facility Charge Guide for the Public Agencies issued by the Federal Aviation Administration are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2024, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

**FORVIS, LLP**

Omaha, Nebraska  
April 15, 2024

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2023



### Introduction

The following management's discussion and analysis (MD&A) of the Airport Authority of the City of Omaha (the Authority) provides an introduction to the basic financial statements of the Authority as of and for the year ended December 31, 2023. The Authority's responsibilities include Eppley Airfield and Millard Airport. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the basic financial statements and the notes thereto, which follow this section.

The notes are essential to a full understanding of the data contained in the basic financial statements. This report also presents certain supplementary information regarding revenues and expenses by cost center and required supplementary information regarding the defined-benefit pension plan and the other postemployment benefits payable.

The accompanying basic financial statements include the business type activity (enterprise fund) and pension trust fund of the Authority and the notes to financial statements. The three business type financial statements are the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Users of the Authority's facilities provide the revenues to operate, maintain, and acquire necessary services and facilities. The Authority has no taxing authority.

The Authority was created pursuant to Nebraska state statutes (3-501). The affairs of the Authority are conducted by a five-member Board of Directors (Board) whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the City Council. The Authority is not included in the City's financial statements because the City is not financially accountable for the Authority.

### Airport Activities Highlights

#### Passenger Activity

The Authority surpassed 5 million total passengers in 2023, which was a full recovery to pre-COVID-19 pandemic levels. This was an increase of 11.5% over 2022. Eppley Airfield is served by 8 airlines with approximately 70 daily peak day departures providing service to 31 nonstop destination airports.

The following is a summary of Eppley Airfield's traffic statistics:

	2023	2022	% Change
Passengers	5,026,639	4,506,713	11.5%
Aircraft operations	98,938	100,632	(1.7)%
Cargo and mail weight – lbs	115,115,185	134,894,544	(14.7)%
Scheduled landed weight – lbs	3,207,690,784	2,942,548,952	9.0%

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2023



### *Operating Revenues*

During 2023, the Authority saw impacts to revenues, including but not limited to, the following:

- Revenue sources affected by passenger volume, including landing fees, terminal concessions, rental car concessions and passenger facility charges increased as a result of passenger activity changes.
- Parking revenue, a major contributor to operating revenues, increased due to passenger traffic and higher rates and transactions due to increased demand for garage parking. In 2023, the Authority entered into a parking management agreement, retaining 100% of the revenue, and paying 100% of expenses. The 2022 revenue has been adjusted on the Summary of Changes in Net Position for comparability.

### *Non-Operating Revenue – FAA Stimulus / ARPA Grant Funds*

As a result of the continued duration of the COVID-19 pandemic, the United States Congress approved the American Rescue Plan Act (ARPA). The ARPA was signed into law in March of 2021 by the President and included \$8 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the COVID-19 pandemic. The FAA announced the grant allocations in June 2021. The Authority was awarded \$20,340,477 and entered into three separate grant agreements with the FAA in 2021 (\$18,178,054 for Eppley Airfield, \$2,103,423 for Eppley Airfield Terminal Concessions Relief, and \$59,000 for Millard Airport). The Authority has fully drawn down these funds, and closed the grants in 2023.

### *BIL Grant Funds*

The Bipartisan Infrastructure Law (BIL) was signed into law in November 2021, and is a 5-year grant program. In December 2021, the Authority's first year allocation of \$7,275,037 for Eppley Airfield and \$295,000 for Millard Airport was announced under the Airport Infrastructure Grant (AIG) program. In December 2022, the Authority's second year AIG allocation of \$7,267,125 for Eppley Airfield and \$292,000 for Millard Airport was announced. In November 2023, the third year allocation of \$7,206,771 for Eppley Airfield and \$294,000 for Millard Airport was announced. The Authority has issued one AIG grant in 2023 for Eppley Airfield totaling \$10,245,000 and one AIG grant in 2023 for Millard totaling \$297,000. The BIL also includes a 5-year Airport Terminal Program (ATP) grant program, and it was announced in 2022 that the Authority would receive funding for Eppley Airfield from the first year. The Authority executed the first year ATP grant agreement with the FAA for \$20,990,000 on January 26, 2023. A second ATP grant was announced for Eppley Airfield and was executed for \$10,000,000 on May 19, 2023.

### *Other Authority Highlights*

The Authority is implementing the Terminal Modernization Program (TMP) (a component of the Airport's Master Plan). The Central Utility Plant was approved by the Omaha Airport Authority Board, and construction began in 2023. The TMP Guaranteed Maximum Price was approved in January of 2024, and the phased construction starts in 2024.

Moody's Investor Services and Standard and Poor's Global Ratings maintain "Aa3 / stable outlook" and "AA- / stable outlook" ratings, respectively, on the Series 2017 bonds. In their credit opinion, Moody's cited a well

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2023



diversified Omaha service territory and historically stable origin and destination demand and noting a strong financial position due to conservative management. Standard and Poor's referenced the Authority's strong origin and destination nature, good air carrier diversity and resilient financial performance as rationale for their rating.

### Airline Rates and Charges

The scheduled air carriers operate on year-to-year operating and lease agreements. The rates and charges are established annually by Authority Board resolution. The rates and charges are as follows:

	<b>2023</b>	<b>2022</b>
Landing fee per 1,000 pounds	\$ 3.567	3.512
Apron fee per landing	2.50	2.50
Terminal finished area per square foot per year	99.60	93.84
Terminal unfinished area per square foot per year	79.68	75.14
Loading bridge (wide) unmodified per year	37,700	37,700
Loading bridge (narrow) unmodified per year	33,700	33,700
Unleased gate usage charge four hours and less	245	230
Unleased gate usage charge over four hours	345	325
Bundled per turn fee <125 seats	470	430
Bundled per turn fee >125 seats	690	650

### Financial Position Summary

The statement of net position presents the financial position of the Authority at the end of the year and includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the Authority. Net position, the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources, is an indication of the current fiscal health of the Authority. Effective January 1, 2023, the Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Agreements* (GASB 96). Comparative 2022 financial information presented herein has not been restated for the adoption of GASB 96. A summary of comparison of the Authority's assets and deferred outflows of resources, liabilities, and deferred inflows of resources, and net position at December 31 is as follows:

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Management's Discussion and Analysis

(Unaudited)

December 31, 2023



	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Current and other assets	\$ 256,656,392	221,618,538
Property, plant, and equipment, net	414,917,259	372,980,106
Lease receivable - noncurrent	<u>3,369,870</u>	<u>5,198,343</u>
Total assets	<u>674,943,521</u>	<u>599,796,987</u>
<b>Deferred outflows of resources:</b>		
Other postemployment benefits deferred outflows of resources	7,075,423	7,801,406
Pension-related deferred outflows of resources	<u>4,298,945</u>	<u>2,442,729</u>
Total deferred outflows of resources	<u>11,374,368</u>	<u>10,244,135</u>
Total assets and deferred outflows of resources	<u>\$ 686,317,889</u>	<u>610,041,122</u>
<b>Liabilities:</b>		
Current liabilities	\$ 34,309,308	14,163,878
Subscription long-term liability	138,568	—
Net pension liability	5,353,182	4,497,262
Other postemployment benefits payable	32,706,632	29,304,397
Long-term debt, excluding current installments	<u>27,324,515</u>	<u>29,139,112</u>
Total liabilities	<u>99,832,205</u>	<u>77,104,649</u>
<b>Deferred inflows of resources:</b>		
Other postemployment benefits deferred inflows of resources	19,696,038	24,403,964
Pension-related deferred inflows of resources	<u>180,731</u>	<u>215,958</u>
Lease related deferred inflows of resources	<u>6,996,774</u>	<u>8,937,286</u>
Total deferred inflows of resources	<u>26,873,543</u>	<u>33,557,208</u>
Total liabilities and deferred inflows of resources	<u>126,705,748</u>	<u>110,661,857</u>
<b>Net position:</b>		
Net investment in capital assets	364,086,513	339,641,744
Restricted for:		
Passenger facility charges	48,031,392	36,661,082
Customer facility charges	4,150,997	2,914,040
Debt service and other	9,589	9,493
Unrestricted	<u>143,333,650</u>	<u>120,152,906</u>
Total net position	<u>559,612,141</u>	<u>499,379,265</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 686,317,889</u>	<u>610,041,122</u>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Management's Discussion and Analysis

(Unaudited)

December 31, 2023



The Authority's net position was \$559,612,141 and \$499,379,265 at December 31, 2023 and 2022, respectively. For both years, the largest portion of the Authority's net position represents its net investment in capital assets. The Authority uses these capital assets to provide services to its passengers, visitors, and tenants of Eppley Airfield and Millard Airport; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations, since the capital assets themselves cannot be used to liquidate liabilities.

Restricted net position reflects cash and investments set aside with the revenue bond trustee for the ensuing year's principal and interest payment to bondholders and to fund the bond covenant required debt service reserve accounts. Restricted net position also reflects passenger facility charges cash and investments and customer facility charges set aside for future improvements and debt service. The remaining unrestricted net position may be used to meet any of the Authority's ongoing obligations.

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**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Management's Discussion and Analysis

(Unaudited)

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**Summary of Changes in Net Position**

The change in net position is an indicator of whether the overall fiscal condition of the Authority has improved or deteriorated during the year. Following is a summary of revenues, expenses, and changes in net position:

	2023	Percentage of operating revenue	2022	Percentage of operating revenue	Percentage increase (decrease)
Operating revenues:					
Landing area	\$ 12,292,518	16.4 %	\$ 11,225,268	17.7 %	9.5 %
General aviation area	2,582,059	3.5	1,666,297	2.6	55.0
Terminal building area	14,037,183	18.7	12,748,481	20.1	10.1
Other facility area*	45,472,100	60.7	37,278,255	58.8	22.0
Millard Airport	495,013	0.7	488,841	0.8	1.3
Operating revenues	<u>74,878,873</u>	<u>100.0</u>	<u>63,407,142</u>	<u>100.0</u>	<u>18.1</u>
Operating expenses:					
Operations and maintenance*	(27,331,627)	(36.5)	(24,718,447)	(39.0)	10.6
General and administrative	(9,228,374)	(12.3)	(7,872,478)	(12.4)	17.2
Operating expenses	<u>(36,560,001)</u>	<u>(48.8)</u>	<u>(32,590,925)</u>	<u>(51.4)</u>	<u>12.2</u>
Operating income before depreciation, amortization and other postemployment benefits expense	38,318,872	51.2	30,816,217	48.6	24.3
Depreciation and amortization expense	(23,333,957)	(31.2)	(21,821,940)	(34.4)	6.9
Other postemployment benefits expense	(428,411)	(0.6)	(338,086)	(0.5)	26.7
Operating income (loss)	<u>14,556,504</u>	<u>19.4</u>	<u>8,656,191</u>	<u>13.7</u>	<u>68.2</u>
Nonoperating revenues and (expenses):					
Other interest revenue	250,182	0.3	344,680	0.5	(27.4)
Net Investment return/(loss)	8,675,606	11.6	(4,603,019)	(7.3)	288.5
Gain on bond defeasance	—	—	917,748	1.4	(100.0)
Interest and amortization expense	(1,114,489)	(1.5)	(2,115,471)	(3.3)	(47.3)
Customer facility charges (CFCs)	3,725,955	5.0	3,238,624	5.1	15.0
Passenger facility charges (PFCs)	11,356,419	15.2	8,927,079	14.1	27.2
CARES Act grant revenue	—	—	7,097,320	11.2	(100.0)
CRRSAA Act grant revenue	—	—	6,482,372	10.2	(100.0)
ARPA grant revenue	<u>1,262,055</u>	<u>1.7</u>	<u>19,019,422</u>	<u>30.0</u>	<u>(93.4)</u>
Income before capital grant revenue	38,712,232	51.7	47,964,946	75.6	(19.3)
Federal capital grant revenue	<u>21,520,644</u>	<u>28.7</u>	<u>4,498,943</u>	<u>7.1</u>	<u>378.3</u>
Increase in net position	<u>60,232,876</u>	<u>80.4</u>	<u>52,463,889</u>	<u>82.7</u>	<u>14.8</u>
Net position – beginning of year	<u>499,379,265</u>	<u>—</u>	<u>446,915,376</u>	<u>—</u>	<u>11.7</u>
Net position – end of year	<u>\$ 559,612,141</u>	<u>—</u>	<u>\$ 499,379,265</u>	<u>—</u>	<u>12.1%</u>

\*Certain comparative figures have been reclassified to conform to the current year presentation

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

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### Financial Operations Highlights

#### Revenues

The landing area revenue mostly comprises landing fees charged to the airlines. The landing fee rate was \$3.567 in 2023, compared to \$3.512 in 2022. Scheduled aircraft landed weight increased 9.0% in 2023.

The 55.0% increase in general aviation revenue in 2023 is primarily attributed to certain general aviation properties ownership reverting to the Authority, and the commencement of rental charges on those properties for the entirety of 2023. In addition, the CPI ground rental rate increased 8.5% in 2023 over 2022.

The terminal building area revenues increased 10.1% in 2023 compared to 2022, as passenger traffic rebounded to pre-pandemic levels.

The majority of the 22.0% increase in other facilities area revenue is attributed to parking operations. Increased passenger activity and the strong demand for garage parking products contributed to parking revenue growth.

#### Expenses

Operations and maintenance expenses increased 10.6% in 2023 due to cost of living wage adjustments, and increased consumables expense related to growth in passenger traffic.

General and administrative expenses increased 17.2% in 2023. Salaries increased due to the addition of staff in preparation for the TMP and other business needs, as well as cost of living increases. Professional fees related to cyber-security initiatives also increased general and administrative expenses.

Other postemployment benefit expense (OPEB) increased by 26.7% due to the actuary's use of revised estimates for interest rates, claims history, and actuarial assumptions. The actuary uses the Bond Buyer General Obligation 20-Year Municipal Bond Index for the discount rate to calculate the total OPEB liability. The discount rate decreased from 3.72% at December 31, 2022 to 3.26% at December 31, 2023.

Depreciation and amortization expense increased by 6.9% in 2023, reflecting depreciation on larger asset additions during the year such as taxiway lighting, and a full year of depreciation on the South Garage restoration and terminal drive express ramp and lane addition.

#### Nonoperating Revenue and Expenses

Net nonoperating revenues comprises net investment return, interest revenue, interest and amortization expense, rental car Customer Facility Charges (CFCs), Passenger Facility Charges (PFCs), and ARPA grant revenue. Interest and amortization expense (non-operating) decreased in 2023 as a result of reduced outstanding principal related to the Series 2017 Bonds due to the Series 2017B and partial Series 2017A defeasances at the end of 2022. See Note 4 for further discussion on long-term debt. Net investment return increased 288.5% reflecting fair market value adjustments and increased interest earnings on the Authority's investments due to higher yields and additional cash on hand. CFCs revenue increased 15.0% due to passenger activity growth. PFCs revenue increased 27.2% in 2023 due to passenger volume growth and higher PFC investment returns. In 2023, the Authority utilized federal stimulus of \$1,262,055 of ARPA grant fund revenues for terminal concessions relief. See note 1 for further discussion on CFCs, PFCs and federal stimulus.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Management's Discussion and Analysis

(Unaudited)

December 31, 2023



### **Property, Plant, and Equipment Development and Expansion**

The Authority's gross property, plant, and equipment as of December 31, 2023, and 2022 amounted to \$854,451,589 and \$789,434,253, respectively, before accumulated depreciation as discussed in Note 3. This investment in long-term assets includes land, land improvements, airfield improvements, parking facilities, buildings, equipment, Millard Airport, subscription assets, and construction in progress. The net increase in the Authority's property, buildings, and equipment, before accumulated depreciation, for 2023 was \$65,017,336, or 8.2%. The 2023 increase is largely due to the Terminal Modernization Program and terminal roadway and canopy work.

Property, plant, and equipment acquisitions are capitalized at cost and are depreciated (except land, fine art, and construction in progress) over their useful lives on the straight-line method. Subscription assets are amortized on a straight-line basis over the shorter of the Subscription-Based IT Arrangements (SBITA) term or the useful life of the underlying IT asset. Authority acquisitions are funded using a variety of funding sources, including cash flows from Authority operations (including a \$3.50 rental car per transaction day CFC and PFC charges at the \$4.50 rate), federal entitlement and discretionary grants (typically 75% of total costs of typical authorized projects and 90% for Millard Airport projects), and airport revenue bond issuances. The Authority is not allowed to levy taxes.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

## Management's Discussion and Analysis

(Unaudited)

December 31, 2023



During the past decade, several significant completed projects were closed out from construction in progress and/or directly recorded to their respective property, plant, and equipment accounts. More recent major projects or acquisitions in excess of \$1 million were/are as follows:

<b>Project</b>	<b>Total cost</b>
Completed:	
Replace Taxiway C, J, D, E access to ramp	\$ 17,915,000
Replace Taxiway G	17,685,000
Replace east stormwater pumping station	2,900,000
Millard Airport runway overlay	1,380,000
Reconstruct terminal ramp – phase I	22,670,000
Construct U.S. Customs and Border Protection G/A Facility	1,000,000
South Economy parking lot canopies	4,200,000
South Garage way finding/space count system (APGS)	1,000,000
Reconstruct terminal ramp – phase II	17,811,000
Enterprise Resource Planning (ERP) system	2,070,000
Cargo A Ramp reconstruction	6,000,000
Reconstruct terminal ramp – phase III	17,000,000
Replace boarding bridges #6 and #7	1,430,000
North Garage/rental car facilities/exit plaza	82,181,000
Additional multi-tasking snow removed equipment	1,800,000
Replace all parking revenue control equipment	3,687,000
North Garage wayfinding/space count system (APGS)	1,148,000
Reconstruct portions of Taxiways A, D, and F	15,600,000
South Economy parking lot partial renovation	1,559,000
Terminal front drive renovation and expansion	21,394,000
Terminal drive express ramp	2,133,000
South Garage restoration	9,888,000
Terminal Ramp Taxilane Widening	3,772,000
Taxiway lighting W, G, H, K, B, A, and E	1,627,000
In process:	
Terminal Modernization Program	950,000,000
Terminal Entrance Drive Expansion and Canopy	65,000,000

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Management's Discussion and Analysis

(Unaudited)

December 31, 2023



#### **Long-Term Debt Administration**

On February 22, 2017, the Authority closed on the Series 2017 A, B, and C \$70,000,000 par revenue/refunding bonds issue to finance a portion of the construction of an approximate 3,000 space North Garage, rental car facilities, various other parking area improvements, fund debt service reserve accounts, and to defease the then outstanding Series 2010 bonds. In October 2022, the 2017B series bonds were fully defeased in the amount of \$9,260,000. The Series 2017A bonds were partially defeased in December 2022 in the amount of \$17,605,000, bringing the total bonds defeased in 2022 to \$26,865,000. The Series 2017 A and Series C Airport Revenue/Refunding Bonds are the only outstanding bonds at December 31, 2023 with coupon rates ranging from 2% to 5% (with an average yield of 3.7%). The outstanding principal balance as of December 31, 2023, before the effects of bond premium, is \$27,300,000.

As the Authority is not allowed to levy taxes, it cannot issue any general obligation (GO) bonds. The Authority began collecting PFCs on February 1, 2018. It does not have any PFC-backed revenue bonds outstanding as of December 31, 2023. Finally, the Authority has not issued any special-purpose facility bonds.

The Authority has the following revenue bond credit ratings: Standard & Poor's "AA- / stable outlook" and Moody's "Aa3 / stable outlook". The Authority's currently outstanding airport revenue bonds were issued with fully funded debt service reserve funds.

#### **Economic Outlook**

The Authority's debt service coverage for 2022 was 9.31x prior to application of federal stimulus and for 2023 was 124.88x prior to application of federal stimulus. A minimum debt service coverage of 1.25x is required. Additionally, there were a significant number of days cash-on-hand.

#### **Contact Information**

Questions concerning any of the information provided in this financial report or requests for additional information should be addressed to: Omaha Airport Authority, Attention: Casey Schapmann, Chief Financial Officer, 4501 Abbott Drive, Suite 2300, Eppley Airfield, Omaha, NE 68110.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Statement of Net Position

December 31, 2023



**Assets**

**Current assets:**

Unrestricted assets:	
Cash and cash equivalents	\$ 40,365,007
Investments	138,675,689
Receivables, less allowance for doubtful accounts of \$119,311	3,409,853
Due from governmental agencies - grants	10,317,236
Accrued interest receivable - investments	930,172
Accrued interest receivable - leases	19,981
Leases receivable	3,799,882
Prepaid expenses and inventory	2,191,147
Restricted assets:	
Cash and cash equivalents	<u>2,498,589</u>
Total current assets	<u>202,207,556</u>

**Noncurrent assets:**

Restricted assets:	
Cash and cash equivalents	14,270,205
Investments	38,378,821
Accrued interest receivable - investments	423,654
Passenger facility charges receivable	1,061,380
Customer facility charges receivable	314,776
Leases receivable	3,369,870
Property, plant, and equipment, net	414,917,259
Total noncurrent assets	<u>472,735,965</u>
Total assets	<u>674,943,521</u>

**Deferred Outflows of Resources**

Other postemployment benefits deferred outflows of resources	7,075,423
Pension-related deferred outflows of resources	<u>4,298,945</u>
Total deferred outflows of resources	<u>11,374,368</u>
Total assets and deferred outflows of resources	<u>\$ 686,317,889</u>

**Liabilities**

Current liabilities:	
Current installments of long-term debt	\$ 1,814,596
Current installments of subscription liability	65,646
Accounts payable and accrued expenses	5,115,777
Due to contractors, including retainage of \$2,360,550	26,447,082
Accrued interest payable	61,430
Current portion of other postemployment benefits payable	804,777
Total current liabilities	<u>34,309,308</u>
Noncurrent liabilities:	
Subscription long-term liability	138,568
Net pension liability	5,353,182
Other postemployment benefits payable	32,706,632
Long-term debt, excluding current installments	27,324,515
Total noncurrent liabilities	<u>65,522,897</u>
Total liabilities	<u>99,832,205</u>

**Deferred Inflows of Resources**

Other postemployment benefits deferred inflows of resources	19,696,038
Pension-related deferred inflows of resources	180,731
Lease related deferred inflows of resources	<u>6,996,774</u>
Total deferred inflows of resources	<u>26,873,543</u>
Total liabilities and deferred inflows of resources	<u>126,705,748</u>

**Net Position**

Net position:	
Net investment in capital assets	364,086,513
Restricted for:	
Passenger facility charges	48,031,392
Customer facility charges	4,150,997
Debt service and other	9,589
Unrestricted	143,333,650
Total net position	<u>559,612,141</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 686,317,889</u>

See accompanying notes to financial statements.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**  
 Statement of Revenues, Expenses, and Changes in Net Position  
 Year ended December 31, 2023



Operating revenues:	
Landing area	\$ 12,292,518
General aviation area	2,582,059
Terminal building area	14,037,183
Other facility area	45,472,100
Millard Airport	<u>495,013</u>
Total operating revenues	<u>74,878,873</u>
Operating expenses:	
Operations and maintenance:	
Wages and salaries	10,555,672
Payroll taxes	765,606
Employee benefits	3,850,022
Supplies and materials	2,033,405
Contracted labor and services	2,247,369
Electricity	1,336,429
Fuel – heating	154,938
Water	297,943
Trash disposal	68,003
Communications	142,022
Gasoline and oil	193,446
Parking expenses and management	5,523,957
Other	<u>162,815</u>
Total operations and maintenance	<u>27,331,627</u>
General and administrative:	
Wages and salaries	4,214,863
Payroll taxes	242,679
Employee benefits	1,095,168
Supplies and materials	96,223
Contracted labor and services	478,740
Professional services	1,834,983
Marketing	42,162
Travel and registrations	73,877
Communications	10,464
Dues and publications	40,077
Insurance	1,089,790
Other	<u>9,348</u>
Total general and administrative	<u>9,228,374</u>
Total operating expenses, before depreciation, amortization and other postemployment benefits expense	<u>36,560,001</u>
Operating income before depreciation, amortization and other postemployment benefits expense	<u>38,318,872</u>
Depreciation and amortization expense	23,333,957
Other postemployment benefits expense	<u>428,411</u>
Operating income	<u>14,556,504</u>
Nonoperating revenues (expenses):	
Other interest revenue	250,182
Net investment return	8,675,606
Interest and amortization expense	(1,114,489)
Customer facility charges (CFCs)	3,725,955
Passenger facility charges (PFCs)	11,356,419
ARPA grant revenue	<u>1,262,055</u>
Nonoperating revenues, net	<u>24,155,728</u>
Income before capital grant revenue	<u>38,712,232</u>
Federal capital grant revenue	21,520,644
Increase in net position	60,232,876
Total net position, beginning of year	<u>499,379,265</u>
Total net position, end of year	<u>\$ 559,612,141</u>

See accompanying notes to financial statements.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**  
 Statements of Cash Flows  
 Year ended December 31, 2023



Cash flows from operating activities:	
Cash received from tenants/customers	\$ 76,659,132
Cash paid to suppliers for goods and services	(16,029,673)
Cash paid to employees for salaries, wages, and benefits	(22,115,228)
Net cash provided by operating activities	<u>38,514,231</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of property, plant, equipment, and subscription assets, including bonds capitalized interest	(45,778,301)
Principal paid on long-term debt	(1,505,000)
Interest paid on long-term debt, excluding capitalized interest	(1,362,292)
Interest payments received on leases receivable	204,958
Customer facility charges (CFCs) received	3,659,662
Passenger facility charges (PFCs) received	11,320,190
Federal and State Capital grants received	12,499,203
Net cash used in capital and related financing activities	<u>(20,961,580)</u>
Cash flows from noncapital financing activities:	
ARPA Act grant revenue	1,262,055
Net cash provided by non-capital financing activities	<u>1,262,055</u>
Cash flows from investing activities:	
Purchase of investments	(116,793,013)
Sales of investments	112,739,173
Interest and investment income	6,247,184
Net cash provided by investing activities	<u>2,193,344</u>
Net increase in cash and cash equivalents	<u>21,008,051</u>
Cash and cash equivalents, beginning of year	36,125,750
Cash and cash equivalents, end of year	<u>\$ 57,133,801</u>
Reconciliation to statements of net position:	
Current cash and cash equivalents, unrestricted	\$ 40,365,007
Current cash and cash equivalents, restricted	2,498,589
Noncurrent cash and cash equivalents, restricted	14,270,205
Cash and cash equivalents, end of year	<u>\$ 57,133,801</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 14,556,504
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	23,333,957
Change in assets and liabilities resulting from operations:	
Receivables	1,780,260
Prepaid expenses	(276,744)
Accounts payable and accrued expenses	698,619
Net pension liability	855,920
Deferred inflow/outflow of resources, net	(5,873,386)
Other postemployment benefit payable	3,439,101
Net cash provided by operating activities	<u>\$ 38,514,231</u>
Supplemental disclosures for noncash activities:	
Unrealized gain on investments	\$ 2,090,708
Capital assets in contracts and retainage payable	26,447,082

See accompanying notes to financial statements.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Statement of Plan Fiduciary Net Position

Pension Trust Fund – Employee Retirement Fund

December 31, 2023



**Assets:**

**Investments:**

Institutional funds	\$ 9,006,772
Group annuity contracts (at contract value)	7,069,267
Total investments	<u>16,076,039</u>

**Fiduciary Net Position:**

Fiduciary net position restricted for pension	\$ <u>16,076,039</u>
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See accompanying notes to financial statements.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

## Statement of Changes in Plan Fiduciary Net Position

## Pension Trust Fund – Employee Retirement Fund

Year ended December 31, 2023



Additions:	
Employer contributions	\$ 2,639,047
Net investment return	<u>1,370,588</u>
Total additions	<u>4,009,635</u>
Deductions:	
Benefits paid	<u>2,350,861</u>
Total deductions	<u>2,350,861</u>
Net increase in fiduciary net position	1,658,774
Fiduciary net position restricted for pension:	
Beginning of year	<u>14,417,265</u>
End of year	<u>\$ 16,076,039</u>

See accompanying notes to financial statements.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Financial Statements

December 31, 2023



### (1) Summary of Significant Accounting Policies

#### (a) Authority Operations

The Authority was created pursuant to Nebraska State Law. The affairs of the Authority are conducted by a Board of Directors (Board) whose members are appointed by the Mayor of the City of Omaha, Nebraska (the City), with the approval of the City Council. The Authority's financial statements are presented in the form of a business type activity related to owning and operating the Airport plus a pension trust fund. The majority of the Authority's income from its business type activity (enterprise fund) is generated from airport user fees, including airline landing fees and terminal rentals, concession fees, and other building rentals, as well as Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs). The Authority does not levy or collect property taxes. The Authority is not included in the City's financial statements because the City is not financially accountable for the Authority. The accompanying financial statements of the Authority's business type activity and pension trust fund are presented using a flow of economic resources measurement focus on the accrual basis of accounting.

Operating revenues, such as rental income, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest, result from nonexchange transactions.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

Net position for the business type activity is segregated in the following three categories:

- Net investment in capital and subscription assets: Capital and subscription assets, net of accumulated depreciation, amortization and outstanding debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net position which are subject to external restrictions. Such balances include PFCs and CFCs held and debt service requirements.
- Unrestricted: Net position not subject to external restrictions and not invested in capital assets.

#### (b) Capital Grants

The Authority has entered into capital grant agreements with government agencies (U.S. Department of Transportation/Federal Aviation Administration) on certain construction projects. The Authority recognizes capital grant revenue as construction progresses on each project and when eligibility requirements are met.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Financial Statements

December 31, 2023



### **(c) Federal Stimulus (ARPA Grant Revenue)**

Federal stimulus is provided directly from the U.S. Treasury and is administered by the FAA. The Authority was awarded \$20,340,477 of ARPA grant funds (\$18,178,054 for Eppley Airfield, \$2,103,423 for Eppley Airfield Concessions Relief, and \$59,000 for Millard Airport) and expended all funds as of December 31, 2023.

### **(d) Depreciation and Amortization**

Property, plant, and equipment are stated at historical cost. Subscription assets are recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. The Authority's capitalization procedure defines assets as a single item \$5,000 or more, or \$10,000 for a group of like items that have a useful life of more than one year. Depreciation of property, plant, and equipment is provided on all depreciable assets (except land, fine art, and construction in progress), including those acquired with capital grants, over the estimated useful lives of the respective assets on the straight-line method. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Land improvements	20-25 years
Airfield improvements	15-30 years
Auto parking areas	10-30 years
Building and access	10-30 years
Equipment / building furnishings	5-15 years
Millard Airport	5-30 years

### **(e) Cash Equivalents**

The Authority considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

### **(f) Investments**

Authority investments, primarily U.S. Treasury bills and notes, corporate bonds, federal agency securities, commercial paper, corporate stock and mutual funds, are carried at fair market value as of December 31, 2023. Fair market value is based on established quoted market price. The investment strategy of the Authority is to hold most, or all, investments until maturity.

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Notes to Financial Statements

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### **(g) Leases Receivable**

In accordance with Government Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87), as a lessor, the Authority recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases, and short-term leases. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments and variable payments that depend on a maximum annual guarantee or index rate. As lease revenue is recognized as operating revenue, excluding regulated leases, and short-term leases, a portion of the revenue is recognized as other interest income based upon the estimated borrowing rate of the Authority.

### **(h) Pension Plan**

In accordance with Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, required supplementary information, net pension liability, deferred inflow and outflow of resources, and pension expense have been recognized in the financial statements. See additional pension information in note 6.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plan's fiduciary net position. The total pension expense comprises the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position, less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflow and inflow of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflow of resources, deferred inflow of resources, and pension expense, information about the fiduciary net position of the retirement plan and addition to/deductions from the retirement plan's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefit payments are recognized when due and payable in accordance with terms of the plan.

The pension plan's investments are held in institutional funds and group annuity contracts. Institutional funds are valued at the net asset value (NAV) of shares held by the fund. The NAV of the fund includes the fair value of the securities in the fund plus any receivables and the fair value of cash collateral fund, if any. The NAV also includes payables and accrued fund expenses. None of the Authority's institutional funds have unfunded commitments, and these investments can be redeemed by the Authority at any time. Investment return includes interest income and the net change for the year in the fair value of investments. Group annuity contracts are reported at contract value. Contract value represents Authority contributions made under the contract, plus investment income, less funds used to make benefit payments and administration expenses.

### **(i) Other Postemployment Benefits (OPEB)**

Postemployment benefits other than pension benefits are accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – an amendment of GASB Statement No. 45*. This pronouncement establishes standards for

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

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the measurement and recognition of postemployment benefit expense, related liabilities, assets, deferred inflow and outflow of resources, note disclosures, and required supplementary information. The Authority funds OPEB on a pay-as-you-go basis, thus there are no plan assets to offset the OPEB payable. See additional information regarding the Authority's other postemployment benefits in note 7.

#### **(j) Deferred Inflows and Outflows of Resources**

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. A deferred inflow of resources has a negative impact on net position similar to liabilities but is required to be reported within the statement of net position in a separate section following liabilities and the total may be added to the total for liabilities. A deferred outflow of resources has a positive effect on net position similar to assets but is required to be reported in the statement of net position in a separate section following assets and the total may be added to the total for assets. Deferred outflows/inflows of resources include various lease related amounts (see note 5), pension-related amounts (see note 6) and other postemployment benefits related amounts (see note 7).

#### **(k) Subscription Liabilities**

The Authority has certain contracts for software requiring future payments. In accordance with GASB 96, *Subscription-Based Information Technology Agreements*, these contracts are recorded as short-term and long-term liabilities. The software associated with these liabilities is recognized as part of property, plant, and equipment (see note 3).

#### **(l) Compensated Absences**

All full-time employees of the Authority earn vacation leave at levels based upon years of service and accrued balances are paid upon termination or retirement. All accumulated vacation leave is accrued and included in accounts payable and accrued expenses.

#### **(m) Revenue Recognition**

Revenue is recognized when risk of loss is transferred to customers upon delivery based on landing area fees, rental space and concessions, and collectability is reasonably assured. Revenue is recognized as the net amount to be received after deducting estimated amounts for discounts and trade allowances.

Capital grant revenue is recognized after grants have been awarded by the FAA and goods and services by contractors related to such grants have been performed. Federal COVID-19 stimulus grant revenue is recognized after grants have been awarded by the FAA and drawdown requests, based upon qualified expenditures, have been approved by the FAA. All COVID-19 stimulus grants were closed as of December 31, 2023.

#### **(n) Tax-Exempt Status**

The Authority, a corporate municipality/political subdivision authorized by state statute and activated as a result of passage of a City of Omaha resolution, is not subject to federal, state, or local income, sales, or property taxes.

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**(o) Customer Facility Charges (CFCs)**

In April 2015, the Authority began collection of a CFC of \$2.50 per rental car transaction day for the purpose of funding rental car facility improvements and related debt service portion of a new public and rental car six-story parking garage. The CFC rate was adjusted to \$3.50 per rental car transaction day effective July 1, 2020. The CFC rate can be adjusted at any time and is recorded as nonoperating revenues.

**(p) Passenger Facility Charges (PFCs)**

In February 2018, the commercial airlines serving Eppley Airfield began collecting on behalf of the Authority a PFC on qualifying enplaning passengers at Eppley Airfield. Airports use PFCs to fund projects that enhance safety, security, or capacity; reduce noise; or increase air competition. The PFC Program is regulated by the Federal Aviation Administration (FAA). Both the fee and intended projects must be reviewed and approved by the FAA. The current maximum fee that can be authorized through federal regulation is \$4.50 per enplaning passenger. The Authority was approved to collect at the maximum \$4.50 level for qualifying terminal and airfield development-related projects. PFC revenues are recorded as nonoperating revenues.

**(q) Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and deferred inflows/outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and assumptions used in preparing the financial statements.

**(r) Implementation of New Accounting Standard**

During 2023, the Authority implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, (GASB 96) and the implementation was retrospective to the earliest period presented, which was January 1, 2023. The Authority recognizes a lease subscription asset and liability, if applicable, of software agreements qualifying under GASB 96. Adoption of GASB 96 had no effect on beginning net position as of January 1, 2023, or on the previously reported change in net position.

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## AIRPORT AUTHORITY OF THE CITY OF OMAHA

### Notes to Financial Statements

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#### **(2) Cash and Investments**

Included in current assets is unrestricted cash and cash equivalents held by the Authority at December 31, 2023 of \$40,365,007. Current restricted cash and cash equivalents at December 31, 2023 totaled \$2,498,589, of which a majority is the current portion of rental car CFCs reserved for debt service payments. Included in noncurrent assets is restricted cash and cash equivalents held by the Authority at December 31, 2023 of \$14,270,205. Included within these amounts are restricted bond reserve and debt service funds, and deposit accounts restricted for PFCs and CFCs.

Statutes and resolutions adopted by the Board authorize the Authority to invest in obligations of the U.S. Treasury, certain corporate bonds, commercial paper, agencies and instrumentalities, repurchase agreements, corporate stocks and mutual funds within the deferred compensation accounts. The Authority's investments consist of U.S. government securities backed by the full faith and credit of the U.S. government, corporate bonds, short-term commercial paper, and federal agency securities. The deferred compensation accounts are invested in mutual and stock funds. At December 31, 2023, management believes the Authority is in compliance with the applicable statutes and resolutions. All bank balances were covered by federal depository insurance, pledged collateral or in government backed securities in a Governmental Money Market overnight sweep account.

*Investments Valued at Fair Value:* GASB Statement No. 72 provides a framework for fair value that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.); or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 – Unobservable inputs for assets or liabilities that reflect the Authority's own assumptions about the assumptions that market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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The Authority has the following recurring fair value measurements as of December 31, 2023:

	<b>December 31, 2023</b>	<b>Fair value measurement using</b>			
		<b>Total fair value</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	
Investments by fair value level					
investment securities:					
Corporate bonds	\$ 26,344,699	—	26,344,699	—	
U.S. Agency securities	63,065,650	—	63,065,650	—	
U.S. Treasury notes	60,875,822	60,875,822	—	—	
Commercial paper	3,892,587	—	3,892,587	—	
U.S. Treasury bills	21,993,531	21,993,531	—	—	
Subtotal	176,172,289	82,869,353	93,302,936	—	
Corporate stocks	71,332	71,332	—	—	
Mutual funds	810,889	810,889	—	—	
Total investments	\$ <u>177,054,510</u>	<u>83,751,574</u>	<u>93,302,936</u>	—	

The following is a description of the valuation methodologies used for assets measured at fair value:

- U.S. Treasury notes, U.S. Treasury bills, corporate stock and mutual funds (Level 1) are valued using prices quoted in active markets.
- U.S. Agency securities, corporate bonds, and commercial paper (Level 2) are derived principally from or corroborated by market data by correlation or other means.

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As of December 31, 2023, the Authority has the following investments and related maturities:

<b>December 31, 2023</b>	<b>Total carrying value</b>	<b>Investment maturities (in years)</b>		
		<b>Less than 1</b>	<b>1–5</b>	<b>6–10</b>
<b>Investments:</b>				
Corporate bonds	\$ 26,344,699	7,946,875	18,397,825	—
U.S. Agency securities	63,065,650	24,377,158	38,688,492	—
U.S. Treasury notes	60,875,822	33,639,689	27,236,132	—
Commercial paper	3,892,587	3,892,587	—	—
U.S. Treasury bills	21,993,531	21,993,531	—	—
Corporate stock	71,332	—	—	—
Mutual funds	810,889	—	—	—
Total investments	\$ 177,054,510	91,849,840	84,322,449	—
<b>Cash equivalents:</b>				
Government-backed money markets	4,755,447	—	—	—
Total cash equivalents	4,755,447	—	—	—
<b>Deposits:</b>				
Cash	52,378,354	—	—	—
Total cash and cash equivalents	57,133,801	—	—	—
Grand total	\$ 234,188,311	91,849,840	84,322,449	—

Restricted PFC investments are \$38,378,821 of total investments.

**Credit Risk** – The Authority has internal investment guidelines that further limits its investment choices beyond the permitted investment as defined in the master bond resolution. The internal investment guidelines outline what percentage of the investment portfolio can be invested in each investment sector and issuer. As of December 31, 2023, the Authority's investments in corporate stock and mutual funds are not rated, but the U.S. government-backed money markets were rated "AAA" by Standard & Poor's and "AAA" by Moody's Investors Service. The corporate bonds are rated in one of the two highest categories ("AAA" or "AA") by one or more of the rating agencies as required by the master bond resolution. Commercial paper is an unsecured, short-term debt instrument issued by corporations. The commercial paper held by the Authority is rated in two of the highest short-term rate categories by Moody's Investor Service ("P-1" or "P-2"). U.S. Treasury notes and bills are obligations of the United States government. Agency paper is an obligation of United States government agencies, carrying the highest credit rating from one or more of the rating agencies.

**Custodial Credit Risk for Investments** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government entity will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The Authority has no investment securities that would be exposed to custodial credit risk in the event of the failure of the counterparty to a transaction.

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*Custodial Credit Risk for Deposits* – Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance, bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities having an aggregate value at least equal to the amount of the deposits.

The Authority's cash deposits, are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the \$250,000 FDIC limits are covered by government backed securities in a Governmental Money Market overnight sweep account.

*Concentration of Credit Risk* – The Authority has investment guidelines that limit the amount it may invest in any one issuer. The investment mix and percent of total investments as of December 31, 2023 is: treasury notes and bills (47.0%), agency paper (35.8%), corporate bonds (15.0%), and commercial paper (2.2%).

*Interest Rate Risk* – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires that market conditions and investment securities be monitored to determine the maximum yield that can be obtained while minimizing the impact of rising interest rates. The money market mutual funds and government-backed money market funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

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**(3) Property, Plant, and Equipment**

The property, plant, and equipment activity for 2023 is summarized as follows:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Disposals/ retirements</u>	<u>Balance December 31, 2023</u>
<b>Plant in service:</b>				
Land (non-depreciable)	\$ 10,786,590	—	—	10,786,590
Land Improvements	15,411,660	18,642	—	15,430,302
Airfield Improvements	400,743,946	5,213,085	—	405,957,030
Auto Parking Areas	155,109,630	1,762,317	—	156,871,947
Buildings and Access	137,785,288	884,738	25,045	138,644,981
Equipment & Building Furnishings	33,388,597	1,275,800	46,787	34,617,610
Millard Airport	12,998,601	324,927	181,944	13,141,584
Subscription Assets	—	352,429	—	352,429
Construction in progress (non-depreciable)	<u>23,209,941</u>	<u>55,439,175</u> (1)	<u>—</u>	<u>78,649,116</u>
Total	789,434,253	65,271,112	253,776	854,451,589
<b>Less accumulated depreciation:</b>				
Land Improvements	10,348,375	547,153	—	10,895,528
Airfield Improvements	219,071,218	11,461,341	—	230,532,559
Auto Parking Areas	51,566,866	5,924,799	—	57,491,665
Buildings and Access	102,270,553	2,802,950	25,045	105,048,458
Equipment	23,419,044	1,943,379	46,787	25,315,636
Millard Airport	9,778,091	577,734	181,944	10,173,881
Subscription Assets	—	76,603	—	76,603
Total	<u>416,454,147</u>	<u>23,333,959</u>	<u>253,776</u>	<u>439,534,330</u>
Net	<u><u>\$ 372,980,106</u></u>	<u><u>41,937,153</u></u>	<u><u>—</u></u>	<u><u>414,917,259</u></u>

(1) Net change for the year of all activity.

The majority of rental activities originate from auto parking areas and buildings, which have a net book value of approximately \$133 million at December 31, 2023. The Authority is continually involved in construction and plant renewal in the normal course of operations, of which a significant portion of airfield improvements are federally funded.

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**(4) Long-Term Obligations**

The long-term obligation activity for 2023 is summarized as follows:

	<b>Balance December 31, 2022</b>	<b>Additions 2023</b>	<b>Payments/ amortization 2023</b>	<b>Balance December 31, 2023</b>	<b>Current installments December 31, 2023</b>
Series 2017 A, C bonds	\$ 28,805,000	—	1,505,000	27,300,000	1,575,000
2017 A, C bond premium	2,091,593	—	252,482	1,839,111	239,596
<b>Total</b>	<b>\$ 30,896,593</b>	<b>—</b>	<b>1,757,482</b>	<b>29,139,111</b>	<b>1,814,596</b>
Other long-term liabilities:					
Net pension liability	\$ 4,497,262	855,920	—	5,353,182	—
Other postemployment benefits payable	30,072,308	3,439,101	—	33,511,409	804,777
Subscription liability	—	277,314	73,100	204,214	65,646
<b>Total other long-term liabilities</b>	<b>\$ 34,569,570</b>	<b>4,572,335</b>	<b>73,100</b>	<b>39,068,805</b>	<b>870,423</b>

On February 22, 2017, the Authority closed on the Series 2017 A, B, and C Airport Revenue/Refunding Bonds (Revenue/Refunding Bonds). The purpose of the Revenue/Refunding Bonds was to finance a portion of the construction of an approximate 3,000 space North Garage, rental car facilities, various other parking area improvements, fund debt service reserve accounts, and to defease the then outstanding Series 2010 bonds. The entire project's construction cost was estimated to be approximately \$89 million. The following is a summary of the original, non-defeased, Series 2017 issued bonds:

<b>Series</b>	<b>Par</b>	<b>Premium</b>	<b>Coupon%</b>	<b>Yield%</b>	<b>TIC%</b>
A-Tax exempt AMT	\$ 31,700,000	4,991,149	2.00–5.00%	1.05–3.57%	3.58 %
C-Taxable	9,470,000	—	1.285–4.204%	1.285–4.204%	3.94
<b>Total</b>	<b>\$ 41,170,000</b>	<b>4,991,149</b>		Blended	<b>3.66 %</b>

These serial and term bonds have a final maturity of December 15, 2036. The bonds are first callable at par on December 15, 2026. The bonds were issued at a premium which is being amortized over the life of the bonds. Collected rental car concession customer CFCs and cash on hand of \$2,489,000 will be applied annually each year the bonds are outstanding as a direct payment toward the debt service of all the Series C taxable bonds and approximately 45% of the Series A tax-exempt AMT bonds (Moody's and Standard and Poor's rate the Authority's Series 2017 bonds "Aa3 / stable outlook", and "AA- / stable outlook", respectively).

To fully expend the ARPA (non-concession), CRRSAA, and CARES federal stimulus grants, on October 25, 2022, and December 28, 2022, the Authority placed cash and other monetary assets of \$9,379,730 and \$18,799,990, respectively, acquired with only the Authority's existing resources with an escrow agent in a trust to in-substance defease its Series 2017B and partially defease Series 2017A bonds having an outstanding principal amount at the date of defeasance of \$9,260,000 and \$17,605,000, respectively. As a result, the Series 2017B and a portion of the Series 2017A bonds are considered to be defeased, and the

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liability for those bonds has been removed from the Authority's balance sheet. The defeasance reduced the total debt service payments over the life of the bond by \$36,586,406.

As of December 31, 2023, after the December 15<sup>th</sup> principal payment, the defeased Series 2017A and Series 2017B bonds had \$16,705,000 and \$8,345,000 in principal outstanding, respectively.

The aggregate remaining non-defeased debt service, prior to the effects of bond premium for succeeding years are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,575,000	1,295,419	2,870,419
2025	1,645,000	1,224,662	2,869,662
2026	1,720,000	1,149,576	2,869,576
2027	1,795,000	1,070,322	2,865,322
2028	1,885,000	984,878	2,869,878
2029-2033	10,850,000	3,488,240	14,338,240
2034-2036	7,830,000	764,274	8,594,274
<b>Total</b> \$	<b>27,300,000</b>	<b>9,977,371</b>	<b>37,277,371</b>

The Master Bond Resolution adopted on December 20, 2016, requires the Authority to provide net revenue at an amount not less than 1.25x the aggregate amount required to be paid into the interest account and the principal account during the then current fiscal year. "Net Revenue" means all revenue less operations and maintenance expenses (inclusive of general and administrative expenses). For the year ended December 31, 2023, the ratio was 124.88x prior to the effects of federal stimulus funds.

The bond resolutions also provide for the maintenance of a revenue fund represented by a cash account into which all moneys, exclusive of federal grant revenues, CFCs, and PFCs, which are for restricted use, derived by the Authority from ownership and operation of the airport properties under the control of the Authority are to be deposited. These funds are transferred monthly, in amounts to meet specified requirements, to separate accounts for operations and maintenance, bond redemption and interest, bond reserves, and capital improvements/projects. The Authority's bond resolution and outstanding bond covenants pertaining to the Series 2017 bonds are not subject to (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, or (3) subjective acceleration clauses. The Authority does not have any assets pledged as collateral for the Series 2017 bonds.

Management believes the Authority was in compliance with all debt covenants for the year ended December 31, 2023.

The Authority does not have other forms of debt including but not limited to direct borrowings, direct placements, or unused lines of credit.

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### (5) Leases

#### (a) Lease Receivable

The Authority leases a portion of its property to various third parties who use the space to conduct their operations on the Authority grounds, the terms of which expire 2024 through 2041. The Authority has leases with some companies that have a portion of their rent based on the higher of a percentage of gross receipts for the year, or a minimum annual guarantee (MAG). The Authority bases the payments for these leases on the required minimum annual guarantee as of adoption date. In addition, the Authority has leases with some companies in which payments increase by the Consumer Price Index (Index), based upon the '82-84 Index. Although the actual lease payments will be adjusted for changes in the MAG or Index in future years, any estimated future changes in the rates are not factored into the Authority's calculation of the lease receivable.

Revenues recognized under lease contracts during the year ended December 31, 2023, was \$4,636,909, which includes both lease revenue and interest. The Authority recognized lease revenue of \$6,230,715 for the year ended December 31, 2023, which includes variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Authority leases that are included in the measurement of the lease receivable as of December 31, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,799,882	179,029	3,978,911
2025	302,610	113,794	416,404
2026	290,613	103,743	394,356
2027	282,481	93,855	376,336
2028	290,348	84,028	374,376
2029 - 2033	1,233,319	281,195	1,514,514
2034 - 2038	838,227	83,886	922,113
2039 - 2041	132,273	6,426	138,699
Total	\$ <u>7,169,753</u>	<u>945,956</u>	<u>8,115,709</u>

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***(b) Regulated Leases***

The Authority leases a portion of its property to air carriers and other aeronautical users whose leases meet the definition of a regulated lease as defined in GASB Statement No. 87, and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2051. Payments for certain leases increase annually based upon the '82-84 Index at adoption date. All other increases are based on negotiated rates within the specific lease. The Airport leases contain usage-based provisions, which revenues are not included in the future minimum payments below because they are not fixed in substance. Of the 20 terminal gates at Eppley Airfield, 16 were leased to airlines in regulated leases in 2023. The amount of non-variable revenue inflows from regulated leases was \$4,350,380 in 2023. The amount of variable revenue inflows from regulated leases was \$845,087 in 2023.

The following is a schedule by year of expected future minimum payments to be received under the Authority's regulated leases as of December 31, 2023:

	<b>Total Future Payments</b>
2024	\$ 4,378,923
2025	4,402,561
2026	4,058,841
2027	4,063,373
2028	3,538,564
2029 - 2033	11,627,467
2034 - 2038	11,030,011
2039 - 2043	10,253,898
2044 - 2048	3,480,127
2049 - 2051	311,728
Total	<u>\$ 57,145,494</u>

The Authority has certain aeronautical leases with passenger air carriers and air carrier support operators and are not included in the regulated leases disclosures as each of these agreements are considered short-term leases and exempt from disclosure. The air carrier leases are renewed annually for a one-year term.

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## **(6) Retirement Plans**

### **(a) Plan Descriptions**

The Authority sponsors salary and hourly defined contribution retirement plans (IRS Section 401k), which are available to all employees working greater than 1,000 hours per year. Plan provisions, including contribution requirements, are established and amended by the Authority's Board. Participation in these plans is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The Authority contributes an amount up to 50% of 6% of the employee's compensation, pursuant to plan provisions. Employee and Authority contributions totaled \$1,119,123 and \$373,299, respectively, for 2023.

The Authority also sponsors a deferred compensation plan created in accordance with IRS Section 457, which is available to all employees. Plan provisions are established and amended by the Authority's Board. Participation in this plan is voluntary and employees may contribute a percentage of total compensation up to the IRS allowed maximum. The Authority makes no contributions to this 457 deferred compensation plan. Employee contributions totaled \$208,803 for 2023.

The Authority sponsors the Airport Authority of Omaha, Nebraska Retirement Plan (the Pension Plan). This Pension Plan is a single-employer, noncontributory, defined-benefit pension plan covering substantially all full-time permanent employees and providing for retirement benefits, based on a percentage of final average compensation. The plan administrator is the Chief Financial Officer of the Authority. The Authority desires to approximate its contributed funds with the net pension expense and systematic amortization of the net pension liability determined on an actuarially determined basis.

Plan participants covered by the Pension Plan, as of January 1, 2023, are summarized below.

Active vested members	114
Inactive vested members	8
Retired	2
Total members	<u>124</u>

### **(b) Administrative Expenses**

Actuarial, investment management, and bank trustee fees and expenses are charged to the Pension Plan as incurred.

### **(c) Plan Benefits**

Any employee is eligible to participate in the Pension Plan after completion of one year of service and the attainment of age 21. A participant is eligible for normal retirement the first day of the month coinciding with or next following attainment age of 65 (age 55 for Aircraft Rescue and Fire Fighters (ARFF) members). However, a participant at least age 50 may retire with unreduced benefits on the first day of any month following the date the participant's age plus years of service equals 85. Upon normal retirement, a participant is entitled to 1% of the participant's final average compensation plus 0.5% of the participant's final average compensation in excess of \$400 monthly, the sum multiplied by the number of years of service.

Participants are eligible for early retirement the first day of any month prior to normal retirement date, provided the participant has attained age 60 (age 50 for ARFF members) and completed 10 years of

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2023



service. A participant who retires at the early retirement date will receive benefits equal to the actuarial equivalent of the participant's normal retirement benefit, based on salary and service information as of the actual retirement date.

A participant who retires past the normal retirement date will receive a benefit equal to the participant's accrued benefit, based on compensation and service to the participant's actual date of retirement.

Benefits are paid in the default form of a straight life annuity (for single employees) and 50% joint and survivorship annuity (for married employees), although optional forms of benefit are available, including lump-sum distributions or rollovers at the actuarial equivalent of the participant's accrued benefit attributable to employer contributions.

**(d) Net Pension Liability**

The Authority's net pension liability for the Pension Plan as of December 31, 2023 was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

*(i) Changes in Net Pension Liability*

	\$	Increase (decrease)		
		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances as of December 31, 2022	\$ 18,914,527	14,417,265		4,497,262
Changes for the year:				
Service cost	1,151,779	—	1,151,779	
Interest on total pension liability	945,260	—	945,260	
Effect of economic/demographic gains or losses	2,690,995	—	2,690,995	
Effect of assumptions changes or inputs	77,521	—	77,521	
Benefit payments	(2,350,861)	(2,350,861)	—	
Employer contributions	—	2,639,047	(2,639,047)	
Net investment income	—	1,370,588	(1,370,588)	
Balances as of December 31, 2023	\$ 21,429,221	16,076,039		5,353,182

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Notes to Financial Statements

December 31, 2023



*(ii) Sensitivity Analysis*

The following presents the net pension liability of the Authority, calculated using the discount rate of 5.00% at December 31, 2023, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate.

	2023		
	1% Decrease	Current Discount Rate	1% Increase
	4.00%	5.00%	6.00%
Net pension liability	\$ 8,844,918	5,353,182	2,453,541

The following were the significant actuarial assumptions used in the valuation of the Pension Plan as of December 31, 2023:

	December 31, 2023
Valuation date	January 1, 2023
Measurement date	December 31, 2023
Inflation	2.50%
Salary increases, including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2021 Ultimate Scale
Postretirement mortality	The applicable Mortality Table for Lump Sums as mandated by the IRS
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, layered 10 years
Asset valuation method	Market value

The Pension Plan has not had a formal actuarial experience study performed.

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The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected real returns and reflecting expected volatility and correlation. The capital market assumptions were determined, based on discussions with Authority management.

	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Geometric Long-Term Expected Real Rate of Return
US Core Fixed Income			
Bloomberg Barclays Aggregate	40.00 %	2.27 %	2.13 %
US Broad Equity Market			
Russell 3000 TR USD	60.00	5.76	4.10
Portfolio real mean return		4.36	3.71
Portfolio assumed inflation rate – mean		2.50	2.50
Portfolio assumed inflation rate –			
standard deviation		1.41	1.41
Portfolio nominal mean return		6.86	6.30
Portfolio standard deviation			10.98
Long-term expected rate of return			5.00

The discount rate used to measure the total pension liability was 5.0% at December 31, 2023, which was unchanged from the prior year. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(e) Pension Expense**

For the fiscal year ended December 31, 2023, the Authority recognized pension expense (included within employee benefits) of \$1,603,524.

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Notes to Financial Statements

December 31, 2023



**(f) Deferred Outflow/Inflow of Resources Related to Pension**

In accordance with GASB Statement No. 68, the Authority recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and the difference between actual and expected investment returns as deferred outflows/inflows of resources. At December 31, 2023, the Authority reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources as follows:

	<u>December 31, 2023</u>	
	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$ (118,507)	3,738,499
Changes of assumptions	(62,224)	199,831
Net difference between projected and actual earnings on pension plan investments	—	360,615
<b>Total</b>	<b>\$ (180,731)</b>	<b>4,298,945</b>

Amounts currently reported as deferred outflow of resources and deferred inflow of resources, as of December 31, 2023, related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 530,914
2025	731,959
2026	952,434
2027	360,084
2028	455,393
Thereafter	<u>1,087,430</u>
	<u>\$ 4,118,214</u>

Investment gains/losses are recognized over a period of five years; economic/demographic gains/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members (7–10 years).

**(g) Rate of Return**

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.7%. The money rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Notes to Financial Statements

December 31, 2023

**(7) Postemployment Benefits Other Than Pensions**

Effective January 1, 2017, the Authority adopted GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and establishes standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflow of resources, and expense/expenditures.

**(a) Plan Description and Funding Policy**

The Authority's single-employer defined-benefit OPEB plan provides postemployment medical and dental benefits in accordance with union contracts and Board resolutions to all full-time employees and their spouses. The membership as of December 31, 2022, the last valuation date (the measurement date was December 31, 2023), includes 150 active participants, 54 retirees and 36 surviving spouses. The Authority pays 100% of the monthly premium amounts for the medical and dental coverage of the eligible retirees and their spouses. Postemployment benefits are funded on a pay-as-you-go basis and amounted to \$971,257 in 2023. No assets are accumulated in a trust that meets the criteria of GASB 75. Separate financial statements are not prepared for this plan as no funded trust account exists. The OPEB plan is administered by the Chief Financial Officer of the Authority.

**(b) Total OPEB Liability**

The Authority's total OPEB liability for the OPEB plan as of December 31, 2023 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

**(i) Changes in Total OPEB Liability**

	<b>Increase (Decrease)</b>	<b>Total OPEB Liability</b>
Balances as of December 31, 2022	\$ 30,072,308	
Changes for the year:		
Service cost	2,044,049	
Interest on total OPEB liability	1,176,829	
Effect of economic/demographic gains or losses	127,924	
Effect of assumption changes or inputs	1,061,556	
Benefit payments	(971,257)	
Balances as of December 31, 2023	\$ 33,511,409	

*Changes of assumptions reflect a change in the discount rate from 3.72% in 2022 to 3.26% in 2023.*

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Financial Statements

December 31, 2023



*(ii) Sensitivity Analysis*

The following presents the total OPEB liability of the Authority, calculated using the stated discount rate at December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	2023		
	1% Decrease	Current Discount rate	1% Increase
	2.26%	3.26%	4.26%
Total OPEB Payable	\$ 38,552,814	33,511,409	29,396,388

The following presents the total OPEB liability of the Authority, calculated using the current healthcare cost trend rates at December 31, 2023, as well as what the Authority's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	2023		
	1% Decrease	Current Trend Rate	1% Increase
	28,635,126	33,511,409	39,660,286
Total OPEB Payable	\$ 28,635,126	33,511,409	39,660,286

*(c) OPEB Expense*

For the fiscal year ended December 31, 2023, the Authority recognized OPEB expense of \$428,415.

*(d) Deferred Outflow/Inflow of Resources Related to OPEB*

In accordance with GASB Statement No. 75, the Authority recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, and contributions subsequent to the measurement date as deferred outflow/inflow of resources. At December 31, 2023, the Authority reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources as follows:

	December 31, 2023	
	Deferred inflow of resources	Deferred outflow of resources
Differences between expected and actual experience	\$ (11,674,976)	112,511
Changes of assumptions	(8,021,062)	6,962,912
<b>Total</b>	<b>\$ (19,696,038)</b>	<b>7,075,423</b>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

## Notes to Financial Statements

December 31, 2023



Net amounts currently reported as deferred outflow of resources and deferred inflow of resources as of December 31, 2023, related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending December 31:	
2024	\$ (2,877,525)
2025	(3,096,267)
2026	(2,024,296)
2027	(2,237,401)
2028	(2,352,293)
Thereafter	(32,833)
	<u>\$ (12,620,615)</u>

The following were the significant actuarial assumptions used to determine the total OPEB liability as of December 31, 2023:

Valuation date	December 31, 2022
Measurement date	December 31, 2023
Salary increases, including inflation	3.00%
Mortality	PubG-2010 with generational projection of future improvements per the MP-2021 ultimate scale
Medical trend rate	Pre-65: 6.40% to 3.70% over 50 years Post-65: 5.80% to 3.70% over 50 years
Actuarial cost method	Entry Age Normal

The OPEB plan has not had a formal actuarial experience study.

As of December 31, 2023, the actuarial assumptions included a discount rate of 3.26% based on the 20-year Bond Buyer GO Index. An annual healthcare cost trend rate of 6.40% (pre-65) and 5.80% (post 65) initially, reduced by decrements to an ultimate rate of 3.70% based upon the Getzen model. Salary increases including an inflation assumption is 3.00% per year.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Financial Statements

December 31, 2023



### **(8) Risk Management**

The Authority is subject to various risks of loss related to unemployment compensation, general liability, and property insurance. The Authority has purchased commercially available indemnity insurance to cover these risks. The deductible amounts for this insurance would be immaterial to the Authority. Settled claims have not exceeded coverage in the last three years. The Authority has "acts of terrorism" insurance coverage on its property policy up to the policy limit of \$500 million. The Authority has "limited war" insurance coverage on its liability policy up to a sublimit of \$350 million; however, U.S. Government Certified Acts of Terrorism (TRIA) are excluded.

### **(9) Contingencies, Commitments and Concentrations**

The Authority participates in federal grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority.

The Authority is named as a party in legal proceedings that occur in the normal course of operations. It is not possible at the present time to estimate the ultimate outcome or liability. However, it is the Authority's position that any ultimate liability is not expected to have a material adverse effect on the Authority's financial position.

The Authority is implementing a Terminal Modernization Program (TMP) for the expansion and renovation of the terminal area facilities. The Central Utility Plant construction began in 2023. The balance of the TMP construction will start in 2024 and is planned to continue through 2028.

The Authority has commitments under various construction contracts of approximately \$182.9 million at December 31, 2023, which are expected to be funded through federal grants or Authority funds.

At December 31, 2023, four customers/tenants owed a concentration of greater than 10% each of total accounts receivable, which made up approximately 52% of total accounts receivable outstanding.

### **(10) Issued but Not Implemented Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Authority upon implementation.

#### *GASB 100: Accounting Changes and Error Corrections*

In June 2022, GASB issues Statement No. 100, Accounting for Changes and Error Corrections, which establishes changes to and within the financial reporting entity must be reported by adjusting beginning balances of the current period. Error corrections result from mathematical mistakes, misuse of information, or misapplication of accounting principle and should be reported retroactively by restating prior periods. This standard is effective for fiscal years beginning after June 15, 2023. The Authority believes this standard will not have an impact on the Authority's financial statements, however, to the extent necessary will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2024.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Financial Statements

December 31, 2023



### *GASB 101: Compensated Absences*

In June 2022, GASB issues Statement No, 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences and to align the recognition and measurement guidance. This standard is effective for fiscal years beginning after December 15, 2023. The Authority is currently evaluating the impact the standard will have on the financial statements when adopted and will implement the relevant provisions (if any) in the Authority's financial statements for the year ending December 31, 2024.

### **(11) Subsequent Events**

In January of 2024, the Omaha Airport Authority Board approved the TMP Guaranteed Maximum Price in the amount of \$797,688,788, which is part of the overall 2023 Board approved TMP budget of \$950 million. Construction on the TMP will start in 2024. On February 15, 2024, the Federal Aviation Administration (FAA) awarded \$3.1 million through the Bipartisan Infrastructure Law Airport Terminals Program to Eppley Airfield for the Terminal Building Improvement Phase 7, to provide new passenger boarding bridges. On March 8, 2024, the Senate adopted and passed the House Bill for the FAA funding. This House Bill included a \$7 million Community Project Funding through the Airport Improvement Program for a Federal Inspection Services Facility at Eppley Airfield. On April 5, 2024, the Authority received a signed Other Transaction Agreement with the Transportation Security Administration for \$24.7 million to fund construction of the Electronic Baggage Screening Program as part of the TMP.

AIRPORT AUTHORITY OF THE CITY OF OMAHA

Required Supplementary Information

Schedules of Changes in the Net Pension Liability and Related Ratios – Retirement Plan

Pension Trust Fund – Employee Retirement Fund

(Unaudited)



**Schedule of changes in net pension liability and related ratios (in thousands)**

	Fiscal year ending December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 1,152	1,161	1,117	1,102	1,107	1,044	969	955	940	874
Interest on total pension liability	945	1,032	1,061	1,051	1,003	989	995	937	973	991
Effect of economic/demographic gains or losses	2,691	—	1,401	149	(230)	528	382	305	467	(629)
Effect of assumption changes or inputs	78	—	—	(60)	18	(68)	571	—	—	—
Benefit payments	(2,351)	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)	(699)
Net change in total pension liability	2,515	(3,256)	592	1,074	1,211	(1,354)	539	542	(253)	537
Total pension liability, beginning	18,915	22,171	21,579	20,505	19,294	20,648	20,109	19,567	19,819	19,283
Total pension liability, ending (a)	21,430	18,915	22,171	21,579	20,505	19,294	20,648	20,109	19,566	19,820
Plan fiduciary net position:										
Employer contributions	2,639	1,821	1,782	1,980	2,129	2,003	1,815	1,875	1,430	1,059
Investment income net of investment expenses	1,370	(1,980)	2,491	1,952	2,243	204	492	175	787	1,658
Benefit payments	(2,351)	(5,449)	(2,987)	(1,168)	(687)	(3,847)	(2,378)	(1,655)	(2,633)	(699)
Administrative expenses	—	—	—	(61)	(36)	(176)	(92)	(79)	(139)	(16)
Net change in plan fiduciary net position	1,658	(5,608)	1,286	2,703	3,649	(1,816)	(163)	316	(555)	2,002
Plan fiduciary net position, beginning	14,419	20,027	18,741	16,038	12,389	14,205	14,368	14,052	14,607	12,605
Plan fiduciary net position, ending (b)	16,077	14,419	20,027	18,741	16,038	12,389	14,205	14,368	14,052	14,607
Authority net pension liability, ending = (a) – (b)	\$ 5,353	4,496	2,144	2,838	4,467	6,905	6,443	5,741	5,514	5,213
Plan fiduciary net position as a percentage of total pension liability	75.02%	76.22%	90.33%	86.84%	78.21%	64.21%	68.80%	71.45%	71.82%	73.70%
Covered payroll	\$ 8,313	8,608	8,608	8,548	8,650	8,590	8,178	8,206	7,379	7,686
Authority net pension liability as a percentage of covered payroll	64.40%	52.24%	24.92 %	33.22 %	51.64 %	80.39 %	78.78 %	69.96 %	74.72 %	67.80 %

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Required Supplementary Information

**Schedules of Contributions – Retirement Plan**

December 31, 2023

(Unaudited)



**Schedule of employer contributions**

<b>Fiscal year ending December 31</b>	<b>Actuarially determined contribution</b>	<b>Actual employer contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Covered payroll</b>	<b>Contribution as a % of covered payroll</b>	
2014	\$ 1,059,282	1,059,282	—	7,686,268	13.78	%
2015	1,430,005	1,430,000	5	7,379,160	19.38	
2016	1,474,867	1,874,867	(400,000)	8,205,826	22.85	
2017	1,565,046	1,815,046	(250,000)	8,178,122	22.19	
2018	1,753,449	2,003,449	(250,000)	8,589,537	23.32	
2019	1,878,759	2,128,759	(250,000)	8,649,843	24.61	
2020	1,772,741	1,980,018	(207,277)	8,547,962	23.16	
2021	1,531,996	1,781,996	(250,000)	8,608,336	20.70	
2022	1,570,830	1,820,830	(250,000)	8,608,336	21.15	
2023	2,389,047	2,639,047	(250,000)	8,312,960	31.75	

See accompanying independent auditors' report and notes to required supplementary information for contributions.

**Notes to required supplementary information for contributions**

Valuation date	January 1, 2023
Measurement date	December 31, 2023
Inflation	2.50%
Salary increases including inflation	3.50%
Investment rate of return	5.00%
Preretirement mortality	PubG-2010 with generational projection per MP-2021 Ultimate Scale
Postretirement mortality	The Applicable Mortality Table for Lump Sums as mandated by the IRS
Actuarial cost method	Entry Age Normal

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**



Required Supplementary Information

Annual Money-Weighted Rate of Return - Retirement Plan

December 31, 2023

(Unaudited)

**Pension plan schedule of money-weighted rate of return**

<b>Fiscal year ending December 31</b>	<b>Net money- weighted rate of return (%)</b>
2014	(0.59)
2015	5.66
2016	1.26
2017	3.55
2018	1.52
2019	14.85
2020	11.67
2021	13.45
2022	(11.59)
2023	9.70

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Required Supplementary Information

Schedules of Changes in Total OPEB Liability and Related Ratios

December 31, 2023

(Unaudited)



**Schedule of changes in total OPEB liability and related ratios (in thousands)**

	Fiscal year ending December 31						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$ 2,044	2,478	\$ 2,369	1,845	2,073	2,388	2,110
Interest on total OPEB liability	1,177	796	760	1,261	1,487	1,569	1,516
Effect of economic/demographic gains or losses	128	—	—	(17,946)	—	(6,538)	—
Effect of assumption changes or inputs	1,062	(8,929)	362	4,920	7,228	(5,606)	2,345
Benefit payments	(971)	(859)	(804)	(705)	(905)	(801)	(645)
Net change in total OPEB liability	3,440	(6,514)	2,687	(10,625)	9,883	(8,988)	5,326
Total OPEB liability, beginning	<u>30,072</u>	<u>36,586</u>	<u>33,899</u>	<u>44,524</u>	<u>34,641</u>	<u>43,629</u>	<u>38,303</u>
Total OPEB liability, ending (a)	<u>\$ 33,512</u>	<u>30,072</u>	<u>\$ 36,586</u>	<u>33,899</u>	<u>44,524</u>	<u>34,641</u>	<u>43,629</u>
Covered payroll	\$ 11,402	9,970	\$ 9,970	9,970	8,590	8,590	8,178
Total OPEB liability as a percentage of covered payroll	293.90%	301.61 %	366.95 %	339.99 %	518.35 %	403.29 %	533.49 %

Notes to Required Supplementary Information-OPEB

Changes in benefit terms-

There were no changes of benefit terms in the years ended 2023 - 2017.

Changes in assumptions-

Changes of assumptions reflect a change in the discount rates and/or annual healthcare cost trend rates.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Revenues

Year ended December 31, 2023



**Operating revenues:**

Landing area:

Landing fees:

Scheduled	\$ 11,443,174
Nonscheduled	3,678
Aviation fuel fees	419,675
Apron fees	335,363
Other	90,628
	<hr/>
Total landing area	<b>12,292,518</b>

General aviation area:

T-hangar rental	158,186
Other facility rental	1,260,753
Ground rental – fixed-base operators, other	1,163,120
	<hr/>
Total general aviation area	<b>2,582,059</b>

Terminal building area:

Building rental – airlines and other	10,644,724
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Concessions:

Advertising (net of ARPA grant revenue)	533,865
Business services (net of ARPA grant revenue)	23,948
News and gift stand (net of ARPA grant revenue)	1,686,951
Specialty shops (net of ARPA grant revenue)	39,441
Restaurant and bar (net of ARPA grant revenue)	866,527
Telephones	62,029
Other concession revenue	2,327

Utilities and tenant services:

Security badging and other tenant services	177,371
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Total terminal building area	<hr/> 14,037,183
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Total operating revenues, balance carried forward	<hr/> <b>28,911,760</b>
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**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Revenues

Year ended December 31, 2023



Total operating revenues, brought forward	\$ <u>28,911,760</u>
Other facility area:	
Building rental	1,214,053
Ground rental	548,303
Auto parking – public and rental cars	35,803,265
Rental car concessions and counters	6,639,977
Ground transportation fees	1,263,728
Other income	<u>2,774</u>
Total other facility area	<u>45,472,100</u>
Millard Airport:	
Aviation fuel fees	11,646
Ground rental	67,985
T-hangar rental	298,875
Building rental	<u>116,507</u>
Total Millard Airport	<u>495,013</u>
Total operating revenues	<u>74,878,873</u>
Other interest revenue	250,182
Net investment return	8,675,606
Customer facility charges (CFCs)	3,725,955
Passenger facility charges (PFCs)	11,356,419
ARPA grant revenue	1,262,055
Federal capital grant revenue	<u>21,520,644</u>
Total nonoperating revenues	<u>46,790,861</u>
Total revenues	\$ <u>121,669,734</u>

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2023



**Operating expenses:**

Operations and maintenance:

Landing area:

Wages and salaries	\$ 1,081,299
Payroll taxes	78,522
Employee benefits	466,119
Supplies and materials	670,765
Contracted labor and services	460,460
Electricity	60,921
Communications	9,584
Other	9,307
<b>Total landing area</b>	<b>2,836,977</b>

General aviation area:

Wages and salaries	180,694
Payroll taxes	13,040
Employee benefits	79,312
Supplies and materials	20,395
Contracted labor and services	42,450
Electricity	17,473
Water	2,859
Communications	1,681
<b>Total general aviation area</b>	<b>357,904</b>

Terminal building area:

Wages and salaries	2,495,097
Payroll taxes	180,557
Employee benefits	973,051
Supplies and materials	673,384
Contracted labor and services	572,159
Electricity	682,315
Fuel – heating	100,780
Water	194,245
Trash disposal	66,017
Communications	82,189
Other	65,556
<b>Total terminal building area</b>	<b>6,085,350</b>

Total operations and maintenance, balance carried forward

**9,280,231**

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2023



Total operations and maintenance, balance brought forward	\$ <u>9,280,231</u>
Other facility area:	
Wages and salaries	208,101
Payroll taxes	15,017
Employee benefits	73,512
Supplies and materials	66,552
Contracted labor and services	429,339
Electricity	165,861
Fuel – heating	7,430
Water	14,045
Communications	1,765
Parking expenses and management	5,523,957
Other	<u>77,860</u>
Total other facility area	<u>6,583,439</u>
Fire – rescue facilities:	
Wages and salaries	1,871,335
Payroll taxes	138,810
Employee benefits	729,228
Supplies and materials	63,878
Contracted labor and services	92,243
Electricity	8,947
Fuel – heating	7,128
Water	6,656
Trash disposal	720
Communications	7,260
Gas and oil	45
Other	<u>1,645</u>
Total fire – rescue facilities	<u>2,927,895</u>
Service equipment:	
Wages and salaries	733,820
Payroll taxes	52,831
Employee benefits	257,504
Supplies and materials	343,906
Contracted labor and services	145,353
Electricity	65,015
Fuel – heating	21,332
Water	20,284
Trash disposal	(992)
Communications	13,703
Gasoline and oil	189,083
Other	<u>(220)</u>
Total service equipment	<u>1,841,619</u>
Total operations and maintenance, balance carried forward	<u>20,633,184</u>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

Schedule of Expenses

Year ended December 31, 2023



Total operations and maintenance, balance brought forward	\$ <u>20,633,184</u>
<b>Security:</b>	
Wages and salaries	3,575,309
Payroll taxes	257,167
Employee benefits	1,129,358
Supplies and materials	92,067
Contracted labor and services	112,268
Communications	14,195
Other	<u>1,189</u>
Total security	<u>5,181,553</u>
<b>Other support facilities area:</b>	
Wages and salaries	295,328
Payroll taxes	21,397
Employee benefits	123,142
Supplies and materials	77,924
Contracted labor and services	240,304
Electricity	312,838
Fuel – heating	14,673
Water	59,013
Trash disposal	2,258
Communications	5,699
Other	<u>2,878</u>
Total other support facilities area	<u>1,155,454</u>
<b>Millard Airport:</b>	
Wages and salaries	114,689
Payroll taxes	8,265
Employee benefits	18,796
Supplies and materials	24,534
Contracted labor and services	152,793
Electricity	23,059
Fuel – heating	3,595
Water	841
Communications	5,946
Gasoline and oil	4,318
Other	<u>4,600</u>
Total Millard Airport	<u>361,436</u>
Total operations and maintenance, balance carried forward	<u>27,331,627</u>

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Supplementary Information

**Schedule of Expenses**

Year ended December 31, 2023



Total operations and maintenance, balance brought forward	\$ <u>27,331,627</u>
<b>General and administrative:</b>	
Wages and salaries	4,214,863
Payroll taxes	242,679
Employee benefits	1,095,168
Supplies and materials	96,223
Contracted labor and services	478,740
Professional services	1,834,983
Marketing	42,162
Travel and registrations	73,877
Communications	10,464
Dues and publications	40,077
Insurance	1,089,790
Other	9,348
Total general and administrative	<u>9,228,374</u>
Depreciation and amortization expense	23,333,957
Other postemployment benefits expense	<u>428,411</u>
Total operating expenses	<u>60,322,369</u>
Interest and amortization expense	<u>1,114,489</u>
Total expenses	<u>\$ 61,436,858</u>

See accompanying independent auditors' report.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Schedule of Expenditures of Federal Awards

Year ended December 31, 2023



<b>Federal Grantor, Pass-Through Grantor, Program or Cluster Title Pass-Through Entity Identifying Number</b>	<b>Federal Assistance Listing Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
U.S. Department of Transportation, Federal Aviation Administration, Airport Improvement Program (Direct programs):			
AIP-3-31-0062-71 - Terminal Drive	20.106	\$ —	\$ 113,294
AIP-3-31-0062-73 - Terminal Entrance Phase 2	20.106	\$ —	\$ 1,579,628
AIP-3-31-0062-77 - Rehabilitate Taxiway Lighting W, G, H, K, B, A & E	20.106	\$ —	\$ 214,617
COVID-19 AIP-3-31-0062-78 - ARPA Concessions	20.106	\$ —	\$ 1,262,055
AIP-3-31-0062-79 - Additional Terminal Drive Lane - Phase 3	20.106	\$ —	\$ 7,853,939
AIP-3-31-0062-81 - Terminal Ramp Taxiway Lane Widening	20.106	\$ —	\$ 2,828,951
AIP-3-31-0062-82 - Terminal Entrance Dr Expansion - Phase 4	20.106	\$ —	\$ 3,498,448
AIP-3-31-0062-84 - Terminal Entrance Dr Expansion - Phase 5	20.106	\$ —	\$ 4,272,138
Total U.S. Department of Transportation		\$ —	\$ 21,623,070
Pass-through from the State of Nebraska:			
AIP-3-31-0053-014 - Millard PAPI & Beacon	20.106	\$ —	\$ 241,813
AIP-3-31-0053-015 - Rehabilitate Runway 12-30 Sealcoat	20.106	\$ —	\$ 269,741
Total pass through from the State of Nebraska		\$ —	\$ 511,554
Department of Homeland Security / Nebraska Emergency Management Agency Disaster Grants - Public Assistance FEMA-DR-4420	97.036	\$ —	\$ 33,035
		\$ —	\$ 33,035
Total federal expenditures		\$ —	\$ 22,167,659

See notes to schedule of expenditures of federal awards.

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2023



**(1) General**

The reporting entity for the supplementary schedule of expenditures of federal awards (the Schedule) is the same as that disclosed in Note 1 to the basic financial statements. The Schedule presents the activity of all federal awards programs of the Authority for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**(2) Basis of Accounting**

The Schedule is prepared on the same basis of accounting as the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Authority has entered into grant agreements with government agencies on certain construction projects. The Authority recognizes grant revenue as construction progresses on each project and when eligibility requirements are met. The Authority has in process various grants from the U.S. Department of Transportation/Federal Aviation Administration for the funding of Airport Improvement Program.

**(3) Subrecipients**

The Authority had no subrecipients during the year ended December 31, 2023.

**(4) Indirect Costs**

The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance and does not charge indirect costs to the federal programs.

**(5) Loans**

The Authority administered no federal loans during the year ended December 31, 2023.



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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

**Independent Auditor's Report**

Board of Directors  
Airport Authority of the City of  
Omaha, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Airport Authority of the City of Omaha, Nebraska (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 15, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS, LLP**

Omaha, Nebraska  
April 15, 2024



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## Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

Board of Directors  
Airport Authority of the City of  
Omaha, Nebraska

#### Report on Compliance for the Major Federal Program

##### ***Opinion on the Major Federal Program***

We have audited the Airport Authority of the City of Omaha, Nebraska's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

##### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**FORVIS, LLP**

Omaha, Nebraska  
April 15, 2024

**Airport Authority of the City of Omaha**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2023**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified*    *Qualified*    *Adverse*    *Disclaimer*

2. Internal control over financial reporting:

Significant deficiency(ies) identified?    Yes    *None reported*

Material weakness(es) identified?    Yes    *No*

3. Noncompliance material to the financial statements noted?    Yes    *No*

*Federal Awards*

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified?    Yes    *None reported*

Material weakness(es) identified?    Yes    *No*

5. Type of auditor’s report issued on compliance for the major federal program:

*Unmodified*    *Qualified*    *Adverse*    *Disclaimer*

6. Any audit findings disclosed that are required to be reported by  
2 CFR 200.516(a)?

Yes    *No*

# **Airport Authority of the City of Omaha**

## **Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2023**

7. Identification of the major federal program:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
20.106	Airport Improvement Program

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee?  Yes  No

# **Airport Authority of the City of Omaha**

## **Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2023**

### **Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

### **Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Airport Authority of the City of Omaha**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2023**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
	No matters are reportable.	



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## **Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

Board of Directors  
Airport Authority of the City of  
Omaha, Nebraska

#### **Report on Compliance for the Passenger Facility Charge Program**

#### ***Opinion on the Passenger Facility Charge Program***

We have audited Airport Authority of the City of Omaha, Nebraska's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide) that could have a direct and material effect on the Authority's passenger facility charge program for the year ended December 31, 2023.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2023.

#### ***Basis for Opinion of the Passenger Facility Charge Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's passenger facility charge program.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

**FORVIS, LLP**

Omaha, Nebraska  
April 15, 2024

**AIRPORT AUTHORITY OF THE CITY OF OMAHA**

Schedule of Passenger Facility Charges Collected and Expended (Cash Basis)

Year ended December 31, 2023



PFC Project Number	Application Number	Project description	Project authorized amount as of December 31, 2023	Cumulative PFC funds expended 1/1/2023	PFC funds expended fiscal year 2023	Cumulative PFC funds expended 12/31/2023	Remaining Project Authorization as of 12/31/23
PFC 01.003	17-01-C-00-OMA	Terminal Ramp Reconstruction	\$ 13,376,000	885,628	—	885,628	12,490,372
PFC 01.004	17-01-C-00-OMA	Taxiway Extension, Reconstruction, and Relocation	5,634,826	469,584	—	469,584	5,165,242
PFC 01.005	17-01-C-00-OMA	Reconstruct Runway 14R/32L and Intersection	4,306,222	390,514	—	390,514	3,915,708
PFC 01.006	17-01-C-00-OMA	Relocate Terminal Ramp Access Taxiways	3,982,557	304,544	—	304,544	3,678,013
PFC 01.007	17-01-C-00-OMA	Runway 18/36 South Reconstruction	3,524,308	262,316	—	262,316	3,261,992
PFC 01.008	17-01-C-00-OMA	Taxiway A Reconstruction	3,493,526	316,448	—	316,448	3,177,078
PFC 01.009	17-01-C-00-OMA	Taxiway G Reconstruction	2,860,706	227,588	—	227,588	2,633,118
PFC 01.010	17-01-C-00-OMA	PFC Consulting Services	75,000	67,745	—	67,745	7,255
PFC 02.001	23-02-C-00-OMA	Terminal Modernization Program (TMP) Design & Construction	259,000,000	—	—	—	259,000,000
PFC 02.002	23-02-C-00-OMA	PFC Consulting Services	70,000	—	—	—	70,000
Total All PFC Applications			\$ 296,323,145	2,924,367	—	2,924,367	293,398,778
PFC Funds Expended:							
Cumulative Expenditures Prior to Start of Fiscal Year 2023							
First Quarter Fiscal Year 2023							
Second Quarter Fiscal Year 2023							
Third Quarter Fiscal Year 2023							
Fourth Quarter Fiscal Year 2023							
Total PFC Expenditures							
\$ 2,924,367							
PFC Funds Collected to Date:							
Cumulative Collections Prior to Fiscal Year 2023							
\$ 38,532,845							
Cumulative Earnings on Collections Prior to Fiscal Year 2023							
\$ 356,783							
Fiscal Year 2023 Collections from Air Carriers							
\$ 9,670,083							
Fiscal Year 2023 Earnings on Collections							
\$ 858,903							
Total PFC Funds Collected through Fiscal Year 2023							
\$ 49,418,614							

See accompanying notes to schedule of passenger facility charges collected and expended (cash basis), and independent auditors' report.

## AIRPORT AUTHORITY OF THE CITY OF OMAHA

Notes to Schedule of Passenger Facility Charges Collected and Expended  
Cash Basis

Year ended December 31, 2023



### **Passenger Facility Charges**

#### **(1) Description of the Program**

Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, enacted on November 5, 1990, authorized the Secretary of Transportation, further delegated to the Federal Aviation Administration (FAA) administrator, to approve the local imposition of an airport passenger facility charge (PFC) of \$1, \$2, or \$3 per enplaned passenger for use on certain airport projects. On May 29, 1991, the FAA issued Part 158 of the Federal Aviation Regulations outlining policies and procedures for the PFC Program. Under Part 158, public agencies controlling commercial service airports can apply to the FAA for authority to impose a PFC for use on eligible projects. On May 30, 2000, the FAA issued a revision to Part 158 that increased the maximum PFC level to \$4 or \$4.50. The change also incorporated additional criteria for the approval of higher PFC levels. The Authority, has been authorized by the FAA to impose and use a \$4.50 passenger charge, which is estimated to expire on July 1, 2044.

PFCs collected are deposited and separately held in restricted cash and restricted investments accounts, along with interest earned on such funds. PFC Funds expended shown in the schedule of passenger facility charges collected and expended (the Schedule) represent those amounts transferred from the restricted account to reimburse the Airport for the PFC qualified portion of amounts expended on eligible projects.

#### **(2) Basis of Accounting and Relationship to Quarterly Reports**

The accompanying Schedule and the PFC quarterly report of funds collected and expended are prepared on the cash basis of accounting, wherein PFC funds collected are recorded when received and PFC funds expended are recorded upon designation as PFC eligible expenditures, except as reduced for subsequent alternate sources of funding.

#### **(3) PFC Project Numbers**

The accompanying Schedule presents only those projects approved by the FAA. Any sequential PFC project number that is not presented on the Schedule represents a proposed PFC project that was not approved by the FAA.

**Airport Authority of the City of Omaha**  
**Passenger Facility Charge Audit Summary**  
**Year Ended December 31, 2023**

**Summary of Auditor's Results**

1. Type of report issued on PFC financial statements.	<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified
2. Type of report on PFC compliance.	<input checked="" type="checkbox"/> Unmodified	<input type="checkbox"/> Qualified
3. Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
4. PFC revenue and interest is accurately reported on FAA Form 5100-127.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5. The Public Agency maintains a separate financial accounting record for each application.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
6. Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the project.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
7. Monthly carrier receipts were reconciled with quarterly carrier reports.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9. Serving carriers were notified of PFC program actions/changes approved by the FAA.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
10. Quarterly reports were transmitted (or available via website) to remitting carriers.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
11. The Public Agency is in compliance with Assurances 5, 6, 7 and 8.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
12. Project design and implementation is carried out in accordance with Assurance 9.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
13. Program administration is carried out in accordance with Assurance 10.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input checked="" type="checkbox"/> N/A

**APPENDIX B-2**

**UNAUDITED SUMMARY STATEMENTS OF INCOME AND EXPENSES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>Unaudited</u> <u>nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
<b><u>Operating income</u></b>		
Landing area	\$ 9,991,483	\$ 9,076,091
General aviation area	1,921,674	1,935,013
Terminal building area	12,160,281	10,335,100
Other facilities area	37,671,032	33,281,578
Millard Airport	<u>374,327</u>	<u>369,763</u>
Total operating income	<u>62,118,797</u>	<u>54,997,545</u>
<b><u>Operating expenses</u></b>		
Operations and maintenance	21,993,080	20,732,846
General and administrative	7,355,107	6,602,328
Depreciation	17,554,886	17,489,995
Other postemployment benefits expense	<u>61,500</u>	<u>24,000</u>
Total operating expense	<u>46,964,573</u>	<u>44,849,169</u>
Net operating income	15,154,224	10,148,376
<b><u>Net investment return</u></b>	4,027,663	3,184,906
<b><u>Interest expense</u></b>	(791,867)	(832,364)
<b><u>Gain on asset disposal</u></b>	11,316	-
<b><u>Bond issuance expense</u></b>	<u>(218,889)</u>	<u>-</u>
Net income before CFCs, PFCs & Federal Stimulus	18,182,447	12,500,918
<b><u>Customer Facility Charges (CFCs)</u></b>	3,168,143	2,716,535
<b><u>Passenger Facility Charges (PFCs)</u></b>	8,878,502	7,984,567
<b><u>ARPA grant revenue</u></b>	-	1,262,055
<b><u>Add back depreciation on grant funded assets</u></b>	<u>7,990,853</u>	<u>7,993,193</u>
Net change in equity/position	<u>\$ 38,219,945</u>	<u>\$ 32,457,268</u>

See “**BONDHOLDERS’ RISKS—Unaudited Financial Information.**”

## APPENDIX B-2

### UNAUDITED SUMMARY OF INCOME AND EXPENDITURES-CASH BASIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	<b>Unaudited</b> <b>nine months ended</b> <b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b><u>Income:</u></b>		
Landing area	\$ 9,991,483	\$ 9,076,091
General aviation area	1,921,674	1,935,013
Terminal building area	12,160,281	10,335,100
Other facilities area	37,671,032	33,281,578
Millard Airport	374,327	369,763
Net investment return	4,027,663	3,184,906
 Total income before CFCs, PFCs & Federal Stimulus	66,146,460	58,182,451
<b><u>Expenditures:</u></b>		
Operations and maintenance	21,993,080	20,732,846
General and administrative	7,355,107	6,602,328
Bond issuance expense	218,889	-
Net debt service on outstanding revenue bonds	2,152,818	2,150,487
 Total expenditures	29,853,141	27,618,908
 Cash basis income	36,293,319	30,563,543
 <b><u>Revenue bond debt service coverage</u></b>	<b>128.64</b>	<b>108.72</b>
 Net cash basis income before CFCs, PFCs & Federal Stimulus	36,293,319	30,563,543
 Customer Facility Charges (CFCs) revenue	3,168,143	2,716,535
 Passenger Facility Charges (PFCs) revenue	8,878,502	7,984,567
 Less: Customer Facility Charge (CFCs) revenue used for debt service	(1,866,753)	(1,866,753)
 ARPA grant revenue	-	1,262,055
 Net cash basis income	\$ 46,473,211	\$ 40,659,947

See "BONDHOLDERS' RISKS—Unaudited Financial Information."

**APPENDIX B-2**

**UNAUDITED STATEMENTS OF INCOME  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

	<b>Unaudited nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating income</b>		
<b><u>Landing area:</u></b>		
Landing fees:		
Scheduled	\$ 9,362,591	8,404,392
Non-scheduled	-	21,391
Aviation fuel fees	311,064	323,442
Apron fees	253,704	259,678
Other income	64,124	67,188
 Total landing area	9,991,483	9,076,091
<b><u>General aviation area:</u></b>		
T-hangar rental	75,571	118,430
Other facilities rental	944,070	943,993
Ground rental:		
Fixed base operators	544,192	526,442
Non-commercial and other income	357,841	346,148
 Total general aviation area	1,921,674	1,935,013
<b><u>Terminal building area:</u></b>		
Building rental:		
Airlines	7,854,031	7,427,316
Other	558,179	573,686
Concessions:		
Advertising	424,453	419,722
Business center	22,650	18,506
News and gift stand	1,491,630	1,185,036
Specialty shops	46,967	25,163
Restaurant and bar	1,587,610	500,182
Telephones	49,152	48,243
Other concession income	2,821	820
Utilities and tenant services:		
Security badging and other tenant services	122,788	136,426
 Total terminal building area	12,160,281	10,335,100

See "BONDHOLDERS' RISKS—Unaudited Financial Information."

**APPENDIX B-2**

**UNAUDITED STATEMENTS OF INCOME (CONT'D)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>Unaudited</u> <u>nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
<b>Operating income, cont'd.</b>		
<b><u>Other facilities area:</u></b>		
Building rental	\$ 1,403,962	\$ 1,350,799
Ground rental	460,679	449,464
Auto parking	29,369,215	25,495,725
Rental car concessions	5,413,327	5,046,226
Ground Transportation Fees	1,022,251	937,571
Other income	1,598	1,793
Total other facilities area	<u>37,671,032</u>	<u>33,281,578</u>
<b><u>Millard Airport:</u></b>		
Aviation fuel fees	8,673	8,855
Ground rental	52,711	50,989
T-hangar rental	222,862	223,438
F.B.O. hangar	90,081	86,481
Total Millard Airport	<u>374,327</u>	<u>369,763</u>
Total operating income	<u>62,118,797</u>	<u>54,997,545</u>
<b>Non-operating income</b>		
Net investment return	4,027,663	3,184,906
Gain on asset disposal	11,316	0
Customer Facility Charges (CFCs)	3,168,143	2,716,535
Passenger Facility Charges (PFCs)	8,878,502	7,984,567
ARPA grant revenue	0	1,262,055
Total non-operating income	<u>16,085,624</u>	<u>15,148,063</u>
Total income	<u>\$ 78,204,421</u>	<u>\$ 70,145,608</u>

See "BONDHOLDERS' RISKS—Unaudited Financial Information."

## APPENDIX B-2

### UNAUDITED STATEMENTS OF EXPENSES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Unaudited nine months ended September 30,	
	<u>2024</u>	<u>2023</u>
<b>Operating expenses</b>		
<i><u>Operations and maintenance:</u></i>		
Wages and salaries	\$ 8,338,102	\$ 7,705,985
Payroll taxes	610,444	559,360
Employee benefits	3,780,157	3,404,995
Supplies and materials	1,558,651	1,672,714
Contracted labor and services	1,406,248	1,703,453
Electricity	1,154,235	1,005,681
Fuel	78,716	160,877
Water and sewer	227,795	223,967
Trash disposal	53,000	54,638
Telephone and communications	115,863	105,739
Gas and oil	161,641	153,341
Parking management	4,414,957	3,909,250
Other operating expenses	93,271	72,846
 Total operations and maintenance	 21,993,080	 20,732,846
<i><u>General and administrative:</u></i>		
Wages and salaries	3,485,370	2,947,158
Payroll taxes	213,298	191,430
Employee benefits	1,011,785	852,744
Supplies and materials	106,905	68,812
Contracted labor and services	348,887	304,387
Professional services	1,120,813	1,318,409
Marketing	20,802	35,858
Travel and registrations	64,011	52,311
Communications	10,178	7,611
Dues and publications	47,677	28,032
Insurance	914,085	789,293
Other	11,296	6,283
 Total general and administrative	 7,355,107	 6,602,328
<i><u>Depreciation</u></i>	<u>17,554,886</u>	<u>17,489,995</u>
<i><u>Other postemployment benefits expense</u></i>	<u>61,500</u>	<u>24,000</u>
 Total operating expenses	 46,964,573	 44,849,169
<i><u>Interest Expense</u></i>	<u>791,867</u>	<u>832,364</u>
<i><u>Bond issuance expense</u></i>	<u>218,889</u>	<u>0</u>
 Total expenses	 \$ 47,975,329	 \$ 45,681,533

See "BONDHOLDERS' RISKS—Unaudited Financial Information."

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**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of December 5, 2024 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the Airport Authority of the City of Omaha (the “**Issuer**”).

**RECITALS**

**A.** This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$304,715,000 Airport Facilities Revenue Bonds (AMT), Series 2024 (the “**Series 2024 Bonds**”), pursuant to a Master Resolution of the governing body of the Issuer dated as of December 20, 2016 together with a Second Series Resolution (collectively, the “**Resolution**”).

**B.** The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule. The Issuer is the only “**obligated person**” with responsibility for continuing disclosure pursuant to the Rule and hereunder.

Pursuant to the requirements of the Rule, the Issuer covenants and agrees as follows:

**Section 1. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositaries or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org).

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Material Events**” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

## **Section 2. Provision of Annual Reports.**

(a) The Issuer shall not later than **180** days after the end of the Issuer's fiscal year, commencing with the year ending December 31, 2024, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

(1) The annual financial statements of the Issuer for the prior fiscal year, prepared in accordance with accounting principles generally accepted in the United States for governmental units as prescribed by the Governmental Accounting Standards Board, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Nebraska.

(2) Updated financial information and operating data of the Issuer of the type contained in the final Official Statement as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an "**obligated person**" (as defined by the Rule), which have been provided to the MSRB and are available through EMMA. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

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 this Section. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been provided to the MSRB.

**Section 3. Reporting of Material Events.** Not later than **10** business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry

- into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

All documents provided to the MSRB pursuant to this Continuing Disclosure Undertaking shall be accompanied by identifying information as prescribed by the MSRB.

**Section 4. Termination of Reporting Obligation.** The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such assumption occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such assumption in the same manner as for a Material Event under **Section 3**.

**Section 5. Dissemination Agents.** The Issuer may, from time to time, engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any such Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Material Event under **Section 3**.

**Section 7. Additional Information.** Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer includes any information in any Annual Report or notice of occurrence of a Material Event in addition to the information specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 8. Default.** If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to

comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

**Section 9.      Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 10.      Severability.** If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Continuing Disclosure Undertaking shall not in any way be affected or impaired thereby.

**Section 11.      Electronic Transactions.** The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12.      Governing Law.** This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Nebraska.

**EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING**

**FINANCIAL INFORMATION AND OPERATING DATA TO BE  
INCLUDED IN ANNUAL REPORT**

The following tables contained in the following sections of the final Official Statement:

- SUMMARY OF FINANCIAL OPERATIONS AND DEBT SERVICE COVERAGE RATIOS
- THE AIRPORT—Air Traffic Statistics
- THE AIRPORT—Landed Weights
- THE AIRPORT—Airline Cost Per Enplaned Passenger

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**APPENDIX D**  
**FORM OF BOND COUNSEL OPINION**

[Letterhead of Bond Counsel]  
[Closing Date]

Airport Authority of the City of Omaha  
Eppley Airfield  
Omaha, Nebraska

BofA Securities, Inc.,  
as Representative of the Underwriters  
New York, New York

BOKF, National Association, as Trustee  
Lincoln, Nebraska

Assured Guaranty Inc.  
New York, New York

Re:      Airport Authority of the City of Omaha (Nebraska)  
             \$304,715,000 Airport Facilities Revenue Bonds (AMT), Series 2024

Ladies and Gentlemen:

We have acted as bond counsel to the Airport Authority of the City of Omaha (the “**Issuer**”), in connection with the issuance of its \$304,715,000 Airport Facilities Revenue Bonds (AMT), Series 2024 (the “**Bonds**”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

The Bonds are issued pursuant to a Master Resolution approved by the governing body of the Issuer on December 20, 2016 together with a Second Series Resolution (collectively, the “**Resolution**”). Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Resolution.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1.      The Issuer is validly existing as a political subdivision of the State of Nebraska (the “**State**”) with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.

2.      The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding limited obligations of the Issuer.

3.      The Bonds are payable solely from the net revenues derived by the Issuer from the operation of the Airport System, after providing for the costs of operation and maintenance thereof and the other funds pledged under the Resolution. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision, limitation or restriction. The Issuer has no taxing power.

4.      The Resolution has been duly adopted by the governing body of the Issuer and constitutes a valid and legally binding obligation of the Issuer enforceable against the Issuer. The Resolution creates a valid lien on the revenues and other funds pledged by the Resolution for the security of the Bonds on a parity with other bonds, if any, issued or to be issued on a parity basis with the Bonds under the Resolution.

5. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes, except for any period during which a Series 2024 Bond is held by a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Code, (ii) is exempt from income taxation by the State of Nebraska, and (iii) is an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer have covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding the perfection or priority of the lien on revenues or other funds pledged under the Resolution or tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

**APPENDIX E**  
**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION**

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## SUMMARY OF CERTAIN PROVISIONS OF THE MASTER RESOLUTION

The following, in addition to certain information provided elsewhere in this Official Statement, is a summary of certain provisions of the Master Resolution. Certain words and terms used in this summary are defined in the Master Resolution and have the same meanings in this summary, except as defined otherwise in this Official Statement. Some, but not all, of the definitions in the Master Resolution are set forth below. Certain of these definitions have been abbreviated or modified for purposes of this summary.

**This summary does not purport to be complete or definitive and reference is made to the Master Resolution for a complete recital of the terms of such documents. During the offering period for the Series 2024 Bonds, copies of the Master Resolution may be obtained from the Authority.**

### Definitions

**Definitions of Words and Terms.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of the Master Resolution and any Series Resolution or Supplemental Resolution, and any Certificate, opinion, or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined in the Master Resolution, all terms used herein shall have the meanings assigned to such terms in the Act (hereinafter defined).

**“Account”** means any account or subaccount created in any Fund created under the Master Resolution or under a Supplemental Resolution.

**“Accreted Value”** means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon from the date of original issuance thereof to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds determined in accordance with such Series Resolution compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in such Series Resolution, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

**“Act”** means Sections 3-501 to 3-514, inclusive, Reissue Revised Statutes of Nebraska 2012, as amended.

**“Airport Management Consultant”** means an independent airport management consultant or airport management consulting firm having a wide and favorable reputation for special skill and knowledge in the development, operation financing and management of airports of the approximate size and character as the Airport System, appointed from time to time by the Authority.

**“Airport System”** means all of the property, real, personal and mixed, airports, and related facilities transferred by the City to the Authority and placed under the management and control of the Authority from time to time, and all lands, easements, rights in lands, rights of way, contract rights, air navigation facilities, airport passenger and freight terminal buildings and other buildings and facilities erected on such lands, including hangars, runways, taxiways, paved areas, access roads, parking lots, airport equipment and any other property, real, personal or mixed, incidental to and included in such property and parts thereof, space and facilities for public recreation, business, trade or other exhibitions, sporting or athletic events, public meetings, conventions and other kinds of assemblages and space and facilities for public and commercial purposes now or hereafter constructed, acquired or made by the Authority.

**“Annual Debt Service”** means the amount of payments required to be made for principal of and interest on all Bonds, including mandatory sinking fund redemptions to be made by the Authority, and Authority payments pursuant to reimbursement agreements with Credit Providers to reimburse such Credit Providers for debt service

payments made, and to pay credit enhancement or liquidity support fees, in each case to the extent secured by the Master Resolution, scheduled to come due within a specified Fiscal Year, computed as follows:

(a) In determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds maturing or scheduled for redemption in such year; and in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent any other subsection of this definition applies) be assumed to be made at such fixed rate and on the required funding dates.

(b) Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided in the Master Resolution, Bonds that bear interest at a variable rate shall be deemed to bear interest at a fixed annual rate equal to (i) the average of the daily rates of such indebtedness during the 365 consecutive days (or any lesser period such indebtedness has been Outstanding) next preceding the date of computation; or (ii) with respect to any Bonds bearing interest at a variable rate which are being issued on the date of computation, the initial rate of such indebtedness upon such issuance.

(c) Any Bonds that bear interest at a variable rate and with respect to which there exists a Hedge Facility that obligates the Authority to pay a fixed interest rate or a different variable interest rate shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to bear interest at the effective fixed annual rate or different variable rate thereon as a result of such Hedge Facility. In the case of any Bonds that bear interest at a fixed rate and with respect to which there exists a Hedge Facility that obligates the Authority to pay a floating rate, Annual Debt Service shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the Authority under the Hedge Facility, plus the amount of the floating payments (using the convention described in (b) above) to be made by the Authority under the Hedge Facility.

(d) If all or any portion of an Outstanding Series of Bonds constitute Balloon Maturities, Unissued Program Bonds or Short-Term/Demand Obligations, then, for purposes of determining Annual Debt Service, each maturity that constitutes a Balloon Maturity, Unissued Program Bonds or Short-Term/Demand Obligations shall, unless otherwise provided in the Supplemental Resolution pursuant to which such Bonds are authorized or unless provision (e) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Maturity, Unissued Program Bonds or Short-Term/Demand Obligations were issued, and extending not later than 30 years from the date such Balloon Maturity, Unissued Program Bonds or Short-Term/Demand Obligations were originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index designated by an Authorized Representative, taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Maturities, Unissued Program Bonds or Short-Term/Demand Obligations, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable, and with respect to that portion of a Series that constitutes Balloon Maturities, all funding requirements of principal and interest becoming due in any year other than the stated maturity of that portion of a Series that constitutes Balloon Maturities shall be treated as described in (a) above or such other provision of this definition as shall be applicable.

(e) Any maturity of Bonds that constitutes a Balloon Maturity as described in provision (d) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date, and provision (d) above shall not apply thereto, unless there is delivered to the entity making the calculation of Annual Debt Service a certificate of an Authorized Representative stating (i) that the Authority intends to refinance such maturity, (ii) the probable terms of such refinancing and (iii) that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Maturity shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes

of calculating Annual Debt Service; provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (d) above and shall be amortized over a term of not more than 30 years from the expected date of refinancing.

(f) In any computation relating to the issuance of additional Bonds required by the Master Resolution and any computation required by the Master Resolution, there shall be excluded from the computation of Annual Debt Service principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including without limitation any such funds in an escrow account or any such funds constituting capitalized interest held in any fund or account created by the Master Resolution.

Provided, however, if Passenger Facility Charges, Customer Facility Charges or federal or state grants or other moneys have been irrevocably committed or are held by the Trustee or another Fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on specified Bonds, then the principal of and/or interest to be paid from such Passenger Facility Charges, Customer Facility Charges or federal or state grants or other moneys or from earnings thereon shall be disregarded (unless such Passenger Facility Charges or Customer Facility Charges are included in the definition of Revenues) and not included in calculating Annual Debt Service.

**“Appreciated Value”** means, with respect to any Deferred Income Bond, (a) as of any date of computation prior to the Current Interest Commencement Date with respect to such Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the Periodic Compounding Date next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds determined in accordance with the Series Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Series Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (2) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

**“Arbitrage Instructions”** means the Arbitrage Instructions included with any Tax Certificate, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Authority”** means the Airport Authority of the City of Omaha, in the State of Nebraska.

**“Authority Treasurer”** means the Treasurer of the Board of the Authority.

**“Authorized Representative”** means the Chair, Vice Chair or Authority Treasurer, any Executive Officer, or such other person as may be designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by the Chair or Vice Chair of the Board.

**“Balloon Maturity”** or **“Balloon Maturities”** means, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. Commercial paper, bond anticipation notes or other Short-Term/Demand Obligations shall not be Balloon Maturities.

**“Board”** means the Board of Directors of the Authority.

**“Bond”** or **“Bonds”** means any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Master Resolution. The term “Bond” or

“Bonds” shall include notes, bond anticipation notes, commercial paper and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by the Master Resolution. The terms “Bond” and “Bonds” shall not include Junior Lien Obligations.

“**Bond Counsel**” means any firm of attorneys specializing in the field of municipal finance law, selected by the Authority.

“**Bond Fund**” means the Bond Fund established with the Authority pursuant to the Master Resolution.

“**Bond Obligation**” means, as of any date of calculation, (a) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, (b) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof as of the date on which interest on such Capital Appreciation Bond is compounded next preceding such date of calculation (unless such date of calculation is a date on which such interest is compounded, in which case, as of such date), and (c) with respect to any Outstanding Deferred Income Bond, the Appreciated Value thereof as of the date on which interest on such Deferred Income Bond is computed next preceding such date of calculation (unless such date of calculation is a date on which such interest is compounded, in which case as of such date).

“**Bond Register**” means the Bond Register as defined in the Master Resolution.

“**Book-Entry Bond**” means a Bond authorized to be issued to, and, except as provided (a) in the Master Resolution (b) to the extent provided in the Series Resolution authorizing such Bond, restricted to being registered in the name of, a Securities Depository for the participants in such Securities Depository or the beneficial owners of such Bond.

“**Business Day**” means any day other than (a) a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed, (b) for purposes of payments and other actions relating to Bonds for which a Credit Facility is provided, a day upon which commercial banks in the city of Omaha in which is located the office of the provider of the Credit Facility at which demands for payment thereunder are to be presented are authorized or obligated by law or executive order to be closed, and, (c) if specified in a Series Resolution, a day upon which Authority offices are authorized to be closed.

“**Capital Appreciation Bonds**” means any Bonds the interest on which is (a) compounded periodically on dates that are determined in accordance with the Series Resolution authorizing such Capital Appreciation Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Series Resolution authorizing such Capital Appreciation Bonds.

“**Capital Improvement and General Purpose Fund**” means the Fund by that name established pursuant to the provisions of the Master Resolution

“**Certificate**,” “**Statement**,” “**Request**,” “**Requisition**” and “**Order**” of the Authority means, respectively, a written certificate, statement, request, requisition or order signed by an Authorized Representative.

“**City**” means the City of Omaha, in the State of Nebraska.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury proposed or promulgated thereunder.

“**Construction Fund**” means the Construction Fund established with the Authority pursuant to the provisions of the Master Resolution.

“**Costs**” with respect to the Airport System or any part thereof, means the costs, expenses and liabilities paid or incurred or to be paid or incurred by the Authority in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, operating, maintaining, repairing, extending, improving, reconstructing, retiring, decommissioning and disposing thereof and the obtaining of governmental approvals, certificates, permits

and licenses with respect thereto, including, but not limited to, any good faith or other similar payment or deposits required in connection with the acquisition or construction of such part of the Airport System, the cost of acquisition by or for the Authority of real and personal property or any interests therein, costs of physical construction of such part of the Airport System and costs of the Authority incidental to such construction or acquisition, all costs relating to injury and damage claims relating to such part of the Airport System, preliminary investigation and development costs, engineering fees and expenses, contractors' fees and expenses, the costs of labor, materials, equipment and utility services and supplies, legal and financial advisory fees and expenses, capitalized interest and financing costs, including, without limitation, bank commitment and letter of credit fees and bond insurance and indemnity premiums, fees and expenses of the Fiduciaries (if any), administration and general overhead expense and costs of keeping accounts and making reports required by the Master Resolution prior to or in connection with the completion of acquisition or construction of such part of the Airport System, amounts, if any, required by the Master Resolution to be paid into the Bond Fund to provide, among other things, for interest accruing on Bonds or into the Reserve Fund to provide for such reserves, if any, as may be specified in a Series or Supplemental Resolution or to be paid into the Revenue Fund for any of the respective purposes thereof, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Authority with respect to the Airport System and reserves therefor, and all federal, state and local taxes and payments in lieu of taxes in connection with any part of the Airport System and shall include reimbursements to the Authority for any of the above items theretofore paid by or on behalf of the Authority.

**“Credit Facility”** means a letter of credit, line of credit, liquidity facility or other credit facility issued by a financial institution or other form of credit enhancement, including, but not limited to, municipal bond insurance and guarantees, delivered to the Paying Agent for all or a portion of a Series of Bonds, which provides for payment, in accordance with the terms of such Credit Facility, of principal, Accreted Value, Appreciated Value, premium and/or interest of all or a portion of a Series of Bonds and/or the purchase price of such Series of Bonds or portion thereof. A Credit Facility may be comprised of one or more credit facilities issued by one or more financial institutions.

**“Credit Provider”** means, with respect to a Series of Bonds, the provider of a Credit Facility, including municipal bond insurance, letter of credit, or liquidity support, if any, for such Series of Bonds specified in the applicable Supplemental Resolution.

**“Current Interest Bonds”** means the Bonds of any Series, other than Capital Appreciation Bonds or Deferred Income Bonds, which pay interest at least annually to the Owners thereof excluding the first payment of interest thereon.

**“Current Interest Commencement Date”** means with respect to any particular Deferred Income Bonds, the date determined in accordance with the Series Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates determined in accordance with such Series Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

**“Customer Facility Charges”** or **“CFCs”** means the charges (including interest earnings thereon) authorized from time to time by the Authority and imposed and collected by a rental car operator upon a rental car customer at or proximate to the Authority's Eppley Airfield facilities, which charges are remitted to the Authority.

**“Debt Service”** for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits in the Bond Fund made from the proceeds of Bonds, Junior Lien Obligations or other evidences of indebtedness of the Authority (including amounts, if any, transferred thereto from the Construction Fund) and (b) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for Bonds of such Series (or, if (1) there shall be no such preceding Principal Installment due date or (2) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later). Such interest and Principal Installments for Bonds of such Series shall be calculated on the assumption that (A) no Bonds (except for Option Bonds actually

tendered for payment prior to the stated maturity thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (B) the principal amount of Option Bonds tendered for payment before the stated maturity thereof shall be deemed to accrue on the date required to be paid pursuant to such tender, and (C) the Reserve Requirement held in an account in the Reserve Fund with respect to a Series of Bonds will be applied to the final maturity of such Series of Bonds.

**“Deferred Income Bond” or “Deferred Income Bonds”** means any Bond issued under the Resolution as to which interest accruing prior to the Current Interest Commencement Date is (a) compounded periodically on dates determined in accordance with the Series Resolution authorizing such Deferred Income Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Series Resolution authorizing such Deferred Income Bonds.

**“Depreciation”** means the depreciation and amortization expenses with respect to the Airport System, classified as such in accordance with generally accepted accounting principles for proprietary governmental operations such as the Airport System.

**“Designated CFC Revenues”** means, for any period of time, the amount of Customer Facility Charges specified in any Series Resolution (or other resolution adopted by the Authority) in which the Board irrevocably commits to pay a portion of the Debt Service on a Series of Bonds.

**“Director of Finance & Administration”** means the Director of Finance & Administration or other chief financial officer of the Authority.

**“Event of Default”** has the meaning given to such term in the Master Resolution.

**“Executive Director”** means the Executive Director or other chief executive officer of the Authority.

**“Executive Officer”** means any of the Executive Director or Director of Finance & Administration of the Authority.

**“Fiduciary” or “Fiduciaries”** means each Registrar and/or Paying Agent appointed pursuant to a Series Resolution and shall include the Trustee.

**“Fiscal Year”** means the fiscal year of the Authority.

**“Fund”** means any fund created under the Master Resolution or under a Supplemental Resolution.

**“Government Obligations”** means (a) United States Obligations (including obligations issued or held in book-entry form), (b) prerefunded municipal obligations meeting the following conditions: (i) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (ii) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (iii) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (iv) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (v) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (vi) the municipal obligations are rated in their highest rating category by one or more of the Rating Agencies, but only if such Rating Agencies have been requested by the Authority to maintain a rating on the Bonds, and such Rating Agencies are then maintaining a rating on the Bonds; and (c) any other type of security or obligation which the Rating Agencies then maintaining ratings on the Bonds, to be defeased have determined to be permitted defeasance securities.

**“Hedge Facility”** means any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (a) is designated in writing to the Trustee by an Authorized Representative as a Hedge Facility

to relate to all or part of one or more Series of Bonds; (b) is with a Qualified Hedge Provider or an entity that has been a Qualified Hedge Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Maximum Annual Debt Service is being made; and (c) has a term not greater than the term of the designated Bonds or a specified date for mandatory tender or redemption of such designated Bonds.

**“Insurance Consultant”** means an individual or firm selected by the Authority qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the Airport System and having a favorable reputation for skill and experience in making such surveys and recommendations.

**“Interest Account”** means the Account by that name established in the Bond Fund pursuant to the provisions of the Master Resolution.

**“Investment Agreement”** means an investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

**“Junior Lien Resolution”** means the resolution or other documents of the Authority providing for the issuance of and securing Junior Lien Obligations.

**“Junior Lien Obligations”** means the Authority’s bonds, or other indebtedness or obligations subordinate to the Bonds, complying with the provisions of the Master Resolution but such term shall not include Special Facility Bonds. The term “Junior Lien Obligations” shall include notes, bond anticipation notes, commercial paper and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by a Junior Lien Resolution.

**“Junior Lien Obligations Fund”** means the Junior Lien Obligations Fund created pursuant to the Master Resolution for the purpose of providing all deposits and payments required by any Junior Lien Resolution, including reserves for debt service on Junior Lien Obligations.

**“Maximum Annual Debt Service”** shall mean the maximum Annual Debt Service with respect to any specified indebtedness for any Fiscal Year during the term of such indebtedness.

**“Moody’s”** means Moody’s Investors Service, a corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority (other than Standard & Poor’s).

**“Net Revenues”** means Revenues less Operation and Maintenance Expenses.

**“Operation and Maintenance Expenses”** means the necessary expenditures for operating and maintaining the Airport System and shall include expenditures generally classified as operating expenses in accordance with generally accepted accounting principles for proprietary governmental operations such as the Airport System. Operation and Maintenance Expenses shall not include (a) the principal of, premium, if any, or interest payable on any Bonds and Junior Lien Obligations; (b) expenses related to pension or other post-employment benefits which are not expended in the Fiscal Year in question; (c) any allowance for Depreciation; (d) any other expense for which (or to the extent to which) the Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (e) any extraordinary items arising from the early extinguishment of debt; and (f) any expense paid with amounts from the Capital Improvement and General Purpose Fund.

**“Operation and Maintenance Fund”** means the Operation and Maintenance Fund created pursuant to the Master Resolution.

**“Opinion of Bond Counsel”** means a written opinion of Bond Counsel.

**“Option Bonds”** means Bonds which by their terms may or are required to be tendered by and at the option of the Owner thereof for payment by the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Owner thereof.

**“Outstanding”** means, when used as of any particular time with reference to Bonds, all Bonds theretofore, or thereupon being, authenticated and delivered by the Registrar under the Master Resolution except (a) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation (or in the case of Book-Entry Bonds, to the extent provided in the Master Resolution, portions thereof deemed to have been cancelled); (b) Bonds (or in the case of Book-Entry Bonds, to the extent provided in the Master Resolution, portions thereof with respect to which all liability of the Authority shall have been discharged in accordance with the Master Resolution; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to the Master Resolution; and (d) Bonds no longer deemed to be outstanding under the Master Resolution as provided in the Series Resolution pursuant to which such Bonds were issued.

**“Owner”** or **“Bondholder”** or **“Holder”**, whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

**“Passenger Facility Charges”** means charges collected by the Authority pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 C.F.R. Part 158, as amended from time to time, in respect of any component of the Airport System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

**“Paying Agent”** means the person or institution, which may include the Authority Treasurer or the Director of Finance & Administration or his designee, or such other agent or official of the Authority as may be designated in a Series Resolution to make payments of the principal or Redemption Price of and interest on the Series of Bonds authorized by such Series Resolution to the registered owners thereof.

**“Payment Date”** means, with respect to a Series of Bonds, the date upon which any principal, Accreted Value, Appreciated Value or Redemption Price, and interest thereon is payable to the registered owners of such Series of Bonds.

**“Periodic Compounding Date”** means, with respect to a Capital Appreciation Bond or a Deferred Income Bond, the periodic date determined in accordance with the Series Resolution authorizing such Capital Appreciation Bond or Deferred Income Bond on which interest on such Bond is to be compounded.

**“Permitted Investments”** means any of the following, if and to the extent the same is at the time legal for the investment of the Authority’s money:

(a) United States Obligations;

(b) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration;

(c) Direct and general long-term obligations of any state, which obligations are rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(d) Direct and general short-term obligations of any state which obligations are rated in the highest Rating Category by one or more of the Rating Agencies;

(e) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation (“FDIC”) or by savings and loan associations that are members of the FDIC, which deposits or interests must either be (1) continuously and fully insured by FDIC and with banks that are rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies; or (2) fully secured by obligations described in item (a) or (b) of this definition of Permitted Investments (a) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (b) held by the Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (c) subject to a perfected first lien in favor of the Trustee, and (d) free and clear from all third-party liens;

(f) Long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(g) Repurchase agreements which are (1) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from one or more of the Rating Agencies and (2) fully secured by investments specified in items (a) or (b) of this definition of Permitted Investments (a) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (b) held by the Trustee (who will not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (c) subject to a perfected first lien in favor of the Trustee and (d) free and clear from all third-party liens;

(h) Prime commercial paper of a United States corporation, finance company or banking institution rated in the highest short-term Rating Category by one or more of the Rating Agencies;

(i) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (1) a money market fund that has been rated in one of the two highest Rating Categories by one or more of the Rating Agencies or (2) a money market fund or account of the Trustee or any state or federal bank that is rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or whose one bank holding company parent is rated at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or that has a combined capital and surplus of not less than \$50,000,000;

(j) Interest bearing notes issued by a banking institution having a combined capital and surplus of at least \$500,000,000 and whose senior debt is in the highest Rating Category by one or more of the Rating Agencies;

(k) Public housing bonds issued by public agencies which are either unconditionally guaranteed as to principal and interest by the United States of America, or rated in the highest Rating Category by one or more of the Rating Agencies;

(l) Obligations issued or guaranteed by Private Export Funding Corporation, Resolution Funding Corporation and any other instrumentality or agency of the United States of America;

(m) Investment Agreements;

(n) Any debt or fixed income security, the issuer of which is at the time of purchase rated in one of the two highest Rating Categories by one or more of the Rating Agencies;

(o) any other type of investment consistent with Authority policy in which the Authority determines to invest provided that there is delivered to the Trustee a certificate of an Authorized Representative stating that each of the Rating Agencies then maintaining a rating on the Bonds has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such rating agency to any of the Bonds; and

(p) any other investment which is a permitted investment of the Authority in accordance with the laws of the State.

**“Person”** means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Pooled Reserve Account”** has the meaning set forth below under **“Required Deposits—Reserve Fund”**.

**“Principal Account”** means the Account of that name established in the Bond Fund pursuant to the provisions of the Master Resolution.

**“Principal Installment”** means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (a) the principal amount of Bonds (including the principal amount of any Option Bonds tendered for payment prior to the stated maturity thereof) of such Series due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in the Master Resolution) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bond on such future date in a principal amount equal to such unsatisfied balance of such Sinking Fund Installments, or (c) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

**“Program”** means a financing program identified in a Supplemental Resolution, including but not limited to a bond anticipation note or commercial paper program, (a) which is authorized and the terms thereof approved by a resolution adopted by the Authority and the items required under the Master Resolution have been filed with the Trustee, (b) wherein the Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an authorized amount, and (c) the authorized amount of which has met the additional Bonds test set forth in the Master Resolution and the Outstanding amount of which may vary from time to time, but not exceed the authorized amount.

**“Program Bonds”** means Bonds issued and Outstanding pursuant to a Program, other than Unissued Program Bonds.

**“Project”** means any airport facilities, and all other property, real and personal, of every kind and nature material or pertinent thereto or necessary therefor, located within or without the City or the State, which may be used by or useful to the Authority as part of an airport, as ground facilities for the convenience of handling aviation equipment, passengers or freight or as part of aviation operation, air navigation, or air safety operation.

**“Prudent Airport System Management”** means any of the practices, methods and acts (including, without limitation, any practices, methods and acts engaged in or approved by a significant portion of the airport industry) which, in the exercise of reasonable judgment, in the light of the facts known at the time the decision was made, could

have been expected to accomplish the desired result at reasonable cost consistent with reliability, safety and expediency. In applying the standard of Prudent Airport System Management to any matter under the Resolution, equitable consideration shall be given to the circumstances, requirements and obligations of the Authority, and there shall be taken into account the fact that the Authority is a political subdivision of the State with prescribed statutory powers, duties and responsibilities. Prudent Airport System Management is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at reasonable cost consistent with reliability, safety and expediency. Prudent Airport System Management includes due regard for manufacturers' warranties and the requirements of governmental agencies which have jurisdiction.

**“Qualified Hedge Provider”** means a financial institution whose senior long-term debt obligations, or whose obligations under any Hedge Facility are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least “A1,” in the case of Moody’s and “A+,” in the case of Standard & Poor’s, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% (or such lower percentage as shall be acceptable to the Rating Agencies) of the “notional amount” as defined in the Hedge Facility, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

**“Rating Agency”** or **“Rating Agencies”** means Moody’s, Standard & Poor’s, or any other nationally recognized securities rating agency selected by the Authority.

**“Rating Category”** or **“Rating Categories”** means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**“Rebate Fund”** means the Rebate Fund established with the Authority pursuant to the provisions of the Master Resolution.

**“Redemption Price”** means, with respect to any Bond (or portion thereof), the principal amount, Accrued Value or Appreciated Value of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Master Resolution.

**“Refunding Bonds”** means all Bonds whether issued in one or more Series, authorized pursuant to the Master Resolution, to the extent the proceeds thereof are used or allocated to pay or to provide for the payment of Bonds.

**“Registrar”** means the person or institution, which may include the Authority Treasurer or the Director of Finance & Administration or his designee, or such other agent or official of the Authority as may be designated in a Series Resolution to maintain on behalf of the Authority books of record in which the registered owners of the Bonds authorized by such Series Resolution and their registered addresses shall be duly recorded.

**“Reimbursement Obligations”** means all Bonds or other obligations issued pursuant to the Master Resolution, whether issued in one or more Series, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds whether pursuant to the Master Resolution or the Series Resolution authorizing such Reimbursement Obligations.

**“Released Revenues”** means Revenues of the Authority in respect of which the Trustee has received the following:

(a) a request of an Authorized Representative describing such Revenues and requesting that such Revenues be excluded from the pledge and lien of the Master Resolution on Net Revenues;

(b) either

(i) an Airport Management Consultant's certificate to the effect that, based upon reasonable assumptions, projected Net Revenues after the Revenues covered by the Authorized Representative's request are excluded, calculated in accordance with the additional Bonds test in the Master Resolution for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, will not be less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Sinking Fund Accounts, the Reserve Fund, and the Junior Lien Obligations Fund or (B) an amount not less than 150% of the average Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such Revenues (disregarding any Bonds that have been or will be paid or discharged); or

(ii) an independent certified public accountant's certificate to the effect that Net Revenues in the two most recently completed Fiscal Years, after the Revenues covered by the Authorized Representative's request are excluded, were not less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Sinking Fund Accounts, the Reserve Fund, and the Junior Lien Obligations Fund or (B) 135% of (1) average Annual Debt Service on all Bonds Outstanding in each such Fiscal Year (disregarding any Bonds that have been paid or discharged), plus (2) average Annual Debt Service with respect to any additional Bonds issued since the completion of such Fiscal Year or proposed to be issued at the time such certificate is delivered;

(c) an Opinion of Bond Counsel to the effect that (i) the conditions set forth in the Master Resolution to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the pledge and lien of the Master Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax;

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of such Revenues from the pledge and lien of the Master Resolution will not cause a withdrawal of or reduction in any unenhanced rating then assigned to the Bonds; and

(e) evidence that notice of the proposed Released Revenues was given to all current Credit Providers in respect of any Bonds at least 15 days prior to the proposed effective date of the release of such Revenues.

Upon the Trustee's receipt of such documents, the Revenues described in the Authorized Representative's request shall be excluded from the pledge and lien of the Master Resolution, and the Trustee shall take all reasonable steps requested by the Authorized Representative to evidence or confirm the release of such pledge and lien on the Released Revenues.

**"Reserve Fund"** means the Reserve Fund established with the Authority pursuant to the provisions of the Master Resolution, in which there shall be established an Account for each Series of Bonds issued pursuant to the Master Resolution.

**"Reserve Requirement"** means, with respect to a Series of Bonds, the amount, if any, required to be on deposit in a Series Account in the Reserve Fund specified in the Supplemental Resolution governing the issuance of and securing the related Series of Bonds.

**"Resolution"** or **"this Resolution"** means the Master Resolution, as amended, modified or supplemented from time to time by any Series Resolution or Supplemental Resolution.

**"Revenue Fund"** means the Revenue Fund created with the Authority pursuant to the provisions of the Master Resolution, into which all of the Revenues of the Airport System shall be deposited.

**"Revenues"** means all revenues or income of the Authority derived directly or indirectly from the ownership, use and operation of the Airport System, but excluding (a) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to,

or retained in, the Revenue Fund or the Bond Fund; (b) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (c) amounts received by the Authority from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Authority; (d) the proceeds of any Passenger Facility Charges, Customer Facility Charges, or similar charge levied by, or on behalf of, the Authority, unless such funds are treated as Revenues by the Authority; (e) grants-in-aid, donations, and/or bequests; (f) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (g) the proceeds of any condemnation awards; (h) the proceeds of any sale of land, buildings or equipment; and (i) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use. Unless otherwise provided in a Supplemental Resolution, there shall also be excluded from the term "Revenues" any Released Revenues in respect of which the Authority has filed with the Trustee the request of Authorized Representative, Airport Management Consultant's or independent certified public accountant's certificate, Opinion of Bond Counsel and the other documents contemplated in the definition of the term "Released Revenues."

**"Securities Depository"** means, with respect to a Book-Entry Bond, the person, firm, association or corporation specified in the Series Resolution authorizing the Bonds of the Series of which such Book-Entry Bond is a part to serve as the securities depository for such Book-Entry Bond, or its nominee, and its successor or successors and any other person, firm, association or corporation which may at any time be substituted in its place pursuant to the Resolution or such Series Resolution.

**"Serial Bonds"** means the Bonds, maturing in specified years, for which no Sinking Fund Installments are provided.

**"Series,"** whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Master Resolution.

**"Series Resolution"** means a resolution adopted in compliance with the provision of the Master Resolution providing for the issuance of a series of Bonds.

**"Short-Term/Demand Obligations"** means each Series of Bonds issued pursuant to the Master Resolution, the payment of principal of which is either (a) payable on demand by or at the option of the Holder at a time sooner than a date on which such principal is deemed to be payable for purposes of computing Annual Debt Service, or (b) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term either (i) through the issuance of additional Short-Term/Demand Obligations pursuant to a commercial paper, auction Bond or other similar Program, or (ii) through the issuance of long-term Bonds pursuant to a bond anticipation note or similar Program.

**"Sinking Fund Account"** means the Account of that name established in the Bond Fund pursuant to the provisions of the Master Resolution.

**"Sinking Fund Installment"** means an amount so designated which is established pursuant to a Series Resolution authorizing a Series of Bonds and which is required by the Master Resolution to be deposited in the Sinking Fund Account for the payment of Term Bonds of such series and maturity.

**"Special Facility"** means any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airport System, the cost of construction and acquisition, of which are paid for (a) by the obligor under a Special Facility Agreement, or (b) from the proceeds of Special Facility Bonds, or (c) both.

**"Special Facility Agreement"** means an agreement entered into by the Authority and one or more other parties, relating to the design, construction, and/or financing of any facility, improvement, structure, equipment, or assets acquired or constructed on any land or in or on any structure or building at the Airport System, all or a portion of the payments under which (a) are intended to be excluded from Revenues and (b) may be pledged to the payment of revenue bonds, notes, or other obligations of the Authority other than Bonds or Junior Lien Obligations.

**“Special Facility Bonds”** means any revenue bonds, notes, or other obligations of the Authority other than Bonds or Junior Lien Obligations, issued to finance any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airport System, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under a Special Facility Agreement.

**“Standard & Poor’s”** means S&P Global Ratings, a corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority (other than Moody’s).

**“State”** means the State of Nebraska.

**“Supplemental Resolution”** means a resolution adopted in compliance with the provisions of the Master Resolution amending or supplementing the Master Resolution as originally adopted or as theretofore amended or supplemented by a resolution adopted in compliance with the provisions of the Master Resolution, and, unless the context shall clearly indicate otherwise, shall include Series Resolutions.

**“Tax Certificate”** means the certificate dated as of the date of issuance, sale and delivery of a Series of Bonds, if any, concerning the requirements of the Code and any applicable regulations with respect to such Series of Bonds.

**“Term Bonds”** means Bonds payable at or before their specified maturity date or dates from Sinking Fund Installments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

**“Trustee”** means First National Bank of Omaha, and any successor to its duties under the Master Resolution.

**“Unissued Program Bonds”** means the bonds, notes or other indebtedness authorized to be issued pursuant to a Program and secured by a senior lien on Net Revenues, issuable in an amount up to the authorized amount relating to such Program, which have been approved for issuance by the Authority pursuant to a resolution adopted by the Authority and with respect to which Program the items described in the Master Resolution have been filed with the Fiduciaries but which have not yet been authenticated and delivered pursuant to the Program documents.

**“United States”** means the United States of America.

**“United States Obligations”** means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (c) the underlying United States Obligations are held in a special account separate from the custodian’s general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. “United States Obligations” will include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation securities.

**“Variable Rate Bonds”** means Bonds the interest rate on, or amount of, which is not fixed at the time of incurrence of such Bonds, and has not at some subsequent date been fixed, at a single numerical rate for the entire remaining term of the Bonds.

All references in these definitions to Articles, Sections, and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Master Resolution, and the words herein, hereof, hereunder and other words

of similar import refer to the Master Resolution as a whole and not to any particular Article, Section or subdivision of the Master Resolution. The headings or title of the several articles and sections of the Master Resolution, and any Table of Contents appended to copies of the Master Resolution, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Master Resolution.

## General

The Master Resolution constitutes an assignment by the Authority to the Trustee, in trust, to secure payment of the Bonds, of the Authority's interest in Net Revenues and sets forth the conditions of such assignments. The Master Resolution also defines the terms thereof and determines the duties of the Trustee and the rights of the Bondholders.

**Transfer of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the register required to be kept pursuant to the provisions under “—**Bond Register**,” by the Person in whose name it is registered, in Person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Registrar.

Whenever any Bond or Bonds of a Series shall be surrendered for transfer, the Authority shall execute and the Registrar shall authenticate and deliver a new Bond or Bonds, of the same Series, tenor and maturity and for a like aggregate principal amount; provided that, unless otherwise provided in any Series Resolution, the Registrar is not required to register a transfer of any Bonds within 15 days before the date of selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Registrar may require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

**Exchange of Bonds.** Bonds of any Series may be exchanged at the designated office of the Registrar for a like aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor and maturity; provided that, unless otherwise provided in any Series Resolution, the Registrar is not required to exchange Bonds within 15 days before the date of selection of Bonds for redemption, or exchange any Bond or portion of a Bond so selected for redemption. The Registrar shall require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

**Bond Register.** The Registrar will keep or cause to be kept at its designated office sufficient books for the registration and transfer of the Bonds of that Series, which shall at all times be open to inspection during normal business hours by the Authority; and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as provided in the Master Resolution.

**Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Authority at the expense of the Owner of said Bond, shall execute, and the Registrar shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Registrar of the Bond so mutilated. Every mutilated Bond so surrendered to the Registrar shall be cancelled by it and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Authority and the Registrar, and, if such evidence be satisfactory to both the Registrar and the Authority and indemnity satisfactory to them shall be given, the Authority at the expense of the Owner, shall execute, and the Registrar shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Registrar may pay the same without surrender thereof upon receipt of the aforementioned indemnity). The Authority may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under “—**Bonds Mutilated, Lost, Destroyed or Stolen**” and of the expenses that may be incurred by the Authority and the Registrar in the premises. Any Bond issued under the provisions of “—**Bonds Mutilated, Lost, Destroyed or Stolen**” in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute a contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Master Resolution with all other Bonds secured by the Master Resolution. Neither the Authority, nor any Fiduciary shall be required to treat both the original Bond and any substitute Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued under the Master Resolution or for the purpose of determining any percentage

of Bonds Outstanding under the Master Resolution, but both the original and substitute Bond shall be treated as one and the same.

**Series of Bonds; Terms of Series Resolutions.** The Authority may from time to time by Series Resolution establish one or more Series of Bonds, and the Authority may issue, and the Registrar may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of the Master Resolution and any additional requirements set forth in said Series Resolution.

A Series Resolution authorizing a Series of Bonds shall specify or provide for the determination of, among other things: (a) the authorized principal amount and distinguishing designation of such series; (b) the general purpose or purposes for which such Series of Bonds is being issued, and the deposit, disbursement and application of the proceeds of the sale of the Bonds of such Series; (c) the date or dates, and the maturity date or dates of the Bonds of such Series, and the principal amount maturing on each maturity date and any Sinking Fund Installment for the Bonds of such Series; (d) the interest rate or rates on the Bonds of such Series (which may be a rate of zero) and the interest Payment Date or dates therefor, and whether such interest rate or rates shall be fixed, variable or a combination of both, and, if Deferred Income Bonds are authorized by such Series Resolution, the Current Interest Commencement Date and, if necessary, the manner of determining such rate or rates; (e) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Bonds of such Series; (f) the Registrar and the Paying Agent(s) for the Bonds of such Series and the duties and obligations thereof; (g) the place or places of payment of the principal, Redemption Price, if any, or purchase price, if any, or the interest on, the Bonds of such Series; (h) the trustee, if any, for the Bonds of such Series, and the duties and obligations thereof; (i) the tender agent or tender agents for the Bonds of such Series, if any, and the duties and obligations thereof; (j) the remarketing agent or remarketing agents for the Bonds of such Series, if any, and the duties and obligations thereof; (k) the form or forms of the Bonds of such Series and any coupons attached thereto, which may include but shall not be limited to, registered form and book-entry form, and the methods, if necessary, for the registration, transfer and exchange of the Bonds of such Series; (l) the terms and conditions, if any, for the redemption of the Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms; (m) the terms and conditions, if any, for the purchase of the Bonds of such Series upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms; (n) the authorization of and any terms and conditions with respect to any Credit Facility, if any, for the Bonds of such Series and the pledge or provision of money, assets or security other than Net Revenues to or for the payment of the Bonds of such Series or any portion thereof; (o) the creation and maintenance of one or more special funds or accounts, if any, to provide for the payment or purchase of the Bonds of such Series and any other special funds or accounts, if any, including, without limitation, a reserve fund or account, for the Bonds of such Series and the application of money therein; and (p) any other provisions deemed necessary or desirable in connection with the Bonds of such Series not inconsistent with the terms of the Master Resolution.

**General Provisions for the Issuance of Bonds.** The Bonds of each Series shall be executed by the Authority for issuance under the Master Resolution and delivered to the Registrar and thereupon authenticated by the Registrar and delivered to the Authority on its order, but only upon receipt by the Fiduciaries of the following:

(a) A copy of the Master Resolution, including the Series Resolution creating such Series, certified by the Authority;

(b) An Opinion of Bond Counsel to the effect that (1) the Bonds of such Series are valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their terms, and (2) that the Master Resolution, including the Series Resolution creating such Series, is a valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms; provided that such opinions may be qualified to the extent that the enforceability of the Bonds and the Master Resolution, including the Series Resolution creating such Series, may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(c) A written order of the Authority as to the delivery of such Series of Bonds signed by an Authorized Representative;

(d) The amount, if any, required by the Series Resolution to be deposited in the Bond Fund for the payment of interest on the Bonds; and

(e) A Certificate of the Authority stating that (1) no default will be continuing under the Master Resolution after the issuance of such Series of Bonds and (2) the issuance of such Series of Bonds will not cause a default under the Master Resolution.

**Issuance of Refunding Bonds.** (a) Refunding Bonds may be authorized and issued by the Authority in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of any or all of the following:

(1) The principal or Redemption Price of the Outstanding Bonds to be refunded;

(2) All expenses incident to the calling, retiring or paying of such Outstanding Bonds and the costs of issuing such Refunding Bonds;

(3) Interest on all Outstanding Bonds to be refunded to the date such Bonds will be called for redemption or paid at maturity; and

(4) Interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds to be refunded.

(b) A Series of Refunding Bonds may be executed by the Authority for issuance under the Master Resolution and delivered to the Registrar and thereupon authenticated by the Registrar and delivered to the Authority or upon its order, but only upon receipt by the Fiduciaries of the documents required under “**General Provisions for the Issuance of Bonds**” and “**Senior Lien Bonds; Additional Bonds**” and, if any of the Bonds to be refunded are to be redeemed or prepaid prior to their stated maturity dates, in the case of Bonds, irrevocable instructions from the Authority to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Owners of all or the portion of such Bonds to be redeemed, or proof that such notice has been given by the Authority; provided, however, that no provision of the Master Resolution shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

**Reimbursement Obligations.** One or more Series of Reimbursement Obligations may be issued concurrently with the issuance of the Bonds of a Series authorized pursuant to the provisions under “**General Provisions for the Issuance of Bonds**” or “**Issuance of Refunding Bonds**” for which a Credit Facility is being provided with respect to such Bonds (or a maturity or maturities thereof) by a Credit Provider. Such Reimbursement Obligations shall be issued for the purpose of evidencing the Authority’s obligation to repay any advances or loans made to, or on behalf of, the Authority in connection with such Credit Facility; provided, however, that the stated maximum principal amount of any such Series of Reimbursement Obligations shall not exceed the aggregate principal amount of the Bonds with respect to which such Credit Facility is being provided, and such number of days’ interest thereon as the Authority shall determine prior to the issuance thereof, but not in excess of 366 days’ interest thereon, computed at the maximum interest rate applicable thereto.

**Special Provisions Relating to Capital Appreciation Bonds, Deferred Income Bonds and Reimbursement Obligations.** (a) For the purposes of (1) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (2) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided under “**No Acceleration; No Cross Defaults**” or (3) computing the principal amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the Authority or any Fiduciary any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

(b) For the purposes of (1) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, or (2) computing the principal amount of Bonds held by the Owner of a Deferred Income Bond in giving to the Authority or any Fiduciary any notice, consent, request, or demand pursuant to the Master

Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

(c) Except as otherwise provided in a Series Resolution authorizing a Series of Reimbursement Obligations, for the purposes of (1) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided under “**No Acceleration; No Cross Defaults**” or (2) computing the principal amount of Bonds held by the Owner of a Reimbursement Obligation in giving to the Authority or any Fiduciary any notice, consent, request, or demand pursuant to the Master Resolution for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that the Authority shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, the Authority in connection with the Bonds of the Series or maturity for which such Reimbursement Obligation has been issued to evidence the Authority’s obligation to repay any advances or loans made in respect of the Credit Facility provided for such Bonds, less any prior repayments thereof.

### **Security for Bonds**

**Pledge Effected by the Master Resolution.** (a) The Bonds of each Series are special, limited revenue obligations of the Authority and are secured by a pledge of and shall be a charge upon and shall be payable, as to the principal, Accreted Value and Appreciated Value thereof, interest thereon, and any premiums upon redemption thereof, solely from and secured by a lien upon (1) the Net Revenues and (2) the other funds, assets and security described under the Master Resolution and under the Series Resolution creating such Series. The Authority pledges and places a charge upon all Net Revenues to secure the payment of the principal by the Master Resolution, Accreted Value and Appreciated Value of, premium, if any, and interest on the Bonds in accordance with their respective terms without priority or distinction of one over the other, subject only to the provisions of the Master Resolution, permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution, and the Net Revenues constitute a trust for the security and payment of the interest and any premium on and principal, Accreted Value and Appreciated Value of the Bonds. There are pledged by the Master Resolution to secure the payment of the principal, Accreted Value and Appreciated Value of and premium, if any, and interest on the Bonds in accordance with their terms all amounts (including proceeds of the Bonds) held by the Trustee in the Bond Fund and the Reserve Fund, subject only to the provisions of the Master Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Master Resolution. The pledge of Net Revenues pursuant to the Master Resolution made shall remain in effect until there are no Bonds Outstanding.

(b) In consideration of the acceptance of the Bonds by the Owners thereof from time to time, the Master Resolution shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds, and the covenants and agreements pursuant to the Master Resolution set forth to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any Bond over any other Bond by reason of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or pursuant to the Master Resolution. Notwithstanding the foregoing, nothing pursuant to the Master Resolution shall prevent additional security being provided to particular Bonds under any Series Resolution.

(c) The Bonds shall be payable, as to principal, Accreted Value and Appreciated Value or Redemption Price thereof, and interest thereon, solely from the Net Revenues and other funds of the Authority as provided in the Master Resolution and neither the State nor any political subdivision (other than the Authority) shall be obligated to pay the principal, Accreted Value and Appreciated Value or Redemption Price thereof or interest thereon and neither the faith and credit nor the taxing power of the State or any political subdivision thereof, is pledged to the payment of the principal, Accreted Value and Appreciated Value or Redemption Price of, or interest on, the Bonds. No Owner or receiver or trustee in connection with the payment of the Bonds shall have any right to compel the State or any political subdivision thereof to exercise its appropriation or taxing powers.

## **No Pledge of Certain Revenues**

There is expressly excluded from any pledge, assignment, lien or security interest created by the Master Resolution any amount on deposit in the Revenue Fund, the Operation and Maintenance Fund, the Junior Lien Obligations Fund, the Capital Improvement and General Purpose Fund, and the Rebate Fund.

## **Revenues and Funds**

**Establishment of Funds and Accounts; Application.** Pursuant to the Master Resolution, there is established with the Authority the Revenue Fund into which all Revenues shall be deposited, and into which amounts from any available source may be deposited. All Revenues shall be collected on each Business Day of the Authority by or for the account of the Authority and deposited as promptly as practicable after the receipt thereof in the Revenue Fund. Earnings on and the income from the investment of money shall be deposited in such funds as are required under “—**Investment Income or Losses.**” The Revenue Fund and the money deposited therein shall be used and applied only for the uses and purposes in the manner and for the purposes provided in the Master Resolution.

At any time and from time to time, there may be established such other funds and accounts as the Authority shall determine to be necessary, desirable, advisable or in the best interests of Authority for such purposes as the Authority shall determine. The entity that shall hold any such account or fund, the amounts to be deposited therein, the purposes to which amounts therein are to be applied, and any other matters and things relative to such account or fund which are not contrary to or inconsistent with the Master Resolution as theretofore in effect, shall be set forth in such resolution or Supplemental Resolution or in such other agreement approved by such resolution or Supplemental Resolution establishing such account or fund or any Supplemental Resolution thereafter adopted in connection therewith in accordance with the paragraph under “—**Amendments Permitted.**”

**Revenue Fund.** The Authority covenants and agrees that from and after the delivery of the initial Series of Bonds issued pursuant to the Master Resolution, and continuing so long as any Bonds remain Outstanding, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund. The Revenues shall be segregated and kept separate and apart from all other money, revenues, funds and accounts of the Authority and shall not be commingled with any other money, revenues, funds and accounts of the Authority. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Master Resolution. Amounts in the Revenue Fund shall not be pledged to Owners.

## **Required Deposits**

**Bond Fund.** (a) The Trustee shall pay to the respective Paying Agents not less than three Business Days before (1) each Payment Date for any of the Bonds (A) from the Interest Account, the amount required to pay the interest then due on the Bonds, (B) from the Principal Account, the amount required to pay any principal then maturing with respect to the Bonds, and (C) from the Sinking Fund Account, the amount required to pay any Sinking Fund Installment (including any unsatisfied balance thereof) the due with respect to the Bonds; and (2) before any redemption date for the Bonds, the amount required for the payment of interest on and the Redemption Price of the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on the due dates thereof. The Trustee shall also pay out of the Interest Account the accrued interest included in the purchase price of the Bonds purchased for retirement.

(b) Amounts accumulated in the Sinking Fund Account (together with amounts accumulated in the Interest Account with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall be applied by the Trustee, at the direction of the Authority, to (1) the purchase of Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) the purchase of Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to subparagraph (b) under “—**Bond Fund**” shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made at the direction of the Authority. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Sinking Fund Account until such Sinking Fund

Installment date, for the purpose of calculating the amount of such Account. At the direction of the Authority, the Registrar shall proceed to call for redemption, by giving notice as provided under “—**Notice of Redemption.**” on such due date Bonds of the Series, maturity and interest rate within such maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed which the Authority has applied as a credit against such Sinking Fund Installment as provided in subparagraph (e) under “—**Bond Fund.**” The Trustee shall pay out of the Sinking Fund Account and the Interest Account to the appropriate Paying Agent(s), on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agent(s) to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Authority from the Operation and Maintenance Fund. Any purchase of Bonds pursuant to subparagraph (b) under “—**Bond Fund**” may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Authority may determine.

(c) The amount, if any, deposited in the Bond Fund from the proceeds of each Series of Bonds shall be set aside in the Bond Fund and applied to the payment of interest on Bonds in accordance with the Series Resolution pursuant to which such Series of Bonds were authorized. The amount, if any, deposited in the Bond Fund from the proceeds of Junior Lien Obligations or other evidences of indebtedness of the Authority shall be set aside in the Bond Fund and applied to the payment of interest on Bonds in accordance with the Junior Lien Resolution authorizing such Junior Lien Obligations.

(d) In the event of the refunding or defeasance of any Bonds, the Trustee shall withdraw from the Bond Fund all or any portion of the amounts accumulated therein allocable to such Bonds and deposit such amounts with the Paying Agent(s) to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid as described under “—**Deposit of Money or Securities with Fiduciaries.**” In the event of such refunding or defeasance, the Trustee shall, at the direction of the Authority, withdraw from the Bond Fund all or any portion of the amounts accumulated therein allocable to such Bonds and deposit such amounts in any Fund or Account established under the Master Resolution; provided that such withdrawal shall not be made unless the requirements of the first sentence of this paragraph have been satisfied.

(e) If at any time Bonds of any Series or maturity for which Sinking Fund Installments shall have been established are (1) purchased or redeemed other than as described in subparagraph (b) under “—**Bond Fund**” or (2) deemed to have been paid as described under “—**Deposit of Money or Securities with Fiduciaries**” and, with respect to such Bonds which have been deemed paid, irrevocable instructions have been given to the Paying Agent to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited in subparagraph (e) under “—**Bond Fund.**” the Authority may from time to time or at any time by written notice to the Fiduciaries specify the portion, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installments which are to be credited against future Sinking Fund Installments. Such notice shall specify the amounts of such Bonds to be applied as a credit against such Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than 45 days after such notice is delivered to the Fiduciaries. Except as otherwise provided under “—**Book Entry Bonds**” with respect to Book-Entry Bonds, all such Bonds to be applied as a credit shall be surrendered to the Paying Agent for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(f) While there is a Credit Facility in effect with respect to any Series of Bonds, amounts in the related Series Interest, Principal or Sinking Fund Account in the Bond Fund may be used to reimburse the Credit Provider with respect to such Credit Facility for interest, principal or redemption payments, respectively, made to Holders of such Bonds with funds provided by such Credit Provider in accordance with the provisions of the applicable Supplemental Resolution with respect to such Series of Bonds to the extent that such obligations to reimburse the Credit Provider are secured by the Master Resolution.

**Reserve Fund.** (a) The Trustee shall establish an Account within the Reserve Fund for each Series of Bonds issued pursuant to the Master Resolution, to the extent required pursuant to a Series Resolution, which Account shall be for the benefit and security of such Series of Bonds. The Trustee shall hold any such Account and shall deposit therein from the proceeds of the Series of Bonds for which such Account is established or from other funds of the Authority legally available therefore, an amount equal to the Reserve Requirement for such Series of Bonds. Notwithstanding the foregoing, the Authority may in its discretion, at the time of issuance of any Series of Bonds or at any time thereafter, provide by Supplemental Resolution for the creation of an Account in the Reserve Fund as security for such Series and reserve the right to allow one or more future Series of Bonds to participate in such Account in the Reserve Fund (each, a “**Pooled Reserve Account**”). The Authority shall, by such Supplemental Resolution, provide for the size and manner of funding and replenishing a Pooled Reserve Account and shall establish such other terms with respect thereto that the Authority shall deem to be appropriate.

(b) If any withdrawal from any Account in the Reserve Fund is made for the purpose of subparagraph (c)(1) under “**—Reserve Fund**,” the amount of such withdrawal shall be restored by the Authority in no more than 12 substantially equal, consecutive, monthly installments, commencing with the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in equal monthly installments over the remainder of the restoration period for the initial withdrawal.

(c) Money on deposit in any Account in the Reserve Fund shall be applied as follows:

(1) On the date of each required payment from the Bond Fund with respect to a Series of Bonds, money in the Account established in the Reserve Fund with respect to such Series of Bonds shall be applied to cure any deficiency in the Bond Fund with respect thereto.

(2) Any amount in any Account in the Reserve Fund in excess of the Reserve Requirement with respect to the Series of Bonds for which such Account was established shall be transferred to the Bond Fund and credited against the payments of the principal and interest next becoming due on such Series of Bonds.

(3) On the interest Payment Date immediately preceding the final maturity date of a Series of Bonds, money held in the Account established in the Reserve Fund with respect to such Series of Bonds shall be deposited into the Bond Fund and credited against the deposits required to be made into the Bond Fund with respect to such Series of Bonds but only to the extent that, immediately following such crediting and transfer, the amount on deposit in such Account in the Reserve Fund is equal to the lesser of (A) the Reserve Requirement with respect to such Series of Bonds and (B) the amount of principal and interest due in respect of such Series of Bonds on such final maturity date.

(d) The Authority shall be permitted to substitute a Credit Facility for funds on deposit in any Account in the Reserve Fund as may be provided in the Series Resolution for a Series of Bonds.

**Construction Fund.** (a) There shall be paid into the Construction Fund such amounts from the proceeds of a Series of Bonds as may be required by the provisions of the Master Resolution and any Series Resolution. Amounts in the Construction Fund shall be applied to pay the Costs of the Airport System in the manner provided under “**—Construction Fund**.”

(b) The proceeds of insurance maintained pursuant to the Master Resolution against physical loss of or damage to any portion of the Airport System, or of contractors’ performance bonds with respect thereto, pertaining to the period of construction thereof, shall, upon receipt by the Authority, be paid into an Account established in the Construction Fund.

(c) The Authority shall make payments from the Construction Fund in the amounts, at the times, in the manner and on the other terms and conditions established by the Authority.

(d) Notwithstanding any of the other provisions under “—**Construction Fund**,” to the extent that other money is not available therefor, amounts in the Construction Fund shall be applied to the payment of principal, Accreted Value or Appreciated Value of and interest on Bonds when due.

(e) Amounts credited to the Construction Fund which the Authority at any time determines to be in excess of the amounts required for the purposes thereof may be transferred to the Bond Fund.

(f) Nothing under “—**Construction Fund**” shall be construed to prevent the Authority from permanently discontinuing the acquisition or construction of any portion of the Airport System, the Costs of which are at the time being paid out of the Construction Fund, if the Authority determines that such discontinuance is necessary or desirable in the conduct of the business of the Authority and not disadvantageous to the Owners of the Bonds.

**Junior Lien Obligations; Special Facility Bonds.** The Authority may, at any time, or from time to time, issue Junior Lien Obligations for any lawful purpose of the Authority related to the Airport System, which Junior Lien Obligations shall be payable out of, and may be secured by a security interest in and pledge and assignment of, the Junior Lien Obligations Fund. Any security interest and pledge and assignment with respect to Junior Lien Obligations shall be, and shall be expressed to be, subordinated in all respects to the security interest in and pledge created by the Master Resolution as security for the Bonds.

(b) Except as otherwise expressly set forth in the Master Resolution, in addition to Bonds issued under “—**Junior Lien Obligations; Special Facility Bonds**” and under “—**Senior Lien Bonds; Additional Bonds**,” the Authority may issue, at any time and from time to time, in one or more series (i) Special Facility Bonds, (ii) other bonds, notes or obligations payable from and secured by revenues other than Revenues and Net Revenues and (iii) bonds, notes or other obligations payable from Net Revenues, including revenue anticipation notes, on a basis subordinate to the Bonds.

**Capital Improvement and General Purpose Fund.** Amounts in the Capital Improvement and General Purpose Fund shall be available for use by the Authority for any lawful purpose. Amounts in the Capital Improvement and General Purpose Fund shall not be pledged to Owners.

**Funding of Other Funds.** Except as otherwise provided in the Master Resolution, the Operation and Maintenance Fund, the Capital Improvement and General Purpose Fund, the Bond Fund, including the Accounts therein, and the applicable Series Account in the Debt Service Reserve Fund, if any, shall be funded as provided by Supplemental Resolutions.

#### **Computation and Payment of Rebate Amount**

**Rebate Fund.** (a) There shall be deposited into the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions. All money in the Rebate Fund shall be held in trust, to the extent required to satisfy the amount (as described in the Arbitrage Instructions), for payment to the United States, and neither the Authority nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by “—**Rebate Fund**,” and the Arbitrage Instructions. Amounts in the Rebate Fund shall not be pledged to Owners.

(b) The Authority shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Arbitrage Instructions, and the Authority shall make payments to the United States Government at the times and in the amounts determined under the Arbitrage Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon, and payment and satisfaction of any rebate amount, or provision made therefor, shall be released to the Authority.

(c) Notwithstanding any other provision of the Master Resolution, including in particular the Article of the Master Resolution entitled “Trustee,” the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements under “—**Rebate Fund**” and the Arbitrage Instructions shall survive the defeasance or payment in full of the Bonds.

## **Investment of Moneys**

**Investment of Moneys.** (a) Moneys in all Funds and Accounts shall be invested as soon as practicable upon receipt in Permitted Investments as directed in writing by an Authorized Representative, or as selected by the Trustee in the absence of direction by the Authority; provided that (i) the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes thereof, and (ii) subject to subparagraph (h) under “—**Investment of Moneys**,” in the absence of direction from an Authorized Representative, the Trustee shall select Permitted Investments in accordance with prudent investment standards.

(b) For purposes of subparagraph (a) under “—**Investment of Moneys**,” moneys in the following Funds or Accounts shall be invested in Permitted Investments maturing or redeemable at the option of the holder, including the Trustee, of such Permitted Investments not later than the respective following dates: (i) Principal Account, the last Business Day of the then current Bond Year with respect to each applicable Series of Bonds set forth in the applicable Supplemental Resolution; (ii) Interest Account, the Business Day preceding the next Payment Date with respect to the applicable Series; and (iii) Sinking Fund Account, the Business Day preceding the next date on which Bonds of the applicable Series are to be redeemed.

(c) Investment of amounts in any Fund or Account shall be made in the name of such Fund or Account.

(d) Amounts credited to a Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Permitted Investment; provided, however, that (i) each such investment complies in all respects with the provisions of subparagraph (a) under “—**Investment of Moneys**” as they apply to each Fund or Account for which the joint investment is made, (ii) separate records are maintained for each Fund and Account and such investments are accurately reflected therein and (iii) amounts credited to the Construction Fund may not be invested together with amounts credited to any other Funds or Accounts held by the Authority.

(e) The Trustee may make any investment permitted under “—**Investment of Moneys**” through or with its own commercial banking or investment departments, unless otherwise directed by the Authority.

(f) Except as otherwise specifically provided in the under “—**Investment of Moneys**,” in computing the amount in any Fund or Account, Permitted Investments purchased as an investment of moneys therein shall be valued at the current market value thereof or at the redemption price thereof, if then redeemable at the option of the holder, in either event inclusive of accrued interest.

(g) The holder of an investment shall sell at the market price, or present for redemption, any Permitted Investment whenever it shall be necessary to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made.

(h) Neither the Trustee nor the Authority shall knowingly use or direct or permit the use of any moneys of the Authority in its possession or control in any manner which would cause any Bond to be an “arbitrage bond” within the meaning ascribed to such term in Section 148 of the Code, or any successor section of the Code.

(i) Any transfer to or deposit in any Fund or Account required by the Master Resolution may be satisfied by transferring or depositing an investment with a market value equal to the required transfer or deposit in lieu of transferring or depositing cash.

(j) Notwithstanding any provision of the Master Resolution, the Authority and the Trustee shall observe their covenants and agreements contained in the Master Resolution, to the extent that and for so long as such covenants and agreements are required by law.

**Liability of Trustee for Investments.** The Trustee shall not be liable for making any investment authorized by the provisions of this Article in the manner provided in this Article or for any loss resulting from any such investment so made, except for its own negligence, willful misconduct or self-dealing constituting a breach of trust under applicable law.

**Investment Income or Losses.** (a) Unless otherwise specified in the applicable Supplemental Resolution, all investment income or losses on all Funds and Accounts shall be credited to the Fund or Account on which such amount was earned or lost; provided, however, that (i) prior to completion of the related Projects, to the extent not needed to maintain the balance therein equal to the Reserve Requirement for a Series of Bonds, earnings on a pro rata portion of the amount in the applicable Account in the Reserve Fund, if any, shall be transferred immediately after each Payment Date with respect to the related Series of Bonds to the related Series Account in the Construction Fund, such portion being in relation to the portion of the Projects financed with such Series of Bonds which are not yet completed, and after all such Projects are completed, all such earnings not needed to satisfy the Series Reserve Requirement shall be transferred to the Revenue Fund and applied as may be directed in the Tax Certificate for such Series, and (ii) earnings on amounts in Accounts in the Bond Fund with respect to a Series of Bonds shall be transferred to the Interest Account with respect to such Series. The Authority shall keep records of all such investment income or losses and the applicable Fund or Account which is the source of the income or losses for purposes of determining any rebate amount with respect to each Series.

(b) Investments in the Reserve Fund shall be valued, at current market value as of the first Business Day of each Fiscal Year. Immediately after each such valuation, any excess in each Account in the Reserve Fund shall be transferred to the Series Account in the Construction Fund prior to completion of the related Projects and thereafter to the Revenue Fund and applied as may be directed in the Tax Certificate for such Series.

#### **Additional Bonds**

**Senior Lien Bonds; Additional Bonds.** (a) The Authority covenants and agrees that so long as any of the Bonds remain Outstanding, the Authority will not issue any additional bonds or incur or assume any other debt obligations appearing as liabilities on the balance sheet of the Authority for the payment of money determined in accordance with generally accepted accounting principles including capital leases as defined by generally accepted accounting principles, payable out of the Revenues of the Airport System or any part thereof which are superior to the Bonds.

(b) The Authority covenants and agrees that so long as any of the Bonds remain Outstanding, it will not issue any additional Bonds payable out of the Net Revenues or any part thereof which stand on a parity or equality with the Bond unless the following conditions are met:

(1) The Authority shall not be in default in the payment of principal of or interest on any Bonds at the time Outstanding under the Master Resolution or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in the Master Resolution (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default); and

(2) The Authority shall have satisfied one of the following:

(A) An Authorized Representative has delivered to the Trustee a certificate stating that Net Revenues in the completed Fiscal Year immediately preceding the issuance of such additional Bonds were not less than the larger of (1) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Sinking Fund Accounts, the Reserve Fund and the Junior Lien Obligations Fund or (2) 125% of (a) Annual Debt Service on Bonds Outstanding in such immediately preceding Fiscal Year (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (b) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

(B) An Airport Management Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the rate covenant set forth in subparagraph (a) under “—Rents, Fees and Charges” (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the additional Bonds proposed to be issued) for each of the next three full Fiscal Years following issuance of the additional Bonds, or each full Fiscal Year from issuance of the additional Bonds through two full Fiscal Years following completion of the Projects

financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be Outstanding following the issuance of the proposed additional Bonds in any Fiscal Year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last Fiscal Year of the test must use such Maximum Annual Debt Service; provided further, that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last Fiscal Year of the period described in this sentence, the Airport Management Consultant shall extend the test through the first full Fiscal Year for which there is no longer capitalized interest.

(C) With respect to additional Bonds proposed to be issued to refund Outstanding Bonds, either the requirement set forth in (A) or (B) is satisfied, or an Authorized Representative has provided to the Trustee a certificate stating that (i) the aggregate Annual Debt Service in each Fiscal Year with respect to all Bonds outstanding after issuance of such refunding Bonds shall be less than the aggregate Annual Debt Service in each such Fiscal Year through the last Fiscal Year in which Bonds are Outstanding prior to the issuance of such refunding Bonds and (ii) the Maximum Annual Debt Service with respect to all Bonds to be Outstanding after issuance of such refunding Bonds shall not exceed the Maximum Annual Debt Service with respect to all Bonds Outstanding immediately prior to such issuance.

Additional Bonds issued under the conditions set forth under “—Senior Lien Bonds; Additional Bonds” shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net Revenues with the Bonds, and the Authority may make equal provision for paying said additional Bonds and the interest thereon out of the Revenue Fund.

**Rebate Fund.** (a) There shall be deposited into the Rebate Fund such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions. All money in the Rebate Fund shall be held in trust, to the extent required to satisfy the amount (as described in the Arbitrage Instructions), for payment to the United States, and neither the Authority nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by “—Rebate Fund,” and the Arbitrage Instructions. Amounts in the Rebate Fund shall not be pledged to Owners.

(b) The Authority shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Arbitrage Instructions, and the Authority shall make payments to the United States Government at the times and in the amounts determined under the Arbitrage Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon, and payment and satisfaction of any rebate amount, or provision made therefor, shall be released to the Authority.

(c) Notwithstanding any other provision of the Master Resolution, including in particular the Article of the Master Resolution entitled “Trustee,” the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements under “—Rebate Fund” and the Arbitrage Instructions shall survive the defeasance or payment in full of the Bonds.

### **General Covenants of the Authority**

The Authority covenants and agrees with the Owners as follows:

**Payment of Bonds.** The Authority shall duly and punctually pay or cause to be paid, but solely from the Net Revenues, the principal, Accreted Value, Appreciated Value or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

**Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Master Resolution, to the benefit of the Master Resolution or to any payment out of the

Revenues or funds established by the Master Resolution, including the investments, if any, thereof, pledged under the Master Resolution or the money (except money held in trust for the payment of particular Bonds or claims for interest pursuant to the Master Resolution) held by the Fiduciaries, except subject to the prior payment of the principal, Accreted Value or Appreciated Value of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in the Master Resolution shall be deemed to limit the right of the Authority to issue Option Bonds or Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**Power to Issue Bonds and Pledge Revenues and Other Funds.** The Authority is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Master Resolution and to pledge and grant a security interest in the Net Revenues in the manner and to the extent provided in the Master Resolution. The Net Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the respective security interests, pledges and assignments created by the Master Resolution, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Master Resolution are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Master Resolution, except as the enforcement thereof may be limited by bankruptcy or other similar laws affecting creditors' rights generally. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and security interest in the Net Revenues and all the rights of the Owners under the Master Resolution against all claims and demands of all persons whomsoever.

**Power to Fix and Collect Rents, Fees and Charges.** The Authority has, and will have as long as any Bonds are Outstanding, good right and lawful power to establish and collect rents, fees and charges with respect to the use and occupancy of the Airport System. The Authority shall use its best efforts to oppose any change in law or regulation that would materially adversely affect its right or power to establish or collect such rents, fees and charges.

**Restrictions on Mortgage or Sale of Airport System.** The Authority will not mortgage, pledge or otherwise encumber the Airport System or any part thereof, nor will it sell, lease or otherwise dispose of the Airport System or any material part thereof; provided, however, the Authority may:

(a) sell at fair market value any portion of the Airport System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the Airport System, and in the event of sale, the Authority will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of the maturity thereof, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the Airport System as provided in the Master Resolution;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Authority;

(c) lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of the Authority, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of the Authority to purchase, any real or personal property for the extension and improvement of the Airport System. Property being leased as lessor and/or lessee pursuant to subparagraph (c) under "**—Restrictions on Mortgage or Sale of Airport Systems**" shall not be treated as part of the Airport System for purposes of "**—Restrictions on Mortgage or Sale of Airport Systems**" and may be mortgaged, pledged or otherwise encumbered.

**Annual Budget.** For each Fiscal Year following delivery of any Bonds under the Master Resolution, the Authority shall prepare and adopt a budget for the Airport System for the next ensuing Fiscal Year. Copies thereof shall be provided to the Airport Management Consultant, if any, and the Authority's independent accountant.

**Management, Operation and Maintenance of the Airport System.** (a) The Authority will not take, or allow any person to take, any action which would cause the Administrator of the Federal Aviation Administration, Department of Transportation, or any successor to the powers and authority of such Administrator, to suspend or revoke the Authority's operating certificates issued under the Federal Aviation Act of 1958, or any successor statute.

The Authority will comply with all valid acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airport System, unless the same shall be contested in good faith, all to the end that the Airport System will remain in operation at all times.

(b) The Authority shall at all times use its best efforts to operate or cause to be operated the Airport System properly and in an efficient and economical manner, consistent with Prudent Airport System Management, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport System may be properly conducted. The Authority shall promptly pay all Operation and Maintenance Expenses and all other costs and expenses payable from the Revenues.

**Maintenance of Insurance.** The Authority will carry and maintain insurance with respect to the Airport System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the Airport System insofar as the same are of an insurable nature, public liability, rental value, business interruption or use and occupancy insurance, workers' compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other airports operating facilities of comparable size and similarly situated. In the event of loss or damage, the Authority, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the Authority will pay and deposit the proceeds of such insurance into the Revenue Fund, subject to the terms under "**Application of Insurance Proceeds.**" The Authority will annually review the insurance it maintains with respect to the Airport System to determine that it is customary and adequate to protect its property and operations. The Authority may elect to be self-insured for all or any part of the foregoing requirements if (a) the Authority annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the Authority deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the Authority for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State. The Authority shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the requirements under "**Maintenance of Insurance,**" shall be paid as an Operation and Maintenance Expense out of the Revenues of the Airport System.

**Application of Insurance Proceeds.** If any useful portion of the Airport System shall be damaged or destroyed, the Authority shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Authority. The proceeds of insurance covering such property, together with any other funds available for such purpose as the Authority in its sole discretion shall determine, shall be used to repair the property damaged or replace the property destroyed; provided, however, if the insurance proceeds and other funds that might be lawfully appropriated therefore are insufficient to repair or replace the damaged property, then such insurance proceeds received for the damaged or destroyed property shall be deposited with the Trustee to the credit of a special insurance account or fund until other funds become available which, together with funds on deposit to the credit of such special insurance account, will be sufficient to make the repairs or replacements to the property damaged or destroyed that resulted in such insurance proceeds or make other improvements to the Airport System.

**Accounts and Reports.** (a) The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Airport System and each fund and account established under the Master Resolution.

(b) Annually, promptly after the end of each Fiscal Year, the Authority will cause an audit to be made of the Airport System for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the Airport System during such Fiscal Year.

(c) The Trustee shall advise the Authority promptly after the end of each Fiscal Year of its transactions during such Fiscal Year relating to all balances handled by it under the Master Resolution.

(d) For so long as Rule 15c2-12(b) of the Securities and Exchange Commission (the “**Rule**”) is applicable, the Authority covenants and agrees by the Master Resolution that it will comply with and carry out all of the provisions of each undertaking entered into by it, if any, to satisfy the requirements of the Rule with respect to each Series of Bonds issued pursuant to the Master Resolution. Notwithstanding any other provision of the Master Resolution, failure of the Authority to comply with such undertaking shall not be considered an Event of Default; however, the Owner or Beneficial Owner of any Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations in subparagraph (d) under “—**Accounts and Reports**.” For purposes of subparagraph (d) under “—**Accounts and Reports**,” “**Beneficial Owner**” means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

**To Maintain Franchises and Other Rights.** The Authority shall obtain, and shall not permit or allow to lapse or to be forfeited, franchises, permits, privileges, easements or other rights necessary or desirable in the operation of the properties of the Airport System so long as the same shall be necessary or desirable for said purposes. The Authority from time to time will take reasonable steps to secure the renewal of all such franchises, permits, privileges, easements and rights at the expiration thereof if the same shall expire prior to the maturity of all Bonds then outstanding. The Authority shall file all statements, maps and other documents regarding its service area and customers as may be required by law to protect and preserve such area.

**Consultant.** The Authority shall retain and appoint from time to time as required by the Master Resolution an Airport Management Consultant, and will cause such Airport Management Consultant to make an examination of and report on the condition and operation of the Airport System, such report to include recommendations as to any changes in such operations deemed desirable. Each such report shall also make reference to any unusual or extraordinary items.

**Covenant Against Competing Facilities.** The Authority covenants that it will not construct, operate, or enter into any agreement permitting or facilitating the construction or operation of, any facilities or structures that will compete with the operations of the Airport System in a manner that would materially and adversely affect its ability to comply with the covenant set forth in subparagraph (a) under “—**Rents, Fees and Charges**;” provided, however, that with respect to any airport designated by the Authority to be a part of the Airport System, the ability to comply with the covenant set forth in subparagraph (a) under “—**Rents, Fees and Charges**” shall not be deemed materially and adversely affected for purposes of “—**Rents, Fees and Charges**” if the Authority takes all lawful measures necessary to produce Net Revenues sufficient to satisfy the covenant set forth in subparagraph (a) under “—**Rents, Fees and Charges**” with respect to the first full Fiscal Year commencing after the date the Authority first assumes any responsibilities or obligations with respect to operation of such designated airport.

**General.** (a) The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Master Resolution.

(b) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Master Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

#### **Rate Covenant**

**Rents, Fees and Charges.** (a) The Authority covenants and agrees that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airport System, including services

rendered by the Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either:

(i) The amounts needed for making the required deposits in the Fiscal Year to the Principal Accounts, the Interest Accounts, and the Sinking Fund Accounts, the Reserve Fund and the Junior Lien Obligations Fund; or

(ii) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.

(b) In any computation required under “—**Rents, Fees and Charges**,” there shall be excluded from Net Revenues any capital gain resulting from any sale or revaluation of Permitted Investments. Nothing contained in “—**Rents, Fees and Charges**” obligates the Authority to take any action in violation of any applicable requirements imposed by law.

(c) The Authority covenants that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified in subparagraph (a) under “—**Rents, Fees and Charges**,” the Authority will require the Airport Management Consultant to make recommendations as to the revision of the Authority’s schedule of rentals, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System as may be necessary to produce Net Revenues in the amount specified in subparagraph (a) under “—**Rents, Fees and Charges**” in the Fiscal Year following the Fiscal Year covered by such audit report.

(d) In the event that Net Revenues for any Fiscal Year are less than the amount specified in subparagraph (a) under “—**Rents, Fees and Charges**,” but the Authority promptly has taken in the next Fiscal Year all available lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airport System required by subparagraph (c) under “—**Rents, Fees and Charges**,” there shall be no Event of Default under the provisions of in subparagraph (d) under “—**Events of Default**” for failure to observe or perform any covenant or agreement contained in “—**Rents, Fees and Charges**.” Nevertheless, if after taking the measures required by in subparagraph (c) under “—**Rents, Fees and Charges**” to revise the schedule of rentals, rates, fees and charges for use of the Airport System, Net Revenues in the fiscal year during which such adjustments are required to be made (as evidenced by the audit report for such Fiscal Year) are less than the amount specified in subparagraph (a) under “—**Rents, Fees and Charges**,” there shall be an Event of Default pursuant to subparagraph (e) under “—**Events of Default**.”

#### **Tax Covenants**

**Payment of Taxes and Charges.** The Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges or required payments in lieu thereof, lawfully imposed upon the properties of the Authority or upon the rights, revenues, income, receipts, and other money, securities and funds of the Authority when the same shall become due (including all rights, money and other property transferred, assigned or pledged under the Master Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate by the Authority with respect thereto.

#### **Defaults and Remedies**

**Events of Default.** Each of the following is declared an “Event of Default” under the Master Resolution with respect to a Series of Bonds:

(a) if payment by the Authority in respect of any installment of interest on any Bond of such Series shall not be made in full when the same becomes due and payable;

(b) if payment by the Authority in respect of the principal of any Bond of such Series shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or otherwise, subject to the provisions under “—**Payment of Redeemed Bonds;**”

(c) if payment of the purchase price of any Bond tendered for optional or mandatory tender for purchase in accordance with the provisions of the Supplemental Resolution providing for the issuance of such Bonds shall not be made in full as and when due;

(d) if the Authority shall fail to observe or perform any covenant or agreement on its part under the Master Resolution, other than the covenant or agreement set forth in subparagraph (a) under “—**Rents, Fees and Charges;**” for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Holders of at least 25% in aggregate principal amount of Bonds of a Series then Outstanding; provided, however, that if the breach of covenant or agreement is one which cannot be completely remedied within the 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Authority has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy;

(e) if the Authority is required pursuant to forth subparagraph (c) under “—**Rents, Fees and Charges**” to take measures to revise the schedule of rentals, rates, fees and changes for the use of the Airport System and Net Revenues in the Fiscal Year in which such adjustments are made are less than the amount specified in forth in subparagraph (a) under “—**Rents, Fees and Charges;**” and

(f) if the Authority shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Authority or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

The provisions of subparagraph (d) and (e) under “—**Events of Default**” are subject to the limitation that if by reason of force majeure the Authority is unable in whole or in part to observe and perform any of its covenants, conditions or agreements under the Master Resolution, the Authority shall not be deemed in default during the continuance of such disability. The term “force majeure” as used in the Master Resolution shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Authority. The Authority shall, however, remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Authority, and the Authority shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties.

**No Acceleration; No Cross Defaults.** There shall be no rights of acceleration with respect to the Bonds. An Event of Default with respect to one Series of Bonds shall not cause an Event of Default with respect to any other Series of Bonds unless such event or condition on its own constitutes an Event of Default with respect to such other Series of Bonds pursuant to “—**Events of Default.**”

**Remedies and Enforcement of Remedies.** (a) Subject to the provisions of under “—**Credit Providers to Control Remedies;**” upon the occurrence and continuance of any Event of Default with respect to a Series of Bonds, the Trustee may or, upon the written request of the Owners of not less than 25% in an aggregate principal amount of the Bonds of such Series, together with indemnification of the Trustee to its satisfaction therefor shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Master Resolution and under the Act and such Bonds by such suits, actions or proceedings, as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) Civil action to recover money or damages due and owing;
- (ii) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Owners of such Bonds; and
- (iii) Enforcement of any other right of such Owner conferred by law, including the Act, or by the Master Resolution, including, without limitation, by suit, action, injunction, mandamus or other proceedings to enforce and compel the performance by the Authority of actions required by the Act or the Master Resolution, including the fixing, changing and collection of fees or other charges.

(b) Subject to the provisions of “—**Credit Providers to Control Remedies**,” regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners of not less than 25% in aggregate principal amount of the Bonds of a Series, shall upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Master Resolution by any acts or omissions to act which may be unlawful or in violation of the Master Resolution, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of the Master Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Bonds of each Series not making such request.

(c) Notwithstanding anything else in “—**No Acceleration; No Cross Defaults**,” the remedies provided in the Master Resolution for with respect to reaching Funds or Accounts under the Master Resolution shall be limited to the Funds or Accounts under the Master Resolution pledged to the applicable Series of Bonds with respect to which an Event of Default exists.

**Application of Revenues and Other Moneys After Default.** During the continuance of an Event of Default with respect to any Series of Bonds, all moneys held and received by the Trustee with respect to such Series of Bonds pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings which result in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be applied according to the accrued debt service deposits or payments with respect to each such Series as follows; provided, however, that any money drawn under a Credit Facility, if any, and amounts held in Accounts in the Bond Fund and the Reserve Fund shall be applied solely to pay interest or principal, as applicable, on the related Series of Bonds:

- (a) Unless the principal of all such Outstanding Bonds shall have become due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on such Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts of any such Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Master Resolution), whether at maturity or by proceedings for redemption or otherwise or upon the tender of any Bond pursuant to the terms of the Supplemental Resolution providing for the issuance of such Bond, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds of such Series due on any date, then to the payment thereof ratably, according to the principal amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all such Outstanding Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee pursuant to the provisions under “—Application of Revenues and Other Moneys After Default,” such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine in accordance with the Master Resolution, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue if so paid. The Trustee shall give such notice as it may deem appropriate in accordance with the Master Resolution of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all installments of interest then due on the Bonds and all unpaid principal amounts of any Bonds that shall have become due have been paid under the provisions under “—Application of Revenues and Other Moneys After Default,” and all expenses and charges of the Trustee have been paid, and each Credit Provider, if any, has been reimbursed for all amounts drawn under the applicable Credit Facility, if any, and used to pay principal, premium, if any, and interest on the Bonds, the Trustee shall resume making the transfers from the Revenue Fund in the amounts and according to the priority set forth under “—Application of Money In Funds.” If all Bonds and the interest thereon have been paid in full, together with all expenses and charges of the Trustee and amounts owing to any Credit Provider for draws under its Credit Facility, and no credit enhancement or liquidity support shall be outstanding, any balance remaining shall be paid to such Credit Provider to the extent any other amounts are then owing to such Credit Provider under the applicable reimbursement agreement, then the balance shall be paid by the Trustee, first to the Junior Lien Obligations Fund in the amounts required under “—Application of Money In Funds,” and any remaining balance shall be paid as otherwise required under “—Application of Money In Funds,” and if not so required, to the Authority or as a court of competent jurisdiction may direct.

**Remedies Not Exclusive.** No remedy by the terms of the Master Resolution conferred upon or reserved to the Trustee or the Owners or any Credit Provider is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Master Resolution or existing at law or in equity or by statute, including the Act, on or after the date of the Master Resolution.

**Remedies Vested in Trustee.** All rights of action (including the right to file proof of claims) under the Master Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee may be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Subject to the provisions under “—Application of Revenues and Other Moneys After Default,” any recovery or judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

**Control of Proceedings.** (a) If an Event of Default with respect to a Series of Bonds shall have occurred and be continuing, the Owners of a majority in aggregate principal amount of Bonds of such Series then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to funds or assets solely securing such Series in connection with the enforcement of the terms and conditions of the Master Resolution provided that such direction is in accordance with law and the provisions of the Master Resolution (including indemnity to the Trustee as provided in the Master Resolution) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Owners of each Series of Bonds not joining in such direction and provided further that nothing under “—Control of Proceedings” shall impair the right of the Trustee in its discretion to take any other action under the Master Resolution which it may deem proper and which is not inconsistent with such direction by Owners.

(b) If an Event of Default with respect to all Series of Bonds shall have occurred and be continuing, the Owners of a majority in aggregate principal amount of all Bonds then outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee to direct the method and place of conducting any proceeding to be taken with respect to Net Revenues or other assets securing all Bonds in connection with the enforcement of the terms and conditions of the Master Resolution, provided that such direction is in accordance with law and the provisions of the Master Resolution (including indemnity to the Trustee as provided in the Master Resolution) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Owners not joining in such direction and provided further that nothing under “—Control of Proceedings” shall impair the right of the Trustee in its discretion to take any other

action under the Master Resolution which it may deem proper in accordance with the Master Resolution and which is not inconsistent with such direction by Owners.

**Individual Bondholder Action Restricted.** (a) No Owner of any Bond of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Resolution or for the execution of any trust under the Master Resolution or for any remedy under the Master Resolution unless:

(i) an Event of Default has occurred with respect to such Series (a) in subparagraph (a), (b), or (c) under “—Events of Default” of which the Trustee is deemed to have notice, or (b) in subparagraph (d), (e), or (f) under “—Events of Default” as to which the Trustee has actual knowledge or as to which the Trustee has been notified in writing by the Authority;

(ii) the Owners of at least 25% in aggregate principal amount of Bonds of such Series then Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Master Resolution or to institute such action, suit or proceeding in its own name;

(iii) such Owners shall have offered the Trustee indemnity as provided under “—Trustee Not Required to Take Action Unless Indemnified;”

(iv) the Trustee shall have failed or refused to exercise the powers granted in the Master Resolution or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity; and

(v) during such 60 day period no direction inconsistent with such written request has been delivered to the Trustee by the Owners of a majority in aggregate principal amount of Bonds of such Series then Outstanding in accordance with “—Control of Proceedings.”

(b) No one or more Owners of Bonds of such Series shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Master Resolution or to enforce any right under the Master Resolution except in the manner provided in the Master Resolution and for the equal benefit of the Owners of all Bonds of such Series then Outstanding.

(c) Nothing contained in the Master Resolution shall affect or impair, or be construed to affect or impair, the right of the Owner of any Bond of such Series (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Owner of any Bond of such Series may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the Master Resolution on the moneys, funds and properties pledged under the Master Resolution for the equal and ratable benefit of all Owners of Bonds of such Series.

**Termination of Proceedings.** In case any proceeding taken by the Trustee on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to the Owners, then the Authority, the Trustee and the Owners shall be restored to their former positions and rights under the Master Resolution, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

**Waiver of Event of Default.** (a) No delay or omission of the Trustee, of any Owner of the Bonds or, if provided by Supplemental Resolution, any Credit Provider to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Owners of the Bonds and, if provided by Supplemental Resolution, any Credit Provider, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Trustee, with the consent of any Credit Provider, if provided by Supplemental Resolution (provided, however, that such Credit Provider’s consent may be required only in connection with an Event of Default on

a Series of Bonds with respect to which such Credit Provider is providing a Credit Facility), may waive any Event of Default with respect to the Bonds, that in its opinion, shall have been remedied at any time, regardless of whether any suit, action or proceeding has been instituted, before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Master Resolution, or before the completion of the enforcement of any other remedy under the Master Resolution.

(c) Notwithstanding anything contained in the Master Resolution to the contrary, the Trustee, upon the written request of the Credit Provider, if any, if provided by Supplemental Resolution, with respect to an Event of Default which applies only to the related Series of Bonds, (ii) Owners of at least a majority of the aggregate principal amount of Bonds of a Series then Outstanding with respect to any Event of Default which applies only to such Series, with the consent of the applicable Credit Provider, if any, if provided by Supplemental Resolution or (iii) Owners of at least a majority of the aggregate principal amount of Bonds then Outstanding with respect to any Event of Default which applies to all Bonds, shall waive any such Event of Default under the Master Resolution and its consequences; provided, however, that a default in the payment of the principal amount of, premium, if any, or interest on any such Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Owners of all the Bonds then Outstanding of such Series to which an Event of Default applies and any consent of the applicable Credit Provider, if any, if provided by Supplemental Resolution.

(d) In case of any waiver by the Trustee of an Event of Default under the Master Resolution, the Authority, the Trustee, the Owners and, if provided by Supplemental Resolution, the Credit Provider shall be restored to their former positions and rights under the Master Resolution, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to any one for waiving or refraining from waiving any Event of Default in accordance with “— **Waiver of Events of Default.**”

**Notice of Default.** (a) Promptly, but in any event within 30 days after (i) the occurrence of an Event of Default with respect to a Series of Bonds in subparagraph (a), (b) or (c) under “—**Events of Default,**” of which the Trustee is deemed by the Master Resolution to have notice, or (ii) receipt, in writing or otherwise, by a the Trustee of actual knowledge or notice of an Event of Default with respect to a Series of Bonds in subparagraph (d), (e) or (f) under “—**Events of Default,**” the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Owner of Bonds of such Series then Outstanding, provided that, except in the case of a default in the payment of Principal Installments, Sinking Fund Installments, or the Redemption Price of or interest on any of the Bonds of such Series, the Trustee may withhold such notice to such Owners if, in its sole judgment in accordance with the Master Resolution, it determines that the withholding of such notice is in the best interest of the Owners of such Series of Bonds.

(b) The Trustee shall promptly notify the Authority, the Registrar and any Credit Provider, if provided by Supplemental Resolution, of (i) the occurrence of an Event of Default under in subparagraph (a), (b) or (c) under “—**Events of Default,**” and (ii) when the Trustee has received actual knowledge or notice from the Authority, in writing or otherwise, of an Event of Default in subparagraph (d), (e) or (f) under “—**Events of Default.**”

**Limitations on Remedies.** It is the purpose and intention of this Article to provide rights and remedies to the Trustee and Owners which lawfully may be granted under the provisions of the Act, but should any right or remedy granted in the Master Resolution be held to be unlawful, the Trustee and the Owners shall be entitled as above set forth, to every other right and remedy provided in the Master Resolution and by law.

**Credit Providers to Control Remedies.** While a Credit Facility with respect to a Series of Bonds is in effect, notwithstanding anything else in the Master Resolution to the contrary, a Supplemental Resolution may provide that no right, power or remedy under the Master Resolution with respect to such Series of Bonds may be pursued without the prior written consent of such Credit Provider and a Supplemental Resolution may provide that the Credit Provider shall have the right to direct the Trustee to pursue any right, power or remedy available under the Master Resolution with respect to any assets available under the Master Resolution which secure no Bonds other than the Series of Bonds secured by such Credit Facility, including, without limitation, any right, power or remedy with respect to Net Revenues or other assets securing all Bonds.

**Inconsistent or Lack of Directions in Default.** Notwithstanding anything else in the Master Resolution to the contrary, if any applicable Credit Providers or Owners of separate Series in Default do not direct remedies or proceedings

to be taken pursuant to this “—**Defaults and Remedies**,” the Trustee shall take whatever action, if any, pursuant to “—**Remedies Vested in Trustee**” it deems to be in the best interest of Owners without regard to the existence of any Credit Facility that may exist with respect to any or all Bonds.

**Funds in Event of Default.** Upon the occurrence of an Event of Default and at all times thereafter while such default shall continue, the Authority shall immediately deliver to the Trustee and the Trustee shall take possession of the Construction Fund.

### **The Trustee**

**Acceptance of Trust; General.** By authenticating one or more Bonds, the Trustee shall evidence its acceptance of the powers, duties and obligations of the Trustee only as are specifically set forth in the Master Resolution. The Trustee shall have no duty, responsibility or obligation for the issuance of Bonds or for the validity or exactness of the Master Resolution, or of any other document relating to such issuance. The Trustee shall have no duty, responsibility or obligation for the payment of Bonds except for payment in accordance with the terms and provisions of the Master Resolution from, and to the extent of, funds which are held in trust by the Trustee for the purpose of such payment.

Prior to an Event of Default and after the curing or waiving of all Events of Default which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth in the Master Resolution. The Trustee shall have no liability for any act or omission to act under the Master Resolution, or under any other instrument or document executed pursuant to the Master Resolution except for the Trustee’s own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Trustee shall be determined solely by the express provisions of the Master Resolution, and no implied powers, duties or obligations of the Trustee shall be read into the Master Resolution.

During an Event of Default, the Trustee shall exercise such of the rights and powers vested in it by the Master Resolution, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct.

Notwithstanding any other provision of the Master Resolution, the Trustee shall have no liability for any (a) error of judgment made in good faith by a trust officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or (b) action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of Bonds then Outstanding, then existing relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Master Resolution.

**Trustee Not Required to Take Action Unless Indemnified.** Except as expressly required in the Master Resolution (including the requirements of the next sentence) the Trustee neither shall be required to institute any suit or action or other proceeding in which it may be a defendant, nor to take any steps to enforce its rights and expose it to liability, nor shall the Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its satisfaction, against any and all reasonable costs, expenses, outlays, counsel and other fees, other disbursements including its own reasonable fees and against all liability and damages. The Trustee nevertheless, may begin suit, or appear in and defend suit, or do anything else which in its judgment is proper to be done by it as the Trustee, without prior assurance of indemnity, and in such case the Authority shall reimburse the Trustee for all reasonable costs, expenses, outlays, counsel and other fees, and other reasonable disbursements including its own fees, and for all liability and damages suffered by the Trustee in connection therewith, except for the Trustee’s own negligent action, its own negligent failure to act, its own willful misconduct or self-dealing constituting a breach of trust under applicable law. If the Trustee begins, appears in or defends such a suit, the Trustee shall give reasonably prompt notice of such action to the Authority and shall give such notice prior to taking such action if possible. If the Authority shall fail to make reimbursement, the Trustee may reimburse itself for any such costs and expenses in accordance with “—**Application of Revenues and Other Moneys After Default**.”

**Employment of Experts.** The Trustee is authorized by the Master Resolution to employ as its agents such attorneys at law, and other qualified independent consultants (who are not employees of the Trustee), as it may deem necessary to carry out any of its obligations under the Master Resolution, and shall be reimbursed by the Authority for all reasonable expenses and charges in so doing. The Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Trustee.

**Enforcement of Performance by Others.** It shall not be the duty of the Trustee, except as specifically provided in the Master Resolution, to seek the enforcement of any duties and obligations in the Master Resolution imposed upon the Authority.

**Right to Deal in Bonds and Take Other Actions.** The Trustee may in good faith buy, sell or hold and deal in any Bonds with like effect as if it were not such Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision of the Master Resolution is to be construed to limit or restrict the right of the Trustee to engage in such business with the Authority or any Holder. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required by the Master Resolution, constitute a breach of trust on the part of the Trustee.

**Removal and Resignation of Trustee.** The Trustee may resign at any time. Written notice of such resignation shall be given to the Authority and such resignation shall take effect upon the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days after the date notice of resignation is given, the Trustee or the Authority may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this “—Removal and Resignation of Trustee.”

In addition, the Trustee may be removed at any time by the Authority, with or without cause, by Supplemental Resolution so long as (a) no Event of Default shall have occurred and be continuing and (b) the Authority determines, in such Supplemental Resolution, that the removal of the Trustee shall not have an adverse effect upon the rights or interests of the Bondholders.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Authority shall be entitled to appoint a successor Trustee. In such event, the successor Trustee shall cause notice to be mailed to the Holders of all Bonds then outstanding in such manner deemed appropriate by the Authority. If the Trustee resigns, the resigning Trustee shall pay for such notice. If the Trustee is removed, is dissolved, or otherwise becomes incapable of acting as Trustee, the Authority shall pay for such notice.

Every successor Trustee howsoever appointed under the Master Resolution shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing, accepting such appointment under the Master Resolution, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee promptly shall deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Each successor Trustee, not later than 10 days after its assumption of the duties under the Master Resolution, shall mail a notice of such assumption to each Holder of a registered Bond.

**Proof of Claim.** The Trustee shall have the right and power to act in its name or in the name and place of the Authority or Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all the Holders of Bonds Outstanding.

**Trustee's Fees and Expenses.** The Authority agrees by the Master Resolution to pay fees to and expenses of the Trustee for its services under the Master Resolution as agreed to by the Authority and the Trustee pursuant to the terms of a separate agreement. Any provision of the Master Resolution to the contrary notwithstanding, if the Authority fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any Fund or Account held by it, other than any amounts in the Bond Fund.

**Reliance Upon Documents.** In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon and shall be protected in acting or refraining from acting in reliance upon any document, including but not limited to any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper officials of the Authority, the Holders or agents or attorneys of the Holders; provided, in the case of any such document specifically required to be furnished to the Trustee by the Master Resolution, the Trustee shall be under a duty to examine the same to determine whether it conforms to the requirements of the Master Resolution. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document submitted to the Trustee; provided, however, the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may deem prudent. Whenever in the administration of the Master Resolution, the Trustee shall deem it desirable that a matter be provided or established prior to taking or not taking any action under the Master Resolution, the Trustee (unless other evidence be specifically prescribed in the Master Resolution) may rely upon any document provided for in the Master Resolution.

Except where other evidence is required by the Master Resolution, any request or direction of the Authority mentioned in the Master Resolution shall be sufficiently evidenced by a certified copy of such request executed by an Authorized Representative.

**Recitals and Representations.** The recitals, statements and representations contained in the Master Resolution or in any Bond shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same other than the Trustee's certification of authentication of any Bonds.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency of the Master Resolution or, except as required in the Master Resolution, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded by or under the Master Resolution or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions of the Master Resolution. The Trustee shall not be responsible or liable for any loss suffered in connection with the investment of any funds made by it in accordance with the provisions of the Master Resolution. Except with respect to Events of Default described in subparagraph (a) and (b) under "**Events of Default.**" the Trustee shall have no duty of inquiry with respect to any default which constitutes or with notice or lapse of time or both would constitute an Event of Default without actual knowledge of the Trustee or receipt by the Trustee of written notice of a default which constitutes or with notice or lapse of time or both would constitute an Event of Default from the Authority or any Holder.

**Destruction of Bonds.** Upon payment of or surrender to the Trustee for cancellation of any Bond, the Trustee shall destroy or register the cancellation of such Bond. At least annually the Trustee shall deliver a certificate of such destruction or cancellation to the Authority. Upon surrender of any Bond to a Paying Agent for payment, such Bond shall be cancelled by the Paying Agent and delivered to the Trustee for destruction or register of cancellation.

**Reports.** The Trustee monthly shall prepare and submit to the Authority reports covering all moneys received and all payments, expenditures and investments made as the Trustee under the Master Resolution since the last previous such report.

**Paying Agent, Authenticating Agent and Registrar.** The Authority may appoint a Paying Agent and a Registrar with respect to a Series of Bonds in the Supplemental Resolution pursuant to which such Series is issued. Each Paying Agent and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it under the Master Resolution and under such Supplemental Resolution by written instrument of acceptance delivered to the Authority and the Trustee. The Trustee is, in addition, authorized and directed to enter into an agreement with each Paying Agent as to such Paying Agent's rights and duties.

Each Paying Agent shall exercise its duties in accordance with the terms of and shall have the protection provided to the Trustee in the Master Resolution.

If any Paying Agent or Registrar shall resign or be removed, the Authority shall designate a successor. If the Authority shall designate a successor, then, upon the Trustee's receipt of the written designation and the written acceptance of such designated successor, such entity shall thereupon, without further action by the Authority, be appointed as successor Paying Agent and Registrar.

In the event that any Paying Agent or Registrar shall resign or be removed, or be dissolved, or if the property or affairs of any Paying Agent or Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and no successor shall have been appointed, the Trustee shall, *ipso facto* be deemed to be any Paying Agent or Registrar, until the appointment of a successor.

Any corporation into which any Paying Agent or Registrar may be merged or converted or with which it may be consolidated, or any corporation resulting from any such merger, consolidation or conversion, or succeeding to the corporate trust business of Paying Agent or Registrar, shall be the successor of the Paying Agent and the Registrar if such successor corporation is otherwise eligible under "**—Paying Agent, Authenticating Agent and Registrar,**" without the execution or filing of any further act on the part of the Trustee or the entity serving as Paying Agent and the Registrar or such successor corporation.

**Merger, Conversion, Consolidation or Succession to Business.** Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee under the Master Resolution, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties to the Master Resolution.

## **Supplemental Resolutions**

### **Amendments Permitted.**

(a) (1) Unless such modifications or amendments are permitted by "**—Amendments Permitted,**" the Master Resolution and the rights and obligations of the Authority, the Owners and any Fiduciary may only be modified or amended from time to time and at any time by filing with each Fiduciary a Supplemental Resolution adopted by the Authority with the written consent of the Owners of a majority in aggregate amount of the Bond Obligation of the Bonds (or, if such Supplemental Resolution is only applicable to a Series of Bonds, the Bonds of that Series) then Outstanding; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this section.

(2) No such modification or amendment shall (A) extend the fixed maturity of any Bond, or reduce the amount of the Bond Obligation thereof, or extend the time of payment or reduce the amount of any Sinking Fund Installment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, (B) reduce the aforesaid percentage of the Bond Obligation the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Net Revenues and other assets pledged under the Master Resolution prior to or on a parity with the lien created by the Master Resolution, or deprive the Owners of the Bonds of the lien created by

the Master Resolution on such Net Revenues and other assets (in each case, except as expressly provided in the Master Resolution), without the consent of the Owners of all of the Bonds then Outstanding, or (C) modify any rights or duties of any Fiduciary without its consent.

(3) It shall not be necessary for the consent of the Owners to approve the particular form of any Supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the adoption by the Authority of any Supplemental Resolution pursuant to subparagraph (a) under "**—Amendments Permitted**" the Registrar shall mail a notice provided by the Master Resolution, setting forth in general terms the substance of such Supplemental Resolution to the Owners of the Bonds at the addresses shown on the registration books of the Registrar. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

(4) If within one year from the date of the mailing by the Registrar of written notice to the Owners of the Bonds, the Authority shall receive an instrument or instruments executed by the Owners of at least a majority in aggregate amount of the Bond Obligation consenting to and approving such amendment in substantially the form of the copy thereof on file with each Registrar, as the case may be, for the Bonds, the governing body of the Authority may pass the Supplemental Resolution in substantially the same form.

(5) Any consent given by the Owner of a Bond pursuant to the provisions under "**—Amendments Permitted**," shall be irrevocable for a period of six months from the date for measuring the one year period to obtain consents noted in subparagraph (a)(4) under "**—Amendments Permitted**," and shall be conclusive and binding upon all future owners of the same Bond during such period. At any time after six months from the date for measuring the one year period to obtain consents noted in subparagraph (a)(4) under "**—Amendments Permitted**," such consent may be revoked by the Owner who gave such consent, or by a successor in title, by filing written notice thereof with the Registrar, as the case may be, for such Bond and the Authority, but such revocation shall not be effective if the Owners of at least a majority in aggregate amount of the then Outstanding Bond Obligation as determined in accordance with "**—Amendments Permitted**," have, prior to the attempted revocation, consented to and approved the amendment.

(b) The Master Resolution and the rights and obligations of the Authority, of each Fiduciary and of the Owners may also be modified or amended from time to time at any time by a Series Resolution or a Supplemental Resolution, which the Authority may adopt without the consent of any Owners but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority in the Master Resolution thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Master Resolution reserved to or conferred upon the Authority, in each case which shall not materially and adversely affect the interests of the Owners in the determination of the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Master Resolution, or in regard to matters or questions arising under the Master Resolution, as the Authority may deem necessary or desirable, and which shall not materially and adversely affect the interests of the Owners in the determination of the Authority;

(3) to modify, amend or supplement the Master Resolution in such manner as to permit the qualification of the Master Resolution under the Trust Indenture Act of 1939, as amended, or any similar federal statute in effect after the Master Resolution, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially and adversely affect the interests of the Owners;

(4) to provide for the issuance of a Series of Bonds in a Series Resolution with such interest rate, payment, maturity and other terms as the Authority may deem desirable subject to the provisions under "**—Series of Bonds; Terms of Series Resolutions**,"

(5) if the Authority has covenanted in a Series Resolution to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation, to make such provisions as are necessary or appropriate to ensure such exclusion;

(6) to modify any of the provisions of the Master Resolution in any other respect whatsoever, provided that (A) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Series or Supplemental Resolution shall cease to be Outstanding, and (B) such Series or Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Series Resolution and of Bonds issued in exchange therefor or in place thereof;

(7) to authorize Junior Lien Obligations and, in connection therewith, specify and determine any matters and things relative to such Junior Lien Obligations which are not contrary to or inconsistent with the Master Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Junior Lien Obligations;

(8) to authorize the establishment of such funds or accounts as the Authority may determine to be necessary, desirable, advisable or in the best interests of the Authority, and, in connection therewith, to specify and determine the matters and things referred to in subparagraph (c) under "**Establishment of Funds and Accounts; Application**," or to modify any such matters and things in any other respect whatsoever; or

(9) for any other purpose which, in the determination of the Authority, does not materially and adversely affect the interests of the Owners of any of the Bonds.

In making any determination that any modification or amendment does not materially and adversely affect the interest of the Owners, the Authority may rely on an opinion of counsel that may be counsel to the Authority or bond counsel.

**Effect of Supplemental Resolution.** From and after the time any Supplemental Resolution becomes effective pursuant to "**Amendments Permitted**," the Master Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Master Resolution of the Authority, each Fiduciary and all owners of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Master Resolution subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of the Master Resolution for any and all purposes.

**Endorsement of Bonds; Preparation of New Bonds.** Bonds delivered after any Supplemental Resolution becomes effective pursuant to "**Amendments Permitted**," may, and if the Registrar so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Registrar as to any modification or amendment provided for in such Supplemental Resolution, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the principal corporate trust office of the Registrar or at such additional offices as the Registrar may select and designate for that purpose, a suitable notation shall be made on such Bond. If a Supplemental Resolution shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Registrar, to any modification or amendment contained in such Supplemental Resolution, shall be prepared and executed by the Authority and authenticated by such Registrar and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the principal office of the Registrar without cost to any Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series, tenor and maturity.

**Amendment of Particular Bonds.** The provisions of "**Amendments Permitted**," shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## **Satisfaction and Discharge**

**Discharge of Resolution.** Except as may be provided in any Series Resolution creating a Series of Bonds, Bonds of any Series may be paid by the Authority in any of the following ways:

- (a) by paying or causing to be paid the Bond Obligation of and interest on all Bonds Outstanding of the Series, as and when the same become due and payable;
- (b) by depositing with the Trustee, Paying Agent, an escrow agent or other Fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided under “**Deposit of Money or Securities with Fiduciaries**”) to pay or redeem all Bonds Outstanding of the Series; or
- (c) by delivering to the Trustee, for cancellation by it, all Bonds then Outstanding of the Series.

If the Authority shall pay all Bonds of a Series for which any Bonds are Outstanding and also pay or cause to be paid all other sums payable to any Credit Provider of a Credit Facility under the Master Resolution, then and in that case, at the election of the Authority (evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the Master Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, the Master Resolution and the pledge of Net Revenues and other assets made under the Master Resolution and all covenants, agreements and other obligations of the Authority under the Master Resolution shall cease, terminate, become void and be completely discharged and satisfied.

**Discharge of Liability on Bonds.** Upon the deposit with the Trustee, Paying Agent, an escrow agent or other Fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided under “**Deposit of Money or Securities with Fiduciaries**”) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, irrevocable notice of such redemption shall have been given as provided under “**Redemption of Bonds**” or provision satisfactory to the Registrar and Paying Agent shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged; provided that the Owner thereof shall thereafter be entitled to the payment of the principal or Redemption Price of and interest on such Bond, and the Authority shall remain liable for such payment, but only out of such money or securities deposited as aforesaid for their payment, subject, however, to the provisions under “**Payment of Bonds After Discharge of Resolution**” and the continuing duties of the Fiduciaries under the Master Resolution including, without limitation, the provisions under “**Transfer of Bonds**” and under “**Exchange of Bonds**.”

The Authority may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

**Deposit of Money or Securities with Fiduciaries.** (a) Unless otherwise provided in a Series Resolution (and then only with respect to the Bonds of the Series authorized thereby), whenever in the Master Resolution it is provided or permitted that there be deposited with or held in trust by a Fiduciary, an escrow agent or other fiduciary, money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Fiduciaries in the funds and accounts established pursuant to the Master Resolution and shall be one or more of the following:

(1) lawful money of the United States in an amount equal to the Bond Obligation of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in under “**Redemption of Bonds**,” or provision satisfactory to each Fiduciary shall have been made for the giving of such notice, the amount to be deposited or held shall be the Bond Obligation or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(2) Government Obligations which are non-callable by the issuer, the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Paying Agent for which payment is being made (upon which opinion the Paying Agent may conclusively rely),

provide money sufficient to pay the Bond Obligation or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such Bond Obligation or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in "**Redemption of Bonds**," or provision satisfactory to the Registrar shall have been made for the giving of such notice; provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of the Master Resolution or by Request of the Authority) to apply such money to the payment of such Bond Obligation or Redemption Price and interest with respect to such Bonds.

(b) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Government Obligations and money, if any, in accordance with "**Deposit of Money or Securities with Fiduciaries**" the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of money on deposit with the Paying Agent for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Paying Agent on such date in respect of such Variable Rate Bonds in order to satisfy "**Deposit of Money or Securities with Fiduciaries**" the Paying Agent shall, if requested, by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under the Master Resolution.

(c) Option Bonds shall be deemed to have been paid in accordance with "**Deposit of Money or Securities with Fiduciaries**" only if, in addition to satisfying the requirements of subparagraph (a) under "**Deposit of Money or Securities with Fiduciaries**" there shall have been deposited with the Paying Agent money (including money withdrawn and deposited pursuant to subparagraph (d) under "**Bond Fund**") in an amount which shall be sufficient to pay when due the maximum amount of principal and premium, if any, and interest on such Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided, however, that if, at the time a deposit is made with a Fiduciary pursuant to "**Deposit of Money or Securities with Fiduciaries**," the options originally exercisable by the Owners of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of subparagraph (c) under "**Deposit of Money or Securities with Fiduciaries**." If any portion of the money deposited with a Fiduciary for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Fiduciary shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Master Resolution.

**Payment of Bonds After Discharge of Resolution.** Any money held by a Fiduciary, an escrow agent or other fiduciary in trust for the payment of the principal, Accreted Value or Appreciated Value of, premium, if any, or interest on, any Bond and remaining unclaimed for five years after such principal, Accreted Value or Appreciated Value of, premium, if any, or interest on such Bond has become due and payable (whether at maturity or upon call for redemption as provided in the Master Resolution), if such money were so held at such date, or two years after the date of deposit of such money if deposited after said date when such Bond became so due and payable, shall, upon Request of the Authority, be released from the trusts created by the Master Resolution and transferred to the Authority, and all liability of the Fiduciary, an escrow agent or other fiduciary with respect to such money shall thereupon cease; provided, however, that before the release of such trust as aforesaid, the Fiduciary may (at the cost of the Authority) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Registrar a notice, in such form as may be deemed appropriate by the Fiduciary, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the money held for the payment thereof. All money held by or on behalf of a Fiduciary, an escrow agent or other fiduciary for the payment of the Bond Obligation of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Fiduciary, an escrow agent or other fiduciary shall not be required to pay Owners any interest on, or be liable to the owners or any other Person (other than the Authority) for any interest earned on, money so held. Any interest earned thereon and not needed to pay principal, Accreted Value or Appreciated Value of or interest on the Bonds shall be promptly released to the Authority and shall be promptly deposited into the Revenue Fund.

## **Non-Presentment of Series 2024 Bonds**

**Liability of Authority Limited to Net Revenues.** Notwithstanding anything in the Master Resolution or in the Bonds contained, the Authority shall not be required to advance any money derived from any source other than the Net Revenues and other money, assets and security pledged under the Master Resolution for any of the purposes in the Master Resolution mentioned, whether for the payment of the principal, Accreted Value, Appreciated Value or Redemption Price of or interest on the Bonds or for any other purpose of the Master Resolution.

The general fund of the Authority is not liable for the payment of any Bonds, any premium thereon upon redemption prior to maturity or their interest, nor is the general credit of the Authority pledged for the payment of any Bonds, any premium thereon upon redemption prior to maturity or their interest. The Owner of any Bond shall not compel forfeiture of any of the Authority's property. The principal, Accreted Value and Appreciated Value of and interest on any Bonds and any premiums payable upon the redemption of any Bonds prior to maturity are not a debt of the Authority nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Net Revenues and other funds, security or assets which are pledged to the payment of the Bonds, interest thereon and any premiums upon redemption. The Authority has no taxing power.

**Evidence of Rights of Owners.** Any request, consent or other instrument required or permitted by the Master Resolution to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of the Master Resolution and shall be conclusive in favor of any Fiduciary and of the Authority if made in the manner provided under "**—Evidence of Rights of Owners.**"

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Registrar. The Registrar may establish a record date as of which to measure consent of the Owners of a Series of Bonds in order to determine whether the requisite consents are received.

Except as may be provided in the Series Resolution authorizing a Series of Bonds, any request, consent, or other instrument or writing of the owner of any Bond of such Series shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by any Fiduciary or the Authority in accordance therewith or reliance thereon.

**Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Master Resolution, Bonds which are owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds (except for any remarketing or other underwriting agent), shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this "**—Disqualified Bonds**" if the pledgee shall establish to the satisfaction of the Registrar the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Registrar taken upon the advice of counsel shall be full protection to the Registrar.

**Proceedings Constitute Contract.** The provisions of the Master Resolution shall constitute a contract between the Authority and the Owners of such Bonds, and the provisions of the Master Resolution and thereof shall be enforceable by any Owner for the equal benefit and protection of all Owners similarly situated by mandamus,

accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may be authorized by the Master Resolution under the laws of the State in any court of competent jurisdiction.

No remedy conferred by the Master Resolution upon any Owner is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by any law of the State. No waiver of any default or breach of duty or contract by any Owner shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owners may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to reinforce any right or exercise any remedy shall be brought or taken and the Owner shall prevail, said Owner shall be entitled to receive from the Revenue Fund reimbursement for reasonable costs, expenses, outlays and attorney's fees and should said suit, action or proceeding be abandoned, or be determined adversely to the Owner then, and in every such case, the Authority and the Owner shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

**Waiver of Personal Liability.** No member of the Board, officer, agent or employee of the Authority or any Fiduciary shall be individually or personally liable for the payment of the principal, Accreted Value, Appreciated Value or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing contained in the Master Resolution shall relieve any such member of the Board, officer, agent or employee of the Authority or any Fiduciary from the performance of any official duty provided by law or by the Master Resolution.

**Payment and Performance on a Business Day.** Except as specifically set forth in a Series Resolution, any payments or transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day and no interest shall accrue for such period.

### **Governing Law**

The Master Resolution shall be construed and governed in accordance with the laws of the State.

**APPENDIX F**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.**

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By \_\_\_\_\_  
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)





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