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

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the 2025A Bonds is excluded from gross income for federal income tax purposes, except interest on any 2025A Bond for any period during which it is held by a "substantial user" of the facilities financed or a "related person" of such substantial user, as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; (ii) interest on the 2025B Bonds is not excluded from gross income for federal income tax purposes; and (iii) interest on the 2025 Bonds, and any profits made on their sale, is exempt from taxation by the Commonwealth of Pennsylvania and all political subdivisions thereof. Interest on the 2025A Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

ALLEGHENY COUNTY AIRPORT AUTHORITY

ALLEGHENY COUNTY AIRPORT AUTHORITY
(Pittsburgh International Airport)
$361,675,000 Airport Revenue Bonds, Series 2025A (AMT)
$48,840,000 Airport Revenue Bonds, Series 2025B (Federally Taxable)

Dated: Date of Delivery **Due:** January 1, as shown on the reverse side hereof

Interest on the Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025A (AMT) (the "2025A Bonds") and the Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025B (Federally Taxable) (the "2025B Bonds" and, together with the 2025A Bonds, the "2025 Bonds") will be paid on each January 1 and July 1 commencing July 1, 2025. The 2025 Bonds will be issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as a securities depository for the 2025 Bonds. Purchases of beneficial interests in the 2025 Bonds will be made in book-entry only form (without certificates) in the denominations of $5,000 or any multiple thereof within the applicable maturity. So long as Cede & Co. is the registered owner of the 2025 Bonds, principal of, premium, if any, and interest on the 2025 Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of the 2025 Bonds, as more fully described herein.

The 2025 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. See "DESCRIPTION OF THE 2025 Bonds - Redemption Provisions."

The 2025 Bonds will be issued pursuant to a Master Trust Indenture dated as of December 1, 2019 (as amended from time to time and as previously supplemented, the "Master Indenture") as supplemented by a Fourth Supplemental Indenture dated as of April 1, 2025 (the "Fourth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Allegheny County Airport Authority (the "Authority") and the Trustee. As more fully described herein, the proceeds of the 2025 Bonds, together with other funds available therefor, will be used to (1) pay the costs of certain capital improvements undertaken by the Authority at Pittsburgh International Airport (the "Airport") as part of its Terminal Modernization Program (the "TMP") and its Airside Renovation Program (the "ARP"), including repayment of a portion of the outstanding principal balance under the PNC Line of Credit (as defined hereinafter) as of the date of issuance and delivery of the 2025 Bonds, which was used to pay certain costs of the TMP and the ARP, (2) fund capitalized interest on the 2025 Bonds, (3) fund the Common Debt Service Reserve Account (as defined hereinafter) within the Debt Service Reserve Fund (as defined hereinafter), and (4) pay the costs of issuance of the 2025 Bonds. See "THE PLAN OF FINANCE" herein.

The 2025 Bonds will be secured under the Master Indenture on a parity basis with currently outstanding Senior Bonds (as defined herein) and additional Senior Bonds issued in the future under the Master Indenture as described herein. See "SECURITY FOR THE 2025 BONDS" herein.

The scheduled payment of principal of and interest on the 2025 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2025 Bonds by ASSURED GUARANTY INC.

ASSURED GUARANTY®

THE 2025 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, INTEREST ON AND PREMIUM, IF ANY, ON THE 2025 BONDS ARE PAYABLE BY THE AUTHORITY ONLY OUT OF NET REVENUES (AS DEFINED IN THE INDENTURE) AND FROM SUCH OTHER MONEYS AS MAY BE AVAILABLE UNDER THE INDENTURE FOR SUCH PURPOSE. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COUNTY OF ALLEGHENY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE 2025 BONDS. THE 2025 BONDS SHALL NOT BE OR BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COUNTY OF ALLEGHENY, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER. SEE "SECURITY FOR THE 2025 BONDS."

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement, including without limitation the information set forth herein under "CERTAIN INVESTMENT CONSIDERATIONS," to obtain information essential to the making of an informed investment decision.

The 2025 Bonds are offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters listed below (the "Underwriters") subject to the approving legal opinion of Squire Patton Boggs (US) LLP, Washington, DC, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its counsel, Saul Ewing LLP, Pittsburgh, Pennsylvania. Certain legal matters will be passed upon for the Underwriters by their counsel, Eckert Seamans Cherin & Mellott, LLC, Pittsburgh, Pennsylvania. It is expected that delivery of the 2025 Bonds will be made in New York, New York through the facilities of DTC on or about April 30, 2025 against payment therefor.

J.P. Morgan **PNC Capital Markets LLC**

BofA Securities **Piper Sandler & Co.**

Siebert Williams Shank

The date of this Official Statement is April 22, 2025.

$361,675,000
ALLEGHENY COUNTY AIRPORT AUTHORITY
(Pittsburgh International Airport)
Airport Revenue Bonds, Series 2025A (AMT)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2028	$5,090,000	5.000%	3.850%	102.885	01728LKE1
2029	5,355,000	5.000%	3.950%	103.548	01728LKF8
2030	5,620,000	5.000%	4.060%	103.956	01728LKG6
2031	5,910,000	5.000%	4.120%	104.403	01728LKH4
2032	6,195,000	5.000%	4.200%	104.605	01728LKJ0
2033	6,510,000	5.000%	4.260%	104.792	01728LKK7
2034	6,835,000	5.000%	4.310%	104.941	01728LKL5
2035	7,170,000	5.000%	4.380%	104.838	01728LKM3
2036	7,530,000	5.000%	4.450%	104.277*	01728LKN1
2037	7,915,000	5.000%	4.530%	103.640*	01728LKP6
2038	8,300,000	5.000%	4.590%	103.166*	01728LKQ4
2039	8,725,000	5.250%	4.640%	104.702*	01728LKR2
2040	9,180,000	5.250%	4.740%	103.912*	01728LKS0
2041	9,660,000	5.250%	4.830%	103.207*	01728LKT8
2042	10,165,000	5.250%	4.890%	102.740*	01728LKU5
2043	10,700,000	5.250%	4.950%	102.276*	01728LKV3
2044	11,265,000	5.250%	4.980%	102.044*	01728LKW1
2045	11,850,000	5.250%	5.040%	101.584*	01728LKX9

$94,365,000 5.500% Term Bonds due January 1, 2050; Yield 5.120%; Price 102.861*; CUSIP† 01728LKY7
$123,335,000 5.500% Term Bonds due January 1, 2055; Yield 5.190%; Price 102.325*; CUSIP† 01728LKZ4

† Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2025 Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

* Priced to the first optional redemption date of January 1, 2035.

$48,840,000
ALLEGHENY COUNTY AIRPORT AUTHORITY
(Pittsburgh International Airport)
Airport Revenue Bonds, Series 2025B (Federally Taxable)

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2028	$1,700,000	4.570%	4.570%	100.000	01728LJQ6
2029	1,775,000	4.783%	4.783%	100.000	01728LJR4
2030	1,860,000	4.883%	4.883%	100.000	01728LJS2
2031	1,945,000	5.084%	5.084%	100.000	01728LJT0
2032	2,050,000	5.114%	5.114%	100.000	01728LJU7
2033	2,150,000	5.246%	5.246%	100.000	01728LJV5
2034	2,265,000	5.296%	5.296%	100.000	01728LJW3
2035	2,385,000	5.346%	5.346%	100.000	01728LJX1
2036	2,515,000	5.496%	5.496%	100.000	01728LJY9
2037	2,645,000	5.616%	5.616%	100.000	01728LJZ6
2038	2,805,000	5.696%	5.696%	100.000	01728LKA9
2039	2,955,000	5.766%	5.766%	100.000	01728LKB7
2040	3,125,000	5.796%	5.796%	100.000	01728LKC5

$18,665,000 6.011% Term Bonds due January 1, 2045; Yield 6.011%; Price 100.000; CUSIP† 01728LKD3

† Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2025 Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

THE ALLEGHENY COUNTY AIRPORT AUTHORITY

BOARD OF DIRECTORS

David W. Minnotte, Chairman
Hon. Matthew Smith, Vice Chairman
Jan Rea, Treasurer
Ashley Henry Shook, Secretary
Daniel Connolly
Reverend Dr. William H. Curtis
Thomas McIntyre
Cynthia D. Shapira
Hon. Randy Vulakovich

Authority Management

Christina A. Cassotis, Chief Executive Officer
Eric Sprys, Executive Vice President and Chief Financial Officer
Paul Hoback, Executive Vice President and Chief Development Officer
Deepak K. Nayyar, Executive Vice President and Chief Information Officer
Vince Gastgeb, Chief Government & Corporate Affairs Officer
Travis McNichols, Chief Operations Officer

Authority Solicitor

Saul Ewing LLP
Pittsburgh, Pennsylvania

Bond Counsel

Squire Patton Boggs (US) LLP
Washington, DC

Trustee

The Bank of New York Mellon Trust Company, N.A.
Pittsburgh, Pennsylvania

Financial Advisor

PFM Financial Advisors LLC
Philadelphia, Pennsylvania

Airport Consultant

LeighFisher, Inc.
San Francisco, California

The information contained in this Official Statement has been furnished by the Authority, DTC and other sources that are believed to be reliable. No dealer, broker, salesperson or any other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Authority or in any other information contained herein, since the date of this Official Statement.

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 to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The 2025 Bonds have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon exemptions contained in the Securities Act. Any registration or qualification of the 2025 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2025 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof.

Upon issuance, the 2025 Bonds will not be listed on any stock or other Securities Exchange, nor will the Indenture be qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

Capitalized terms and phrases not otherwise defined herein shall have the meanings ascribed to them in the Master Indenture unless the context clearly otherwise requires. A copy of the Master Indenture is included as Appendix C hereto.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws, including without limitation statements in the sections hereof entitled "THE TERMINAL MODERNIZATION PROGRAM," "THE AIRPORT," "REPORT OF THE AIRPORT CONSULTANT" and APPENDIX B. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

This Official Statement contains forecasts, projections and estimates that are based on current expectations. In light of the important factors that may materially affect the financial condition of the Authority and the aviation industry generally and other economic and financial matters, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the Authority or the Underwriters that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

References to website addresses presented herein, including the website maintained by the Authority, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless

specified otherwise, such websites, including without limitation the Authority's website, and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities Exchange Commission.

The statements contained in this Official Statement, including the Appendices, and in any other information provided by the Authority and other parties to this transaction described herein that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "projects," "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these of other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Other such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, the financial condition of individual airlines and carriers and the airline industry generally, changes in the tourism industry, international, federal, state and local regulations regarding air travel, the resurgence of the COVID-19 virus, the outbreak of any other disease or public health threat, other future global health concerns, and other events or circumstances beyond the control of the Authority. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement, including the Appendices, and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the 2025 Bonds.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

Assured Guaranty Inc. ("AG") makes no representation regarding the 2025 Bonds or the advisability of investing in the 2025 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 H - Specimen Municipal Bond Insurance Policy".

TABLE OF CONTENTS

Page

INTRODUCTION 1

THE PLAN OF FINANCE 2

ESTIMATED SOURCES AND USES OF 2025 BOND PROCEEDS 3

THE TERMINAL MODERNIZATION PROGRAM 3
- Summary of the Terminal Modernization Program (TMP) 3
- Elements of the TMP and ARP 4
- Project Management of the TMP 5
- Design 6
- Construction Management and Testing 6
- Project Schedule and Budget 6
- Owner Controlled Insurance Program 7
- Impact of Construction on Airport Operations 7
- The Operational Readiness and Transition Program 7
- The Day One Initiative 8
- Workforce Development Initiatives 8
- Estimated Funding Sources for the TMP and ARP 9

SUSTAINABILITY AND RESILIENCY MEASURES 10
- Sustainability 10
- Resiliency 11
  - Energy Savings Agreement 11

DESCRIPTION OF THE 2025 BONDS 11
- General 11
- Redemption Provisions 12
  - Optional Redemption 12
  - Mandatory Sinking Fund Redemption 13
  - Notices of Redemption to Bondholders; Conditional Notice of Optional Redemption 15
  - Effect of Redemption 15
  - Selection of 2025 Bonds for Redemption; 2025 Bonds Redeemed in Part 16
- Book-Entry Only System 16

BOND INSURANCE 16

RIGHTS OF BOND INSURER 18

SECURITY FOR THE 2025 BONDS 18
- Pledge of Net Revenues and Other Pledged Revenues 19
- Flow of Funds 21
- Rate Covenant 24
- Debt Service Reserve Fund 25
- Additional Bonds 26
- Issuance of Subordinate Obligations 27

OUTSTANDING DEBT OF THE AUTHORITY 28
- Long Term Debt 28
- Debt Service Schedule 28
- Subordinate Obligations 30
- Other Debt 30

THE AUTHORITY 31
- Management of the Authority 32

TRANSFER OF AIRPORT SYSTEM TO THE AUTHORITY 33

THE AIRPORT 34

Airport System 34
Airport Service Region 34
Current Facilities at the Airport 36
Cargo Operations 38
Environmental Matters 39

AIRPORT ACTIVITY INFORMATION 40
Enplaned Passengers at the Airport 40
Air Service at the Airport 41
Airline Market Shares 42
Other Airport Activity Statistics 43
Growth of Low-Cost Carriers 43
Commuter Service 43
Parking and Ground Transportation 44
Concession Program 45

FINANCIAL INFORMATION 46
Management's Discussion of Recent Financial Results 48
Debt Service Coverage 50
Airline Costs Per Enplaned Passenger 52
Liquidity 52
COVID-19 Federal Aid 53
Other Authority Revenues 54
Pension and Other Post-Employment Benefits 59

AGREEMENTS WITH THE AIRLINES 60
The Airline Operating Agreements 60

FUTURE AIRPORT DEVELOPMENT PLANS 62
Other Capital Improvements 62

AIRLINE INFORMATION 65

REPORT OF THE AIRPORT CONSULTANT 65

CERTAIN INVESTMENT CONSIDERATIONS 66
Project Costs and Schedule 67
Financial Assumptions 67
Force Majeure Events 67
Economic Considerations 67
Air Transportation Industry Factors 68
Cost of Aviation Fuel 68
Aviation Security and Safety Concerns 69
Aircraft Supply Chain Constraints 70
Structural Changes in the Travel Market 70
Industry Workforce Shortages 70
Effect of Bankruptcy on Airline Operating Agreements 71
Airline Consolidation 71
Air Service Region 72
Federal Law Affecting Rates and Charges 72
Passenger Facility Charges 73
Federal Funding; FAA Reauthorization 73
Cyber and Data Security 74
Environmental Regulations 75
Climate Change 75
Demand for Air Travel 76
Capacity and Reliability of National Air Traffic Control and Airport Systems 76
Transportation Network Companies (TNCs) 76
New Technologies 77

Geopolitical Risks 77
Legislative Developments 77
Possible Changes in Tax Laws Could Affect the Tax Treatment of Series 2025 Bonds 77
No Acceleration 78
Forward-Looking Statements 78
THE TRUSTEE 79
LITIGATION 79
RATINGS 79
TAX MATTERS 80
2025A Bonds 80
Risk of Future Legislative Changes and/or Court Decisions 81
Original Issue Discount and Original Issue Premium – 2025A Bonds 81
2025B Bonds 82
Payment of Interest 82
Original Issue Discount and Original Issue Premium 83
Sale, Exchange, Retirement or Other Taxable Disposition of 2025B Bonds 83
Information Reporting and Backup Withholding 84
Medicare Tax Affecting U.S. Owners 84
Non-U.S. Owners 84
Foreign Account Tax Compliance Act 84
LEGAL MATTERS 85
FINANCIAL STATEMENTS 85
UNDERWRITING 85
FINANCIAL ADVISOR 86
AIRPORT CONSULTANT 86
CONTINUING DISCLOSURE 87
CERTAIN RELATIONSHIPS 87
MISCELLANEOUS 87
APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023
APPENDIX B – REPORT OF THE AIRPORT CONSULTANT DATED APRIL 8, 2025
APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED
APPENDIX D – FORM OF AIRLINE OPERATING AGREEMENT
APPENDIX E – FORM OF OPINION OF BOND COUNSEL
APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX G – DTC AND THE BOOK ENTRY ONLY SYSTEM
APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Official Statement
Relating to
Allegheny County Airport Authority
(Pittsburgh International Airport)

$361,675,000
Airport Revenue Bonds Series 2025A (AMT)

$48,840,000
Airport Revenue Bonds Series 2025B (Federally Taxable)

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is furnished in connection with the offering by the Allegheny County Airport Authority (the "Authority") of $361,675,000 aggregate principal amount of Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025A (AMT) (the "2025A Bonds") and $48,840,000 aggregate principal amount of Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025B (Federally Taxable) (the "2025B Bonds" and, together with the 2025A Bonds, the "2025 Bonds").

The Authority is a body corporate and politic existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") pursuant to the Municipality Authorities Act, Act 22 of 2001, as amended (53 Pa. C.S.A. § 5601 et seq.) (the "Act"), having been duly organized by the County of Allegheny, Pennsylvania (the "County") on June 17, 1999. See "THE AUTHORITY" herein.

The Authority leases and operates two airports, the Pittsburgh International Airport (the "Airport") and the Allegheny County Airport (the Airport and the Allegheny County Airport are collectively referred to herein as the "Airport System"). On November 15, 1999, pursuant to an Airport Operation, Management and Transfer Agreement and Lease dated September 16, 1999 between the County and the Authority, as amended (the "Transfer Agreement"), the County transferred and leased the Airport System to the Authority for a term of 25 years with two 25-year extension options exercisable at the option of the Authority (such transfer and lease is referred to herein as the "Transfer"). In October 2023, the Authority extended the term of the Transfer Agreement through September 16, 2049. There are no preconditions to the Authority's ability to exercise its remaining option to extend the term of the Transfer Agreement other than providing notice to the County within the last year of the applicable term. Furthermore, no official action is required by the County or any third party to extend the Transfer Agreement. See "TRANSFER OF THE AIRPORT SYSTEM TO THE AUTHORITY" herein.

The proceeds of the 2025 Bonds, together with other funds available therefor, will be used to (a) pay a portion of the costs of the Authority's Terminal Modernization Program (the "TMP") and the Authority's Airside Terminal Renovation program (the "ARP"), including the Airline Fit-Outs (as defined hereinafter), as described herein under "THE TERMINAL MODERNIZATION PROGRAM," including repayment of a portion of the outstanding principal balance under the PNC Line of Credit (as described hereinafter) as of the date of issuance and delivery of the 2025 Bonds (as described herein), which was used to pay certain costs of the TMP, (b) fund capitalized interest on the 2025 Bonds, (c) fund the Common Debt Service Reserve Account in the Debt Service Reserve Fund, and (d) pay the costs of issuance of the 2025 Bonds. See "THE PLAN OF FINANCE" herein.

The 2025 Bonds will be issued pursuant to a Master Trust Indenture dated as of December 1, 2019, as supplemented by a First Supplemental Indenture dated as of December 1, 2019, as supplemented and amended by a Second Supplemental Indenture dated as of August 1, 2021, as supplemented by a Third Supplemental Indenture dated as of October 1, 2023 (together, the "Master Indenture"), and as further supplemented by a Fourth Supplemental Indenture dated as of April 1, 2025 (the "Fourth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The 2025 Bonds will be secured by a pledge of Net Revenues (as defined in the Master Indenture). See "SECURITY FOR THE 2025 Bonds." Pursuant to the First Supplemental Indenture, the Authority issued subordinated promissory notes (the "Subordinate Series 2019 Notes") to PNC Bank, National Association ("PNC Bank") to secure a revolving line of credit in the original maximum principal amount of $200,000,000 (the "PNC Line of Credit"), which amount has been increased and reduced over time and is currently equal to $200,000,000. The outstanding principal balance of the PNC Line of Credit as of April 8, 2025 was $25,033,004. A portion of the proceeds of the

2025 Bonds will be applied to the repayment of a portion of the outstanding balance of the PNC Line of Credit as of the date of issuance and delivery of the 2025 Bonds. On May 1, 2025, the maximum principal amount available under the PNC Line of Credit will be reduced to $50,000,000. The PNC Line of Credit expires on December 16, 2025, unless otherwise extended pursuant to the terms of the loan agreement relating to the PNC Line of Credit. The Authority intends to extend or replace the PNC Line of Credit upon its expiration. See "OUTSTANDING DEBT OF THE AUTHORITY – Subordinate Obligations."

The 2025 Bonds are limited obligations of the Authority. The principal of, interest on and premium, if any, on the 2025 Bonds are payable by the Authority only out of Net Revenues and from such other moneys as may be available under the Indenture for such purpose. Neither the general credit of the Authority nor the credit or taxing power of the County, the Commonwealth or any political subdivision thereof is pledged for the payment of the 2025 Bonds. The 2025 Bonds shall not be or be deemed a general obligation of the Authority or an obligation of the County, the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Capitalized terms used in this Official Statement which are defined in the Master Indenture shall have the meanings ascribed to them in the Master Indenture. Certain such capitalized terms are accompanied by abbreviated definitions herein and reference is hereby made to the Master Indenture for complete definitions of such terms. See APPENDIX C – "FORM OF MASTER INDENTURE, AS AMENDED – ARTICLE I, DEFINITIONS; INTERPRETATION."

THE PLAN OF FINANCE

Proceeds from the sale of the 2025 Bonds will be applied by the Authority to (a) pay costs of the TMP and the ARP, as described herein under "THE TERMINAL MODERNIZATION PROGRAM," including repayment of a portion of the outstanding principal balance under the PNC Line of Credit as of the date of issuance and delivery of the 2025 Bonds, which was used to pay certain costs of the TMP, (b) fund capitalized interest on the 2025 Bonds, (c) fund the Common Debt Service Reserve Account in the Debt Service Reserve Fund, and (d) pay the costs of issuance of the 2025 Bonds. See APPENDIX B – REPORT OF THE AIRPORT CONSULTANT for additional information about the TMP and the ARP.

[Remainder of Page Intentionally Left Blank]

ESTIMATED SOURCES AND USES OF 2025 BOND PROCEEDS

The estimated sources and uses of proceeds of the 2025 Bonds are as follows:

Sources of Funds	**2025A Bonds**	**2025B Bonds**	**Total**
Par Amount of Bonds	$361,675,000.00	$48,840,000.00	$410,515,000.00
Premium	10,560,671.70	0.00	10,560,671.70
Total Sources of Funds	**$372,235,671.70**	**$48,840,000.00**	**$421,075,671.70**
Uses of Funds			
TMP and ARP Costs	297,884,830.25	40,006,832.43	337,891,662.68
Repayment of PNC Line of Credit	39,268,364.98	3,993,216.77	43,261,581.75
Capitalized Interest	7,422,166.96	1,127,171.47	8,549,338.43
Debt Service Reserve Fund	24,710,618.05	3,336,881.41	28,047,499.46
Issuance Costs*	2,949,691.46	375,897.92	3,325,589.38
Total Uses of Funds	**$372,235,671.70**	**$48,840,000.00**	**$421,075,671.70**

* Includes legal fees, underwriting compensation, bond insurance premium, rating agency fees, trustee fees, financial advisor and consultant fees, printing expenses and other miscellaneous fees and expenses.

THE TERMINAL MODERNIZATION PROGRAM

Summary of the Terminal Modernization Program (TMP)

In 2017, the Authority approved a master plan for the Airport which identified the need to right-size and modernize the Airport's terminal facilities. The existing terminal was designed and constructed in the late 1980s and early 1990s in close cooperation with the former US Airways (the then dominant hub carrier at the Airport) to accommodate its connecting hub operations. The terminal complex was therefore designed to handle high volumes of connecting traffic. The Airport no longer serves as a connecting hub, with US Airways ending its hubbing operations in 2004. Traffic at the Airport is now comprised of approximately 97.3% origination and destination ("origin-destination" or "O&D") passengers and is now served by a diversified portfolio of airlines. Because the Airport is no longer a connecting hub, the existing terminal facilities far exceed the current level of activity in some respects, and in other respects, the landside facilities are undersized for this level of O&D market, especially the security screening areas, which cause capacity issues. In addition, building systems such as elevators, escalators, mechanical, electrical, and communications that became operational in 1992 are reaching or have reached the end of their respective service lives.

The Terminal Modernization Program (the "TMP") will replace the existing landside terminal at the Airport with a new landside terminal and associated facilities including a tri-level roadway system and a multi-level Multi-Modal Complex ("MMC") for parking and rental car facilities. The TMP was designed to balance airside and landside terminal operations and requirements to serve the current and future makeup of passenger demand and capacity of the Airport. It will also (1) align evolving customer requirements with capacity using new technology, (2) expand, realign, and/or renovate congested terminal facilities in a cost-effective and operationally efficient manner, and (3) improve building system functionality for a terminal facility reaching the end of its useful life.

Initially, the Authority planned to start construction of the TMP in mid-2020, but due to the COVID-19 pandemic, construction was delayed while design was continued to the 90% level. During the approximately year-long construction pause, the Authority instructed its designers to refine the TMP design and operational plans to include public health and safety features to address new concerns created by the pandemic. Construction resumed post-COVID-19 and, specifically, the building enclosure was completed in March 2024, roadways and bridges were substantially completed in September 2024, and the baggage handling

system was mechanically completed in November 2024. The expected Date of Beneficial Occupancy ("DBO") of the new landside terminal and associated facilities is early in the fourth quarter of 2025.

The new landside terminal will be built adjacent to the existing airside terminal. As one of the first new terminals constructed in the post-COVID-19 era, it has been designed with input from public health experts in light of the pandemic and with special considerations and flexibility, including physical spacing, touchless technology, and HVAC building systems. Construction and operation of the new terminal building and the customer service building are designed to comply with the Leadership in Energy and Environmental Design ("LEED") standards for building materials while also seeking to reduce use of energy and water and minimize waste, as well as to reduce emission of pollutants. It is expected that the new terminal and customer service building will attain LEED Gold certification and the MMC will attain "ParkSmart" certification. Certification points are attained at both design and construction phases of the program. Formal LEED and ParkSmart certifications are expected approximately one year after the facilities are completed and documentation is formally submitted to the U.S. Green Building Council and Green Business Certification, Inc. The TMP design was also influenced by extensive collaboration and coordination over the past five years with the Airlines and their Airline Technical Representative (as defined in the Airline Operating Agreement as defined hereinafter). The TMP is estimated to be completed at a cost of approximately $1.7 billion, including construction, design, project construction management, contingencies, and escalations (based on approximately 97% design documents completion as of December 2024).

Elements of the TMP and ARP

Elements of the TMP include the following:

1. *Site Development* – Prepared the site for the new landside terminal complex by clearing and grading the area, building access roadways, and installing utilities to support the terminal. These improvements included upgrading the central utility plant to supply hot and chilled water, as well as enhancing electrical service to the terminal through new electrical switchgear. Additional work also involved relocating fire and domestic pipelines, natural gas lines, fiber optic communications lines, and electrical duct banks. The project also includes site grading and drainage, fencing installation, and the creation of an exclusive-use TMP construction access road with temporary staging areas to separate construction traffic from public roadways.

2. *Terminal Roadways* – Modifying the existing Airport roadway network to provide access to the new landside terminal, parking garage, surface parking, rental car center and related Airport facilities; constructing elevated roadways to provide vehicular access to the terminal's arrival and departures levels; and constructing an at-grade roadway to provide commercial vehicular access to the terminal.

3. *Terminal Buildings* – Constructing a new replacement landside terminal building comprising approximately 800,000 square feet that will include a terminal ticketing lobby, Transportation Security Administration ("TSA") passenger security screening checkpoints, TSA in-line Checked Baggage Inspection System, curbside bag check area, baggage claim areas, a connection to the airside terminal US Customs & Border Protection facilities (Federal Inspection Services), concessions, a covered commercial curb (for hotel, parking, off-Airport shuttles, connection capabilities to public transportation), and associated public areas and support functions. This project component also includes modifying the existing airside building to create a seamless travel experience with the new landside terminal, including (a) decommissioning the existing automated people-mover and baggage tunnels, (b) renovating existing space to connect the two buildings for circulation and vertical conveyances, (c) refurbishing the international arrivals facility, and (d) upgrading various support space. The Authority is also required to acquire, install, test, and provide four years of preventative and corrective maintenance coverage for the Transportation Security Equipment, necessary ancillary equipment, and all services necessary and required to incorporate twelve Analogic Full-size Checkpoint Property Screening Systems in the new terminal and donate such equipment to the TSA. The cost of this TSA requirement is estimated to total $11.1 million. The Authority has signed a lease to relocate its existing administrative offices in the landside terminal to nearby rented space.

4. *Baggage Handling System and Airline Equipment and Finishes* – Installing equipment to address air carrier operations in the landside terminal, including communications infrastructure, a common use system for certain ticket counters that will be owned and maintained by the Authority, information display systems, common use inbound and outbound baggage handling systems, and applicable tenant finishes.

5. *Parking and Ground Transportation Facilities* – Constructing an integrated MMC that houses a multi-level parking structure, rental car facilities, and surface parking. The new parking garage will accommodate approximately 3,271 public parking spaces and will provide access to the landside terminal via a ground level covered pedestrian walkway and customer service building for rental car customers. The first level of the garage will be dedicated to rental car ready/return operations. A covered commercial curb at the terminal's ground level will provide curb access for hotel, parking, and off-Airport rental car shuttles and public transportation. Close-in public surface parking with approximately 2,863 parking spaces and approximately 400 to 500 employee parking spaces will be located within walking distance of the terminal. At this time, potential uses for the area behind the garage are still under consideration by the Authority, with such uses potentially including additional surface parking, commercial development, and a rental car quick turnaround ("QTA") facility.

While discussing the scope, design, and budget for the TMP, the Authority and the airlines decided to advance the construction of certain renovations to the existing airside terminal (the "Airside Renovation Program" or "ARP") to allow these improvements to be performed concurrently with the construction of the new landside terminal complex while contractors are mobilized and thereby reduce construction costs. The ARP includes projects such as: replacing existing pre-conditioned air systems for the gates; holdroom (gate area) renovations for Signatory Airlines (as defined herein); restroom renovations; lighting panel retrofits; concourse lighting and lighting control replacements; Public Safety / Operations and Maintenance ("PSOM") offices relocation; TSA office relocation; kitchen prep room relocation; vertical circulation, electrical, and communications room renovations; and associated design, construction and program management and contingency costs as described below.

In addition to advancing the other components of the ARP, at the request of the airlines, the Authority also agreed to finance the cost of certain airline tenant finishes and fit-outs that will bring them to a move-in ready condition (the "Airline Fit-Outs") for preferential leased premises in the new terminal. The improvements constituting the Airline Fit-Outs are included within the ARP, with the estimated costs of such improvements totaling approximately $15.5 million.

At the time the Airline Operating Agreement was executed in April 2021, the estimated cost of the ARP was $90 million and the estimated cost of the Airline Fit-Outs was $15.5 million. As set forth in the Airline Operating Agreement, it was estimated that these improvements would be funded with $90 million in bond proceeds and $15.5 million in federal and state grants. Since that time, the scope of the ARP was defined and the costs increased from $90 million to $226.3 million, reflecting both the expanded scope and construction cost escalation and the addition of an Authority-funded $11 million connector bridge from the new terminal to the airside terminal. In February 2024, the airlines approved an additional $78 million in bond funding with the balance coming from grants and Authority contributions.

As noted earlier, the new landside terminal will be located adjacent to and will be connected directly to the existing airside terminal, eliminating the need for the existing underground automated people-mover system. Certain holdrooms and gate areas on the west ramp of the airside terminal were decommissioned in 2019 to allow for the construction of the new landside terminal and its connection to the airside terminal. The independent nature of the landside and airside terminals allows for construction of the new landside terminal and other components of the TMP while still maintaining existing operations.

The Authority has strived to avoid or minimize environmental impacts and has obtained its General Permit for the TMP from the Allegheny County Conservation District. The Authority also has in place procedures and plans for managing any suspect material should they be encountered during the construction of the TMP. The Authority has received a Finding of No Significant Impact by the Federal Aviation Administration (the "FAA") for the TMP Environmental Assessment, as well as approval of the environmental re-evaluation submitted to the FAA after some minor changes were made to the areas of impact associated with the program. The Authority continues to work with all regulatory agencies having jurisdiction over other permitting areas in order to minimize project-related impacts.

Project Management of the TMP

The Authority has assembled program management, design and construction management teams with extensive experience and expertise in aviation capital projects to collaborate on the delivery of the TMP.

The Paslay Group, a professional program executive management firm specializing in large, complex aviation capital developments, has been retained to assist the Authority with Executive Program Management and Program Controls. Jacobs, a global aviation consultancy firm that has held contracts on more than 500 airport projects, was engaged by the Authority as Project Manager to provide project management and project support services, among other functions.

Design

A joint venture team of Gensler, headquartered in San Francisco, California, and HDR, headquartered in Omaha, Nebraska, entered into an agreement to provide the Authority with architectural and engineering design services for the new landside terminal. Luis vidal + architects, headquartered in Madrid, Spain, worked with Gensler + HDR to provide architectural concept services for the new terminal.

Michael Baker International, headquartered in Pittsburgh, Pennsylvania with 100 offices nationwide, has been engaged by the Authority as the architectural and engineering team to design the ground transportation MMC being constructed as part of the TMP.

Construction Management and Testing

PJ Dick/Hunt provides construction management agency services for the new terminal as well as the ARP. Turner Construction provides construction management agency services for the MMC. Both firms have extensive experience in the aviation market.

In addition, the Authority retained separate quality assurance testing services firms for the terminal and MMC.

Project Schedule and Budget

Design of the TMP commenced in September 2018, and as of February 28, 2025, was approximately 98% complete. As of February 28, 2025, 99% of terminal contracts had been awarded (with $12 million remaining), 85% of MMC contracts had been awarded (with $5 million remaining), and 85% of overall construction was complete (including design, indirect costs, and construction). Construction formally commenced in August 2021, with the expected DBO of the new landside terminal and associated facilities projected to be early in the fourth quarter of 2025, as noted above.

The following table summarizes the budget, percentage under contract and amount spent, as of February 28, 2025, for each major component of the TMP:

TMP Component	Budgeted Cost	Percentage Under Contract	Amount Spent
Terminal	$1,032,995,061	99%	$871,347,374
Multi-Modal Complex	$225,167,357	85%	$159,410,728
Demolition	$0	0%	$0
Indirect/Support	$422,813,304	99%	$364,803,740
Contingency	$21,587,192	0%	$0
Total	**$1,702,562,914**	**96%**	**$1,395,561,842**

Source: Allegheny County Airport Authority.

The Authority has postponed the demolition of the existing landside building terminal to reduce project costs and associated debt. The TMP budget originally included funds for such demolition. The Authority intends to retain the existing garage and surface parking lots for public or employee parking or for potential tenants of the existing landside terminal. The existing automated people mover system and automated baggage system will be removed from service and abandoned in place.

Design of the ARP commenced in June 2022, and as of February 28, 2025, was approximately 76% complete. Overall construction of the ARP is approximately 74% complete.

The following table summarizes the budget, percentage under contract and amount spent, as of February 28, 2025, for each major component of the ARP:

ARP Component	Budgeted Cost	Percentage Under Contract	Amount Spent
Airside Renovations	$185,522,391	83%	$106,410,095
Airline Fit-Outs	$15,487,500	74%	$5,854,860
Connector Bridge	$7,049,700	83%	$5,318,570
Preconditioned Air System Upgrades	$18,197,067	100%	$18,197,067
Total	**$226,256,659**	**84%**	**$135,780,592**

Source: Allegheny County Airport Authority.

The current TMP budget and schedule have been thoroughly validated by the Program Management Office ("PMO") Leadership Team. The budget and schedule are grounded in actual bids received, executed change orders, negotiated settlement agreements, and the latest risk assessments for remaining work. The PMO Leadership Team consists of executives and senior management from leading organizations, including the Paslay Group, Strategic Analytics, Jacobs, Gensier + HDR, Michael Baker International, PJ Dick/Hunt, and Turner. The Executive Program Manager and the TMP Leadership Team coordinate on the TMP budget and schedule.

Owner Controlled Insurance Program

The Authority engaged Alliant in early 2019 to operate an owner-controlled insurance program for the TMP (the "OCIP") to ensure consistency of coverage for all contractors, as well as a consistent, coordinated safety management plan. The safety management plan includes safety and security orientations, mandatory drug testing with both pre-employment and random testing, on-site medical services, and other requirements for all contractors on the construction site. The Authority has a dedicated safety team responsible for coordinating all safety activities within the program.

Impact of Construction on Airport Operations

A major advantage of the location of the TMP and the Airport's expansive campus is that nearly all of the TMP construction site can be isolated from active airport operations with the exception of the renovation work that will be happening in the airside terminal. The site plan isolates the construction site, equipment, and haul routes from active airfield operations and from secure areas for the traveling public, where almost all the construction traffic (equipment and personal vehicles) remains off the airport roadways. There have been no material impacts to public roadways, airside taxiways and runways, terminal ramp areas, and daily operations during construction to date, and no such material impacts are anticipated through TMP completion.

The Operational Readiness and Transition Program

The Operational Readiness and Transition ("ORAT") program serves as an embedded resource to empower, train and equip the Authority and its business partners to navigate challenges and prepare for the operational handover of the TMP. ORAT's objectives aim to ensure all facilities and equipment are thoroughly tested, staff are fully trained, contingency plans are in place for the unexpected, airport manuals and systems are updated, and operational processes are validated.

ORAT has been engaged with regard to the TMP from its inception, facilitating collaboration between operational stakeholders with the building design teams to identify and address constraints and opportunities. In its final year, ORAT will coordinate system and facility training, provide staff with essential resource materials, and validate operational readiness through the execution of operational trials of increasing complexity, from conversation-based off-site trials with stakeholders to integrated trials that validate end-to-end operations and integration of all business areas with volunteer passengers. Immediately prior to the terminal opening, ORAT will conduct this full-scale integrated trial with over 1,200 volunteers to assess the end-to-end customer experience. Following the terminal opening, the ORAT program will continue to support final trainings and assist in addressing any operational concerns for three months.

The Day One Initiative

The Day One Initiative is a three-phased approach for organizational readiness relating to the TMP consisting of: the establishment of a temporary and time-bound team with clear roles, responsibilities and reporting requirements; the implementation of plans to minimize risk and maintain safety and compliance, and to manage the employee and stakeholder experience; and the execution and tracking of the timeframe for the completion of the TMP.

In June of 2024, the Authority developed the Day One Initiative to assist the Authority in adhering to the expected schedule of the TMP, involving the creation of a dedicated project team with cross-functional representation, called The Day One Team. This team works together under the guidance of the Senior Vice President of Strategic Programs and three advisory project managers. Project managers are assigned to specific functional and cross-functional teams.

The team's objective is to deliver organizational readiness and develop tactical plans for opening day success, focusing on seamless continuity, ease of navigation through the Airport, and plans to address unexpected issues. The Day One Team works with ORAT team to prepare for trials related to the new terminal operations, and coordinates with the TMP PMO for insight into the major construction milestones to ensure coordination of the complex schedule of dependencies to achieve Day One success. The Day One Team acts as an early warning system, helping to identify issues in the schedule that may need extra attention in order to stay on track. This team is critical to manage the schedule, raise issues to be resolved, and ensure consistency in project status communication.

The Day One Team is currently working on and tracking over 2,900 tasks and milestones related to a successful opening day. The team operates consistently to manage progress, review dashboards, and identify issues or schedule conflicts for escalation and resolution. There is a weekly all-hands meeting for the full team to report on the status of tactical plans, discuss concerns, and resolve schedule conflicts. The Day One Team, in conjunction with the TMP PMO Team, is targeting opening early in the fourth quarter of 2025.

Workforce Development Initiatives

The TMP is one of the largest and most significant development projects in Pittsburgh. The Authority uses Partner4Work, a network of community partners in Allegheny County and the surrounding counties, to promote and share the opportunities within the Airport among businesses. The TMP construction packages were unbundled to allow smaller firms to compete for bids. An audit by the FAA into the construction of the TMP cited the program as an example for other airports to follow.

Other recent examples of initiatives of the Authority include the August 2023 opening of La Petite Academy, a new on-site childcare center with a science, technology, engineering, and math ("STEM") curriculum which is open to the children of Authority employees and other airport campus workers, and the initiation of the PIT2Work Program, an innovative workforce development program organized by the Authority and operated by the Builders Guild of Western Pennsylvania, from which the first class graduated in July 2023.

[Remainder of Page Intentionally Left Blank]

Estimated Funding Sources for the TMP and ARP

The table below presents the estimated funding sources for the funding of the TMP and ARP along with a comparison to the previous budget for the TMP and ARP as of February 2025:

Sources of Funds (in thousands):	***Current Estimate***	***Previous Budgeted Amount***
Bond Proceeds[1]	$1,583,275	$1,409,012
Federal AIP Grants[2]	11,011	22,664
Federal BIL ATP and AIG Grants[3]	82,586	83,846
Federal COVID-19 Relief Grants[4]	20,412	33,750
Passenger Facility Charge ("PFC") Pay-As-You-Go	76,907	77,030
Customer Facility Charge ("CFC") Pay-As-You-Go	62,827	62,826
State Grants and Other[5]	30,460	0
Authority Funds[6]	61,341	44,514
Total	**$1,928,820**	**$1,733,642**
Uses of Funds (in thousands):		
Terminal Modernization Program	$1,702,563	$1,569,363
Airside Renovation Program	226,257	164,279
Total	**$1,928,820**	**$1,733,642**

[1] Includes certain investment earnings on the proceeds of the Bonds (as defined herein) held in the Construction Fund established under the Indenture.

[2] Voluntary Airport Low Emissions Program FAA funding for preconditioned air projects.

[3] Bipartisan Infrastructure Law program includes Airport Terminal Program and Airport Infrastructure Grants for years 2023 through 2026.

[4] Includes CARES, CRRSA, and ARPA grants from 2021.

[5] Other includes the Richard King Mellon Foundation Grant, certain interest earnings, and proceeds of an insurance claim settlement.

[6] Authority funds may include amounts in the Airport System Capital Fund described herein as well as designated portions of the Authority's Gaming Revenues and Natural Gas Revenues.

The increases in funding sources from the original budgeted amount are based upon, but not limited to, the replenishment of the TMP contingency to address certain contractor bid overages; changes in the scope of the TMP as the result of the availability of additional non-airline funding sources; certain Authority specific changes due to scope modifications, existing site conditions, and design completion; increases in the ARP scope as a result of the availability of additional non-airline funding sources; and overall increases in construction costs. See CERTAIN INVESTMENT CONSIDERATIONS – Project Costs and Schedule.

The Sources of Funds shown in the table above are those sources that are expected to be used to pay the construction costs of the TMP and ARP. The Authority also intends to designate certain additional PFCs as PFCs Available for Debt Service and to designate certain CFCs as Other Pledged Revenues, and use such amounts to pay a portion of the debt service on the Bonds issued to fund the TMP. Further, the Authority may elect to designate a portion of certain additional funds (possibly including Federal COVID-19 Grants, Gaming Revenues and Natural Gas Revenues) as "Other Pledged Revenues" which may also be used to pay a portion of the debt service on the Bonds issued to fund the TMP and/or to pay operating and maintenance expenses. See "SECURITY FOR THE 2025 BONDS – Pledge of Net Revenues and Other Pledged Revenues." In addition, the Authority was awarded $24.5 million in funds under the Airport Terminals Program created by the federal Infrastructure Investment and Jobs Act, also referred to as the Bipartisan Infrastructure Law (the "BIL"), which is being applied to costs of the TMP. See "FINANCIAL INFORMATION – Other Authority Revenues – Grant Revenues."

The Authority also has the PNC Line of Credit in place, which the Authority is able to use to provide funding for the TMP on an interim basis. The Authority intends to repay a portion of the amounts drawn under the PNC Line of Credit from the proceeds of Bonds issued under the Indenture, Federal COVID-19 Grants, or other available funds of the Authority prior to the completion of construction of the TMP.

SUSTAINABILITY AND RESILIENCY MEASURES

The Authority has been focused on sustainable growth and development principles and best practices for many years. This is reflected across the Authority's daily operations and emphasized in strategic initiatives, many of which were developed with a focus on sustainable operations and growth.

The microgrid at the Airport exemplifies the Authority's focus on these principles. The first of its kind at any commercial airport in the United States, the microgrid generates power, in part, through natural gas sourced from Marcellus Shale gas wells located on Airport property and solar panels spread across eight acres. A three-megawatt solar array made up of approximately 9,400 photovoltaic panels was developed in coordination with the microgrid project. In the future, the Authority may add an additional 14,000 solar panels for a total of over seven megawatts.

The power generated at the Airport is the primary supply and will support normal operations for the terminals, airfield, Hyatt hotel and gas station. The Airport remains connected to the traditional electrical grid as an option for emergency or backup power, if needed. The microgrid won the 2021 World Changing Idea Award from Fast Company Magazine, the American Association for Airport Executives Outstanding Sustainability Infrastructure Development, ACI's North America Environmental Achievement Award for Innovation, and the 2024 Jay Hollingsworth Speas Airport Award through the American Institute of Aeronautics and Astronautics, the American Association of Airport Executives, and the Airport Consultants Council.

The Authority adheres to a people-first approach to operations, seeking to make the Authority a desirable and safe place to work. This includes a strict focus on worker safety across all aspects of the TMP, evidenced by incident rates that continue to trend below the construction industry average. Through January 2025, incidents requiring medical treatment beyond first aid are 16% lower than industry average, while incidents requiring days away from work are 53% lower than industry average.

Sustainability

One of the main goals of the TMP is to create an efficient, low-impact, and cutting-edge airport terminal that will be viewed as an industry standard. Several key systems, including energy-efficient light emitting diode lights, Energy Star appliances, and right-sized heating, ventilation, and air conditioning systems, will be operated with high efficiency.

The new terminal is expected to attain LEED Gold upon completion in 2025 and is being built primarily with locally sourced and locally manufactured materials. In accordance with LEED construction goals, the TMP aims to divert 75% of the construction and demolition waste from landfills. The project will also reuse materials where possible, including crushed concrete from existing airfield ramps that will be reused in the terminal's new roadways.

Other initiatives of the Authority include:

- Participation in the Pittsburgh 2030 District challenge which pushes for new and existing buildings to lower their carbon footprints by increasing operational efficiency.
- Participation in the Airport Carbon Accreditation program which guides the Authority in managing and reducing its carbon emissions.
- Replacing fleet diesel- and gasoline-powered vehicles with electric and other low-emissions alternatives to reduce overall carbon footprint.
- Installation of air filtration systems and carbon dioxide sensors.
- Implementing operational measures to mitigate noise issues including Preferential Daytime Runway Use, Preferential Nighttime Runway Use, Preferential Departure Corridors and Preferential Engine Maintenance Run-Up Locations.

- Creating an apiary program consisting of approximately 100 bee colonies, one-third of which are honey producers, and the introduction of Bee BootCamp to teach military veterans beekeeping.

Resiliency

The Authority and its Board of Directors seek to make responsible and ethical leadership decisions focusing on a range of factors which include, but are not limited to, sustainable operations and development, risk management, and operational resiliency. The Board of Directors, Authority management and other governance matters are detailed herein under the caption "THE AUTHORITY."

The Authority's Smart Plan Forward, enacted during the COVID-19 pandemic, provided a blueprint for adapting during the significant downturn in activity while keeping the Authority's Dual Imperatives-Safety, Security and Public Health, and Air Service Development as top priorities. That strategy yielded significant results, with passenger traffic now exceeding pre-pandemic levels, new concessions opening, and construction of the new terminal over 80% complete.

The Airport also acts as a reliever airport during extreme regional weather events, taking diverted aircraft from other east coast airports. This role is critical to the resilience of the national air system.

Cybersecurity is essential to risk management at the Authority and the Authority has robust cyber policies, protections, and procedures in place to reduce exposure to security vulnerabilities. See "CERTAIN INVESTMENT FACTORS – Cyber and Data Security."

Energy Savings Agreement

The Authority is contemplating entering into an Energy Savings Agreement to finance the purchase of energy conservation improvements for runway lights at the Airport (the "ESA"). The ESA would be considered "budget neutral" since the cost of acquiring and installing the improvements will be covered by the energy cost savings expected to be generated by the improvements. Payments to be made by the Authority under the ESA are expected to be subordinate to both the 2025 Bonds and the Subordinate Obligations issued under the Indenture should the Authority enter into the ESA.

DESCRIPTION OF THE 2025 BONDS

General

The 2025 Bonds will be issued in denominations of $5,000 and integral multiples thereof ("Authorized Denominations"). The 2025 Bonds will be issued in fully registered form and will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the 2025 Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the 2025 Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the 2025 Bonds, references herein to the Bondholders or registered owners means Cede & Co. and does not mean the beneficial owners of the 2025 Bonds.

The Bank of New York Mellon Trust Company, N.A., as Trustee and Paying Agent, will pay principal of and interest on the 2025 Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the 2025 Bonds, such payments will be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC participants for subsequent disbursement to the beneficial owners of the 2025 Bonds. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement to beneficial owners is the responsibility of DTC participants and indirect participants. See "APPENDIX G — DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2025 Bonds will bear interest at the rates and mature on the dates set forth on the inside front cover pages of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The 2025 Bonds will be dated their initial date of delivery, and will bear interest from that date payable semi-annually on January 1 and July 1 of each year, commencing July 1, 2025 (each an "Interest Payment Date"). Interest due and payable on the 2025 Bonds on any Interest Payment Date will be paid to the person who is the registered owner as of the Record Date (as defined hereinafter)

(DTC, so long as the book-entry system with DTC is in effect). Each 2025 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such 2025 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such 2025 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before July 1, 2025, in which event such 2025 Bond will bear interest from its date of delivery. If interest on the 2025 Bonds is in default, 2025 Bonds issued in exchange for 2025 Bonds surrendered for transfer or exchange will bear interest from the last Interest Payment Date to which interest has been paid in full on the 2025 Bonds surrendered.

Interest payable on the 2025 Bonds on any Interest Payment Date will be paid to the registered owners in whose names the applicable 2025 Bonds are registered at the close of business on the June 15 or December 15 (each, a "Record Date") immediately preceding the relevant Interest Payment Date. In the event of any default in payment of interest due with respect to a 2025 Bond on an Interest Payment Date, such defaulted interest shall be payable to the person in whose name such 2025 Bond is registered at the close of business on a special record date for the payment of such defaulted interest, which shall be not less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. Notice of such special record date and payment date shall be mailed by the Trustee to the registered owners of the 2025 Bonds not less than ten (10) days preceding such special record date, which shall be not less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of notice from the Authority of the proposed payment.

Neither the Authority nor the Trustee shall be required to register the transfer or exchange of any 2025 Bond during the period commencing on a Record Date and ending on the corresponding Interest Payment Date.

During any period in which DTC or Cede & Co. is not the registered owner of the 2025 Bonds, the principal of, interest and premium, if any, on the 2025 Bonds shall be payable at the designated corporate trust office of the Trustee in Pittsburgh, Pennsylvania, or such other designated office, in such coin or currency of the United States of America as at the time and place of payment is legal tender for public and private debts, provided that interest may be paid by checks drawn upon the Trustee mailed to the persons who are the registered owners on the Record Date immediately preceding the relevant Interest Payment Date at the address shown on the registration records for the 2025 Bonds (the "Bond Register") kept by the Trustee.

During any period in which DTC or Cede & Co. is not the registered owner of the 2025 Bonds, any 2025 Bond may be transferred if endorsed for such transfer by the holder thereof and surrendered by such holder or his duly appointed attorney at the office of the Trustee, whereupon the Trustee shall authenticate and deliver to the transferee a new 2025 Bond or 2025 Bonds of the same series and maturity and in the same denomination as the 2025 Bond surrendered for transfer or in other Authorized Denominations of the same maturity equal in the aggregate to the principal amount of the surrendered 2025 Bond. The ownership of each 2025 Bond shall be recorded in the registration books of the Authority, which books shall be kept by the Trustee at its office and shall contain such information as is necessary for the proper discharge of the Trustee's duties under the Master Indenture as Trustee, registrar, Paying Agent and transfer agent. No service charge shall be made for any transfer or exchange of any 2025 Bond, but the Authority may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the 2025 Bonds.

Redemption Provisions

Optional Redemption

2025A Bonds. The 2025A Bonds maturing on or before January 1, 2035 are not subject to optional redemption prior to maturity. The 2025A Bonds maturing on or after January 1, 2036 are redeemable on or after January 1, 2035 at the option of the Authority, in whole or in part at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the 2025A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

2025B Bonds. The 2025B Bonds maturing on or after January 1, 2036 are redeemable on or after January 1, 2035 at the option of the Authority, in whole or in part at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the 2025B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

In addition, the Series 2025B Bonds are redeemable prior to January 1, 2035 at the option of the Authority prior to maturity, in whole or in part, on any date, at the Make-Whole Redemption Price (as described below). The Authority shall retain an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Authority and the Trustee may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the Authority nor the Trustee will have any liability for their reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Trustee and the owners of the Series 2025B Bonds.

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of the Series 2025B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2025B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2025B Bonds are to be redeemed, discounted to the date on which the Series 2025B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus the number of basis points for the applicable maturity of the Series 2025B Bond set forth in the table below, plus, in each case, accrued interest on the Series 2025B Bonds to be redeemed to the redemption date:

Maturity Date	Make-Whole Redemption Spread
1/1/2028	15.000
1/1/2029	15.000
1/1/2030	15.000
1/1/2031	15.000
1/1/2032	15.000
1/1/2033	15.000
1/1/2034	15.000
1/1/2035	15.000
1/1/2036	20.000
1/1/2037	20.000
1/1/2038	20.000
1/1/2039	25.000
1/1/2040	25.000
1/1/2045	20.000

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days, but not more than forty-five (45) calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2025B Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the yield to maturity of the United States Treasury securities with a constant maturity of one year shall be used.

Mandatory Sinking Fund Redemption

2025A Bonds. The 2025A Bonds maturing on January 1, 2050, and on January 1, 2055 (the "2025A Term Bonds") are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on January 1 of the following years and in the following principal amounts:

2025A Term Bonds
Stated to Mature on January 1, 2050

Redemption Date (January 1)	Principal Amount
2046	$16,910,000
2047	$17,835,000
2048	$18,820,000
2049	$19,855,000
2050*	$20,945,000

* Maturity Date

2025A Term Bonds
Stated to Mature on January 1, 2055

Redemption Date (January 1)	Principal Amount
2051	$22,100,000
2052	$23,310,000
2053	$24,595,000
2054	$25,950,000
2055*	$27,380,000

* Final Maturity

2025B Bonds. The 2025B Bonds maturing on January 1, 2045 (the "2025B Term Bonds" and, together with the 2025A Term Bonds, collectively, the "2025 Term Bonds") are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on January 1 of the following years and in the following principal amounts:

2025B Term Bonds
Stated to Mature on January 1, 2045

Redemption Date (January 1)	Principal Amount
2041	$3,310,000
2042	$3,510,000
2043	$3,720,000
2044	$3,940,000
2045*	$4,185,000

* Final Maturity

At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60^{th}) day next preceding any mandatory sinking fund redemption date for the 2025 Term Bonds, the Authority may (a) deliver to the Trustee, for cancellation, 2025 Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (b) specify a principal amount of such 2025 Term Bonds or portions thereof (in Authorized Denominations), which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such 2025 Term Bond or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation will be credited by the Trustee, at 100% of the principal amount thereof, against the obligation of the Authority to pay the principal of such applicable 2025 Term Bond on such mandatory sinking fund redemption date.

Notices of Redemption to Bondholders; Conditional Notice of Optional Redemption

The Authority can redeem 2025 Bonds pursuant to the Fourth Supplemental Indenture by notifying the Trustee of the applicable redemption provision, the redemption date, the applicable Series, the maturity date, the interest rate, the CUSIP number and the principal amount of the applicable 2025 Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least thirty-five (35) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption, in the name of the Authority, to Holders affected by redemption at least thirty (30) days but not more than sixty (60) days before each redemption date, send such notice of redemption by first-class mail (or with respect to 2025 Bonds held by DTC, either via electronic means or by an express delivery service for delivery on the next following Business Day) to each Holder of a Series 2025 Bond to be redeemed; each such notice shall be sent to the Holder's registered address.

Each notice of redemption shall specify the date of issue, the applicable Series, the maturity date, the interest rate and the CUSIP number of the applicable 2025 Bonds to be redeemed, if less than all 2025 Bonds of a Series, maturity date and interest rate are called for redemption, the numbers assigned to such 2025 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the applicable 2025 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys and/or securities sufficient to redeem all the applicable 2025 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys and/or securities are not on deposit one (1) Business Day prior to the scheduled redemption date, then the redemption shall be canceled and on such cancellation date notice shall be mailed (or otherwise provided) to the Holders of such 2025 Bonds to be redeemed in the manner provided in this section.

Failure to give any required notice of redemption as to any particular 2025 Bonds will not affect the validity of the call for redemption of any 2025 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, 2025 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the 2025 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

Effect of Redemption

On the date so designated for redemption, if (i) notice has been given in the manner and under the conditions provided in the Indenture and as described above and (ii) sufficient moneys for payment of the redemption price being held in trust to pay the redemption price:

(a) interest on such applicable 2025 Bonds will cease to accrue from and after such redemption date;

(b) such 2025 Bonds will cease to be entitled to any lien, benefit or security under the Indenture; and

(c) the owners of such 2025 Bonds will have no rights in respect thereof except to receive payment of the redemption price.

2025 Bonds which have been duly called for redemption and for the payment of the redemption price of which moneys will be held in trust for the holders of the respective 2025 Bonds to be redeemed, all as provided in the Indenture, will not be deemed to be Outstanding under the provisions of the Indenture.

Selection of 2025 Bonds for Redemption; 2025 Bonds Redeemed in Part

The 2025 Bonds are subject to redemption in such order of maturity and interest rate within a Series (except mandatory sinking fund payments on the 2025 Term Bonds) as the Authority may direct and by lot within such maturity and interest rate of such Series selected in such manner as the Trustee (or DTC, as long as DTC is the securities depository for the 2025 Bonds) deems appropriate.

Except as otherwise provided under the procedures of DTC, on or before the forty-fifth (45^{th}) day prior to any mandatory sinking fund redemption date, the Trustee will proceed to select for redemption (by lot in such manner as the Trustee may determine) from the 2025 Term Bonds an aggregate principal amount of such 2025 Term Bonds equal to the amount for such year as set forth in the applicable table under "Mandatory Sinking Fund Redemption" above and will call such 2025 Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

Book-Entry Only System

DTC will act as securities depository for the 2025 Bonds. The 2025 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 Bond certificate will be issued for each maturity of each Series of the 2025 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. For more information regarding DTC and its procedures, see "APPENDIX G – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

BOND INSURANCE

The information in this section concerning Assured Guaranty Inc. and the 2025 Bonds has been obtained from AG (as defined below). Neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

Bond Insurance Policy

Concurrently with the issuance of the 2025 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the 2025 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the 2025 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." 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, 2024.

Capitalization of AG

At December 31, 2024:

- The policyholders' surplus of AG was approximately $3,524 million.
- The contingency reserve of AG was approximately $1,392 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,424 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 AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2025 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

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 2025 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 2025 Bonds or the advisability of investing in the 2025 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".

RIGHTS OF BOND INSURER

Pursuant to the Fourth Supplemental Indenture, AG as insurer of the 2025 Bonds is provided with certain rights in respect of the 2025 Bonds for so long as the Policy is in effect and AG is not in default under the Policy and has not otherwise rejected or denied the validity of the Policy, including without limitation: the right to consent to amendments, supplements or modifications to, or waivers of, the Indenture or any other transaction document, including any underlying security agreement ("Related Documents"), that requires the consent of Bond owners or adversely affects the rights and interests of AG; the right to consent to the deposit of any Debt Service Reserve Fund Surety Policy (as defined in the Master Indenture) provided in lieu of a cash deposit into the Common Debt Service Reserve Account; the right to act as the sole holder of the 2025 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2025 Bonds are entitled to take pursuant to the Fourth Supplemental Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee; and the right to consent to the acceleration of the 2025 Bonds. In addition, AG shall, to the extent it makes any payment of principal of or interest on the 2025 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy (which subrogation rights shall also include the rights of any such recipients in connection with any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law).

SECURITY FOR THE 2025 BONDS

The 2025 Bonds are limited obligations of the Authority. The principal of, interest on and premium, if any, on the 2025 Bonds are payable by the Authority only out of Net Revenues and from such other moneys as may be available under the Indenture for such purpose. Neither the general credit of the Authority nor the credit or taxing power of the County, the Commonwealth or any political subdivision thereof is pledged for the payment of the 2025 Bonds. The 2025 Bonds shall not be or be deemed a general obligation of the Authority or an obligation of the County, the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Pledge of Net Revenues and Other Pledged Revenues

The 2025 Bonds are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues, certain funds and accounts held by the Trustee under the Indenture, and other amounts payable under the Indenture, on a parity with all other Bonds (as defined in the Indenture) issued and outstanding under the Indenture (together, "Senior Bonds"), which term excludes Subordinate Obligations (as defined in the Indenture). As of the date hereof, the only other Senior Bonds issued and outstanding under the Indenture are (a) the Authority's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2021A (AMT) (the "2021A Bonds"), which are outstanding in the aggregate principal amount of $719,850,000, (b) the Authority's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2021B (Non-AMT) (the "2021B Bonds" and, together with the 2021A Bonds, the "2021 Bonds"), which are outstanding in the aggregate principal amount of $112,820,000, (c) the Authority's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2023A (AMT) (the "2023A Bonds"), which are outstanding in the aggregate principal amount of $346,960,000, (d) the Authority's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2023B (Non-AMT) (the "2023B Bonds") which are outstanding in the aggregate principal amount of $27,065,000, and (e) the Authority's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2023C (Federally Taxable) (the "2023C Bonds" and, together with the 2023A Bonds and the 2023B Bonds, the "2023 Bonds"), which are outstanding in the aggregate principal amount of $41,000,000.

"Net Revenues" are defined in the Master Indenture to mean, for any given period, the Revenues for such period, less the Operation and Maintenance Expenses for such period.

"Revenues," in turn, are defined in the Master Indenture to include, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by or accrued to the Authority from the operation of the Airport System for a given period, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals (including ground rents from Special Facilities), charges and other payments made to or owed to the Authority for the use or availability of the Airport System, (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto, and (c) Other Pledged Revenues. Additionally, "Revenues" shall also include all income, receipts and earnings from the investment of amounts held in the Revenue Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund and any Common Debt Service Reserve Account or any Series Debt Service Reserve Account therein and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Indenture.

The following, including any investment earnings thereon, are specifically excluded from Revenues:

(i) gifts, grants, reimbursements or payments received for the Airport System's benefit unless designated as and included in "Other Pledged Revenues";

(ii) any income otherwise included in this definition of "Revenues" which is restricted by its terms to purposes inconsistent with the payment of debt service on the Bonds;

(iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Operation and Maintenance Expenses);

(iv) Special Facilities Revenues;

(v) Passenger Facility Charges (including PFCs Available for Debt Service);

(vi) the proceeds of the sale of Bonds or other obligations issued for Airport System purposes;

(vii) rents or other payments of any nature received now or in the future attributable to any ground leases, facility leases or other developments which are identified as the Pittsburgh International Airport Innovation Campus and/or Neighborhood 91 ("Neighborhood 91" or "N91") as well as moneys received that are pledged to the payment of any debt instrument that will generate new and/or enhanced revenues for the Authority;

(viii) any Swap Termination Payments paid to the Authority pursuant to a Qualified Swap;

(ix) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds;

(x) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code;

(xi) Capitalized Interest;

(xii) Customer Facility Charges, Gaming Revenues and Natural Gas Revenues unless designated as and included in "Other Pledged Revenues";

(xiii) Federal Direct Payments;

(xiv) excess Revenues from a prior Fiscal Year deposited in the Airport System Capital Fund;

(xv) any Released Revenues in respect of which the Authority has filed with the Trustee the request of the Authorized Authority Representative, a 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";

(xvi) amounts on deposit in the Coverage Account; and

(xvii) interest earnings or other investment earnings on any Construction Fund established by any Supplemental Indenture, which are specifically excluded from "Revenues," unless otherwise provided for in a Supplemental Indenture.

"Other Pledged Revenues" is defined in the Master Indenture to mean moneys, not constituting Revenues, that are designated, for any period, as "Other Pledged Revenues" pursuant to Section 4.18 of the Master Indenture. Other Pledged Revenues may include, but are not limited to, moneys transferred from the Rate Stabilization Fund pursuant to Section 4.11 of the Master Indenture, all or a portion of gifts, grants, CFCs, Gaming Revenues, and Natural Gas Revenues; however, PFCs Available for Debt Service may not be designated as or constitute "Other Pledged Revenues."

"Operation and Maintenance Expenses" or "O&M Expenses" are defined in the Master Indenture to mean, for any given period, the reasonable and necessary costs paid by the Authority for maintaining and operating the Airport System as determined in accordance with Generally Accepted Accounting Principles as in effect from time to time; including any costs of Credit Facilities and Liquidity Facilities; but excluding depreciation expense, any principal or interest payment in respect of capital leases or indebtedness, including the Bonds, any costs of issuance relating to any capital leases or indebtedness including the Bonds, amortization or intangibles, any non-cash pension and other post-employment benefits (OPEB) obligations or liabilities (except to the extent required to be cash funded by the Commonwealth or the County), any Swap Termination Payments, and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues (including, but not limited to, any non-cash items that are required to be treated as operation and maintenance expenses of the Airport System in accordance with Generally Accepted Accounting Principles). Operation and Maintenance Expenses shall not include any operation and maintenance costs and expenses pertaining to Special Facilities or expenses incurred by any lessee under a Special Facility Agreement.

"Passenger Facility Charges" or "PFCs" shall mean charges collected by the Authority pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. Section 40117), and 14 CFR 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.

"PFCs Available for Debt Service" shall mean Passenger Facility Charges made available to pay debt service on one or more Series of Bonds during any period pursuant to Section 4.17 of the Master Indenture.

As discussed above, PFCs are specifically excluded from Other Pledged Revenues, but may be designated by the Authority as PFCs Available for Debt Service and applied to pay principal of, premium, if any, and interest on Bonds as described below.

None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the 2025 Bonds or other obligations issued or to be issued under the Master Indenture, and neither the full faith and credit of the Authority, the Commonwealth or any political subdivision or agency of the Commonwealth, nor the taxing power of the Commonwealth or any political subdivision or agency of the Commonwealth is pledged to the payment of the principal of or interest on the 2025 Bonds. The Authority has no taxing power.

Flow of Funds

The Authority has established, holds and maintains a special fund designated as the Revenue Fund into which all Revenues are deposited. Pursuant to the Master Indenture, the Authority will agree to continue to hold and maintain the Revenue Fund. As long as there are Outstanding Bonds, all Revenues, when and as received, will be deposited by the Authority in the Revenue Fund and will be set aside for the payment of the following amounts or deposited or transferred to the following funds, accounts and subaccounts in the following order of priority:

First: to the Operation and Maintenance Fund. On or prior to the tenth (10th) Business Day of each month, the Authority shall deposit Revenues to the Operation and Maintenance Fund in an amount projected to be required to pay Operation and Maintenance Expenses for that month as set forth in the budget of the Authority for such Fiscal Year as finally approved by the Authority. In the event that the balance in the Operation and Maintenance Fund at any time is insufficient to make any required payments therefrom due and payable, additional Revenues at least sufficient to make such payments shall immediately be transferred to the Operation and Maintenance Fund from the Revenue Fund or Operation and Maintenance Reserve Account.

Second: to the Debt Service Funds. Except as otherwise provided in a Supplemental Indenture, on or prior to the tenth (10th) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority, without priority and on an equal basis, except as to timing of payment, to the Trustee for deposit to the Debt Service Funds in the amounts, at the times and in the manner provided in the Master Indenture to provide for the payment of principal and interest to become due on the Outstanding Bonds. In addition to the deposit of Revenues to the Debt Service Funds, the Authority shall deposit any applicable PFCs Available for Debt Service with the Trustee for deposit to the applicable Debt Service Fund(s) in accordance with the provisions of the applicable Supplemental Indenture and/or the applicable certificate as provided in the Master Indenture.

Third: to the Debt Service Reserve Fund. On or prior to the tenth (10th) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority, without priority and on an equal basis, to the Trustee for deposit to the Debt Service Reserve Fund at the times and in the amounts provided in the Master Indenture, and immediately thereafter transferred to the Common Debt Service Reserve Account and/or any Series Debt Service Reserve Account, as applicable, at the times and in the amounts set forth in any Supplemental Indenture. See "— Debt Service Reserve Fund" below.

Fourth: to the Subordinate Obligation Debt Service Funds. On or prior to the tenth (10th) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority to the Trustee, in such amounts and at such times (as specified by the Authority), as shall be necessary to make all payments and deposits required to be made during the following month on all Subordinate Obligations.

Fifth: to the Subordinate Obligation Debt Service Reserve Funds. On or prior to the tenth (10th) Business Day of each month, a sufficient amount of Revenues shall be transferred or caused to be transferred by the Authority to the Trustee (in such amounts and at such times as specified in the Supplemental Indenture or other written instrument authorizing the issuance of any Subordinate Obligations) to fund any deficiency in any debt service reserve fund established by or for the benefit of the Authority in connection with any Subordinate Obligations

issued, provided, however, no Revenues shall be transferred by the Authority to the Trustee for deposit to any debt service reserve fund established by or for the benefit of the Authority in connection with any Subordinate Obligations if amounts (including any Debt Service Reserve Fund Surety Policy) in the Common Debt Service Reserve Account are not sufficient to meet the Reserve Requirement for such Common Debt Service Reserve Account or amounts (including any Debt Service Reserve Fund Surety Policy) in any Series Debt Service Reserve Account are not sufficient to meet the applicable Reserve Requirement for such Series Debt Service Reserve Account.

Sixth: to the Operation and Maintenance Reserve Account. On or prior to the tenth (10th) Business Day of each month, sufficient Revenues shall be deposited to the Operation and Maintenance Reserve Account to fund any deficiency in the Operation and Maintenance Reserve Account in accordance with the Master Indenture.

Seventh: to the Renewal and Replacement Fund. On or prior to the tenth (10th) Business Day of each month, sufficient Revenues shall be deposited to the Renewal and Replacement Fund to fund any deficiency in the Renewal and Replacement Fund in accordance with the Master Indenture.

Eighth: to the Equipment and Capital Outlay Fund. On or prior to the tenth (10th) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Equipment and Capital Outlay Fund in an amount determined by the Authority to fund the Equipment and Capital Outlay Fund in accordance with the Master Indenture.

Ninth: to the Coverage Account. On or prior to the tenth (10th) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Coverage Account in an amount determined by the Authority to fund the Coverage Account in accordance with the Master Indenture.

Tenth: to the Rate Stabilization Fund. On or prior to the tenth (10th) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Rate Stabilization Fund in an amount determined by the Authority to fund the Rate Stabilization Fund in accordance with the Master Indenture. Note, however, that based on the terms of the current Airline Operating Agreements, the Authority does not expect to fund the Rate Stabilization Fund during the current term of the Airline Operating Agreements. See "AGREEMENTS WITH THE AIRLINES."

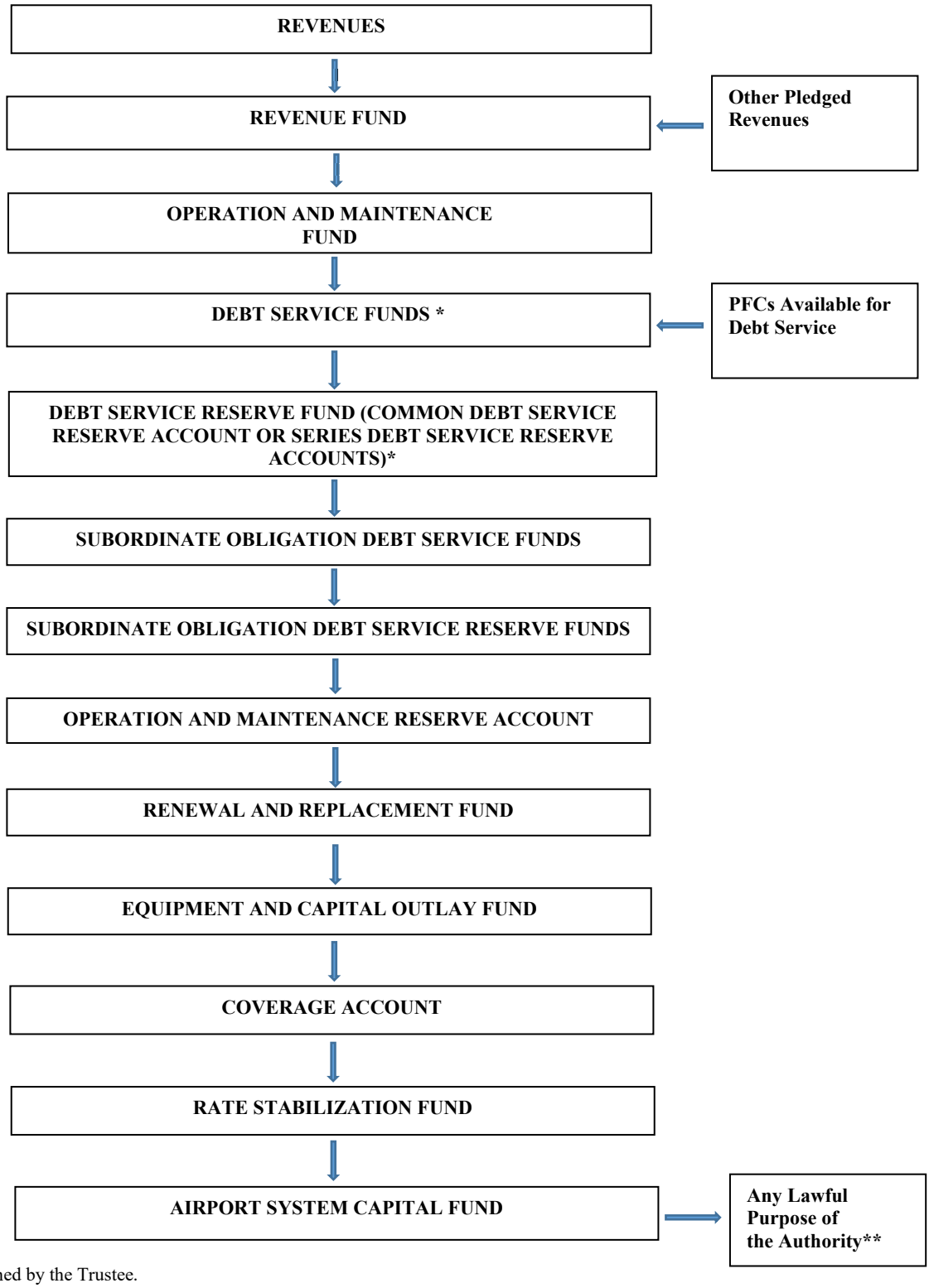
Eleventh: to the Airport System Capital Fund. After all deposits and payments have been made as described in clauses First through Seventh above, the Authority, may from time to time, at its discretion, deposit all or a portion of the remaining Revenues in the Revenue Fund to the Airport System Capital Fund and apply such Revenues to the purposes set forth in Section 4.12 of the Master Indenture.

The Authority reserves the right to amend, without Bondholder consent, the application of the funds as provided in clause Sixth through Eleventh above and to create additional funds and accounts to be inserted below Clause Fifth above. The Authority covenants that no such modifications will violate the provisions and order of payment set forth in Clauses First through Fifth above or the provisions of any other contracts or agreements of the Authority or any legal requirements otherwise applicable to the use of such moneys.

The following chart provides a graphic presentation of the flow of funds under the Master Indenture upon the receipt of Revenues.

[Remainder of Page Intentionally Left Blank]

Flow of Funds Pursuant to Master Indenture



* Held and maintained by the Trustee.

** Amounts in the Airport System Capital Fund may be used for any lawful purpose of the Authority, including, at the election of the Authority, redeposit of such amounts into the Revenue Fund.

Rate Covenant

(a) Pursuant to the Master Indenture, while any of the Bonds remain Outstanding, the Authority covenants to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Annual Debt Service on any Outstanding Bonds required to be funded by the Authority in such Fiscal Year as required by the Master Indenture or any Supplemental Indenture with respect to the Outstanding Bonds as reduced by the amount of principal and/or interest paid with Capitalized Interest and PFCs Available for Debt Service, if any;

(ii) the required deposits to the Common Debt Service Reserve Account or any Series Debt Service Reserve Account which may be established by a Supplemental Indenture;

(iii) the reimbursement owed to any Credit Provider or Liquidity Provider as required by a Supplemental Indenture;

(iv) the interest on and principal of any indebtedness of the Authority with respect to the Airport System required to be funded during such Fiscal Year, other than for Outstanding Bonds, but including Subordinate Obligations; and

(v) funding of any debt service reserve funds created in connection with any indebtedness of the Authority with respect to the Airport System, other than Outstanding Bonds, but including Subordinate Obligations.

(b) Separately, in addition to the covenants set forth in subparagraph (a) above, the Authority further covenants and agrees in the Master Indenture that it shall establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amounts available in the Coverage Account, will be equal to at least (i) 125% of Annual Debt Service on the Outstanding Bonds for such Fiscal Year and (ii) 100% of the annual debt service with respect to all outstanding Subordinate Obligations. For purposes of this paragraph (b), the amount of any transfer from the Coverage Account taken into account cannot exceed the Coverage Amount.

For purposes of paragraphs (a) and (b) above, Annual Debt Service on the Outstanding Bonds will be reduced by the amount of principal and/or interest paid with Capitalized Interest and PFCs Available for Debt Service, if any, and the term "Coverage Amount" means the amount which may, in the Authority's discretion, be deposited in the Coverage Account in order for the Authority to have on deposit therein with respect to any Annual Debt Service due and payable in the current Fiscal Year on Outstanding Bonds, an amount not to exceed twenty-five percent (25%) of such Annual Debt Service. See "APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED – Section 4.17, PFCs Available for Debt Service."

If, upon the receipt of the audited financial statements for a Fiscal Year, the Net Revenues, together with any amounts available in the Coverage Account, in such Fiscal Year are less than the amounts specified in paragraphs (a) and (b) above, the Authority will retain and direct a Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rates, tolls, fees, rentals and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority will take all lawful measures to revise the schedule of rates, tolls, fees, rentals and charges as may be necessary to produce Net Revenues, together with any amounts available in the Coverage Account, in the amounts specified in paragraphs (a) and (b) above in the next succeeding Fiscal Year.

In the event that Net Revenues, together with any amounts available in the Coverage Account, for any Fiscal Year are less than the amounts specified in paragraphs (a) or (b) above, but the Authority has, prior to or during the next succeeding Fiscal Year, promptly taken all lawful measures to revise the schedule of rates, tolls, fees, rentals and charges as required by the provisions set forth in the prior paragraph, such deficiency in Net Revenues, together with any amounts available in the Coverage Account, will not constitute an Event of Default under the Master Indenture. Nevertheless, if after taking the measures required by the provisions set forth in the prior paragraph to revise the schedule of rates, tolls, fees, rentals and charges, Net Revenues, together with any amounts available in the Coverage Account, in the next succeeding Fiscal Year (as evidenced by the audited

financial statements of the Authority for such Fiscal Year) are less than the amounts specified in paragraphs (a) or (b) above, such deficiency in Net Revenues, together with any amounts available in the Coverage Account, will constitute an Event of Default under the Master Indenture.

Debt Service Reserve Fund

Pursuant to the Master Indenture, the Authority established the Debt Service Reserve Fund, which Debt Service Reserve Fund is held and maintained by the Trustee or any agent of the Trustee. The Debt Service Fund contains a Common Debt Service Reserve Account and may contain one or more Series Debt Service Reserve Accounts. The Common Debt Service Reserve Account will secure each Series of Bonds that the Authority elects, pursuant to a Supplemental Indenture, to have participate in the Common Debt Service Reserve Account. The Authority reserves the right, in its discretion, (i) to allow any Series of Bonds to participate in the Common Debt Service Reserve Account, or (ii) to create, pursuant to Supplemental Indentures, separate Series Debt Service Reserve Accounts and allow one or more Series of Bonds to participate in such Series Debt Service Reserve Accounts, or (iii) to provide that a Series of Bonds not participate in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account. Any Series Debt Service Reserve Account established under a Supplemental Indenture shall be funded in an amount equal to the applicable Reserve Requirement set forth in such Supplemental Indenture. Additionally, such Supplemental Indenture shall provide for the manner of funding and replenishing of such Series Debt Service Reserve Account and establish such other terms with respect to such Series Debt Service Reserve Account as the Authority may deem to be appropriate, including providing a Debt Service Reserve Fund Surety Policy in lieu thereof. At the time of issuance of the 2025 Bonds, the Authority will elect to have the 2025 Bonds participate in the Common Debt Service Reserve Account. The 2021 Bonds, the 2023 Bonds, the 2025 Bonds and any Additional Bonds the Authority elects to have participate in the Common Debt Service Reserve Account are collectively referred to in this Official Statement as the "Common Debt Service Reserve Account Participating Bonds." Upon the issuance of the 2025 Bonds, the amount in the Common Debt Service Reserve Account will be $109,078,557.82.

Moneys held in the Common Debt Service Reserve Account will be used for the purpose of paying principal of and interest on the Common Debt Service Reserve Account Participating Bonds on a *pari passu* basis. If, on any Payment Date for the Common Debt Service Reserve Account Participating Bonds, the amounts in the Debt Service Funds for such Bonds are insufficient to pay in full the amount then due on such Bonds, moneys held in the Common Debt Service Reserve Account will be used for the payment of the principal of and/or interest thereon. If amounts in the Common Debt Service Reserve Account consist of both cash and one or more Debt Service Reserve Fund Surety Policies, the Trustee will make any required payments of amounts in the Common Debt Service Reserve Account first from any cash on deposit in the Common Debt Service Reserve Account prior to making a draw upon any Debt Service Reserve Fund Surety Policy. Moneys held in the Common Debt Service Reserve Account also may be used to make any deposit required to be made to the Rebate Fund created for the Common Debt Service Reserve Account Participating Bonds at the written direction of the Authority if the Authority does not have other funds available from which such deposit can be made.

The Common Debt Service Reserve Account is required to be funded at all times in an amount equal to the Reserve Requirement. The "Reserve Requirement" equals, with respect to the Common Debt Service Reserve Account, except as otherwise set forth in a Supplemental Indenture, an amount equal to the lesser of (a) as of the date of each calculation, the Maximum Aggregate Annual Debt Service For Reserve Requirement for all Outstanding Bonds participating in the Common Debt Service Reserve Account, (b) 10% of the original principal amount of all Outstanding Bonds participating in the Common Debt Service Reserve Account, less the amount of original issue discount with respect to such Bonds if such original issue discount exceeded 2% of such Bonds at the time of their original issuance, and (c) as of the date of each calculation, 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Outstanding Bonds participating in the Common Debt Service Reserve Account. The Reserve Requirement with respect to any Series Debt Service Reserve Account shall be set forth in the Supplemental Indenture establishing such Series Debt Service Reserve Account. At the time of issuance of any Additional Bonds which the Authority elects to have participate in the Common Debt Service Reserve Account, the Reserve Requirement is required to be met. The Authority may fund all or a portion of the Reserve Requirement with a Debt Service Reserve Fund Surety Policy. See "APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED - Section 4.06, Debt Service Reserve Fund." At the time of issuance of the 2025 Bonds, a portion of the proceeds of the 2025 Bonds in the amount of $28,047,499.46 will be deposited to the Common Debt Service Reserve Account to meet the Reserve Requirement.

Additional Bonds

The Master Indenture provides the Authority with flexibility as to establishing the nature and terms of any Additional Bonds hereafter issued with a lien and charge on Net Revenues on parity with the 2025 Bonds. For example, the Master Indenture provides for the issuance of Variable Rate Indebtedness, Capital Appreciation Bonds and Balloon Indebtedness on a parity with the 2025 Bonds. See "APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED – Section 2.11. Additional Bonds Test." Additional Bonds may be issued under the Master Indenture on a parity with the 2025 Bonds provided, among other things, that there is delivered to the Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any funds available in the Coverage Account, were at least equal to (i) 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds were then Outstanding, and (ii) 100% of the maximum aggregate Annual Debt Service for all outstanding Subordinate Obligations; or

(b) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by a Consultant, with national recognition as experts in the area of air traffic and airport financial analysis, showing that:

(i) the Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any funds available in the Coverage Account for the same time period, were at least equal to (A) 125% of the sum of the Annual Debt Service due and payable with respect to all Outstanding Bonds, and (B) 100% of the Annual Debt Service for all outstanding Subordinate Obligations for such applicable periods; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Bonds during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Bonds, or (B) the third full Fiscal Year during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues, together with amounts projected to be available in the Coverage Account and any other legally available funds that the Authority expects to use to pay debt service on the Bonds that are in addition to Other Pledged Revenues, for each such Fiscal Year, will be at least equal to (1) 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and calculated as if (y) the proposed Series of Bonds were then Outstanding, and (z) any future Series of Bonds which the Authority estimates will be required to complete payment of the estimated costs of construction of the uncompleted portions of the Airport Facilities and (2) 100% of the Annual Debt Service for all outstanding Subordinate Obligations for such Fiscal Year.

The components of Aggregate Annual Debt Service are to be calculated as provided in the Master Indenture. See "APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED – Section 2.11. Additional Bonds Test."

For purposes of subsection (b)(ii) above, in estimating Net Revenues, the Consultant may take into account (1) Revenues from other Airport Facilities reasonably expected to become available during the period for which the estimates are provided, and (2) any increase in fees, rates, charges, rentals or other sources of Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operation and Maintenance Expenses, the Consultant will use such assumptions as the Consultant believes to be reasonable, taking into account: (x) historical Operation and Maintenance Expenses, (y) Operation and Maintenance Expenses associated with any other new Airport Facilities, and (z) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant believes to be appropriate. The Consultant will include in the certificate or in a separate accompanying report the calculations and assumptions made in determining the estimated Net Revenues and will also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, the Consultant or the Authorized Authority Representative may rely upon financial information provided by the Authority.

Neither of the certificates described above under subsection (a) above will be required if:

(i) the Bonds being issued are for the purpose of refunding then Outstanding Bonds and there is delivered to the Trustee, instead, a certificate of an Authorized Authority Representative or a Consultant showing that Maximum Aggregate Annual Debt Service after the issuance of such Refunding Bonds will not exceed the Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Bonds; or

(ii) the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Authority Representative or a Consultant showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes, accompanied by a certificate of an Authorized Authority Representative or a Consultant setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with the rate covenant set forth in Section 5.04 of the Master Indenture and described above under the caption "—Rate Covenant"; or

(iii) the Bonds being issued are Completion Bonds and the following written certificates are delivered to the Trustee: (A) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (B) a certificate of an Authorized Authority Representative to the effect that (1) all of the proceeds (including investment earnings on amounts in the Construction Fund established for the Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project, (2) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose), and (3) the proceeds to be received from the issuance of such Completion Bonds plus moneys available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project. "Completion Bonds" are defined in the Master Indenture as Bonds issued to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for the Project.

The Authority expects to issue Additional Bonds in the future to complete funding of the TMP, the ARP and the Airline Fit-Outs and finance the future development of the Airport System. See "THE TERMINAL MODERNIZATION PROGRAM – Funding Sources."

Issuance of Subordinate Obligations

In addition to the Subordinate Series 2019 Notes securing the PNC Line of Credit, the Authority may, from time to time, incur indebtedness which is subordinate to the Bonds and which indebtedness is, in the Master Indenture, referred to as Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Indenture or other written instrument authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Revenues and the Net Revenues is junior and subordinate to the lien on and security interest in such Revenues and Net Revenues and other assets granted to secure the Bonds; and

(b) Payment of principal of and interest on such Subordinate Obligations shall be permitted, provided that all deposits required to be made pursuant to clauses First through Third above under "Flow of Funds" (Section 4.03(b)(i) through (iii) of the Master Indenture), if any, are then current in accordance with Section 4.03(b) of the Master Indenture.

OUTSTANDING DEBT OF THE AUTHORITY

Long Term Debt

Following issuance of the 2025 Bonds, the outstanding long-term senior debt of the Authority secured by Net Revenues will include (a) the 2021 Bonds, which will be outstanding in the aggregate principal amount of $832,670,000, (b) the 2023 Bonds, which will be outstanding in the aggregate principal amount of $415,025,000, and (c) the 2025 Bonds.

Debt Service Schedule

The following table shows the debt service payable on all outstanding Bonds following issuance of the 2025 Bonds.

[Remainder of Page Intentionally Left Blank]

		Series 2025A			Series 2025B				
Period Ending 1-Jan	Outstanding Bonds	Principal	Interest	Total	Principal	Interest	Total	Total 2025 Bonds Debt Service	Total Debt Service
2026	$70,295,664.59	$ 0	$12,954,494.76	$12,954,494.76	$ 0	$1,832,525.31	$1,832,525.31	$14,787,020.07	$85,082,684.66
2027	80,179,591.72	0	19,351,112.50	19,351,112.50	0	2,737,382.20	2,737,382.20	22,088,494.70	102,268,086.42
2028	80,191,171.20	5,090,000	19,351,112.50	24,441,112.50	1,700,000	2,737,382.20	4,437,382.20	28,878,494.70	109,069,665.90
2029	80,190,225.76	5,355,000	19,096,612.50	24,451,612.50	1,775,000	2,659,692.20	4,434,692.20	28,886,304.70	109,076,530.46
2030	80,194,901.36	5,620,000	18,828,862.50	24,448,862.50	1,860,000	2,574,793.96	4,434,793.96	28,883,656.46	109,078,557.82
2031	80,186,869.80	5,910,000	18,547,862.50	24,457,862.50	1,945,000	2,483,970.16	4,428,970.16	28,886,832.66	109,073,702.46
2032	80,189,093.82	6,195,000	18,252,362.50	24,447,362.50	2,050,000	2,385,086.36	4,435,086.36	28,882,448.86	109,071,542.68
2033	80,188,094.30	6,510,000	17,942,612.50	24,452,612.50	2,150,000	2,280,249.36	4,430,249.36	28,882,861.86	109,070,956.16
2034	80,190,856.16	6,835,000	17,617,112.50	24,452,112.50	2,265,000	2,167,460.36	4,432,460.36	28,884,572.86	109,075,429.02
2035	80,183,324.52	7,170,000	17,275,362.50	24,445,362.50	2,385,000	2,047,505.96	4,432,505.96	28,877,868.46	109,061,192.98
2036	80,187,354.50	7,530,000	16,916,862.50	24,446,862.50	2,515,000	1,920,003.86	4,435,003.86	28,881,866.36	109,069,220.86
2037	80,180,177.00	7,915,000	16,540,362.50	24,455,362.50	2,645,000	1,781,779.46	4,426,779.46	28,882,141.96	109,062,318.96
2038	80,180,264.50	8,300,000	16,144,612.50	24,444,612.50	2,805,000	1,633,236.26	4,438,236.26	28,882,848.76	109,063,113.26
2039	80,192,404.50	8,725,000	15,729,612.50	24,454,612.50	2,955,000	1,473,463.46	4,428,463.46	28,883,075.96	109,075,480.46
2040	80,180,449.50	9,180,000	15,271,550.00	24,451,550.00	3,125,000	1,303,078.16	4,428,078.16	28,879,628.16	109,060,077.66
2041	80,184,332.00	9,660,000	14,789,600.00	24,449,600.00	3,310,000	1,121,953.16	4,431,953.16	28,881,553.16	109,065,885.16
2042	80,189,087.00	10,165,000	14,282,450.00	24,447,450.00	3,510,000	922,989.06	4,432,989.06	28,880,439.06	109,069,526.06
2043	80,183,369.50	10,700,000	13,748,787.50	24,448,787.50	3,720,000	712,002.96	4,432,002.96	28,880,790.46	109,064,159.96
2044	80,178,567.00	11,265,000	13,187,037.50	24,452,037.50	3,940,000	488,393.76	4,428,393.76	28,880,431.26	109,058,998.26
2045	80,179,155.00	11,850,000	12,595,625.00	24,445,625.00	4,185,000	251,560.36	4,436,560.36	28,882,185.36	109,061,340.36
2046	80,181,337.00	16,910,000	11,973,500.00	28,883,500.00	0	0.00	0.00	28,883,500.00	109,064,837.00
2047	80,180,339.50	17,835,000	11,043,450.00	28,878,450.00	0	0.00	0.00	28,878,450.00	109,058,789.50
2048	80,179,115.50	18,820,000	10,062,525.00	28,882,525.00	0	0.00	0.00	28,882,525.00	109,061,640.50
2049	80,180,993.00	19,855,000	9,027,425.00	28,882,425.00	0	0.00	0.00	28,882,425.00	109,063,418.00
2050	80,178,422.00	20,945,000	7,935,400.00	28,880,400.00	0	0.00	0.00	28,880,400.00	109,058,822.00
2051	80,183,744.50	22,100,000	6,783,425.00	28,883,425.00	0	0.00	0.00	28,883,425.00	109,067,169.50
2052	80,188,251.00	23,310,000	5,567,925.00	28,877,925.00	0	0.00	0.00	28,877,925.00	109,066,176.00
2053	80,179,218.00	24,595,000	4,285,875.00	28,880,875.00	0	0.00	0.00	28,880,875.00	109,060,093.00
2054	50,598,900.00	25,950,000	2,933,150.00	28,883,150.00	0	0.00	0.00	28,883,150.00	79,482,050.00
2055	50,598,150.00	27,380,000	1,505,900.00	28,885,900.00	0	0.00	0.00	28,885,900.00	79,484,050.00
2056	50,605,050.00	0	0.00	0.00	0	0.00	0.00		50,605,050.00
	$2,387,078,474.23	**$361,675,000.00**	**$399,542,582.26**	**$761,217,582.26**	**$48,840,000.00**	**$35,514,508.57**	**$84,354,508.57**	**$845,572,090.83**	**$3,232,650,565.06**

Note: Interest on the 2021 Bonds was capitalized through February 1, 2025. Interest on the 2023 Bonds was capitalized through April 1, 2025. Interest on the 2025 Bonds is capitalized through October 1, 2025.

Subordinate Obligations

The Authority does not anticipate that it will issue Additional Bonds under the Master Indenture in the next few years. If the Authority and the on-airport rental car companies agree to construct a new QTA facility, it is anticipated that the associated debt would be secured with CFC revenue and contingent rent paid by the on-airport rental car companies, and would be junior lien obligations of the Authority that are subordinate to the Bonds and Subordinate Obligations issued under the Indenture.

The Master Indenture permits the Authority to issue other Subordinate Obligations secured by liens on the Authority's Revenues that are subordinate to the liens provided to holders of the Authority's other Bonds, including the 2025 Bonds. Such Subordinate Obligations would be payable from amounts remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) of the Master Indenture.

Pursuant to a Loan Agreement dated December 18, 2019, as amended, with PNC Bank (the "PNC Loan Agreement"), PNC Bank provided the PNC Line of Credit to the Authority in the maximum principal amount of $200,000,000, which amount has been increased and reduced over time and is currently equal to $200,000,000. On May 1, 2025, the maximum principal amount will be reduced to $50,000,000. Proceeds of the PNC Line of Credit have been and will be used to provide funding for costs of the TMP. The PNC Line of Credit is secured by subordinated notes (the "Subordinated Series 2019 Notes") issued by the Authority to PNC Bank under the Master Indenture, which are Subordinate Obligations under the Master Indenture and secured by subordinate liens on the Net Revenues pursuant to a First Supplemental Trust Indenture dated as of December 1, 2019 (as previously amended, the "First Supplemental Indenture"). As of April 8, 2025, $25,033,004 in principal amount was outstanding under the PNC Line of Credit. The PNC Line of Credit will remain available to the Authority to finance costs of the TMP and for any other available legal use. The PNC Line of Credit expires on December 16, 2025, pursuant to the terms of the PNC Loan Agreement. The Authority intends to extend or replace the PNC Line of Credit upon its expiration.

Other Debt

The Authority has outstanding, as of December 31, 2024, a total of $6,450,940 in indebtedness that is not secured by the pledge of Net Revenues under the Master Indenture. Such indebtedness represents loans (the "CFA Loans") made to the Authority by the Commonwealth Finance Authority ("CFA") on June 20, 2020 under the CFA's Business in Our Sites ("BIOS") loan program. The proceeds of the CFA Loans are to be used for the development of infrastructure and related improvements for the approximately 195-acre industrial park located at the Airport known as Neighborhood 91 (the "Premises"). The CFA Loans are secured only by an Assignment of Rents and Leases (the "Assignment") derived from tenants of the Premises, which revenues are not included within the Revenues pledged under the Master Indenture. The CFA Loans are being assigned to the Regional Investment Development Corporation ("RIDC") as part of a transaction whereby the RIDC is purchasing certain of the Neighborhood 91 buildings.

In the Authority's efforts to attract tenants to Neighborhood 91, the Authority entered into lease agreements, including one related to 3D printing equipment and one for a powder facility located in Neighborhood 91. In January 2022, the Authority entered into an agreement to lease 3D printer equipment from a lessor over a period of seven years. Lease terms include monthly payments of $24,684, including interest. The lease agreement includes an option for the Authority to purchase the equipment at the end of the lease for $1. The equipment lease is secured by the equipment being leased. The powder facility lease commenced on August 1, 2021 and is a 25-year lease that includes monthly payments of $6,931, including interest. The lease agreement includes an option for the Authority to purchase the facility from the lessor for a payment equal to the amount of unpaid lease payments remaining. The Authority purchased the building in March of 2025. These revenues are not included within the Revenues pledged under the Master Indenture. As of December 31, 2024 the aggregate lease payments remaining under these leases, including interest, totaled $3,004,709.

The Authority is also developing the McClaren "Site 9", which is a 52-acre property of available logistic / warehouse and tech / flex space for lease. The Authority's development of this site project was partially financed through a tax increment financing pursuant to which the Authority issued its Tax Increment Financing ("TIF") Note, Series 2022 (McClaren Road Tax Increment Financing District) in the original principal amount of $3,090,000 (the "TIF Note"). As of December 31, 2024, the Authority had received $3,090,000 in proceeds under the TIF Note. The TIF Note is a limited obligation of the Authority, with payments on the TIF Note to be payable from 70 percent of the tax increment revenue pledged by the local taxing authorities for the payment of debt service on the TIF Note. Additionally, the Authority has pledged all lease revenue from the McClaren Site as security for the TIF Note. The Authority is not required to contribute revenue on a current basis towards the payment of debt service on the TIF Note.

THE AUTHORITY

The Authority is a public body, corporate and politic, duly organized and existing under the laws of the Commonwealth. The 2025 Bonds are authorized and being issued by the Authority pursuant to the provisions of the Constitution and statutes of the Commonwealth, particularly the Act. A resolution authorizing the issuance of the 2025 Bonds has been adopted by the Board of the Authority.

The Authority was created by the County on June 17, 1999 as a body corporate and politic under the Act. The Airport is owned by the County and is operated by the Authority pursuant to the Transfer Agreement, which extends to September 16, 2049, with one remaining 25-year extension option exercisable at the option of the Authority. In October 2023, the Authority exercised the first of its extension options. In connection with the transfer, the Authority assumed the obligations of the County for airport revenue bonds previously issued by the County to finance construction and development of the Airport System. There are no preconditions to the Authority's ability to exercise its remaining option to extend the term of the Transfer Agreement other than providing notice to the County within the last year of the applicable term. No official action is required by the County or any third party to extend the Transfer Agreement.

The Authority's original Articles of Incorporation provided that the term of existence of the Authority extends to July 14, 2049. The Act provides that municipal authorities created under the Act have a life of 50 years. The term of existence may be extended, by not more than 50 years for each extension, upon the adoption of a resolution by the Authority and then submitting the resolution to the municipality creating the Authority for approval in accordance with the applicable provisions of the municipality's governing code. In June 2021, the Authority's Articles of Incorporation were amended to extend the life of the Authority through June 17, 2059.

The present officers and board members of the Authority and their respective principal occupations and terms of office are as follows:

Name and Title	Occupation	Term Expires (Dec. 31)
David W. Minnotte, Chairman	President/CEO, Minnotte Manufacturing	2023[1]
Hon. Matthew Smith, Vice Chairman	President of Greater Pittsburgh Chamber of Commerce	2029
Ashley Henry Shook, Secretary	Principal, Mulberry Public Affairs LLC	2026
Jan Rea, Treasurer	Community Volunteer	2026
Daniel Connolly	Consultant	2029
Reverend Dr. William H. Curtis	Pastor, Mt. Ararat Baptist Church	2027
Cynthia D. Shapira	Community Volunteer	2025
Thomas McIntyre	Business Manager, Local 5 IBEW	2026
Hon. Randy Vulakovich	State Senator (Retired)	2025

[1] Continues to serve until a successor is duly appointed by the County Executive.

Board members are appointed by the County Executive of the County, subject to confirmation by a majority of the County Council.

Management of the Authority

The Authority's Chief Executive Officer, Christina A. Cassotis, is responsible for the operation of the Authority, which manages the Airport and the Allegheny County Airport. The Authority currently employs 480 full-time personnel at the Airport and 14 full-time personnel at the Allegheny County Airport. In addition, nearly 82 Allegheny County Police (officers and supervisors) are currently assigned to the Airport System on a full-time basis.

Airport Systems operations are conducted under the supervision of the following members of the Authority staff:

Christina A. Cassotis, Chief Executive Officer. Ms. Cassotis joined the Authority as Chief Executive Officer in 2015. She is responsible for the strategic vision and overall leadership of the Authority. In her ten years as CEO, she has led a turnaround at both the Airport and Allegheny County Airport. The Airport has had a 72% increase in the number of nonstop destinations, six straight years of passenger growth prior to COVID-19, and a rebound in passenger growth since the pandemic. In 2024, total passengers of 9.95 million exceeded pre-pandemic 2019 by 2%, or about 170,000 passengers, which was the highest total the Airport has seen in nearly 20 years. In addition, Allegheny County Airport has experienced growth in private flying.

Ms. Cassotis began her career in commercial aviation working for the Massachusetts Port Authority, which operates Boston Logan International Airport. Ms. Cassotis also worked for 15 years at the aviation consulting firm of ICF-SH&E, where she served as Managing Officer for Airport Services. There she led a global team of aviation consultants which advised numerous domestic and international airports on issues related to air service development and competitiveness.

Ms. Cassotis is a frequent speaker at national and international aviation events. She has received the Excellence in Visionary Leadership Award from Airports Council International – North America, has been named the Director of the Year for medium-size airports by Airport Revenue News and was recently named Pittsburgher of the Year by Pittsburgh Magazine.

Ms. Cassotis holds an MBA from the MIT Sloan School of Management and a BA from the University of Massachusetts.

Eric Sprys, Executive Vice President and Chief Financial Officer. Mr. Sprys is responsible for the overall management and direction of the Authority's financial operations, including day-to-day responsibility for planning, implementing, managing, and controlling all finance-related activities. He provides oversight for accounting, finance, budget and forecasting, strategic planning, capital program control, purchasing and contracting, audit program integrity, and financial policy. He collaborates with airlines, airport tenants and community partners to promote the Authority's mission of driving innovation and regional growth, with Mr. Sprys leading the negotiations with the airlines which led to the current Airline Operating Agreement entered into in 2021. Mr. Sprys assumed the role of Chief Financial Officer in the summer of 2020. Prior to becoming Chief Financial Officer, from 2017 to 2020 he served as Chief Commercial Officer of the Authority.

Prior to joining the Authority in 2017, Mr. Sprys served as the Chief Financial Officer and Senior Vice President of Finance for Kadmon Pharmaceuticals and as Chief Financial Officer of A. Stucki Company. Mr. Sprys received his BA in secondary mathematics education from Pennsylvania State University and his MBA from Duquesne University. He is also a certified public accountant.

Paul Hoback, Executive Vice President and Chief Development Officer. Mr. Hoback is responsible for strategic leadership and oversight of engineering, planning, and environmental initiatives for the Airport and Airport System. In addition to managing these critical functions, he oversees the day-to-day operations of the Airport, focusing on efficiency, safety, and the passenger experience. As a leader in the Authority's transformational projects, Mr. Hoback is responsible for all aspects of program management, construction, and contract administration for the TMP, and upon completion, the transition to operations.

Mr. Hoback holds a Bachelor of Science in Mechanical Engineering and an MBA from Geneva College. He joined the Authority in 2000 and has more than two decades of experience in the aviation industry, focusing on innovation and infrastructure development.

Deepak K. Nayyar, Executive Vice President and Chief Information Officer. Mr. Nayyar is responsible for the overall leadership and strategic direction of the Authority's Information Technology domains, which include Network Infrastructure, Innovation, Cyber Security, Enterprise Applications and Data & Analytics departments for the Authority and airport management systems.

Mr. Nayyar assumed the role of Chief Information officer in July 2023. Prior to joining the Authority, he was the Head of the Data Science Engineering Organization at Shipt (the technical delivery platform of Target Corporation), Head of Data Platforms, Analytics & Governance at World Programming System (WPS), and led the Enterprise Applications portfolio for EQT Corporation. Mr. Nayyar earned his MBA from Duquesne University and a bachelor's degree in Electrical & Electronics Engineering from Gulbarga University, India.

Vince Gastgeb, Chief Government & Corporate Affairs Officer. Mr. Gastgeb is a former Allegheny County councilman having served 4 terms in office. He oversees all legislative & governmental work, grant funding, corporate & airline sales, aviation energy portfolios, Neighborhood 91 advanced manufacturing campus and general public policy. Mr. Gastgeb has over 30 years of experience in both the private sector as a corporate sales and marketing professional and the public sector within government relations and public affairs. He also is a Board Member for the Pennsylvania State Aviation Council, Military Affairs Council, and the U.S. Commercial Service Western PA District Export Council and former legislative chair for the Airport Area Chamber, Pittsburgh Business Travel Association, and Southwestern Transportation Planning Commission member. He is a graduate of the University of Pittsburgh.

Travis McNichols, Chief Operations Officer. Mr. McNichols is responsible for the overall management and direction of the public safety, operations and maintenance departments for the Authority and Airport System. He leads the 24/7 operations of Pittsburgh International and Allegheny County Airport and is responsible for the federal regulatory operational compliance and the safe and secure movement of passengers, cargo, and employees.

Mr. McNichols joined the Authority in March 2020. He began his career in aviation while serving and subsequently retiring from the United States Air Force, of which he served in a multitude of locations with increasing responsibility throughout the United States and around the world. Mr. McNichols then served as the Aviation Operations Officer for the Port Authority of New York and New Jersey in which he had operational control of Aviation for John F. Kennedy, Newark, LaGuardia, Stewart, and Teterboro International Airports. Mr. McNichols holds a BS degree in Technical Management from DeVry University and holds a number of professional certificates and designations from his military and civil aviation career.

TRANSFER OF AIRPORT SYSTEM TO THE AUTHORITY

Pursuant to the Transfer Agreement, the Authority leases the land, buildings, fixtures and improvements constituting the Airport System from the County for an initial term of 25 years beginning in 1999, subject to two consecutive 25-year extensions exercisable at the option of the Authority. In October 2023, the Authority extended the term of the Transfer Agreement through September 16, 2049. There are no preconditions to the Authority's ability to exercise its remaining option to extend the term of the Transfer Agreement other than providing notice to the County within the last year of the applicable term. No official action is required by the County or any third party to extend the Transfer Agreement. The County has also transferred to the Authority all of the County's right, title and interest in and to the equipment, materials, furnishings and other personal property owned and utilized by the County in connection with the administration, maintenance, management, regulation, operation, improvement, development and use of the Airport System. The assets constituting the Airport System transferred or leased to the Authority pursuant to the Transfer Agreement are sometimes referred to as the "Airport Assets."

In connection with the Transfer, the County also transferred to the Authority its right, title and interest in all licenses, permits, approvals, awards or decisions related to the Airport System, including grant agreements, the right to receive any amounts payable to the County in connection with the Airport System (including without limitation the Revenues) and all benefits of contracts and agreements. The Authority also assumed all of the County's obligations and liabilities pertaining to the Airport System.

In the event of an event of default by the Authority under the Transfer Agreement, the County, upon thirty (30) days written notice to the Authority and the Authority's failure to cure said default, has the right to terminate the Transfer Agreement, in which event all right, title and interest in the Airport Assets shall revert to the County and the County will be responsible for all obligations incurred by the Authority prior to such termination including, but not limited to, bonds issued by the Authority,

including the Bonds. Events of default under the Transfer Agreement include: failure by the Authority to pay any sum required to be paid to the County at the time specified in the Transfer Agreement after reasonable notice and demand by the County; failure by the Authority to observe or perform any material covenant, condition or agreement to be performed or observed under the Transfer Agreement (subject to the Authority's right to cure the failure and to force majeure); an event of bankruptcy or insolvency involving the Authority; abandonment of the Airport Assets by the Authority; or a default which would constitute an event of default under the County Ordinance (as defined in the Transfer Agreement).

THE AIRPORT

Airport System

The Authority leases and operates two airports -- Pittsburgh International Airport, the air carrier airport serving the Pittsburgh metropolitan region (the "Airport"), and Allegheny County Airport, which serves as the general aviation reliever airport to the Airport. The Airport and Allegheny County Airport are defined under the Indenture as the Airport System.

The Airport is classified as a medium air traffic hub by the FAA, which ranked the Airport 48th among U.S. airports in 2023 in terms of total enplaned passengers. The Airport served as a "hub" for the former US Airways until 2004, with US Airways representing approximately 80% of total enplaned passengers at the Airport in 2004. Since that time, the Airport has served some connecting traffic but has been largely used by O&D travelers, whose trips begin or end in Pittsburgh. The Airport terminal was constructed in the 1990s when the Airport still served as a hub airport for the former US Airways. The TMP was designed in large part to reconfigure the Airport to better serve O&D travelers, which currently comprise approximately 97.3% of enplaned passenger traffic. See APPENDIX B – REPORT OF THE AIRPORT CONSULTANT – "Airport Overview."

Airport Service Region

The Airport is located in southwestern Pennsylvania approximately 15 miles west of downtown Pittsburgh, near Interstate 376. The air trade area served by the Airport consists of the Pittsburgh Metropolitan Statistical Area ("MSA"), western Ohio, northern West Virginia and northwest Maryland. The Airport is currently the only medium hub airport serving the Pittsburgh MSA. The closest commercial airports are Cleveland Hopkins Airport (approximately 135 miles away) and Akron Canton Regional Airport (approximately 120 miles away). The 2023 population of the Pittsburgh MSA was estimated by the U.S. Department of Commerce, Bureau of the Census at approximately 2.3 million. An estimated 5 million people live within a two-hour drive of the Airport.

Several Fortune 500 corporate headquarters are located in Pittsburgh including PNC Financial Services (ranked 139), WESCO International (ranked 183), PPG Industries (ranked 226), United States Steel (ranked 227), Alcoa (ranked 380) and Westinghouse Air Brake Technologies (ranked 407). The County and surrounding area has undergone an economic transformation spanning more than four decades with a shift from the manufacturing industry to the service and trade industries. Specifically, the new focus industries have been technology (including information technology, robotics, artificial intelligence and autonomous vehicle development), health care, education, finance and energy. This shift is represented in the following table, which shows the largest non-governmental sector employers in the Pittsburgh area.

Employer	Product or Service	Employees
UPMC	Education, healthcare	59,100
Highmark Health	Healthcare	24,000
University of Pittsburgh	Education	14,108
Wal-Mart Stores Inc.	Retail/grocer	11,700
PNC Financial Services Group Inc.	Financial services	11,600
Giant Eagle Inc.	Retail/grocer	10,826
Independence Health System	Healthcare	7,300
BNY Mellon	Financial Services	7,000
Carnegie Mellon University	Education	5,678
Amazon	Retail/grocer	5,000
FedEx Corporation	Transportation	5,000
Eat'n Park Hospitality Group, Inc.	Hospitality	4,407
Dick's Sporting Goods	Retail/grocer	4,170
United States Steel Corp.	Manufacturing	3,750
Heritage Valley Health System	Healthcare	3,700
Target Corporation	Retail/grocer	3,400
CVS Health	Retail/grocer	3,300
Lowe's Home Improvement	Retail/grocer	3,200
United Healthcare	Health insurance	2,800
Westinghouse Electric Co.	Nuclear power	2,800

Source: Leading Employers in the Pittsburgh Region by Employment, Pittsburgh Regional Alliance, accessed February 7, 2025, https://pittsburghregion.org/data-on-demand/; Fortune Magazine, Fortune 500 Companies, www.fortune.com.

The Pittsburgh MSA is home to numerous public and private institutions of higher education, including the University of Pittsburgh, Carnegie Mellon University, Duquesne University, Robert Morris University, Chatham University and Carlow University. According to the Pittsburgh Business Times, approximately 124,000 students are enrolled in college or graduate programs in the Pittsburgh MSA. The presence of these institutions of higher learning contributes to the MSA's higher levels of educational attainment and generates airline travel related to academic meetings and conferences, visiting professorships, and study-abroad programs, as well as individual travel by faculty, students, and their families. Additionally, close ties between Pittsburgh MSA's colleges and universities and the region's healthcare and technology industries help to foster the development of related high-value businesses and entrepreneurial ventures.

The Pittsburgh MSA is located atop a portion of the Marcellus, Utica and other shale formations, each a subterranean geologic deposit extending from West Virginia, through western Pennsylvania and eastern Ohio, into southern New York. As a result of advances in technology over the past decade, extraction of the natural gas trapped in the shale formations has become a major industry in the region. The shale exploration and drilling industry has added substantially to the economic base of the Airport's service area.

A significant example of the impact of the shale exploration and drilling industry on the Pittsburgh MSA is the ethylene cracker plant that Royal Dutch Shell constructed in Beaver County, about a 15-minute drive from the Airport. That facility began operations in November 2022, created approximately 9,500 construction workers during construction and currently employs hundreds of workers for operations. The cracker plant is expected to spur other related development in the area where the plant will be located.

In October 2019, the Authority announced plans for Neighborhood 91, the world's first development to locate all components of the additive manufacturing/3-D printing supply chain into an industrial production ecosystem concept. Neighborhood 91, developed in conjunction with the University of Pittsburgh, is the first development of the 163-acre Pittsburgh Airport Innovation Campus and is being built adjacent to the Airport terminal campus and runway.

Since its opening in 2019, five companies have started operations at N91 or are planning operations at N91. Metal Powder Works, originally based in Austin, Texas, opened its main production facility of high strength aluminum and conductive copper powders in August 2022 and has since increased its production capacity. In October 2022, Cumberland Additive, an additive manufacturing firm headquartered just outside Austin, Texas, expanded its operations to include a laser powder bed fusion production facility. In April 2023, HAMR Industries opened its facility at N91, focusing on the repair and replacement parts for use in extreme environments using cold spray additive manufacturing.

Several adjacent companies have a presence on campus. Westmoreland Mechanical Testing and Research, a global materials testing company for additive manufacturing, aerospace, automotive, and medical industries, is planning facilities at N91. The Future of Jewelry produces custom metal signet rings using an additive manufacturing process. RJ Lee Group, an industrial forensics analytical laboratory, provides onsite testing of powders.

See APPENDIX B – "REPORT OF THE AIRPORT CONSULTANT" under the caption "ECONOMIC BASIS FOR AIRLINE TRAFFIC" for additional information regarding the Airport's region.

Current Facilities at the Airport

Airfield. The Airport has approximately 8,800 acres of land. The Airport is supported by four runways, consisting of three parallel runways and one crosswind runway. The crosswind runway, Runway 14/32, is oriented northwest to southeast and the three parallel runways, Runways 10R/28L, 10C/28C, and 10L/28R are oriented east to west. All of the Airport's runways are designed to accommodate commercial aircraft. Runway 10R/28L is the Airport's longest runway, at 11,500 feet long. Runway 10L/28R is 10,502 feet long, 10C/28C is 10,775 feet long and 14/32 is 8,101 feet long. Precision instrument approach capability is provided to Runways 10R, 10L, 28R, 28L, and 32. Additionally, Runways 10R and 10L have the ability to handle Category II/III instrument landing systems and Runway 28R has the ability to handle Category II instrument landing systems.

Terminals. The Midfield Terminal opened on October 1, 1992, and consists of approximately 1.7 million square feet of enclosed space. The Midfield Terminal currently consists of a four-level landside terminal, a four- level airside terminal (with a tower in the center core on the fifth through seventh levels) connected to the landside terminal by an automated underground people-mover system and a two-level central services building. The landside terminal houses pre-security and ground transportation operations (passenger drop-off, ticketing/check-in, baggage claim and the security checkpoint).

The "X-shaped" airside terminal has two major elements - a central "core" and four concourses. The Midfield Terminal with 75 gates was originally constructed to function as a major hub facility for the former US Airways to support a major connecting hub operation. As a result of de-hubbing in 2004, the number of gates in use was reduced, and the Authority removed gates from service in anticipation of constructing the TMP. New, common use technology and equipment also reduced the number of gates necessary for daily airline operations, so that 53 gates are currently available for use, of which four are equipped to accommodate arriving international passengers. The Midfield Terminal also originally included a commuter terminal. However, due to the reduction in connecting traffic and the discontinuation of service to many smaller communities, the commuter terminal was closed for operations and currently serves as an alternative security checkpoint.

Arriving international passengers clear immigration and customs through a Federal Inspection Services ("FIS") facility comprising approximately 60,000 square feet, which can accommodate roughly 800 passengers per hour. The current FIS facility was designed primarily for connecting international passengers and is incorrectly configured for the needs of an O&D market. The TMP will address this deficiency and renovate the facility for the new Customs and Border Patrol ("CBP") Airport Technical Design Standards that were updated in 2017 for all new and renovated FIS facilities. Under the new standard, passengers must collect their bags first before checking in with a customs officer. The renovated FIS facility also will provide for implementation of "Simplified Arrival", an enhanced international arrival process that uses facial biometrics to automate the manual document checks that are already required for admission into the United States. This design also supports CBP's current inspection requirements and is adaptable to future workloads, technologies, and operational needs.

Parking and Rental Car Facilities. The Airport's current three-level parking garage contains approximately 2,165 public parking spaces, a rental car facility with 836 ready and return spaces, and 145 leased parking spaces for a total of approximately 3,146 parking spaces. The parking garage is connected to the landside terminal by an enclosed walkway that crosses over the Airport's public arrivals roadways. Additionally, the Airport has 13,450 surface public and employee parking spaces in its long-term, walkable economy and extended-term parking lots, all of which are within walking distance of the

terminal. Those facilities will be maintained throughout construction of the TMP and will be replaced by a new multimodal center as part of the TMP. Some employee parking has been relocated during construction of the TMP.

Terminal Roadways. The main Airport entrance consists of a four-lane roadway which provides access to the Airport's landside terminal and parking facilities.

Other Aeronautical Facilities. There are also numerous airfield and aviation-related facilities at the Airport, including an above-ground 8.4 million gallon fuel farm and automotive fuel storage facility, a hydrant fueling system that serves the jet gates, a 331,000 square foot aircraft maintenance and parts facility leased by American Airlines, aircraft maintenance facilities operated by Republic Airways in two hangars containing a total of 99,605 square feet, a catering/food preparation facility leased by LSG Sky Chefs, several deicing facilities, three corporate hangars leased to third parties, a jet engine test cell facility, and a full-service state of the art fixed base operator.

Commercial Development Areas. There are approximately 3,317 buildable acres of land at the Airport and available to the Authority for non-aviation development, which includes 1,200 acres already developed, 70 acres that are occupied by community parks in Findlay and Moon Townships, and 230 acres that are occupied by gas drilling operations. Approximately 2,217 acres remain available for future development. In addition, approximately 5,000 acres of land at the Airport are included in "Foreign Trade Zone 33" operated and controlled by the Regional Industrial Development Corporation of Southwestern Pennsylvania, a privately funded nonprofit entity focused on managing and developing research and business parks. Significant development activities have been undertaken by the Authority in order to provide "pad ready" development sites, including the completion and continued development of infrastructure, including roadways and installation of utility services to develop further commercial office and industrial uses. Recently, the Authority entered into a venture with two entities to construct large scale hydrogen and Sustainable Aviation Fuel ("SAF") projects. The Authority subsequently entered into a ground lease with one of the entities that requires the entity to pay ground rent at fair market value if and when construction begin on such project facilities. There can be no assurance that the hydrogen and SAF projects will proceed, and the timing of such projects remains uncertain at this time.

As of December of 2024, 32 buildings have been constructed totaling nearly 4.9 million gross square feet of commercial development property including office, flex space, distribution facilities, and other uses, resulting in more than $500 million in private investment since 1999. Dick's Sporting Goods has located its corporate headquarters at the Airport; those facilities include one of the corporate hangars noted in the prior section. Neighborhood 91 is continuing to be developed by a third-party developer as a center for advanced manufacturing, particularly additive manufacturing and 3D-printing. Rents or other payments of any nature received now or in the future attributable to any ground leases, facility leases or other developments which are identified as N91 are excluded from "Revenues" under the Indenture. Recent development includes two buildings at Site McClaren totaling 410,000 square feet and two buildings in the Northfield development totaling 303,000 square feet. Moreover, the Authority anticipates more development including three (3) additional buildings at the Northfield development and multiple buildings at Neighborhood 91 over the next 36 months. Revenues from the various developers and land tenants are utilized by the Authority for further investment in development activities. In 2024, approximately $4.8 million of revenue from these development activities represented Revenues under the Indenture. See APPENDIX B – "REPORT OF THE AIRPORT CONSULTANT" under the caption "AIRLINE TRAFFIC ANALYSIS – Commercial/Industrial Property Development."

Hotel. A Hyatt Regency Hotel, which opened in June 2001, is located within the existing Long Term lot and has been connected to the existing Landside Terminal building via the moving walkway. The facility contains 338 hotel rooms and approximately 20,000 square feet of convention space. The hotel provides a restaurant, bar/lounge, and an indoor pool/health club facility.

Microgrid. The Authority developed a first-of-its-kind 20-megawatt energy plant and three-megawatt solar facility microgrid that was built and financed by Peoples Natural Gas (now Cordia) and is currently operated and maintained by IMG Energy Solutions, which supports normal operations for the airfield, terminals, the Hyatt Hotel, and the gas station/convenience store. The microgrid is able to operate independently from the grid, but the Authority will maintain an interconnect with Duquesne Light for emergency or back-up power. The microgrid is fueled in part by the natural gas sourced from the wells drilled on Airport property which power five natural gas generators, as well as approximately 9,400 solar panels across eight acres. The Airport's current peak demand is approximately 14 megawatts; therefore, the microgrid can supply more than 100% of the Airport's electricity demand. IMG Energy Solutions is permitted to export excess capacity to the grid and retain the revenues from such activity. The microgrid became fully operational in July 2021 and saves the Authority more than $1 million annually in utility costs. The microgrid is expected to provide ongoing savings in energy expenses to the Authority as well as

bring power resiliency and redundancy to enhance safety and ensure continued operations. The Authority does not anticipate any changes in the operation of, or pricing or other costs relating to, the microgrid as a result of the sale.

Other Facilities. The Authority operates an aircraft rescue and firefighting training center at the Airport, which includes a fire training simulator as well as classrooms, a management center, a vehicle bay, trainee/equipment support areas and a visitors center.

In addition, in 2019, the County relocated its emergency response and 911 call center to the Airport on property leased from the Authority. The call center provides centralized 911 emergency call and response services to the entire County.

Also located at the Airport are units of the U.S. Air Force (911th Airlift Wing) and Pennsylvania Air National Guard (171st Air Refueling Wing), which provide aerial refueling, air mobility, and tactical airlift support to the U.S. Air Force and other U.S. Department of Defense activities.

Cargo Operations

Four cargo carriers, FedEx, UPS, Sun Country (operated by Amazon) and Mountain Air Cargo, are currently operating at the Airport and are signatories to Airfield Use Agreements ("AUA") relating to the use and lease of the airfield for cargo operations. Currently, the stated Airfield Use Agreements are either on an annual term or on a month-to-month basis for some of the legacy cargo operations while negotiation of new Airfield Use Agreements will start in order to create a standard AUA. The Authority expects new Airfield Use Agreements will be in place by the end of 2025.

Air cargo transported by passenger and all-cargo airlines is currently processed through four facilities - Cargo 1, 2, 3, and Cargo A. Cargo 1 and 3 are multitenant cargo buildings with airside ramp access. Cargo 2 is occupied by FedEx and Cargo A is occupied by Amazon. The four facilities comprise approximately 231,598 square feet in warehouse space and 736,000 square feet in cargo aircraft apron area. All four cargo buildings, which are almost fully leased, are managed by Aviation Facilities Company, Inc. ("AFCO").

Total air cargo at the Airport increased an average of 1.0% between 2013 and 2023. The amount of cargo tonnage on passenger airlines decreased by 1.2% per year, while cargo tonnage on all-cargo carriers increased 1.2% per year on average, with stronger growth from 2015 to 2020 due largely to growth by all-cargo airlines, including FedEx, UPS and new ad-hoc freighter service by Qatar, Cathay Pacific, and National. New international service on airlines operating wide-body passenger aircraft such as British Airways to London Heathrow further complemented cargo growth.

In September 2020, Amazon opened a new 1,000,000 square foot fulfillment center located about three miles from the Airport, employing approximately 1,000 employees to pack and ship products. In March 2021, Amazon announced a lease of an additional 270,000 square feet for a sortation facility in Findlay Township, located about six miles from the Airport. On May 13, 2021, Amazon Air initiated service to the Airport through Sun County Airlines with one daily Boeing 737-800F freighter to Fort Worth Alliance Airport. Amazon has since grown to offer two daily flights from the Airport.

In the face of rising political and economic uncertainties, air cargo performance softened in the latter part of 2022, compared to the high levels of 2021. The 2021 increase in air freight was attributable to cargo carriers utilizing larger aircraft and increasing the number of operations at the Airport, including FedEx and UPS. Total air cargo tonnage at the Airport decreased by 11.9% in 2022 and by 13.3% in 2023, reflecting the loss of international all-cargo carrier service, the decrease in cargo demand post-pandemic, and reductions in service by FedEx and UPS. Total cargo tonnage in 2024 increased 4.9% over 2023, but declined 3.9% for the first two months of 2025 relative to the same period in 2024.

The Authority is engaged in strategic planning to further increase cargo operations at the Airport. In November 2019 the Airport was awarded a $24.5 million in federal grants by the U.S. Department of Transportation ("USDOT") through the Better Utilizing Investments to Leverage Development program, to be used to build an approximately 77,000 square foot cargo processing facility, Cargo 4, with warehouse, office space, 18 loading docks, and an adjacent parking lot. Cargo 4 is expected to be completed in the second quarter of 2025. The new Cargo 4 building will enable the Airport to serve two Boeing 747-8 Freighters side by side, or up to four Boeing 757-200 aircraft at one time. The facility will enable the Airport to serve additional cargo aircraft and offer opportunities for airlines that require sorting facilities and access for high volumes of trucks. At this time, the Authority does not have tenants confirmed for Cargo 4.

In February and March of 2025, the Trump administration announced Executive Orders that will affect tariffs on imports from many countries, which may impact cargo operations at the Airport. These tariffs may significantly impact air travel and cargo operations. Increased tariffs on steel, aluminum, and imports from countries like China, Canada, and Mexico have raised costs for aircraft manufacturing, maintenance, and spare parts. This has led to higher operational expenses for airlines, potentially increasing passenger fares and freight rates. In the air cargo sector, the removal of the de minimis exemption for low-value goods has disrupted e-commerce shipments, reducing demand for air freight and complicating supply chains. Tariffs have also caused manufacturers to shift production locations and logistics strategies, creating uncertainty for cargo operators and reshaping trade flows. These measures are expected to slow air cargo growth and increase costs across the aviation industry.

In response to the U.S. tariffs, some countries have imposed retaliatory tariffs on certain U.S. exports and others may announce further counter-tariffs. Certain of the tariffs went into effect in April of 2025. Tariffs may impact freight activity in the United States, resulting in decreased cargo volume at the Airport. The full impact of these and any future tariffs is uncertain and cannot be predicted at this time.

Environmental Matters

In January 1998, the Pennsylvania Department of Environmental Protection ("DEP") issued an Administrative Order to the County alleging violations of a January 1994 Consent Order and Adjudication (the "Consent Order") and violations of the Pennsylvania Clean Streams Law at the Airport. The alleged violations were resolved, including issues relating to stormwater containing deicing chemicals (deicing and anti-icing chemical-impacted water or "DIW"). In April, July and August of 2023, the Authority legal and technical teams met with the DEP and discussed the possibility of undertaking an adaptive environmental assessment and management or similar concept to achieve compliance with the Consent Order. On December 5, 2024, a Consent Order and Agreement ("COA") was executed between the Authority and the DEP, which requires several efforts to mitigate, evaluate and remediate impacts to streams and outfalls. The Authority has an extensive capital project supported by Authority capital funds and PennDOT grant funds to implement these efforts, called the Deicing Stormwater Improvement and Stream Mitigation Program. The CIP includes an allowance of $1,000,000 for this plan.

The COA encompasses four key compliance efforts to address stream impacts due to propylene glycol ("PG") and subsequent biological oxygen demand ("BOD") in DIW and alkaline (white-water) discharges at the Airport. A Compliance Plan and Schedule will be developed to address rapid precipitation of calcium carbonate in white-water discharges. The Enhanced Glycol Recovery Plan will detail extensive procedures and objectives to target increased recovery of glycol applied to aircraft. The Stream Remediation Plan will assess, evaluate and remediate the West Fork of McClarens Run and East Fork of Enlow Run, to include a variety of watershed improvements such as stream restoration and wetland creation. It will also include macroinvertebrate studies, water chemistry analyses, and sampling of stream substrate or sediment. Lastly, the Stormwater Outfall Survey will identify any additional outfalls at the Airport to evaluate DIW impacts. Quarterly progress reports providing planning and execution updates to the DEP throughout the entire duration of the COA are required. As of April 2025, these quarterly progress reports are being made and the Enhanced Glycol Remediation Plan has been submitted for DEP approval.

[Remainder of Page Intentionally Left Blank]

AIRPORT ACTIVITY INFORMATION

Enplaned Passengers at the Airport

The following table presents the total enplaned passengers at the Airport from 2013 through 2024. In 2023 and 2024, the number of enplaned passengers at the Airport increased 13.4% and 8.1%, respectively, over 2022 and 2023, reflecting the steady recovery from the significant decrease in air travel caused by the COVID-19 global pandemic and economic downturn.

Pittsburgh International Airport
Enplaned Passengers by Airline Group
2013 – 2024

Year	Mainline Airlines	Regional Airlines	Foreign-flag Airlines	Low Cost Carriers	Total	Annual percent increase (decrease)
2013	1,512,011	1,208,660	22,452	1,184,870	3,927,993	(1.8%)
2014	1,528,718	1,251,729	23,325	1,181,456	3,985,228	1.5%
2015	1,500,462	1,241,332	33,069	1,238,237	4,013,100	0.7%
2016	1,368,663	1,182,393	51,354	1,531,243	4,133,653	3.0%
2017	1,470,628	1,150,467	73,659	1,778,134	4,472,888	8.2%
2018	1,585,924	1,181,621	91,836	1,950,484	4,809,865	7.5%
2019	1,696,643	1,199,542	90,789	1,888,048	4,875,029	1.4%
2020	516,608	472,706	10,878	812,212	1,812,404	(62.8%)
2021	857,553	898,082	6,594	1,403,849	3,166,078	74.7%
2022	1,325,516	1,008,963	43,678	1,672,932	4,051,089	28.0%
2023	1,634,844	926,149	72,896	1,959,353	4,593,242	13.4%
2024	1,754,805	910,187	98,118	2,201,251	4,964,361	8.1%
	Average annual increase (decrease)					
2014-2019	2.1%	(0.8)%	31.2%	9.8%	4.1%	
2019-2024	0.7	(5.4)	1.6	3.1	0.4	
2014-2024	1.4	(3.1)	15.4	6.4	2.2	

Note: Includes scheduled passengers only.

Source: Allegheny County Airport Authority records.

The following table shows the number of enplaned passengers for each month from January 2021 through December 2024. Enplaned passengers for 2024 totaled 4,964,361, which was equal to approximately 157% of the total for 2021.

Month	2021	2022	2023	2024
January	107,785	222,629	295,674	309,194
February	116,798	250,954	300,671	327,718
March	183,237	336,539	376,147	414,554
April	209,809	346,819	380,913	394,428
May	274,847	373,760	402,852	446,574
June	312,290	369,294	429,992	487,832
July	355,784	375,460	431,967	481,005
August	315,682	366,452	402,022	456,084
September	300,100	348,292	387,779	417,591
October	338,786	376,884	414,486	452,288
November	331,632	348,292	394,436	380,807
December	319,328	335,616	374,724	396,286
Total	3,166,078	4,051,089	4,593,242	4,964,361

Source: Allegheny County Airport Authority records.

Air Service at the Airport

As of December 2024, the Airport is served by 25 passenger carriers, including four U.S. mainline passenger airlines, 10 regional airlines, seven low-cost carriers, and three foreign-flag airlines. As of December of 2024, these airlines are scheduled to provide an average of 150 nonstop flights per day to 62 domestic and international airports, up from 36 domestic and international airports ten years ago. The Airport is also served by four all-cargo carriers and by various charter airlines. The airlines serving the Airport as of December 2024, other than charter airlines, are listed below.

Mainline carriers
Alaska Airlines
American Airlines
Delta Air Lines
United Airlines

Low-cost carriers
Allegiant Air
Breeze Airways
Frontier Airlines
JetBlue Airways
Southwest Airlines
Spirit Airlines
Sun Country Airlines *(a)*

Regional airlines *(c)*
Air Wisconsin (American)
Commutair (United)
Endeavor Air (Delta)
Envoy Air (American)
Go Jet (United)
Mesa Airlines (United)
Piedmont (American)
PSA Airlines (American)
Republic Airlines (American, Delta, United)
SkyWest Airlines (Delta, United)
Southern Airways Express *(f)*

Foreign flag airlines
Air Canada *(b)*
British Airways
Icelandair *(d)*

All-cargo airlines
Amazon Air
FedEx
Mountain Air Cargo *(e)*
UPS

(a) Sun Country provides seasonal service from May to August.
(b) Operated by Jazz Aviation.
(c) Regional airlines may operate intermittently and/or for temporary periods of time.
(d) Initiated seasonal service in May 2024.
(e) Mountain Air Cargo provides feeder service to FedEx.
(f) Operates under the USDOT Essential Air Service (EAS) Program.

Sources: Allegheny County Airport Authority records.

[Remainder of Page Intentionally Left Blank]

Airline Market Shares

The following table presents the total enplaned passengers at the Airport by airline. American Airlines and Southwest Airlines represent approximately 48% of total enplaned passenger traffic at the Airport.

Enplaned Passengers by Airline

Ranked by 2024 passenger enplanements

	Enplaned passengers				Percent of total			
Airline	2009	2019	2023	2024	2009	2019	2023	2024
Southwest	1,089,413	1,231,855	1,146,018	1,257,127	27.2%	25.3%	25.0%	25.3%
American	1,357,625	1,136,330	1,042,821	1,098,929	34.0	23.3	22.7	22.1%
Delta	689,693	921,353	758,776	794,186	17.2	18.9	16.5	16.0%
United	651,699	763,085	682,290	693,939	16.3	15.7	14.9	14.0%
Spirit	--	286,901	423,908	481,163	--	5.9	9.2	9.7%
Allegiant	--	187,874	203,335	218,759	--	3.9	4.4	4.4%
JetBlue	89,319	151,570	88,503	97,696	2.2	3.1	1.9	2.0%
Breeze	--	--	66,024	86,759			1.4	1.7%
Alaska	--	50,897	65,556	67,710	--	1.0	1.4	1.4%
British Airways	--	25,909	21,727	51,208	--	0.6	0.5	1.0%
Air Canada	15,944	55,220	41,512	46,596	0.0	0.5	0.9	0.9%
Frontier	--	29,848	31,384	39,162	0.4	1.1	0.7	0.8%
Southern Airways	--	20,536	8,674	9,140	--	0.4	0.2	0.2%
All Other	105,004	13,651	12,714	21,987	2.6	0.3	0.3	0.4%
Airport Total	3,998,697	4,875,029	4,593,242	4,964,361	100.0%	100.0%	100.0%	100.0%

Notes: Passengers reported by regional affiliates have been grouped with their respective code sharing partners. Data for merged airlines are reported together, i.e., Alaska and Virgin America, American and US Airways, Southwest and AirTran, United and Continental.

Includes scheduled passengers only.

Percentages may not add to 100% due to rounding.

Sources: Allegheny County Airport Authority records.

[Remainder of Page Intentionally Left Blank]

Other Airport Activity Statistics

The following table presents aircraft operations, landed weights and cargo volume at the Airport from 2019 through 2024:

Pittsburgh International Airport
Other Airport Activity Statistics
2019 – 2024

Fiscal Year	Aircraft Operations[1]	Landed Weight (1,000 Lbs.)	Cargo Volume (1,000 Lbs.)
2019	148,119	6,263,255	197,335
2020	91,297	3,703,501	192,561
2021	108,472	4,662,435	249,399
2022	121,688	5,441,732	219,729
2023	128,175	6,051,685	190,499
2024	132,756	6,467,460	200,184

(1) An operation is any aircraft landing or takeoff.

Sources: Federal Aviation Administration Tower Reports and Allegheny County Airport Authority records.

Growth of Low-Cost Carriers

Low-cost carriers ("LCCs") are carriers that have historically taken advantage of an operating cost structure that is typically lower than the cost structure of the network carriers and utilizes an increased reliance on fee revenues. These advantages have included lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet) and a generally more efficient operation. These factors enabled LCCs to offer a lower fare structure to the traveling public than network carriers. Increased access to major markets for LCCs may have moderated average airfare increases resulting from previous airline consolidations.

As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. LCCs began to emerge in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry caused by the larger carriers such as control of the majority of airport gates and slots. LCCs have stimulated traffic and have established a presence into more and larger markets.

In 2021, Breeze Airways launched service at the Airport to four cities and has expanded to thirteen destinations (including both year-round and seasonal destinations). LCCs such as Breeze, JetBlue, Southwest, Allegiant, Frontier, Spirit, and Sun Country have increased their service at the Airport, from carrying a combined 1.2 million enplaned passengers in 2013 to 2 million enplaned passengers in 2023, representing an average increase of 4.3% per year. The growth of LCCs has further diversified the Airport's air service portfolio with multiple carriers serving the Airport and the Pittsburgh region.

Commuter Service

One airline, Southern Airways Express, operates non-stop service (as of March 2024) between the Airport and three cities in Pennsylvania. The airlines and airports that make up this regional network, collectively known as the Airport Connector, meet regularly to work on joint initiatives designed to increase enplanements to these three cities. The efforts of this group have been recognized by the U.S. Department of Transportation Working Group on Improving Air Service to Small Communities as an example of public-private partnerships that are successful in attracting and retaining air service in small communities.

Parking and Ground Transportation

Parking and ground transportation are significant sources of non-airline revenues. These revenues are generated from sources that include: fees from on-Airport parking facilities; trip fees paid by taxis and transportation network companies ("TNCs"); and rental car transactions. Total revenue from these revenue sources was approximately $75.3 million in 2023, compared to $57.3 million in 2022, $40.7 million in 2021, $21.6 million in 2020 and $54.1 million in 2019.

Parking

The Airport's total parking capacity is approximately 16,233 public vehicles (excluding rental car areas and employee parking). Parking facilities include a three-level parking garage adjacent to the current landside terminal that contains 2,089 public parking spaces, a long-term lot with 6,144 spaces, an extended-term lot with 2,671 spaces, a walkable economy lot with 5,184 spaces, and an Airport Executive lot located on the first floor of the garage with 145 spaces that are available for rent on a monthly basis or at a higher rate than the garage. The Authority expects that post-DBO it will have up to 20,521 public parking spaces available, with the planned opening of the approximately 3,121 space TMP garage in 2025, along with 2,089 spaces in the shuttle garage which is part of the existing garage, 2,863 adjacent long-term walkable surface stalls, 8,505 spaces in the economy shuttle lot, 3,793 spaces in the new seasonal lot and 150 spaces in the Airport Executive lot. Parking rates are set by the Authority and can be changed from time to time by the Chief Executive Officer, subject to approval by the Authority's Board of Directors. Parking revenues accounted for $61.1 million in 2024, compared to $54.5 million in 2023 and $35.6 million in 2019.

The Authority launched a "walkable economy" parking lot product in June 2021 as an economic option for price sensitive customers. This product does not have shuttle bus service, but is less than a ten minute walk to the terminal. The Authority has installed new parking technology, including touchless ticketing at all entrances, QR Code Readers at entrances and exits for parking patrons that make online reservations, and four pay stations in the terminal.

Rental Cars

Four companies representing eight brands of rental car companies currently operate at the Airport from the garage, including: (1) Avis Budget Group (Avis and Budget brands); (2) Enterprise Holdings (Enterprise, Alamo and National brands), (3) The Hertz Corporation (Hertz and Dollar); and (4) SIXT. All four companies operate on-Airport and under the terms of concession and related agreements that provide that the companies pay the greater of a minimum annual guarantee ("MAG") or a percentage fee of 10% of gross revenues plus space rentals (counter, office and garage spaces) and ground rentals (vehicle processing and maintenance) as rent for their facilities in the terminal and garage. The MAG payments are waived or reduced if the number of passengers in a given month is less than 75% of the number in the same month of the prior year. Such MAG waivers or reductions applied beginning in March 2020 and expired April 1, 2021. The rental car companies also lease from the Authority approximately 800 rental car ready/return stalls located on the first level of the garage and Hertz leases from the Authority a QTA facility. There are no off-Airport rental car companies currently serving the Airport.

The Authority recently negotiated a new On-Airport Rental Car Concession and Lease Agreement with the current companies for new rental car facilities being constructed under the TMP (the "RAC Facility") that will commence upon DBO simultaneous with the expiration of the existing agreements. The term of the new agreement is 10 years, commencing on the date that is six months after the date the rental car companies are given access to the MMC to install their tenant improvements. If the rental car companies and the Authority agree to complete design and construction of a new QTA/public parking deck, the term of the agreement will be automatically extended to 20 years from the date on which the Authority issues debt to finance the QTA/public parking deck project. The rental car companies and the Authority have the option to terminate the development of the QTA/parking deck project at each of the 30%, 60%, and 90% design milestones, which are currently anticipated to be reached in August 2025, November 2025, and March 2026, respectively. The Authority is in the process of selecting a designer for the QTA/public parking deck project and expects design to commence in June 2025 and extend through May 2026.

While the scope, cost and method of developing and financing the QTA/public parking deck project has not been determined at this time, it is anticipated that if the project proceeds, CFC revenues, other than those designated as Other Pledged Revenues, would secure debt issued for the QTA/public parking deck project. Debt for this project

would not be secured by a pledge of Net Revenues under the Indenture and would be junior lien obligations of the Authority that are subordinate to the Bonds and Subordinate Obligations issued under the Indenture. If CFC revenues would be insufficient to pay debt service on debt issued for the QTA/public parking deck project, the rental car companies would be responsible for paying rent to fund such deficiency, as further described in the Report of the Airport Consultant included as APPENDIX B hereto under the caption "**Rental Car Agreements and CFC Flow of Funds**."

Ground Transportation Services

In 2015, the Authority awarded Non-Exclusive Operating Permits to Provide Transportation Network Company Services at Pittsburgh International Airport ("TNC Permit") to two TNCs, Raiser PA, LLC, a subsidiary of Uber Technologies, Inc. ("Uber"), and Lyft, Inc. ("Lyft"). Following two prior renewals of the TNC Permit, in February 2023 the Authority again renewed the TNC Permit, this time for a five-year term with annual CPI-U increases. The current pickup and drop-off rate is $4.30. Consistent with the increases in the TNC rates, the Authority increased the trip fee for taxis from $2.00 to $2.50 in 2019 and subsequently to $3.00 in 2020. In October 2023, the Authority added a drop-fee in addition to the pickup fee currently being charged. The fee for both pickups and drop-offs was $4.00 per trip in 2024 (pickup or dropoff). Taxi rates are also indexed to increase with inflation. Additionally, the TNC operating permit now extends to Allegheny County Airport.

TNCs recorded 175,762 pickups at the Airport in 2021, 319,017 pickups in 2022 and 418,219 pickups in 2023, accounting in 2023 for approximately 61.45% of total commercial for-hire trips (including taxis, livery transportation and TNCs) on-Airport.

The Authority actively monitors all modes of ground transportation to assess trends, which include potential impacts from TNCs. Based on activity to date, the Authority believes TNCs are impacting other primary ground transportation modes to varying degrees, including taxi, limo and livery volumes.

TNC activity and other technologies which may be developed in the future may adversely impact the Airport's parking operations. Rental car transaction days have been relatively flat since the introduction of TNCs at the Airport in June of 2015, even as passengers increased and rental car transactions grew from 2023 to 2024 by 8%.

Concession Program

The Airport was one of the first airports in the United States to adopt a shopping mall-type approach for its various retail activities. In general, the Airport attempts to provide the atmosphere and selection of a shopping mall, including various brand-name outlets, while maintaining "street" pricing. As of December 31, 2024, there were operators in 50 locations in the Midfield Terminal, including 26 food and beverage locations, 12 retail locations, 2 service locations and 10 news and gift locations. By contrast, prior to the COVID-19 pandemic, as of December 31, 2019, there were operators in 75 locations in the Midfield Terminal, including 33 food and beverage locations, 23 retail locations, six service locations and 13 news and gift locations. Despite fewer locations and ARP construction, concession sales and revenue per enplanement for 2024 exceeded 2019 levels by 5.8% and 42%, respectively.

From the opening of the existing terminal in 1992 through June 15, 2022, the various retail activities were managed pursuant to the terms of a Master Lease Development and Concession Agreement (as amended, the "Master Concession Agreement") between the Authority and a master concessionaire ("Master Concessionaire"). This agreement had been amended and extended four times and was scheduled to expire December 31, 2029. On June 15, 2022, the Authority terminated the Master Concession Agreement for alleged defaults by the Master Concessionaire. The Master Concessionaire filed a motion for injunctive relief seeking to reinstate the Agreement and filed a separate action for breach of contract. On September 1, 2023, the Master Concessionaire and the Authority reached a settlement of all disputes between them and entered into a Settlement Agreement (the "Settlement Agreement") which provides, in relevant part, for the Authority to pay the Master Concessionaire $10,500,000 in exchange for a full release of all claims the Master Concessionaire may have against the Authority. The Settlement Agreement also provides for a full release of all claims the Authority may have against the Master Concessionaire.

The Authority received a grant from the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") for its concession waiver program in the amount of $1,010,033. The Authority also received a grant for the concession waiver program under American Rescue Plan Act ("ARPA") in the amount $4,040,132. A portion of these amounts were credited to the Authority for unpaid minimum annual guarantees accrued since December 27, 2020 when CRRSA was enacted. The $1,010,033 was drawn down and distributed in 2022 and the Authority distributed the remaining $4,040,132 in 2023.

FINANCIAL INFORMATION

The Authority accounts for the activities of the Airport System on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. The financial statements of the Airport System are prepared and audited each year for the Authority. The Fiscal Year of the Airport System commences on January 1 and ends December 31. Plante & Moran, PLCC has served as the Authority's auditor since 2019. The Authority's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023 is attached hereto as APPENDIX A.

The Authority implemented several accounting changes required by the Government Accounting Standards Board ("GASB") effective during the 2019 through 2023 fiscal years as noted below. Such changes include GASB 88 (Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements) (2019), GASB 87 (Leases) (2022), and GASB 83 (Certain Asset Retirement Obligations) (2019). The audited financial statements for such fiscal years included all the required note disclosures, if any, concerning the GASB requirements listed above. In addition, the Authority's 2023 Annual Comprehensive Financial Report includes the ten-year statistical section as provided in previous years.

The following table sets forth the historical operating results of the Airport System for fiscal years 2019 through 2023, based on the audited financial statements of the Authority for such fiscal years, as well as unaudited operating results through fiscal year 2024.

[Remainder of Page Intentionally Left Blank]

The Allegheny County Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2019 to 2023 (Actual - Audited) and
Year Ended December 31, 2024 (Unaudited)

(in Thousands)

	2019	2020	2021	2022	2023	Unaudited 2024
Operating Revenues						
Landing Fees	17,279,723	11,842,188	15,407,701	19,764,353	22,315,870	26,534,298
Terminal Area Airline Fees	41,775,381	35,314,363	33,760,990	34,416,329	41,105,317	43,418,055
Other Aeronautical Revenues	8,908,660	8,797,494	8,561,005	7,896,013	7,260,118	6,462,396
Parking Revenues	41,631,006	13,711,987	28,847,944	43,337,837	60,254,253	68,969,805
Rent-A-Car Revenues	12,510,219	7,933,045	11,906,074	13,941,324	15,044,458	16,680,207
Terminal Concessions	10,707,374	8,281,487	10,208,269	11,033,171	9,535,277	14,655,191
Other Non-Aeronautical Revenues	8,938,622	9,088,398	9,489,811	8,233,096	8,702,914	7,767,350
Total Pittsburgh International Revenues	141,750,985	94,968,962	118,181,794	138,622,123	164,218,207	184,487,302
AGC Revenues	2,811,507	2,542,727	2,666,777	2,596,417	2,532,630	2,474,951
Total Operating Revenues	**144,562,492**	**97,511,689**	**120,848,571**	**141,218,540**	**166,750,837**	**186,962,253**
Operating Expenses						
Salaries, Wages & Related **	44,770,581	40,081,530	42,908,345	50,900,504	56,208,386	62,897,579
Utilities	10,860,846	9,086,233	10,887,662	11,392,806	11,025,254	11,490,810
Cleaning & Maintenance	18,917,982	18,171,128	16,870,531	17,635,063	18,340,538	19,723,511
Professional Services	23,445,357	24,662,533	28,876,231	33,834,076	47,976,843	39,828,001
Other	13,291,357	11,218,139	7,995,308	16,458,412	14,408,537	11,693,494
Total Pittsburgh International Expenses	111,286,123	103,219,562	107,538,078	130,220,861	147,959,558	145,633,395
AGC Expenses	2,594,280	2,504,577	2,496,366	3,542,971	3,131,525	3,563,500
Depreciation	56,981,022	60,417,786	59,119,359	52,943,562	39,147,510	40,380,308
Total Operating Expenses	**170,861,425**	**166,141,925**	**169,153,803**	**186,707,394**	**190,238,593**	**189,577,203**
Income (Loss) From Operations	**(26,298,933)**	**(68,630,236)**	**(48,305,231)**	**(45,488,854)**	**(23,487,756)**	**(2,614,950)**
Non-Operating Revenue (Expense)						
Interest Expense	(3,537,841)	(881,263)	(10,558,701)	(28,085,474)	(27,826,826)	(53,293,118)
Investment Income	4,641,026	725,293	449,723	7,139,253	19,971,001	29,059,042
Customer Facility Charges	9,536,624	4,585,923	7,706,289	9,573,786	10,902,348	11,559,328
Passenger Facility Charges	18,979,556	6,945,191	13,145,575	15,867,688	18,037,523	19,518,237
Gain / (Loss) on disposal of capital assets	(7,732)	1,550,691	(2,072)	(41,682)	(86,600)	-
Least interest revenue - GASB 87				6,788,935	7,288,986	7,835,539
Gas Drilling Revenue	10,121,571	5,559,879	8,509,477	12,205,005	9,191,352	11,332,666
Gaming Act Revenue	12,400,000	12,400,003	12,400,000	12,400,000	12,400,000	12,400,000
Grant Revenue	-	13,091,912	19,580,305	13,310,283	20,293,746	1,474,767
Bond Issuance Costs		-	(3,903,044)	-	(2,929,942)	-
Other non-operating revenue	203,669	(54,997)	207,231	204,712	-	575,190
Loss on in-substance debt defeasance	(3,635,528)	-	-	-	-	-
Net Increase (decrease) in fair value of investments	386,528	(113,508)	(418,261)	(6,029,257)	17,150,723	7,308,065
Total nonoperating revenues, net	**49,087,873**	**43,809,124**	**47,116,522**	**43,333,249**	**84,392,311**	**47,769,716**
Income Before Capital Contributions and Grants	**22,788,940**	**(24,821,112)**	**(1,188,709)**	**(2,155,605)**	**60,904,555**	**45,154,766**
Capital Contributions and Grants	**8,175,418**	**19,962,114**	**39,813,846**	**30,838,294**	**54,621,747**	**45,931,262**
Increase (Decrease) in Net Position	**30,964,358**	**(4,858,998)**	**38,625,137**	**28,682,689**	**115,526,302**	**91,086,028**
Net Position, Beginning of Period	**633,369,669**	**655,404,370**	**635,862,357**	**654,093,619**	**682,776,308**	**798,302,610**
Change in Accounting Principle	-	-	-	-	-	-
Net Position, End of Period	**664,334,027**	**650,545,371**	**674,487,494**	**682,776,308**	**798,302,610**	**889,388,638**

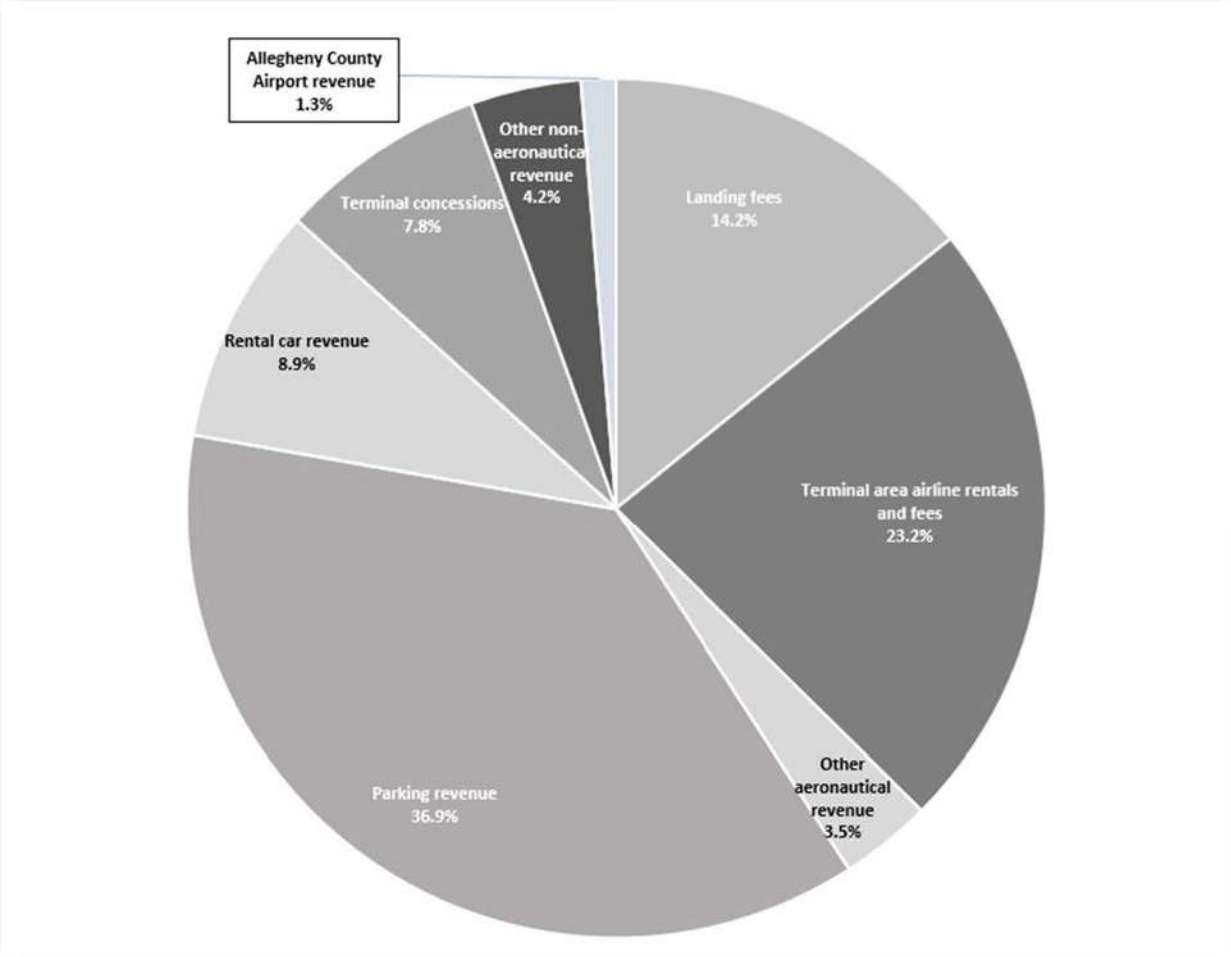
**** Note - for comparative purposes, the GASB 68 pension actuary adjustment has been removed from this schedule.**

Management's Discussion of Recent Financial Results

The Authority employs a "cost center residual" methodology for setting airline rates and charges at the Airport. Under this approach, airline rates are set for each of several cost centers after taking into account the amount of revenue projected to be received in each cost center from sources other than the airlines (such as parking, concessions, etc.). The airlines are then obligated to pay the additional amount required to enable the Authority to meet all of its financial requirements, including operating expenses, debt service on all Bonds and various fund deposit requirements, and comply with its debt service coverage covenant.

Highlights of 2024.

The Authority's total operating revenues in 2024 were approximately $187.0 million, an increase of approximately $20.2 million, or 12.1%, compared to 2023. The net increase was primarily the result of increased parking and landing fees and terminal area airline rentals and fees, due to the return of passenger traffic that continues to grow following the impact of the COVID-19 pandemic on airline travel. The Airport in 2024 exceeded the 2019 pre-pandemic enplanement levels by 1.8%. The major sources of operating revenue in 2024 are shown in the chart below:



As shown in the graph, the terminal area rentals and landing fees paid by the airlines represented approximately 37.4% of the Authority's total operating revenues in 2024 due to increased passenger throughput. The remaining 62.6% was derived from "non-airline" sources such as parking, rental car revenues, terminal concessions, and various other sources. In 2023, terminal area rentals and landing fees represented approximately 38.0% of the Authority's total operating revenues, with the remaining 62.0% derived from parking, rental car revenues, terminal concessions, and various other sources.

Combined parking and ground transportation revenues for 2024 increased by $8.7 million, or 14.5%, compared to 2023, primarily as a result of the 13.4% increase in enplaned passengers from 2023 to 2024, as well as strategic parking initiatives to optimize the increased traffic. Similarly, rental car revenues increased $1.6 million, or 10.9%, in 2024 as compared to 2023. Concession revenues also experienced an 8.3% increase due to increased passengers and strategic new lease provisions as the Authority prepares for the new terminal opening in 2025. This increase in 2024 was after adjusting for the $4.0 million in funds from the ARPA for concessionaires in 2023 and as a result the accounting treatment decreased the concessions revenues on the Statement of Revenue, Expenses, and Changes in Net Position by the $4.0 million in 2023.

Total operating expenses (including depreciation) increased by $9.8 million, or 5.5%, in 2024 as compared to 2023, after adjusting for 2 one-time items in 2023. The Authority's annual report in 2023 has $27.6 million in personnel costs due to the application of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and the related entry for 2024 is not available in our 2024 unaudited statements. Also, in 2023 in professional services the Authority paid $10.5 million in litigation settlement of the previous concession operator Fraport. Salaries, wages and benefits increased by an adjusted amount of $6.7 million, due to additional staffing as operations increased post-pandemic, and a concerted effort on behalf of the Authority to retain and invest in employees, and prepare for the new terminal opening in 2025.

Nonoperating revenues and nonoperating expenses both increased in 2024 compared to 2023, contributing a $36.6 million decrease in net position from 2023 to 2024. The largest driver of the nonoperating revenue increase was a $49.15 million increase in investment income due to the bond fund balances increase. The largest drivers of non-operating expenses were a $25.5 million increase in interest expense due to bond fund values, and an $18.8 million decrease in operating grant revenue, as the pandemic grant relief was used in years prior to 2024.

Highlights of 2023.

The Authority's total operating revenues in 2023 were approximately $166.8 million, an increase of approximately $25.5 million, or 18.1%, compared to 2022. The net increase was primarily the result of increased parking and landing fees and terminal area airline rentals and fees, due to the return of passenger traffic that continues to grow following the impact of the COVID-19 pandemic on airline travel.

Combined parking and ground transportation revenues for 2023 increased by $16.9 million, or 39.0%, compared to 2022, primarily as a result of the 13.4% increase in enplaned passengers from 2022 to 2023, as well as strategic parking initiatives to optimize the increased traffic. Similarly, rental car revenues increased $1.1 million, or 7.9%, in 2023 as compared to 2022. Concession revenues also experienced a 23.0% increase due to increased passengers and the Authority taking over direct management of the concessionaires in August 2022. The Authority was awarded $4.0 million in funds from the ARPA for concessionaires in 2023 and as a result the accounting treatment decreased the concessions revenues on the Statement of Revenue, Expenses, and Changes in Net Position by the $4.0 million.

Total operating expenses (including depreciation) increased by $11.7 million, or 5.7%, in 2023 as compared to 2022. Salaries, wages and benefits increased by approximately $13.4 million, primarily due to an increase in pension expense of $8.1 million, with the remainder due to additional staffing as operations increased post-pandemic, and a concerted effort on behalf of the Authority to retain and invest in employees. The continued application of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, resulted in the recognition of pension expense of $32.2 million and $23.3 million in 2023 and 2022, respectively.

Nonoperating revenues and nonoperating expenses both increased in 2023 compared to 2022, contributing a $41.0 million increase in net position from 2022 to 2023. The largest drivers of this increase were due to the $23.2 million increase in fair value of investments, and a $12.8 million increase in interest income, both attributed to the increase in funds from previous bond sales and increased interest rates in 2023.

Capital contributions and grants increased by $23.8 million in 2023 as compared to 2022, primarily due to the increase in Airport Improvement Program ("AIP") grants in 2023 of $31 million over 2022.

Highlights of 2022.

The Authority's total operating revenues in 2022 were approximately $141.2 million, an increase of approximately $20.4 million, or 16.9%, compared to 2021. The net increase was primarily the result of increased parking and rental car revenues, as well as landing fees and terminal area airline rentals and fees, due to the return of passenger traffic that continues to grow following the impact of the COVID-19 pandemic on airline travel.

Combined parking and ground transportation revenues for 2022 increased by $14.5 million, or 50.2%, compared to 2021, primarily as a result of the 27.9% increase in enplaned passengers from 2021 to 2022, as well as strategic parking initiatives to optimize the increased traffic. Similarly, rental car revenues increased $2.0 million, or 17.1%, in 2022 as compared to 2021. Concession revenues also experienced an 8.1% increase due to increased passengers and the Authority taking over direct management of the concessionaires in August 2022.

Total operating expenses (including depreciation) increased by $16.6 million, or 8.8%, in 2022 as compared to 2021. Salaries, wages and benefits increased by approximately $7.1 million, primarily due to additional staffing as operations increased post-pandemic, and a concerted effort on behalf of the Authority to retain and invest in employees. The continued application of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, resulted in the recognition of pension expense of $19.5 million and $20.4 million in 2022 and 2021, respectively.

Nonoperating revenues and nonoperating expenses both increased in 2022 compared to 2021, contributing a $3.8 million decrease in net position from 2021 to 2022. Non-capital grant revenues, which totaled approximately $13.3 million, consisted primarily of the federal stimulus funding from CARES, CRSSA, and ARPA. Passenger and customer facility charges increased by approximately $4.6 million due to the increase in passenger traffic during 2022. Gas drilling revenues were $3.7 million higher in 2022 as compared to 2021 due to an increase in market prices.

Capital contributions and grants decreased by $9.0 million in 2022 as compared to 2021, primarily due to the close out of COVID-19 Relief grants, of which $20.0 million was spent in 2021.

Debt Service Coverage

Under the Master Indenture, the Authority is required to maintain, charge and collect, in each fiscal year, rates, rentals and other charges sufficient to provide Net Revenues equal to at least 125% of Annual Debt Service on Outstanding Bonds with respect to such fiscal year and 100% of the annual debt service with respect to all outstanding Subordinate Obligations. For purposes of calculating the amount of Annual Debt Service on the Outstanding Bonds, Annual Debt Service is reduced by the amount of principal and/or interest paid with Capitalized Interest and PFCs Available for Debt Service, if any. For additional information regarding the debt service coverage ratio calculations under the Master Indenture, see APPENDIX C – FORM OF MASTER INDENTURE.

The debt service coverage ratios as calculated for fiscal years 2020 through 2024 (pursuant to the Master Indenture) are presented in the table below.

[Remainder of Page Intentionally Left Blank]

Debt Service Coverage Ratio
Master Trust Indenture
(Dollars in thousands)

	2020[1]	2021	2022	2023
Revenues*	$11,842	$15,408	$19,764	$22,316
Landing fees	35,314	33,761	34,416	41,105
Terminal area airline fees	8,798	8,561	8,216	7,674
Other aeronautical revenue	13,712	28,848	43,338	60,254
Parking revenues	7,933	11,906	13,980	15,083
Rent-A-Car revenues	8,282	10,208	11,173	13,862
Terminal concessions	8,656	9,120	9,036	12,613
Other non-aeronautical revenue	2,775	2,794	2,962	2,967
Other Pledged Revenues[1]*	13,092	19,146	13,105	3,029
Total Revenues	**$110,404**	**$139,752**	**$155,990**	**$178,903**
Operation and Maintenance Expenses				
Salaries, wages and related expenses	$41,985	$44,764	$53,320	$58,436
Cost allocations	--	--	--	--
Utilities	9,430	11,211	11,789	11,443
Cleaning and maintenance services	18,200	16,899	17,665	18,373
Professional services	24,719	28,954	35,135	41,672
Other	10,052	7,448	13,710	13,176
Total operation and maintenance expenses	**$104,386**	**$109,276**	**$131,619**	**$143,100**
Coverage Amount	**0**	**0**	**0**	**0**
Net Revenues	**$6,018**	**$30,476**	**$24,371**	**$35,803**
Coverage Requirement	1.25	1.25	1.25	1.25
Coverage Ratio[2]	**--**	**--**	**--**	**--**
Subordinate Obligation Debt Service	--	--	--	--
Subordinate Coverage Requirement	1.00	1,00	1.00	1.00
Subordinate Coverage Ratio	--	--	--	--

Source: Allegheny County Airport Authority.

[1] The Authority had no long-term debt outstanding during 2020.

[2] Coverage calculation not applicable in years 2020 through 2023 as no debt service payments were due in such years.

Airline Costs Per Enplaned Passenger

The following table presents the costs per enplaned passenger at the Airport from 2020 through 2024. The increase in the cost per enplaned passenger in 2020 was due to the decline in passengers at the Airport as a result of COVID-19. Costs per enplaned passenger declined in 2021 and 2022 as the number of passengers began to rebound to pre-COVID-19 levels. The increase in 2023 was due mainly to increased operating costs and the Airline's repayment of a loan from the Authority associated with the early defeasance of debt in 2019 and higher debt repayment partially offset by higher Non-Aeronautical revenues.

Pittsburgh International Airport
Airline Costs Per Enplaned Passenger
2020 - 2024

	2020	2021	2022	2023	2024*
Cost per enplaned passenger	$20.57	$12.35	$10.57	$11.34	$11.56

* Unaudited.

Liquidity

The Authority's cash and investments from 2019 to 2024 are provided in the table below, which reflect year over year increases with the exception of 2022.

Pittsburgh International Airport
Days Cash on Hand
2019 - 2024

	2019	2020	2021	2022	2023	2024*
Total Funds Available	$111,423,326	$111,487,668	169,762,021	$173,169,481	$213,893,278	$226,479,229
Days Cash on Hand	357	385	563	473	517	554

* Unaudited.

[Remainder of Page Intentionally Left Blank]

COVID-19 Federal Aid

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic which spread across the globe. In response, many countries implemented measures to combat the outbreak. These measures included international travel restrictions and, in some states, orders to stay home. As a result, domestic travel across the United States significantly declined resulting in a significant adverse effect on the airline industry and the Airport. Airlines experienced an unprecedented decrease in traffic, resulting in flight cancellations, route reductions and modifications, changes in aircraft used to service flights and airports and other operational changes instituted to mitigate and manage impacts of the pandemic.

The United States Government responded by passing acts of legislation to partially offset the negative financial impacts of COVID-19. The CARES Act, signed into law on March 27, 2020, included $10.0 billion of assistance to U.S. commercial airports. The Authority was awarded $36.2 million of CARES Act funds which the Authority used to partially offset operating expenses in 2021 and 2022. The FAA has officially approved the grant closeout.

The CRRSA, signed into law on December 27, 2020, included approximately $2.0 billion of financial relief for airports. The Authority was awarded $10.6 million of CRRSA funds which the Authority used to offset debt and operating expenses as well as to pass-through to the Airport's concessionaires. The FAA has officially approved the grant closeout.

The ARPA Act, signed into law on March 11, 2021, included $8.0 billion in funds to U.S. airports. The Authority was awarded $35.8 million of ARPA funds which the Authority used to offset debt and operating expenses as well as to pass-through to the Airport's concessionaires. The final grant closeouts have been filed and are pending final FAA notification.

The following table summarizes the above legislation and the amounts drawn down. All funding was fully utilized by December 1, 2023.

COVID - 19 Grants
FY 2020 thru FY 2023
millions

	Debt Service	Operating	Concessions	Total
Federal Relief Available				
Cares	$ 8.28	$ 27.84	$ -	$ 36.12
CRRSA	$ 9.54	$ 0.06	$ 1.01	$ 10.61
ARPA	$ 2.75	$ 29.08	$ 4.04	$ 35.87
Total Federal Relief Available	$ 20.57	$ 56.98	$ 5.05	$ 82.60
Drawn Down as of 12/31/2023				
FY 2020 CARES	$ -	$ 11.14	$ -	$ 11.14
FY 2021 CARES	$ 8.28	$ 14.34	$ -	$ 22.62
FY 2022 CARES	$ -	$ 2.36	$ -	$ 2.36
FY 2020 CRRSAA	$ -	$ -	$ -	$ -
FY 2021 CRRSAA	$ 9.54	$ 0.06	$ -	$ 9.60
FY 2022 CRRSAA	$ -	$ -	$ 1.01	$ 1.01
FY 2020 ARPA	$ -	$ -	$ -	$ -
FY 2021 ARPA	$ 2.75	$ 4.17	$ -	$ 6.91
FY 2022 ARPA	$ -	$ 9.73	$ -	$ 9.73
FY 2023 ARPA	$ -	$ 15.19	$ 4.04	$ 19.23
Total Drawn	$ 20.57	$ 56.97	$ 5.05	$ 82.59
Total Available for Future Use	$ -	$ -	$ -	$ -

Source: Allegheny County Airport Authority.

Bipartisan Infrastructure Law (BIL)

The Bipartisan Infrastructure Law was signed on November 15, 2021. This law provides for competitive grants and entitlement grants.

BIL Funding Airport Terminal Program Grants ("ATP") represent competitive grants. The Authority has been awarded a total of $34.8 million to date in BIL ATP Grants. In 2022, the Authority's award of $20 million was fully used to procure steel for the TMP project with elevators and escalators. In 2023, the Authority's award of $3.5 million was fully used by January 2025 on vertical circulation to support the TMP project. In 2024, the Authority's award of $5.3 million was utilized on TMP terraces. In 2025, the Authority's award of $6.0 million will be utilized on Airside Renovations. The Authority will continue to apply for the competitive grants for 2026.

BIL Airport Infrastructure Grants ("AIG") represent entitlement grants. These grants include an annual allocation through 2026 of relatively fixed amounts adjusted based on the most recent current year enplaned passenger or National Plan of Integrated Airport Systems classification. These grants can be carried over to future years. The Authority chose to rollover these grants and the first utilization of AIG grants was in 2023. The Authority's airports will each receive entitlement grants as follows:

1. Pittsburgh International Airport is estimated to receive $53.8 million (roughly $11.0 million per year for five years adjusted in later years as stated above). These funds will be used on various capital projects, including restroom renovations, interior lighting, and holdrooms.

2. Allegheny County Airport is estimated to receive a total of $3.8 million (roughly $763,000 per year for five years). These funds will be used on various capital projects, including airfield and taxiway improvements as well as airfield signage projects.

Executive Orders

On January 27, 2025, the Office of Management and Budget issued a memorandum called "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance" providing that federal agencies must temporarily pause all activities related to obligation or disbursement of all federal financial assistance. This directive was rescinded on January 29, 2025 pending further review. It is unclear if this pause would have included grants or other funding anticipated to be received by the Authority.

Despite the rescission, a federal judge issued a temporary restraining order on January 31, 2025, blocking the implementation of the funding freeze. This order was extended on February 3, 2025, and remains in effect as of February 11, 2025. Given these developments, the temporary pause on federal financial assistance has been effectively halted, and agencies are resuming their normal operations concerning grants and other funding; and as such, it is expected that any grants or federal funding anticipated to be received by the Authority should proceed as planned, barring any further legal actions or executive directives. However, to the extent that grants or other federal funding would not be available to the Authority for its projects, including the TMP and/or ARP, the Authority may need to utilize discretionary funds, delay or modify the scope of its projects, or issue additional debt to finance such projects.

Other Authority Revenues

The Authority has identified additional revenue sources that it may elect to pledge to payment of debt service on the Bonds and/or O&M Expenses, including PFC revenues, CFC revenues, grants (including certain Federal COVID-19 Grants), Gaming Revenues and Natural Gas Revenues. Under the Master Indenture, the Authority may designate PFC revenues as PFCs Available for Debt Service, and may designate CFCs, grants (including certain Federal COVID-19 Grants), Gaming Revenues and Natural Gas Revenues as Other Pledged Revenues. Such designation is affected by filing a certificate with the Trustee containing, among other things, a representation that the revenues being designated may be validly designated as and included in PFCs Available for Debt Service or Other Pledged Revenues (as applicable) and stating the amount of funds being designated and the period of time for which such funds are designated.

PFC Revenues

Pursuant to authority granted by the FAA in a Record of Decision ("ROD") issued in October of 2001, the Authority implemented Passenger Facility Charges at the Airport of $3.00 per enplaned passenger. Subsequent amendments to the ROD allowed the PFC to be increased in 2005 to $4.50 per enplaned passenger. The proceeds of the PFCs as well as any other similar charges which may be levied by the Authority in the future are excluded from the definition of Net Revenues in the Master Indenture. The PFCs, however, may be designated by the Authority as PFCs Available for Debt Service, and are not, unless so designated, pledged to payment of debt service on the Bonds. The PFC proceeds have historically been utilized by the Authority for payment of the costs of capital projects delineated in the Authority's application for approval to levy the PFCs, payment of certain PFC-backed debt service costs, and credit to airline rates and charges. As of the date hereof, there are no outstanding Authority obligations secured by a pledge of PFC revenues.

The following table shows the annual PFC revenues of the Authority for the past five years:

Year	**PFC Revenues**
2020	$ 7,510,000
2021	$11,936,000
2022	$16,011,000
2023	$17,903,000
2024	$19,056,000*

*Unaudited.

The Master Indenture permits the Authority to pledge all or a portion of PFC revenues toward the payment of debt service on the Bonds (including future series of Bonds), or payment of debt service on obligations secured solely by PFCs, or on Subordinate Obligations issued under the Master Indenture, or on capital expenditures. See APPENDIX C – "FORM OF MASTER INDENTURE, AS AMENDED." The Authority has received FAA approval to use $695.3 million in PFC revenues to fund eligible TMP design and construction costs on a pay-as-you-go and debt service basis, thereby permitting the Authority to designate a portion of its PFC revenues as PFCs Available for Debt Service and deposit them to the Debt Service Fund, where they will be available for payment of all or a portion of the Debt Service Requirements on the 2021 Bonds, the 2023 Bonds, the 2025 Bonds or Additional Bonds that may be issued in the future for the TMP.

The Authority, as of December 31, 2023, had received approvals from the FAA to collect and use PFCs for a total of $1.12 billion in collection authority at the $4.50 level, including $61.9 million approval received in December 2019 for the PFC-eligible design costs of the TMP and $633.4 million approval received in April 2022 for PFC-eligible construction costs of the TMP and TMP financing costs. In April 2023, the FAA approved amendments to PFC applications #4 and #5 to reflect actual costs and expenditures. As of March 2024, the Authority has total PFC collection authority of $1.12 billion, of which $402.34 million had been expended through December 31, 2024. The Authority's current PFC collection authority extends to August 1, 2061.

CFC Revenues

On March 1, 2011, the Authority began collecting customer facilities charges ("CFCs") from all rental car concessionaires that operate at the Airport at a rate of $3.00 to each on-airport rental car concessionaire customer on a per transaction day basis, not to exceed seven (7) transaction days. The CFC rate was increased to $5.50 effective November 1, 2018 and to $6.00 effective February 1, 2020. Also, in April 2020, the Authority raised the cap on the number of days of collection from seven to 30. The CFC rate was increased to $8.00 per day effective January 1, 2025. Pursuant to the Amended and Restated Regulation of the Allegheny County Airport Authority Authorizing the Collection of a Customer Facility Charge, CFCs may be used to pay, or reimburse the Authority for, its direct and indirect costs and expenses of financing, designing, constructing, operating, and maintaining facilities utilized by rental companies, and facilities to be rehabilitated, modified, or improved to accommodate rental car-related facilities at the Airport, including capital costs and debt service associated with improvements to the rental car portion of the garage and related facilities, or for any lawful purpose.

Through 2016, CFC revenues were used for operating expenses, debt service, and capital expenditures for facilities and assets utilized in rental car operations net of amounts already being collected from the rental car operators. Beginning in 2017, the CFCs were set aside to pay for the rental car related costs associated with the TMP. CFC revenues collected in the aggregate approximate amount of $62.8 million have been set aside for pay as you go project costs and $117.2 million in Bond-funded project costs will be payable from CFC revenues in 2025. Beginning in 2025, CFC revenues in excess of allocable debt service will be used to fund a CFC renewal and replacement reserve, pay as you go project costs for other rental car projects and a CFC deficiency reserve. See APPENDIX B – "REPORT OF THE AIRPORT CONSULTANT – FINANCIAL ANALYSIS – FRAMEWORK FOR FINANCIAL OPERATIONS – Customer Facility Charge Program."

The following table shows the annual CFC revenues of the Authority for the past five years:

Year	CFC Revenues
2020	$4,727,000
2021	$7,689,000
2022	$9,711,000
2023	$10,902,000
2024	$11,645,000*

*Unaudited.

The Master Indenture permits the Authority to pledge all or a portion of the proceeds of CFCs toward the payment of debt service on the Bonds (including future series of Bonds), a separate issue of obligations secured solely by CFCs, or on subordinate obligations issued under the Master Indenture. See APPENDIX C – "FORM OF MASTER INDENTURE, AS AMENDED." The Authority intends to use CFC revenues as a pay as you go source of revenues and, following completion of the TMP, to pledge a portion of its CFC revenues to pay debt service on the Bonds as Other Pledged Revenues as needed and to the extent projected in the Report. If the QTA/public parking deck project is developed, the Authority anticipates that CFC revenues, other than those designated as Other Pledged Revenues, would secure such debt which would be junior lien obligations subordinate to the Bonds and Subordinate Obligations issued under the Indenture and as further described under the heading "AIRPORT ACTIVITY INFORMATION – Rental Cars" herein.

Pennsylvania Race Horse Development and Gaming Act – Gaming Revenues

The Authority is a designated funding recipient under the Pennsylvania Race Horse Development and Gaming Act adopted by the Commonwealth in 2004 and amended in 2019 (as it may be further amended from time to time, the "Gaming Act"). The Gaming Act legalized slot machine parlors and table games in race tracks and standalone facilities. During the past five years, the Authority has received the following annual gaming revenues from the Commonwealth under the Gaming Act (the funds received by the Authority under the Gaming Act are referred to hereinafter as the "Gaming Revenues"), to be used for development and related projects:

Year	Gaming Revenues
2020	$12,400,000
2021	$12,400,000
2022	$12,400,000
2023	$12,400,000
2024	$12,400,000

The Authority expects to continue to receive payments of $12.4 million annually for so long as it continues to be a recipient under the Gaming Act. However, there can be no assurance that the Gaming Act will not be amended in the future to reduce or eliminate payments of such revenues to the Authority. In connection with a January 2025 Majority In Interest ("MII") vote, the Authority committed to using discretionary revenue, which may include Gaming Revenues or Natural Gas Revenues, of no less than $8.8 million for 2025 and $11.575 million per year for 2026 through 2028 to reduce airline rates and charges.

Gaming Revenues are excluded from the definition of Revenues in the Master Indenture, except to the extent designated by the Authority in any Fiscal Year as Other Pledged Revenues and deposited to the Debt Service Fund, and unless so designated and deposited, are not pledged to pay debt service on the Bonds. The Authority currently expects to continue to designate a portion of annual Gaming Revenues as Other Pledged Revenues in the future. See "OUTSTANDING DEBT OF THE AUTHORITY" herein.

Natural Gas Revenues

The Authority entered into an Oil and Gas Lease (the "Gas Lease") with CNX Gas Company ("CNX") on February 22, 2013. Pursuant to the terms of the Gas Lease, the Authority received an upfront payment of approximately $46,100,000 for exclusive exploration and drilling rights at the Airport and the Allegheny County Airport. In February 2020, CNX terminated the lease as to Allegheny County Airport, but the lease continues at the Airport. In addition, the Authority receives surface rent lease payments and ongoing royalty payments. The royalty payments under the original lease terms were equal to 18% of the gross revenues generated by CNX from the sale of minerals derived from its drilling operations ("Natural Gas Revenues"). The first well became operable in 2015.

In May 2022, the Authority and CNX amended the terms of the Gas Lease to provide CNX with the right to take certain deductions from the gross revenues from those drilling operations which commenced after the date of the amendment to the Gas Lease, and only as to those related to the Marcellus Shale formation. Such deductions resulted in a reduction in the total percentage of revenues received by the Authority. This amendment aligned the terms of the Gas Lease more closely to what drillers operating wells in Allegheny County and the surrounding counties pay to their lessors. In exchange for this adjustment, CNX made certain commitments to increase drilling operations and add more wells, the effect of which would be to increase total revenues payable to the Authority. CNX's drilling commitment as to these additional wells is for seven (7) years with certain penalties and recoupments assessed in the event CNX fails to meet its drilling commitment. Additionally, in May 2022 the Authority and CNX entered into a Marketing and Services Agreement whereby CNX was granted the exclusive right to sell certain "fuel alternatives" to the Authority (including (i) natural gas produced from the Utica Shale formation, (ii) compressed natural gas, liquified natural gas, and (iii) subject to the Authority's agreement certain other fuel products derived from CNX technology) in exchange for certain commissions and reimbursements payable to the Authority.

CNX has partnered with Range Resources to further develop the Gas Lease by adding laterals to their contiguous drilling pads. CNX began to frac the wells in April 2023 and commenced production in May 2023 with the Authority receiving royalties on the same basis as it would if CNX drilled these acres itself.

Surface rentals and annual royalty payments made to the Authority by CNX ("Natural Gas Revenues") over the last five years have been as follows:

Year	Natural Gas Revenues
2019	$10,121,571
2020	$5,559,879
2021	$8,509,477
2022	$12,205,005
2023	$9,191,352
2024	$11,332,666

There can be no assurance that the Authority will continue to receive royalties under the Gas Lease or that such royalties will remain at current levels.

In the past, the Authority has deposited a portion of the annual Natural Gas Revenues in the Revenue Fund as a credit to the airline rates and charges. Provided royalty revenues continue without substantial further reduction, the Authority currently expects to continue to do so in the future by designating a portion of annual Natural Gas Revenues as Other Pledged Revenues. Revenues from the Gas Lease are excluded from the definition of Revenues in the Master Indenture, except to the extent designated by the Authority in any Fiscal Year as Other Pledged Revenues and deposited to the Debt Service Fund, and unless so designated and deposited, are not pledged to pay debt service on the Bonds. The Authority also uses the Natural Gas Revenues to fund capital improvements to the Airport System. In connection with a January 2025 MII vote, the Authority committed to using discretionary revenue, which may include Gaming Revenues or Natural Gas Revenues, of no less than $8.8 million for 2025 and $11.575 million per year for 2026 through 2028 to reduce airline rates and charges.

Grant Revenues

As discussed above under "COVID-19 Significant Legislation", the Authority was awarded approximately $82.7 million in federal funding associated with CARES, CRRSA and ARPA grants. The grants were utilized to offset Operation and Maintenance Costs, pay down a portion of the balance under the PNC Line of Credit, and provide relief to Airport concessionaires. The final grant closeouts have been filed and are pending final FAA notification.

The BIL, as described above, enacted in November 2021 provides $5 billion in funding under the competitive Airport Terminals Program and $15 billion under the entitlement Airport Infrastructure Grants program, which funds may be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects, over the succeeding five years.

The Authority applied for funding during the first four years of the ATP competitive program and intends to apply for funding during the remaining year of the program. For year 1 (federal fiscal year ("FFY") 2022) of the ATP the Authority was awarded $20 million for the Airport in July 2022. The Airport tied with two other medium hub airports for the highest award amount for medium airports in 2022. This entire grant was applied to the Terminal Modernization Program for structural steel and decking. In year 2 (FFY 2023), the Authority was awarded a BIL ATP for $3.5 million in February 2023, which was applied to the TMP for purchasing and installing escalators and elevators. In year 3 (FFY 2024), the Authority was awarded a BIL ATP grant of $5.3 million in February 2024, which was applied to the TMP terraces. For year 4 (FFY 2025), the Authority was awarded $6.0 million in November 2024 for airside concourse improvements at the Airport and $1.235 million for terminal rehabilitation, neither of which are part of the TMP or ARP, but are included in the 5-year CIP.

The Authority is also entitled to an estimated $53.8 million under the AIG program at the Airport through 2026. The Authority intends to apply these amounts to costs of the TMP and the ARP. In addition, the Authority is entitled to an estimated $3.8 million in AIG grants for AGC over the 5-year life of the program and intends to use such amounts to upgrade the airport facilities.

[Remainder of Page Intentionally Left Blank]

Pension and Other Post-Employment Benefits

The Authority's Pension Obligations.

The County sponsors the Allegheny County Employees' Retirement System (the "Retirement System"), a single-employer defined-benefit pension plan that covers substantially all employees of the County, including substantially all Authority employees. As a component unit of the County, the Authority applies the cost-sharing pension plan accounting and reporting requirements for their stand-alone financial reports as required by GASB. Benefit and contribution provisions for the Retirement System are determined under statutes enacted by the General Assembly of the Commonwealth of Pennsylvania. The Retirement System Board administers the Retirement System.

The Retirement System issues a publicly available financial report and actuarial valuation that include financial statements and required supplementary information for the plan. A copy of the reports may be obtained by writing to: Allegheny County Employees' Retirement System, 106 County Office Building, 542 Forbes Avenue, Pittsburgh, PA 15219. The reports may also be obtained online at https://www.alleghenycounty.us/Government/Employment/Retirement-Office.

Beginning in 2014, Authority employees were required to contribute 9.0% of covered compensation effective December 28, 2014 through December 31, 2017. The employee contribution rate increased to 9.5% for 2018, 10.0% for years 2019 and 2020, 10.5% for years 2021 through 2023, and 11.0% thereafter. Employee contributions are matched equally by the Authority, as prescribed by the Second Class County Code of the Commonwealth of Pennsylvania.

Employee and employer contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The actuarial report for 2024 full year will be available in early April 2025. For the years ended December 31, 2023 and 2022, contributions to the pension plan from the Authority were $4,548,866 and $3,837,573 (or 10.5% and 10.5% of covered payroll), respectively. The Authority contributed all required amounts for the years ended December 31, 2023 and 2022.

The plans funded status ranges between 48.1% and 64.3% depending on the method of calculation, as reported by Acrisure in the plans actuarial valuation as of January 1, 2024. The plans audited financial statements at December 31, 2023 note that the obligation of the Retirement System to pay retirement benefits is further secured by a statutory obligation imposed upon the County to utilize its taxing authority to meet the Retirement system's obligation to make monthly benefit payments to retirees.

At December 31, 2023 and 2022, the Authority reported a liability of $220,116,474 and $169,562,428, respectively, for its proportionate share of the net pension liability. This is consistent with the increase in net pension liability of the Retirement System as a whole from $1.9 billion in 2022 to $2.1 billion in 2023, which, according to the County's Consolidated Annual Financial Report for the fiscal year ended December 31, 2023, related primarily to an increase in the discount rate applied due to a rising interest rate environment, partially offset by the increase in the Authority's proportion of 10.457%, an increase of 1.432% from its proportion of 9.025% in 2022. The net pension liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2023 and 2022, rolled forward to the measurement date.

For the years ended December 31, 2023 and 2022, the Authority recognized pension expense of $32,158,393 and $23,317,654, respectively. This expense is primarily the result of the continued application of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as discussed above under "FINANCIAL INFORMATION -- Management's Discussion of Recent Financial Results."

Other Postemployment Benefits (OPEB).

The Authority provides benefits through the Authority's Postemployment Medical Benefits Plan (the "OPEB Plan") which is a single-employer defined benefit other postemployment benefits ("OPEB") plan administered by the

Authority. The OPEB Plan provides reimbursement for medical benefits to eligible firefighters hired before May 1, 2005 and their spouses. Benefits are provided upon the retiree's date of retirement. Benefits are provided through a third-party insurer, and the cost of the benefits is split between the OPEB Plan and the retiree. The Authority covers 62.0% of the premiums at age 50, which increases 3.0% each year until the age of 65 when the retiree becomes eligible for Medicare and the benefits are terminated. Payments to the retirees are made on a reimbursement basis.

The Authority's net OPEB liability was measured using an actuarial valuation as of December 31, 2021 for the year ended December 31, 2022, and was determined not to be material to the Authority's financial statements.

Additional information on the Authority's OPEB obligations is contained in Note 9 of the Authority's audited financial statements which are included as APPENDIX A to this Official Statement.

AGREEMENTS WITH THE AIRLINES

The Airline Operating Agreements

The Authority is a party to Airline Operating Agreements and Terminal Building Leases with passenger airlines relating to the use of the Airport and the establishment of Airline Fees and Charges (the "Airline Operating Agreements"). As of the date of this Official Statement, the following airlines have signed the Airline Operating Agreement: Air Canada, Alaska Airlines, Allegiant Air, American Airlines, British Airways, Delta Air Lines, Frontier Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines (the airlines which have executed and delivered an Airline Operating Agreement are referred to as the "Signatory Airlines"). These airlines and their affiliates accounted for approximately 97.8% of the passenger market share at the Airport in 2024. Affiliates of the carriers referred to above have signed Affiliate Airline Operating Agreements with the Authority. Airlines operating at the Airport which are not Signatory Airlines must execute and deliver a Non-Signatory Agreement with the Authority. The Signatory Airlines lease and/or use the jet gates at the Airport's Airside Terminal. Such non-signatory airlines pay 120% of the landing fees and gate and terminal lease rates paid by the Signatory Airlines. The Airline Operating Agreements are substantially identical except for provisions relating to the Leased Premises and assigned aircraft parking positions for each Signatory Airline.

The current Airline Operating Agreements became effective January 1, 2020 and expires (unless sooner terminated pursuant to their terms) on December 31, 2028 with an option to extend for an additional three years upon mutual agreement. The Airline Operating Agreements provide that the aggregate of Airline Fees and Charges payable by the Signatory Airlines, together with other revenues required to be deposited by the Authority into the Revenue Fund (including Non-Airline Revenues) for each Fiscal Year, generates sufficient Airport System Revenues in the airline-supported cost centers to operate on a break-even basis after paying all Costs of such cost centers, including the satisfaction of all of the Authority's obligations to make all deposits and payments required under the Master Indenture through such date, plus produce annual discretionary funding for Airport System capital improvements or other lawful purposes from (1) a required deposit to the Airport System Capital Fund and (2) a Concession Incentive Fee. Signatory Airlines are also obligated to pay certain additional charges to recover costs associated with fit-outs to their ticket counters and aircraft parking ("Ramp Fees"). In addition, American and Southwest Airlines pay a fee prior to DBO for the Special Automated Baggage System on the north end of the existing landside terminal and airside terminal (excluding tunnels) (consisting of allocable rent, O&M Expenses, and debt service) while the other airlines pay allocable O&M Expenses for the baggage system on the south end of the terminal. Airlines also pay Facility Fees for the use of the common use gates, ticket counters, and associated facilities. There are also project controls set forth in the Airline Operating Agreements pertaining to the TMP as described above under "THE TERMINAL MODERNIZATION PROGRAM."

Under the Airline Operating Agreements, the cost centers used to derive airline rates and charges are the Airfield, Terminal, and Authority Cost Centers for the Airport plus Allegheny County Airport. Airline-supported cost centers are the Airfield and Terminal. The Airfield Cost Center includes runways, taxiways, safety areas, infield areas, landing and navigational aids, airfield service roads, fencing, buffer areas, clear zones, fire and crash rescue support facilities, aircraft fuel farm and distribution system, hangar and field support areas, and military areas. The Terminal Cost Center includes the passenger terminals, aircraft parking areas serving the terminal, roadways, and all associated ground transportation facilities (including parking and rental car facilities). The Authority Cost Center encompasses

all other areas at the Airport, which generally comprise cargo and commercial development areas at the Airport. The first $600,000 per year (escalated with inflation) of surpluses or deficits from the Allegheny County Airport cost center will be credited to or included in the airline landing fee rate base. The remainder will be the responsibility of the Authority.

The Airline Operating Agreements provide for the rental of space and the use of certain facilities by the Signatory Airlines, the establishment of cost accounting centers, and the periodic adjustment of the rentals, fees, and charges to be paid by the Signatory Airlines as determined by the costs and expenses associated with the cost centers as defined in the agreements. The Airline Operating Agreements also (1) grant certain rights and privileges to airlines, (2) provide for the timing and manner of required payments of rates and charges, and (3) set forth other applicable operating conditions and requirements at the Airport.

Under the Airline Operating Agreements, both Landing Fees and Terminal Rentals are each calculated according to "cost center residual cost" formulas, under which Non-Airline Revenues are credited against certain defined costs to determine the net cost to be paid by the Signatory Airlines in each cost center. The costs defined in the Airline Operating Agreements include Operation and Maintenance Expenses, debt service, and other fund deposit requirements as required under the Indenture allocable to the respective Cost Centers, including the Coverage Requirement and O&M Reserve Requirement.

Signatory Airlines are also obligated to pay Ramp Fees as described above. In addition, O&M Expenses, debt service and certain rents related to the baggage systems are allocated among its users. Airlines also pay Facility Fees for the use of the common use gates, ticket counters, and associated facilities.

Signatory Airline rentals, fees, and charges are calculated to ensure that the Airport System generates sufficient Airport System Revenues in the airline-supported cost centers to operate on a revenue neutral basis after paying all Costs of such cost centers (as defined in the Airline Operating Agreements). Additionally, annual discretionary funding for Airport System capital improvements or other lawful purposes is generated from (1) a required deposit to the Airport System Capital Fund and (2) a Concession Incentive Fee equal to 6% of nonairline concession revenues. The Concession Incentive Fee is drawn from news and gifts, retail, food, beverage, parking, rental car, ground transportation (such as taxis, limousines, and transportation network companies), advertising, ground handling, fuel sales, and other permits or licenses, but excluding CFC Revenues. Through the residual ratemaking, the Concession Incentive Fee will flow through to the Airport System Capital Fund. In addition, pre-DBO rates will fund the required increase in the amount to be on deposit in the Coverage Account prior to the opening of the TMP (the "Coverage Requirement").

Certain aspects of the residual ratemaking methodology will differ during the pre-DBO and post-DBO periods as follows.

- The annual required deposit into the Airport System Capital Fund equaled $10.733 million per year (combined total for both the Terminal and Airfield) in 2024 and increases annually thereafter by the greater of 3% or the change in the Consumer Price Index. This deposit requirement is reset at $5 million per year in 2026 (the first full year after DBO), reflecting the opening of new facilities and the associated reduced repair and rehab of such facilities, which will increase annually after 2026 by the greater of 3% or the change in the Consumer Price Index. Pursuant to the January 2025 MII vote, the Authority agreed to waive the $5 million per year deposit for 2026 through 2028, which is through the term of the Airport Operating Agreements.

- The Airport Operating Agreements provide for funding the incremental amount of the Coverage Requirement from pre-DBO terminal rentals net of amounts currently on deposit that total approximately $16.3 million.

- Debt service can be included in pre-DBO rates and charges if there is a delay in opening the TMP.

- $24.7 million of Authority funds applied to defease all bonds that were outstanding as of the date of the Authority's defeasance of its prior trust indenture (December 18, 2019) is included in the

Terminal Rent rate base to repay the Authority beginning in Fiscal Year 2021. The full amount of the loan was paid off as of December 31, 2023.

- Pursuant to the January 2025 MII vote, the Authority committed no less than $8.8 million for 2025 and $11.575 million per year for 2026 through 2028 of its discretionary revenues, which may include Gaming Revenues or Natural Gas Revenues, to pay debt service.

The Airline Operating Agreements and subsequent MII votes provide Signatory Airline approval for up to $1.7 billion in TMP and ARP project costs. If the Authority funds any such increase in costs from sources that will not increase Airline Fees and Charges (including Other Authority Revenues, additional grants, PFCs, foundation support, or Authority pay-as-you-go contributions), Signatory Airline approval of the cost increase is not required. However, if the Authority proposes to include some or all of the cost increase in the Airline Fees and Charges, and the Authority and the Signatory Airlines cannot reach an agreement, the Authority must conduct a MII vote among the Signatory Airlines to approve or reject the cost increase. If an MII vote rejects such cost increases, then the Signatory Airlines must collaborate with the Authority on an alternative course of action, which may include major design changes, changes in facility requirements, or a phased approach to construction. There are also certain procedures regarding project cost controls set forth in the Airline Operating Agreements pertaining to the TMP as described in the REPORT OF THE AIRPORT CONSULTANT attached hereto as Appendix B. See APPENDIX B – "REPORT OF THE AIRPORT CONSULTANT – TERMINAL MODERNIZATION PROGRAM AND AIRSIDE RENOVATION PROGRAM – TMP Project Governance."

In addition to the passenger airline Airline Operating Agreements described above, eight cargo carriers, FedEx, UPS, Amazon (Sun Country), Mountain Air Cargo, Qatar Airways, Cathay Pacific, Mas Air and National Airlines are signatories to Airfield Use Agreements relating to the use and lease of the airfield for cargo operations. Currently, the Airfield Use Agreements with FedEx and UPS are on a month-to-month basis while negotiation of new Airfield Use Agreements continues.

The terms "Airline Fees and Charges," "Non-Airline Revenues," "Cost Centers," "Costs," "Concession Incentive Fee," "Terminal Area," and "Airfield Area" are defined in the Airline Operating Agreements. See APPENDIX D - "FORM OF AIRLINE OPERATING AGREEMENT."

FUTURE AIRPORT DEVELOPMENT PLANS

Other Capital Improvements

In addition to the TMP, ARP and Airline Fit-outs, the Authority has developed a 2025 Capital Budget and a 2025-2030 Capital Improvement Program (collectively, the "CIP") for the Airport System. The CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a preliminary funding plan. The projects are derived from the Authority's master plan processes and are developed to address passenger safety, security, and passenger experience, as well as to ensure the continued availability of existing facilities and to develop improvements necessary to meet the ongoing demands for air service to the Pittsburgh region. The table on the following page shows the estimated expenditures by year and sources of funds for the CIP, including amounts spent through 2024 on the TMP.

[Remainder of Page Intentionally Left Blank]

Capital Improvement Program Expenditures and Sources of Funds by Year

(for the 12 months ending December 31; numbers in thousands except as noted)

CIP SPENDING BY YEAR	Total	Actual 2021	Actual 2022	Estimated 2023	2024	DBO 2025	2026	2027	2028	2029	2030
Terminal Modernization Program											
Terminal	$1,235,980	$182,167	$221,960	$369,429	$420,379	$42,045	$ -	$ -	$ -	$ -	$ -
Park/RAC	466,583	68,768	83,790	139,460	158,693	15,872	-	-	-	-	-
TMP Total	**$1,702,563**	**$250,935**	**$305,751**	**$508,888**	**$579,072**	**$57,917**	**-**	**-**	**-**	**-**	**-**
Airside Renovation Program											
PC Air Phase 1-3	$18,197	$-	$18,197	$-	$-	$-	-	-	-	-	-
Airline Fit-Out	15,488	-	-	-	-	15,488	-	-	-	-	-
Other ARP Projects - Base	-	-	-	-	-	-	-	-	-	-	-
Connector Bridge	7,050	-	-	7,050	-	-	-	-	-	-	-
Restroom Renovations	16,168	-	-	-	16,168	-	-	-	-	-	-
Interior Lighting & Control System	5,640	-	-	-	5,640	-	-	-	-	-	-
PSOM Offices Relocation	4,869	-	-	-	4,869	-	-	-	-	-	-
TSA Office Relocations	6,119	-	-	-	-	6,119	-	-	-	-	-
Kitchen Prep Room Relocations	2,241	-	-	-	2,241	-	-	-	-	-	-
Vertical Circ/Electric & Comm	57,655	-	-	-	-	57,655	-	-	-	-	-
Holdrooms	22,973	-	-	-	22,973	-	-	-	-	-	-
Fire Alarm	4,000	-	-	-	-	4,000	-	-	-	-	-
Center Core Ceiling	10,238	-	-	-	-	10,238	-	-	-	-	-
Center Core Renovations	34,647	-	-	-	34,647	-	-	-	-	-	-
Design	20,972	-	-	-	20,972	-	-	-	-	-	-
ARP Total	**$226,257**	**$-**	**$18,197**	**$7,050**	**$107,510**	**$93,500**	**$-**	**$-**	**$-**	**$-**	**$-**
Landing	115,688	-	-	-	-	23,363	23,100	19,600	18,100	6,525	25,000
Terminal - non-TMP	19,833	-	-	-	-	9,333	2,020	2,520	3,320	1,320	1,320
Ramp	-	-	-	-	-	-	-	-	-	-	-
Park/RAC - non-TMP	33,459	-	-	-	-	14,254	4,285	5,760	3,660	3,000	2,500
Roadways	-	-	-	-	-	-	-	-	-	-	-
Hangar and Field Support	3,417	-	-	-	-	17	-	-	600	2,000	800
CIA	800	-	-	-	-	800	-	-	-	-	-
Security	8,520	-	-	-	-	2,283	1,745	1,265	1,586	1,309	333
General Services	32,188	-	-	-	-	4,988	4,200	6,500	5,500	5,500	5,500
Cargo	-	-	-	-	-	-	-	-	-	-	-
ARFF	1,587	-	-	-	-	-	-	-	-	1,587	-
Admin	16,455	-	-	-	-	6,005	6,900	1,075	825	825	825
Subtotal	**$2,160,766**	**$250,935**	**$323,948**	**$515,938**	**$686,582**	**$212,459**	**$42,250**	**$36,720**	**$33,591**	**$22,066**	**$36,278**
AGC	72,487	-	-	-	-	11,258	12,151	10,995	9,930	13,289	14,864
Total CIP	**$2,233,252**	**$250,935**	**$323,948**	**$515,938**	**$686,582**	**$223,717**	**$54,401**	**$47,715**	**$43,521**	**$35,354**	**$51,142**
TMP & ARP	$1,928,820	$250,935	$323,948	$515,938	$686,582	$151,417	-	-	-	-	-
Non-TMP CIP (2023-2030) with AGC	$304,433	-	-	-	-	$72,300	$54,401	$47,715	$43,521	$35,354	$51,142

	Total	Actual 2021	Actual 2022	Estimated 2023	2024	DBO 2025	2026	2027	2028	2029	2030
SOURCES OF FUNDS											
Grants											
AIP - Entitlement	$14,667	-	-	-	-	$2,445	$2,445	$2,445	$2,445	$2,445	$2,445
Federal Discretionary	100,198	-	11,011	-	-	16,749	15,016	15,380	14,548	7,119	20,375
BIL AIG	55,244	4,596	5,600	9,321	31,806	3,232	687	-	-	-	-
BIL ATP	36,035	4,245	5,172	8,608	9,795	6,980	1,235	-	-	-	-
State - PennDOT	27,964	-	57	-	-	987	6,258	4,729	4,377	5,865	5,692
Other Grants/Excess Bond Investments	30,403	4,481	5,460	9,087	10,341	1,034	-	-	-	-	-
Other Sources											
Revenue-Supported Bonds	1,175,704	150,998	186,078	306,219	424,128	108,281	-	-	-	-	-
PFC-Supported Bonds	290,000	42,742	52,079	86,680	98,634	9,865	-	-	-	-	-
PFC Paygo / TMP	76,907	11,335	13,811	22,987	26,157	2,616	-	-	-	-	-
CFC-Supported Bonds	117,571	17,328	21,114	35,141	39,988	3,999	-	-	-	-	-
CFC pay-as-you-go	71,881	9,260	11,283	18,779	21,369	11,191	-	-	-	-	-
Reimbursement of Debt	20,412	3,009	3,666	6,101	6,943	694	-	-	-	-	-
Gaming Revenues	35,276	2	3	4	5	16,712	3,450	4,750	5,350	3,000	2,000
ECOF	22,684	-	-	-	-	4,507	1,700	3,789	4,110	4,196	4,383
Natural Gas Revenues	87,109	2,718	5,050	12,562	9,346	11,487	15,475	7,975	5,655	7,645	9,195
ASCF	71,197	221	3,564	447	8,070	22,938	8,136	8,648	7,038	5,085	7,052
Total	**$2,233,252**	**$250,935**	**$323,948**	**$515,938**	**$686,582**	**$223,717**	**$54,401**	**$47,715**	**$43,521**	**$35,354**	**$51,142**

[Remainder of Page Intentionally Left Blank]

A summary of the projects in the CIP, their estimated costs, and the funding plan are presented in Table 1 contained in the Report of the Airport Consultant included as APPENDIX B hereto and in the Report of the Airport Consultant included as APPENDIX B hereto under the caption "2024-2030 CAPITAL IMPROVEMENT PROGRAM."

Also included in the CIP is an allowance for deicing stormwater mitigation as discussed herein under the caption "THE AIRPORT - Environmental Matters."

AIRLINE INFORMATION

Certain airlines operating at the Airport (or their respective parent corporations), including certain of the Signatory Airlines, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and file reports and other information with the SEC. Certain information, including financial information, as of particular dates is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected in the Public Reference Room of the SEC at 100 F Street, N.E., Washington, DC 20549, and copies of those reports and statements can be obtained from the Public Reference Section of the SEC at the above address at prescribed rates. The SEC also maintains a web site at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each airline operating at the Airport is required to file periodic reports of financial and operating statistics with the USDOT. Those reports can be inspected at the Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, 1200 New Jersey Avenue, S.E., Washington, DC 20590, and copies of those reports can be obtained from the USDOT at prescribed rates. These USDOT reports are also available at the USDOT, Bureau of Transportation Statistics website at https://www.bts.dot.gov.

The Authority undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of any information appearing on the SEC's or USDOT's websites as described in the preceding paragraph, including, but not limited to, updates of such information or links to other internet sites accessed through the SEC's or USDOT's websites.

Airlines licensed by foreign governments or owned or controlled by foreign citizens (including foreign business entities) (unless such foreign airlines have American Depository Receipts registered on a national exchange), are not required to file information with the SEC. Airlines licensed by foreign governments or owned or controlled by foreign citizens (including foreign business entities), file limited information only with the USDOT.

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant (the "Report") dated April 8, 2025 has been prepared by LeighFisher (the "Airport Consultant") in connection with the 2025 Bonds and is reproduced in APPENDIX B to this Official Statement. References made herein to the Report are made to the entire Report, which should be read in its entirety and which contains material information, forecasts, findings, assumptions, and conclusions concerning the Airport System.

The Report presents certain airline traffic and financial forecasts for Fiscal Years 2025 through 2030 and sets forth the assumptions upon which the forecasts are based. The financial forecasts are based on certain assumptions that were provided by, or reviewed and agreed to by Authority management. In the opinion of the Airport Consultant, the assumptions set forth in the Report provide a reasonable basis for all forecasts.

The following table, which has been extracted from the Report, shows the forecast Net Revenues, Coverage Amount, Debt Service Requirements on Bonds, and debt service coverage on Bonds and total indebtedness for Fiscal Years 2025 through 2030. The forecasts indicate compliance with the rate covenant for each Fiscal Year of the forecast period.

FORECAST RATE COVENANT COMPLIANCE
Pittsburgh International Airport
(in thousands, except coverage)
(for the 12 months ending December 31)

	2025	2026	2027	2028	2029	2030
Net Revenues[1]	$79,417	$94,616	$102,774	$101,815	$107,144	$107,243
Coverage Amount	14,745	21,168	21,168	22,707	22,639	22,566
Total	$94,162	$115,783	$123,942	$124,522	$129,783	$129,809
Senior Bonds Debt Service[2]	$77,005	$104,555	$111,307	$111,298	$111,307	$111,300
Less: PFCs Available for Debt Service	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
Aggregate Annual Debt Service	$58,980	$84,670	$91,112	$90,827	$90,556	$90,264
Debt Service Coverage	1.60	1.37	1.36	1.37	1.43	1.44

[1] Includes Other Pledged Revenues.

[2] Excludes interest expense on the PNC Line of Credit, which is expected to be repaid from proceeds of the 2025 Bonds when issued.

Note: Debt service on the 2021 Bonds and the 2023 Bonds is capitalized through February 1, 2025 and April 1, 2025, respectively. Debt service on the 2025 Bonds is capitalized through October 1, 2025, except for the PFC-supported 2025 Bonds which is not capitalized.

Sources: Debt service: PFM, based on market conditions as of March 28, 2025.
All other: LeighFisher.

The Report of the Airport Consultant and the projection of Net Revenues and debt service coverage included therein incorporated assumptions of the debt service on the 2025 Bonds based upon information provided by PFM Financial Advisors LLC ("PFM"), financial advisor to the Authority, as of March 28, 2025. PFM has used what it believes are reasonable assumptions to estimate the projected annual debt service on the 2025 Bonds; however, there can be no assurance that the assumed rates will be achieved or that interest rates will not exceed those used in the assumptions. Several other forecasts included in the Report of the Airport Consultant, such as forecasted airline payments per enplaned passenger, rely on the estimated debt service amounts and investors should take into consideration these assumptions when considering the Report of the Airport Consultant.

The Report of the Airport Consultant should be read in its entirety for an understanding of the Report and its underlying assumptions. As noted in the Report of the Airport Consultant, any forecasts are subject to uncertainties. Inevitably, some of the assumptions used to develop the Report of the Airport Consultant will not be realized and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those in the Report of the Airport Consultant and the variations may be material. The Report of the Airport Consultant is not expected to be updated with final pricing information for the 2025 Bonds. See "CERTAIN INVESTMENT CONSIDERATIONS – FINANCIAL ASSUMPTIONS" and "APPENDIX B - REPORT OF THE AIRPORT CONSULTANT."

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the 2025 Bonds involve investment risks and considerations and may not be suitable for all investors. Prospective purchasers of the 2025 Bonds should read this Official Statement, including the Appendices hereto, in its entirety. The factors set forth below, among others, may affect the security for the 2025 Bonds.

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement and should specifically consider risks associated with the 2025 Bonds. The Authority's ability to derive Net Revenues from operations of the Airport System in amounts sufficient to pay debt service on the 2025 Bonds depends on many factors, many of which are beyond the

control of the Authority. These factors include the financial strength of the air transportation industry in general and the financial strength of the airlines and other businesses that operate at the Airport.

Project Costs and Schedule

The estimated costs of, and the projected schedule for, the TMP and other capital projects depend on various sources of funding and are subject to a number of uncertainties. While the TMP is approximately 80% complete, there can be no assurance that the ability of the Authority to complete these projects within the current budgets and on the current schedules will not be adversely affected by various factors. See "THE TERMINAL MODERNIZATION PROGRAM - Summary of the TMP." Any schedule delays or cost increases could result in the need to issue additional Bonds or Subordinate Obligations, which, depending on the nature and amount of the change or cost increase, could require additional approval from airlines for certain increased costs. The issuance of additional Bonds or Subordinate Obligations may result in increased costs per enplaned passenger to the airlines. At present, the Authority is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the Authority may ultimately decide to modify or not proceed with certain capital projects included in the TMP or the CIP, or may proceed with them on a different schedule, resulting in different results than those included in the forecasts shown in "APPENDIX B - REPORT OF THE AIRPORT CONSULTANT."

Financial Assumptions

The Authority's plan of financing for the TMP is based on a number of financial and activity assumptions, including assumptions relating to: (1) the estimated costs and timing of construction of the TMP and the ability of the Authority to complete construction on the TMP within budget; (2) the projected levels of aviation activity at the Airport; and (3) timing of, and assumptions with respect to the issuance of and interest rates borne by the 2025 Bonds and any additional Bonds, including access to the capital markets. Although the Authority believes each of these assumptions is based on reasonable judgments, one or more of these assumptions may prove incorrect. The impact of a significant variation of any of the assumptions described above could have a material adverse effect on the plan of financing for the TMP.

The Authority's plan of financing is based upon certain assumptions with respect to growth in aviation at the Airport. The factors affecting such levels of activity are largely beyond the Authority's control. Origin-destination or O&D traffic, which accounts for approximately 97.3% of passenger activity at the Airport, will be affected to a significant degree by the economic vitality of the Authority and the region. Airport activity will also be affected, to some extent, by each airline's financial capacity and strategic markets, availability of aircraft, cost of aviation fuel and a number of other factors beyond the control of the Authority such as the period of time it takes to recovery from the pandemic.

Force Majeure Events

Events of force majeure, such as extreme weather events and other natural occurrences such as fires and explosions, pandemics and epidemics, spills of hazardous substances, strikes and lockouts, government-imposed shutdowns or mandatory suspension of services, sabotage, or wars, blockades or riots could adversely affect the Authority's ability to generate Revenues. There is no assurance that such events will not occur while the 2025 Bonds are outstanding. Although the Authority has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance, no assurance can be given that such insurance will be available in sufficient amounts at a reasonable cost or available at all or that insurers will pay claims in a timely manner, or at all.

Economic Considerations

The financial performance of the air transportation industry generally correlates with the state of the national economy and the global economy and levels of real disposable income. Past recessions in the national economy and associated high unemployment reduced discretionary income and negatively impacted airline travel demand. With the globalization of business and the increased importance of international trade and tourism, the national economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international

economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at major airports. Concerns about hostilities and other perceived security and public health risks also affect travel demand to particular international destinations. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth. Traffic at the Airport is also sensitive to growth in the population and fluctuations in the local economy of the area served by the Airport.

Future increases in passenger traffic will depend largely on the ability of the United States to sustain growth in economic output and income. There can be no assurances that prolonged weak economic conditions, including those relating to public health concerns, or other national and international fiscal concerns will not have an adverse effect on the air transportation industry.

Concerns about hostilities, terrorist attacks, other perceived security and public health risks, including pandemics, and associated travel restrictions also affect travel demand to and from particular international destinations. See "Geopolitical Considerations" below.

Air Transportation Industry Factors

The airline industry has historically been highly cyclical and has been 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. After an exceptional period of volatility in the 2000s, the outlook for U.S. air carrier profitability had been positive, with the U.S. airline industry posting nine consecutive years of profitability from 2010 to 2019. However, the COVID-19 pandemic adversely affected airlines and the travel industry disproportionate to other sectors of the economy. Despite those challenges, U.S. air carriers have continued to exercise significant capacity discipline in recent years by eliminating unprofitable routes and redundant services, reducing service at smaller hubs and in less profitable markets, beginning to grow operations strategically, often serving key hubs, and focusing on the use of right-sized aircraft to serve markets. Furthermore, passenger demand has increased significantly since 2021 with most airlines reporting passenger demand equal to or exceeding pre-COVID-19 demand levels. In addition, an increase in fees for ancillary services, such as checked baggage, flight reservations and cancellations, early boarding, seat selection and food service has also helped to increase airline revenues. Federal grants have played a large role in mitigating, to some extent, the impact of COVID-19 on the airlines. After major U.S. airlines returned to profitable operations, there is cautious optimism that the U.S. airline industry may have moved to a cycle of sustainable profits, but the profitability of the airline industry, nonetheless, may still fluctuate dramatically from quarter to quarter and from year to year.

Due, in part, to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are heavily influenced by a variety of factors, including (i) the strength of the U.S. economy and other regional and world economies, (ii) the cost and availability of labor, fuel, aircraft and insurance, (iii) international trade, (iv) currency values, (v) competitive or partnership considerations, including the effects of airline ticket pricing, (vi) traffic and airport capacity constraints, (vii) governmental regulation, including security regulations and taxes imposed on airlines and passengers, evolving federal restrictions on travel to the United States from certain countries, and maintenance and environmental requirements, (viii) passenger demand for air travel, including the availability of business travel substitutes such as teleconferencing, videoconferencing and web-casting, (ix) strikes and other union activities, (x) disruptions caused by airline accidents, criminal incidents, acts of war or terrorism, outbreaks of disease and weather and natural disasters, and (xi) disruptions caused by government policies.

Cost of Aviation Fuel

Airline profitability is significantly affected by the price of aviation fuel. According to Airlines for America, fuel is the second largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. While efforts to address fuel costs, as well as the environmental impacts of fossil fuel based products, such as the development of a commercially viable Sustainable Aviation Fuel, are slowly being implemented, the long term viability of these alternatives is still in early testing phases.

Fuel prices continue to be susceptible to, among other factors: political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa); Organization of Petroleum Exporting Countries policy; the rapid growth of economies such as China and India and resulting demand for oil-based fuels;

the levels of inventory carried by industries; the amounts of reserves maintained by governments; the amount and availability of new sources of oil (e.g., U.S. fracking operations); disruptions to production and refining facilities and delivery systems; currency fluctuations; and weather.

The cost of aviation fuel has fluctuated in the past in response to changes in demand and supply of oil worldwide. Historically, significant fluctuations and prolonged increases in the cost of aviation fuel have adversely affected air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel; to invest in new, more fuel-efficient aircraft and equipment; and to increase airfares and institute fuel, checked baggage, and other extra surcharges, all of which may reduce demand for air travel.

Many airlines engage in or have engaged in fuel hedging – purchasing fuel in advance at a fixed price through derivative contracts – to help manage the risk of future increases in fuel costs. However, there can be no assurance that any fuel hedging contract can provide any particular level of protection from volatile fuel prices. One carrier has even purchased its own refinery in order to better manage its fuel costs.

Aviation Security and Safety Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand. 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.

Safety concerns in the aftermath of the terrorist attacks on September 11, 2001 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 future terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed federal air marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage and cargo, more oversight over third-party service providers such as caterers and ground handlers, and deployment of new screening technologies.

Following the fatal crashes of two Boeing 737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft's automated flight control system, all Boeing 737 MAX aircraft were grounded in March 2019. In December 2020, the Boeing MAX 737 aircraft returned to providing passenger service in the United States. In April 2021, Boeing warned airlines of a new possible electrical insulation fault in the production of some Boeing 737 MAX planes. At the FAA's request, Boeing supplied analysis and documentation showing that numerous Boeing 737 MAX subsystems would not be affected by electrical grounding issues. The FAA reviewed Boeing's analysis and approved the service bulletins sent to airlines in May 2021.

In January 2024, a panel in the aircraft fuselage of a Boeing 737 MAX aircraft blew out in flight. As a result of the incident, the FAA temporarily grounded all Boeing 737 MAX- aircraft and increased oversight of Boeing's manufacturing processes. A subsequent audit by the FAA into the manufacturing processes identified quality control violations by Boeing and its fuselage manufacturer, Spirit AeroSystems.

Boeing has had a production slowdown as a result of the above-described incidents. Southwest Airlines and United Airlines are the carriers most impacted by Boeing's production issues. There can be no assurance that similar issues with aircraft utilized by the airlines will not occur or that such issues, if they occur, would not have a material adverse effect on the airline industry.

On January 29, 2025, a PSA Airlines Bombardier CRJ700 regional jet operated by American Airlines collided with a Sikorsky H-60 helicopter in midair while on approach to a runway at Reagan Washington National Airport, killing 67 people. In response to the crash, the FAA is increasing oversight and resources for air traffic control at Reagan Washington National Airport, including staff support and wellness checks, increased staffing, and staffing and aircraft arrival rate reviews.

On February 17, 2025, a CRJ900 regional jet operated by Endeavor Air the departed Minneapolis/St. Paul International Airport crashed while landing at Toronto Pearson International Airport. All 80 people on board were evacuated. The crash is currently being investigated by the Transportation Safety Board of Canada.

Continued incidents and concern regarding the safety of air travel may impact future demand, decreasing the willingness of the public to travel by air. There can be no assurance that similar incidents will not occur in the future or that such incidents, if they occur, would not have a material adverse effect on the airline industry.

Aircraft Supply Chain Constraints

Supply chain constraints causing shortages of aircraft engines, avionics, and other essential components are affecting the ability of aircraft manufacturers, including Airbus and Boeing, to produce larger, more fuel-efficient aircraft in the numbers being sought by airlines even while there is industry-wide domestic overcapacity. Such constraints are causing and may continue to cause a reduction in the number of active aircraft in fleets able to operate service, however, due to the variety and complexity of airline operation, these constraints may affect individual airlines and/or the Airport with different magnitudes.

Structural Changes in the Travel Market

Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. The federal government's mandated security measures resulted in security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. In addition, the availability of fully transparent price information on the internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as teleconferencing, video-conferencing and web-based meetings.

Industry Workforce Shortages

General labor shortages, including pilots, mechanics and air traffic controllers, have been impacting, and may continue to impact, the airline industry and the Airport. Pilot shortage is an industry-wide issue, and especially so for smaller regional airlines. There are several causes for the pilot shortage that affect all airlines. 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. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases, 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.

The operational reliability of the national air traffic control system has also been affected by a shortage of air traffic controllers to guide aircraft between and around airports. These labor shortages are ongoing and could have an adverse impact on the airline system generally and on the Authority's revenues and financial condition. The 2024 FAA Reauthorization Act required the FAA to increase minimum hiring targets for new air traffic controllers through fiscal year 2028. As of February 2025, the FAA was short approximately 3,500 fully certified air traffic controllers of targeted staffing levels and had approximately 10% fewer controllers than it did in 2012.

In addition to the pilot and air traffic controller shortages, 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.

The 2024 FAA Reauthorization Act also authorized $240 million through Fiscal Year 2028 for three separate grant programs to support (i) pilot education and recruitment, (ii) aviation maintenance technical workers and (iii) aviation manufacturing workers and aerospace engineers. The Authority cannot predict the impact of these measures on industry labor shortages.

Effect of Bankruptcy on Airline Operating Agreements

A number of airlines that served or are currently serving the Airport have filed for bankruptcy protection in the past and may do so in the future. Most recently, on November 18, 2024, Spirit Airlines announced that it entered into a restructuring support agreement ("RSA") with Spirit Airlines' loyalty and convertible bondholders with respect to a comprehensive balance sheet restructuring. To implement the RSA, Spirit Airlines filed for chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York. Spirit completed its financial restructuring on March 12, 2025, and its plan of reorganization was confirmed by the United States Bankruptcy Court for the Southern District of New York. As of the date of this Official Statement, the Authority does not anticipate that the Spirit Airlines' bankruptcy filing will have any immediate effect on the operations and revenues of the Airport. In 2024, Spirit accounted for 9.7% of enplaned passengers at the Airport.

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines the debtor or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Airline Operating Agreements. In the event of assumption, the debtor would be required to cure any prior defaults and to provide adequate assurance of future performance under the relevant agreements. Rejection of a lease or executory contract by any of the Signatory Airlines would give rise to an unsecured claim of the Authority for damages, the amount of which in the case of a lease is limited by the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Operating Agreement by a Signatory Airline in bankruptcy would be passed on to the remaining Signatory Airlines under their Airline Operating Agreements. All Signatory Airlines are current on their payments to the Authority under the Airline Operating Agreements.

Future bankruptcies, liquidations or major restructurings of other airlines and/or concessionaires may occur. While it is not possible to predict the full impact on the Airport of the Spirit Airlines bankruptcy or any future bankruptcies, liquidations or major restructurings of airlines and concessionaires, if an airline or concessionaire has significant operations at the Airport, its bankruptcy, liquidation or a major restructuring, could have a material adverse effect on revenues of the Authority, operations at the Airport, the costs to other airlines or concessionaires to operate at the Airport (as certain costs allocated to any such airline or concessionaire may be passed on to the remaining airlines or concessionaires there can be no assurance that such other airlines or concessionaires would be financially able to absorb the additional costs) and may result in delays or reductions in payments on the Authority's indebtedness (including the 2025 Bonds).

Other possible effects of a bankruptcy of an airline or concessionaire include, but may not be limited to, delays or reductions in revenues received by the Authority and potentially in delays or reductions in payments on the 2025 Bonds. Regardless of any specific adverse determinations in an airline or concessionaire bankruptcy proceeding, the fact of an airline bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2025 Bonds. The Authority has not incurred any material losses from recent airline bankruptcies.

The Authority makes no representation with respect to the continued viability of any of the carriers or concessionaire serving the Airport, airline service patterns, or the impact of any airline failures on Airport revenues. The Authority cannot predict how any such bankruptcy filing or court action could impact the Authority's operations or financial condition.

Airline Consolidation

In response to competitive pressures and other factors, the U.S. airline industry has consolidated through mergers and acquisitions, significantly reducing the number of major airlines operating in the United States. For example, several airlines over the past decade have merged or consolidated, including US Airways and American Airlines; Delta and Northwest; Republic Airways Holdings, Inc., Midwest Airlines and Frontier Airlines; United and Continental; and Southwest Airlines and AirTran Airways. On March 7, 2023, the United States Department of Justice, joined by several states as well as Washington, D.C., filed a lawsuit to block the proposed merger of JetBlue

and Spirit Airlines. As a result, the parties terminated merger discussions. In September 2024, Alaska Airlines completed its merger with Hawaiian Airlines, a merger that was ultimately approved by both USDOT and the United States Department of Justice. Hawaiian Airlines does not serve the Airport.

Further opportunity for merger partners is likely to continue in the industry. In addition, many of the larger U.S. air carriers are members of alliances with foreign-flag airlines that are immunized from U.S. antitrust laws, which can provide members with many of the same advantages as merged airlines. These arrangements typically take the form of an immunized joint venture. It is possible the airlines serving the Airport could further consolidate operations through acquisition, merger or alliances. Depending on their structure, these types of enhanced cooperation could include, among other things, joint marketing, code sharing, coordinating on pricing, and scheduling arrangements to facilitate the transfer of passengers between airlines.

Further airline consolidation remains possible. Depending on which airlines serving the Airport merge or join alliances, if any, the result may be fewer flights or decreases in gate utilization by one or more airlines, which could result in a reduction in enplaned passengers. Such a reduction in enplaned passengers could result in reduced Airport revenues, reduced PFC collections and/or increased costs for the other airlines serving the Airport.

Air Service Region

The Airport serves the greater Pittsburgh area and plays the leading role in western Pennsylvania's air service infrastructure. Based upon information provided by USDOT for fiscal year 2023, approximately 97.3% of total passengers (domestic and international) at the Airport began or ended their air travel ("origin-destination" or "O&D" travel) at the Airport.

The high percentage of origin-destination passengers in both the business and leisure markets is in contrast to certain other major airports that are used in large part by airlines as connecting hubs for passengers enroute to another point as their final destination. As a result of this traffic base, overall activity levels at the Airport are less vulnerable to fluctuations in connecting traffic resulting from route restructuring by individual airlines or other factors affecting particular airlines. Rather, Airport activity levels tend to reflect general economic conditions, regional economic and demographic trends and the economics of the airline industry.

Federal Law Affecting Rates and Charges

Rates and charges for aeronautical use of an airport imposed pursuant to a written agreement between the air carriers operating at an airport and the operator of the airport are generally not subject to federal regulation except for regulations designed to ensure that such rates are not discriminatory. The Airline Operating Agreements between the Authority and the Signatory Airlines set forth a formula for establishing rates and charges for use of the aeronautical facilities at the Airport. Accordingly, the Authority believes that the provisions of the Airline Operating Agreements are consistent with the FAA regulations and the Authority's Grant Assurances, to the extent the same are applicable. The current Airline Operating Agreements expire (unless sooner terminated pursuant to their terms) on December 31, 2028 with an option to extend for an additional three years upon mutual agreement.

Airlines operating at the Airport which do not execute the Airline Operating Agreement are referred to as "Nonsignatory Airlines." Such airlines, as well as other aircraft utilizing the Airport on an itinerant basis, are charged a surcharge equal to 120% of the rates and charges imposed under the Airline Operating Agreement. Such Nonsignatory Airline operations constitute only a small percentage of total operations at the Airport.

For rates and charges not determined pursuant to an agreement, federal aviation law requires, in general, that airport fees be reasonable and nondiscriminatory, as unreasonable or discriminatory conduct would be a violation of FAA grant assurances. In order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. Pursuant to the requirements of the Federal Aviation Administration Authorization Act of 1994, USDOT and FAA have promulgated regulations setting forth an expedited hearing process to be followed in determining the reasonableness of airport rates and charges, and have also promulgated a policy statement (the "Rates and Charges Policy"), which sets forth the

standards that USDOT uses in determining the reasonableness of the fees charged to airlines and other aeronautical users.

Future FAA Rules, Regulations or guidelines may limit the Authority's flexibility in negotiating new airline agreements or in setting rates and charges for use of the Airport's airfield and non-airfield facilities. While there are no currently pending proposals to effectuate such changes in Congress or by the FAA or USDOT, there can be no assurance that new proposals will not be forthcoming which could impact Airport financial models. Any new FAA guidelines or any standards promulgated by a court in connection with a dispute could limit the amounts and allocation of costs payable by airlines serving the Airport. Until USDOT promulgates a new policy regarding rates and charges, the guiding principle for determining whether rates and charges established for use of airport assets is the requirement of federal law that such charges be reasonable.

Passenger Facility Charges

Under the PFC Act, the FAA may authorize a public agency to impose a PFC of up to $4.50 on each eligible passenger of an air carrier enplaned at any commercial service airport controlled by the public agency, subject to certain limitations. PFCs are available to airports to finance certain projects that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise resulting from an airport, or (iii) furnish opportunities for enhanced competition among air carriers. Under certain circumstances, the FAA grants approval to commence collection of PFCs ("impose only" approval) before approval to spend the PFCs on approved projects ("use" approval) is granted. Approval to both collect and spend PFCs is referred to as an "impose and use" approval.

The Authority's annual PFC revenues for 2020 through 2024 were $6,945,191, $13,145,575, $15,867,688, $18,037,523 and $19,518,237, respectively. PFC revenues do not secure the 2025 Bonds or any other Bonds unless designated by the Authority, at its discretion, as PFCs Available for Debt Service and are deposited to the Debt Service Fund.

No assurance can be given that PFCs will actually be received in the amount or at the time contemplated by the Authority. The amount of actual PFC revenues will vary depending on actual levels of qualified passenger enplanements at the Airport. In addition, the FAA may terminate the Authority's ability to impose PFCs, subject to informal and formal procedural safeguards, if the Authority's PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder or the Authority otherwise violates the PFC Act or regulations. The Authority's ability to impose a PFC may also be terminated if the Authority violates certain provisions of the Airport Noise and Capacity Act of 1990 and its implementing regulations. Furthermore, no assurance can be given that the Authority's authority to impose a PFC will not be terminated by the FAA, or that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Authority.

Currently, the Authority has received approvals from the FAA to collect and use PFCs for a total of $1.12 billion in collection authority at the $4.50 level, including $61.8 million received in December 2019 for the PFC-eligible design costs of the TMP and $633.4 million received in April 2022 for PFC-eligible terminal construction costs of the TMP and TMP financing costs. The Authority's current collection authority extends to August 1, 2061.

Federal Funding; FAA Reauthorization

Federal legislation affects the grant funding that the Airport receives from the FAA, the Airport's PFC collections, and the operational requirements imposed on the Airport. On May 15, 2024, Congress passed a reauthorization bill for the FAA, the FAA Reauthorization Act of 2024, which was signed into law on May 16, 2024 by the President. The FAA Reauthorization Act of 2024, among other things, authorizes the FAA and related revenue authorities through September 30, 2028, and increases funding for the Airport Improvement Program. The Airport and Airway Improvement Act of 1982 created the AIP, which is administered by the FAA and funded by the Airport and Airway Trust Fund, which is financed by federal aviation user taxes. 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). FAA AIP expenditures are subject to congressional appropriation and no assurance can be

given that the FAA will receive spending authority. Additionally, the AIP expenditures could be affected by the automatic across-the-board spending cuts, known as sequestration, described below.

As described herein under "FUTURE AIRPORT DEVELOPMENT PLANS – Other Capital Improvements," the Authority expects to undertake projects in its CIP which may be financed in part by AIP grants and other government grants. The Authority is unable to predict the level of available AIP funding it may receive or whether any AIP funding will be received at the time contemplated by the Authority. AIP grants are subject to congressional appropriation and there is no assurance that the FAA will receive spending authority nor that the Authority will receive AIP discretionary grants as contemplated by the Authority in the CIP. AIP grants could also be affected by automatic across-the-board spending cuts known as sequestration. If there is a reduction in the amount of AIP grants awarded to the Authority, 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 and Additional Bonds), (ii) result in adjustments to the capital plan, or (iii) extend the timing for completion of certain projects.

Federal funding received by the Authority could also be adversely affected by the implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011 (Pub.L. 112-25) (the "Budget Control Act"). Sequestration refers to automatic spending cuts that occur through the withdrawal of funding for certain government programs. Sequestration could adversely affect FAA and TSA budgets and 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 freeze hiring, and may result in flight delays and cancellations.

Although the FAA Reauthorization Act of 2024 was enacted, no assurance can be given as to future government spending and the possibility of whether the federal government will "shutdown" while the 2025 Bonds remain outstanding. During a federal government shutdown, thousands of federal workers will be furloughed without pay and many government services and functions will be disrupted. While most airport security agents, customs officials and air traffic controllers are essential employees and would continue working during a shutdown, a shutdown could adversely impact the travel industry by, among other things, reducing air travel demand and reducing government-related business travel. Depending on the length of the shutdown, travelers may experience additional delays in passport and visa processing. National parks, monuments and museums staffed by federal employees would also scale back services or close during a government shutdown.

Cyber and Data Security

The Authority, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware, ransomware and other attacks to its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private or sensitive information, the Authority may be the target of cybersecurity incidents that could result in adverse consequences to the Authority's Systems Technology, requiring a response action to mitigate the consequences. The Authority carries cyberinsurance coverage as a means to assist with recovery from major cyber attacks and incidents.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption or damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyber-attacks, the Authority invests in multiple forms of cybersecurity and operational safeguards.

While the Authority's cybersecurity and operational safeguards are monitored and tested, no assurance can be given by the Authority that such measures will ensure against cybersecurity threats and attacks. Cybersecurity breaches could damage the Authority's Systems Technology and cause material disruptions to the Authority's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the Authority to material litigation and other legal risks, which may cause the Authority to incur material costs above the limits of their cybersecurity coverage.

The airlines serving the Airport and other Airport tenants, as well as the FAA and TSA, also face cybersecurity threats that could affect their operations or finances. The Authority is considered a Critical Infrastructure

entity. Therefore, there are numerous regulatory compliance requirements as issued by DHS, TSA and other governmental agencies. Notwithstanding security measures, information technology and infrastructure at the Airport, any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by external or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could disrupt the operations of the Airport or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue.

In March 2023, the TSA issued a TSA Joint Emergency Amendment (EA) 23-01, amending the cybersecurity requirements for airport and aircraft operators by extending performance-based requirements and guidelines to require that impacted TSA-regulated entities develop an approved implementation plan that describes measures they are taking to improve their cybersecurity resilience and prevent disruption and degradation to their infrastructure. They must also proactively assess the effectiveness of these measures, which include the following actions:

- Develop network segmentation policies and controls to ensure that operational technology systems can continue to safely operate in the event that an information technology system has been compromised, and vice versa;
- Create access control measures to secure and prevent unauthorized access to critical cyber systems;
- Implement continuous monitoring and detection policies and procedures to defend against, detect, and respond to cybersecurity threats and anomalies that affect critical cyber system operations; and
- Reduce the risk of exploitation of unpatched systems through the application of security patches and updates for operating systems, applications, drivers and firmware on critical cyber systems in a timely manner using a risk-based methodology.

Environmental Regulations

The U.S. Environmental Protection Agency (the "EPA") is responsible for regulating air quality and water quality. The Authority is not aware of any releases of pollutants or contaminants at the Airport. However, there could be other releases not known to the Authority as of the date of this Official Statement and as described below. The potential exists for additional federal regulation or remediation or federal or state legislation from time to time that may require capital expenditures or changes in operations at the Airport System or could otherwise have an adverse impact on the Authority.

The FAA requires airports to provide aircraft rescue and firefighting services using aqueous film forming foam ("AFFF") that contains PFAS (per- and poly fluoroalkyl) compounds. While current formulations use different PFAS compounds, AFFF used at airports in the past contained Perfluorooctanoic Acid ("PFOA") and Perfluorooctane Sulfonate ("PFOS"), two substances that have been widely used in numerous commercial products and which are currently being reviewed by the EPA for designation as hazardous substances and for regulation under other EPA programs. The Authority believes that it is in compliance in all respects with all current regulations governing the use of PFAS, including with regard to regional firefighting training conducted at the Airport.

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The Fourth National Climate Assessment, published by the U.S. Global Change Research Program in November 2018 ("NCA4"), finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. NCA4 states that rising temperatures, sea level rise, and changes in extreme events are expected to increasingly disrupt and damage critical infrastructure and property and regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. NCA4 states that the continued increase in the frequency and extent of high-tide flooding due to sea level rise threatens coastal public infrastructure. NCA4 also

states that expected increases in the severity and frequency of heavy precipitation events will affect inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines. NCA4 finds that coastal airports are vulnerable to effects of sea level rise, with flooding potentially exacerbated by storm surges and high tides.

Projections of the effects of global climate change on the greater Pittsburgh region, the Airport, airline users of the Airport, and Airport operations are complex and depend on many factors that are outside the Authority's control. Climate change may affect Airport operations directly, as discussed above, or indirectly, such as by disrupting operations at other airports that have ripple effects in the air transportation system. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially from those assumptions. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the Authority is unable to forecast when sea level rise or other adverse effects of climate change will occur. In particular, the Authority cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the Airport and the local economy during the term of the 2025 Bonds. While the effects of climate change may be mitigated by the Authority's past and future investment in adaptation strategies, the Authority cannot give any assurance about the net effects of those strategies and whether the Authority will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources**.**

Demand for Air Travel

Airline fares have an important effect on passenger demand, particularly for relatively short trips where the automobile, rail or other land travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. In addition, teleconference, videoconference and web-based meetings continue to improve in quality and price and are considered a satisfactory alternative to some face-to-face business meetings, especially with their increased use during the pandemic. Permanent reductions in some business travel for in-person meetings is expected to result from the adoption of teleconference, videoconference and web-based meetings by businesses and by workers who have been required to work remotely due to pandemic restrictions and have now become accustomed to remote meetings. Airfares are influenced by airline operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition. If airlines are unable to charge fares sufficiently high to cover operating costs and interest expense they will experience financial difficulty, which could adversely affect Airport revenues and the willingness of the airlines to approve additional capital development projects.

Capacity and Reliability of National Air Traffic Control and Airport Systems

Demands on the nation's air traffic control system continue to cause aircraft delays, restrictions and safety-related incidents, including the number of aircraft movements in certain air traffic routes, on the number of landings and takeoffs at certain airports and the number of air traffic control lapses. These restrictions affect airline schedules and passenger traffic nationwide. In addition, increasing demands on the national air traffic control and airport systems could cause increased delays, restrictions or safety-related incidents in the future. 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 on its ability to hire, train and retain adequate numbers of skilled controllers.

In February of 2025, the Department of Governmental Efficiency issued hundreds of terminations of FAA employees including all probationary employees. The impact on air traffic control cannot be measured at this time; however, it is possible that these cuts will negatively affect the ability of the FAA to exercise control over air traffic which has been increasing at a rapid pace.

Transportation Network Companies (TNCs)

One significant source of non-airline revenues is revenue generated from ground transportation activity, including use of on-Airport parking facilities; trip fees paid by taxis, limousines and TNCs; and rental car transactions by Airport passengers. While passenger levels had been increasing prior to 2020 and the onset of the COVID-19 pandemic, the relative market share of these sources of revenue was shifting during that period. The popularity of TNCs has increased because of the increasing number of cities where TNCs operate, the convenience of requesting a

ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing. See "THE AIRPORT – Transportation Network Companies (TNCs)." The Authority expects that TNCs and their use by passengers will continue to evolve, and the Authority cannot provide any assurance as to the amount of revenues received from TNCs or the impact the increasing use of TNCs may have over time on revenues from parking, other ground transportation services or rental cars.

New Technologies

In addition to TNCs, new technologies (such as autonomous vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode. While the Authority makes every effort to anticipate demand shifts, there may be times when the Authority's expectations differ from actual outcomes. In such event, revenue from one of more ground transportation modes may be lower than expected. The Authority cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Authority also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such new technologies or innovative business strategies.

Geopolitical Risks

Wars or other military conflicts, acts of terrorism or fear of such attacks, including elevated national threat warnings, may depress air travel, particularly related to international routes, and cause declines in passengers and increases in costs.

In February of 2022, the Russian invasion of Ukraine and the related imposition of sanctions on Russia, the political turmoil in the Middle East and concern about potential disruptions in oil shipments in the Persian gulf, as well as the high demand for oil, and other geopolitical concerns have caused oil prices to fluctuate unpredictably.

In October of 2023, the Hamas organization which controls the Gaza Strip staged a series of coordinated attacks in Southern Israel resulting in loss of life. Israel staged numerous counterattacks, imposed a siege of the territory and undertook a ground invasion within the Gaza Strip, with resulting casualties. Additional conflicts between Israel, Hamas, Hezbollah and Yemen's Houthis and Iran continue. In January of 2025, Israel and Hamas reached a ceasefire and hostage-for-prisoner release agreement, but negotiations and conflicts continue.

The conflicts have resulted in periodic disruptions of travel in the region, the duration of which cannot be foreseen at this time. The impact of the ongoing conflict on world markets, including without limitation, oil markets and international travel, is uncertain. These factors have had, and may continue to have, significant effects on the cost of air travel, on airline profitability and service patterns and the cost of operating and maintaining the Airport. The full impact of these possibilities cannot be predicted.

Legislative Developments

The Authority is subject to applicable federal, state and local legislation, changes to which could have a material effect on the operations or financial position of the Authority. It is not possible to predict whether any such legislation will be introduced after the date of this Official Statement or, if introduced, whether such legislation would be enacted.

Possible Changes in Tax Laws Could Affect the Tax Treatment of Series 2025 Bonds

Current and future legislative proposals, if enacted into law, could cause interest on the 2025A Bonds to be subject, directly, or indirectly, to federal income taxation, or for the 2025 Bonds to be subject to or not be exempted from income taxation imposed by the State, or otherwise prevent the owners of the 2025 Bonds from realizing the full current benefit of the tax status of such interest. See "TAX MATTERS" herein.

No Acceleration

Events of Default under the Master Indenture and related remedies are described herein under "APPENDIX C – FORM OF MASTER INDENTURE, AS AMENDED – ARTICLE VIII, DEFAULTS AND REMEDIES." The occurrence of an Event of Default does not grant any right to accelerate payment of the 2025 Bonds. Since Net Revenues are Revenues net of all amounts needed to pay Operation and Maintenance Expenses of the Airport System, 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 System even if an Event of Default has occurred and no payments are being made on the 2025 Bonds.

Forward-Looking Statements

The statements contained in this Official Statement, including the Appendices, and in any other information provided by the Authority and other parties to this transaction described herein that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "projects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these of other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Other such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, the financial condition of individual airlines and carriers and the airline industry generally, changes in the tourism industry, international, federal, state and local regulations regarding air travel, the COVID-19 pandemic, the outbreak of any other disease or public health threat, other future global health concerns, and other events or circumstances beyond the control of the Authority. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement, including the Appendices, and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the 2025 Bonds.

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

As discussed in the Report of the Airport Consultant, the factors affecting aviation activity at the Airport include: the growth of population and of the economy in the Airport's service area, airline service and route networks, the financial health and viability of the airline industry, national and international economic and political conditions, the availability and price of aviation fuel, levels of air fares, the capacity of the national air traffic control system and capacity at the Airport and elsewhere. The Report of the Airport Consultant should be read in its entirety for an understanding of all of the assumptions used to prepare the forecasts made therein. 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 projection period will vary, and the variations may be material. See "APPENDIX B – REPORT OF THE AIRPORT CONSULTANT."

THE TRUSTEE

The obligations and duties of the Trustee are described in the Master Indenture and the Trustee has undertaken only those obligations and duties which are expressly set out in the Master Indenture. The Trustee has not independently passed upon the validity of the 2025 Bonds, the security therefor, the adequacy of the provision for payment thereof or the tax status of the interest on the 2025 Bonds, nor has the Trustee independently verified any information contained in this Official Statement. The Trustee may resign or be removed or replaced as provided in the Master Indenture.

LITIGATION

On the date of issuance and delivery of the 2025 Bonds, counsel to the Authority will deliver an opinion to the effect that, to its knowledge, among other things, there is no litigation or proceeding, pending or threatened, in any way affecting the existence of the Authority, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2025 Bonds or the right of the Authority to collect Revenues and other moneys pledged or to be pledged to pay the principal of and interest on the 2025 Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the 2025 Bonds, the Master Indenture or the Airline Operating Agreements, or contesting in any way the completeness or accuracy of this Official Statement, or contesting the powers of the Authority or its authority with respect to the 2025 Bonds or the Master Indenture. In addition, on such date the Authority will deliver a certificate to the effect that there is no litigation pending, or to the knowledge of the Authority, threatened, seeking to restrain or enjoin the issuance or delivery of the 2025 Bonds or the Airline Operating Agreements or questioning or affecting the legality of the 2025 Bonds, the proceedings and authority under which the 2025 Bonds are being issued or the validity of the Airline Operating Agreements, and that there is no litigation pending, or to the knowledge of the Authority, threatened, which in any manner, questions the right of the Authority to lease or operate the Airport System in accordance with the provisions of the Master Indenture or which, if decided adversely to the Authority, would materially adversely affect its ability to pay debt service on the 2025 Bonds. As of the date of this Official Statement, there are no pending uninsured claims that are or would be deemed material by the Authority.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, is expected to assign its municipal bond insured rating of "AA" (stable outlook) to the 2025 Bonds with the understanding that, concurrently with the issuance and delivery of the 2025 Bonds, the Policy will be issued by AG. Kroll Bond Rating Agency has assigned an underlying rating on the 2025 Bonds of "A+" (stable outlook). Moody's Investors Service, Inc. has assigned its underlying rating of "A2" (stable outlook) to the 2025 Bonds. Fitch Ratings has assigned its underlying rating of "A" (stable outlook) to the 2025 Bonds.

The ratings and outlook assigned to the 2025 Bonds by such rating agencies reflect only the views of such organizations and any desired explanation of the significance of such ratings and outlook should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating and outlook on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such ratings or outlook will continue for any given period of time or that such ratings or outlook will not be revised downward or withdrawn entirely by the rating agency concerned, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the 2025 Bonds.

TAX MATTERS

2025A Bonds

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any 2025A Bond for any period during which it is held by a "substantial user" of the facilities financed or a "related person", as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) interest on the 2025A Bonds, and any profits made on their sale, is exempt from taxation by the Commonwealth and all political subdivisions thereof. Bond Counsel expresses no opinion as to any other tax consequences regarding the 2025A Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the 2025A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Authority's representations and certifications or the continuing compliance with the Authority's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the 2025A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the "IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority may cause loss of such status and result in the interest on the 2025A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the 2025A Bonds. The Authority has covenanted to take the actions required of it for the interest on the 2025A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the 2025A Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2025A Bonds or the market value of the 2025A Bonds.

Interest on the 2025A Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the 2025A Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the 2025A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a 2025A Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the 2025A Bonds ends with the issuance of the 2025A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the 2025A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2025A Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the 2025A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the 2025A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2025A Bonds.

Prospective purchasers of the 2025A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the 2025A Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the legislature of the Commonwealth. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2025A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2025A Bonds will not have an adverse effect on the tax status of interest or other income on the 2025A Bonds or the market value or marketability of the 2025A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the 2025A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the 2025A Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the 2025A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the 2025A Bonds may be affected and the ability of holders to sell their 2025A Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium – 2025A Bonds

Certain of the 2025A Bonds ("Discount 2025A Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount 2025A Bond. The issue price of a Discount 2025A Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount 2025A Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount 2025A Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount 2025A Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the 2025A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount 2025A Bond. A purchaser of a Discount 2025A Bond in the initial public offering at the issue price (described above) for that Discount 2025A Bond who holds that Discount 2025A Bond to maturity will realize no gain or loss upon the retirement of that Discount 2025A Bond.

Certain of the 2025A Bonds ("Premium 2025A Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium 2025A Bond, based on the yield to maturity of that Premium 2025A Bond (or, in the case of a Premium 2025A Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium 2025A Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium 2025A Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium 2025A Bond, the owner's tax basis in the Premium 2025A Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium 2025A Bond for an amount equal to or less than the amount paid by the owner for that Premium 2025A Bond. A purchaser of a Premium 2025A Bond in the initial public offering who holds that Premium 2025A Bond to maturity (or, in the case of a callable Premium 2025A Bond, to its earlier call date that results in the lowest yield on that Premium 2025A Bond) will realize no gain or loss upon the retirement of that Premium 2025A Bond.

Owners of Discount and Premium 2025A Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium 2025A Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

2025B Bonds

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the 2025B Bonds is not excluded from gross income for federal income tax purposes; and (ii) interest on the 2025B Bonds, and any profits made on their sale, is exempt from taxation by the Commonwealth and all political subdivisions thereof. Bond Counsel expresses no opinion as to any other tax consequences regarding the 2025B Bonds. The legal defeasance of the 2025B Bonds might result in a deemed sale or exchange of the 2025B Bonds under certain circumstances; owners of the 2025B Bonds should consult their tax advisors as to the federal income tax consequences of such an event. Prospective purchasers of the 2025B Bonds should consult their tax advisors as to the federal, state and local, and foreign tax consequences of their acquisition, ownership, and disposition of the 2025B Bonds.

The following discussion is generally limited to "U.S. owners," meaning beneficial owners of 2025B Bonds that for United States federal income tax purposes are either individual citizens or residents of the United States or corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia). ***Partnerships (including entities treated as partnerships for United States federal income tax purposes) holding 2025B Bonds, and partners in such partnerships, and estates or trusts holding 2025B Bonds, and beneficiaries of such estates or trusts, should consult their tax advisors regarding the tax consequences of an investment in the 2025B Bonds (including their status as U.S. owners).***

Prospective purchasers of the 2025B Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover pages of this Official Statement, and prospective purchasers of the 2025B Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Payment of Interest

In general, interest paid or accrued on the 2025B Bonds, including qualified stated interest on Discount 2025B Bonds (as defined below), if any, will be treated as ordinary income to U.S. owners. A U.S. owner using the accrual method of accounting for U.S. federal income tax purposes must include interest paid or accrued on the 2025B Bonds in ordinary income as the interest accrues, while a U.S. owner using the cash receipts and disbursements method of accounting for U.S. federal income tax purposes must include interest in ordinary income when payments are

received or constructively received by the owner, except as described below under the section entitled **"Original Issue Discount and Original Issue Premium."**

Original Issue Discount and Original Issue Premium

Certain of the 2025B Bonds ("Discount 2025B Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount 2025B Bond, provided that excess equals or exceeds a statutory *de minimis* amount (one-quarter of one percent of the Discount 2025B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, if required by applicable Treasury Regulations, to an earlier call date)). The issue price of a Discount 2025B Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount 2025B Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount 2025B Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the time a U.S. owner owns a Discount 2025B Bond (i) is interest includable in the U.S. owner's gross income for federal income tax purposes, and (ii) is added to the U.S. owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of the Discount 2025B Bond. The effect of OID is to accelerate the recognition of taxable income for a U.S. owner who uses the cash method of accounting during the term of the Discount 2025B Bond.

Certain of the 2025B Bonds ("Premium 2025B Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). If a U.S. owner purchases a Premium 2025B Bond, that owner will be considered to have purchased such Premium 2025B Bond with "amortizable bond premium" equal in amount to such excess. The U.S. owner may elect (which election shall apply to all securities purchased at a premium by such U.S. owner), in accordance with the applicable provisions of Section 171 of the Code, to amortize that premium as an offset to the interest payments on the Premium 2025B Bond using a constant yield to maturity method over the remaining term of the Premium 2025B Bond (or, if required by applicable Treasury Regulations, to an earlier call date). Pursuant to Section 67(b)(11) of the Code, the amortization of that premium is not considered a miscellaneous itemized deduction. Any amortization of bond premium will reduce the basis of the Premium 2025B Bond pursuant to Section 1016(a)(5) of the Code.

Owners of Discount and Premium 2025B Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium 2025B Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Sale, Exchange, Retirement or Other Taxable Disposition of 2025B Bonds

Upon the sale, exchange, retirement or other taxable disposition of a 2025B Bond, a U.S. owner will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement or other disposition and the owner's adjusted basis in the 2025B Bond or applicable portion of the adjusted basis. The owner's adjusted basis generally will equal the cost of the 2025B Bond to the owner, increased by any OID includible in the owner's ordinary income for the 2025B Bond and reduced by any principal payments on the 2025B Bond previously received by the owner (including any other payments on the 2025B Bond that are not qualified stated interest payments) and by any amortizable bond premium allowed as a deduction as described above under the section entitled **"Original Issue Discount and Original Issue Premium."** Any gain or loss recognized upon a sale, exchange, retirement or other disposition of a 2025B Bond (excluding amounts attributable to accrued interest) will generally be capital gain or loss and will be long-term capital gain or loss if the U.S. owner's holding period in the 2025B Bond

exceeds one year. Long-term capital gains of individuals are currently eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on the 2025B Bonds and the proceeds of the sale of 2025B Bonds to non-corporate holders of the 2025B Bonds, and "backup withholding," currently at a rate of 24%, will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of 2025B Bonds that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Medicare Tax Affecting U.S. Owners

A U.S. owner that is an individual is subject to a 3.8% Medicare tax on the lesser of (1) the U.S. owner's "net investment income" for the taxable year and (2) the excess of the U.S. owner's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between $125,000 and $250,000, depending on the individual's circumstances). A U.S. owner's net investment income generally includes interest income on, and net gains from the disposition of, 2025B Bonds, unless such interest income or net gains are derived in the ordinary course of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual should consult its tax advisor regarding the applicability of the Medicare tax.

Non-U.S. Owners

Under the Code, interest and OID on any 2025B Bond whose beneficial owner is not a U.S. owner is generally not subject to United States income tax or withholding tax (including backup withholding) if the non-U.S. owner provides the payor of interest on the 2025B Bonds with an appropriate statement as to its status as a non-U.S. owner. This statement can be made on IRS Form W-8BEN or a successor form. If, however, the non-U.S. owner conducts a trade or business in the United States and the interest or OID on the 2025B Bonds held by the non-U.S. owner is effectively connected with such trade or business, that interest or OID will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding). The foregoing is a brief summary of certain federal income tax consequences to a non-U.S. owner. ***Non-U.S. owners should consult their tax advisors regarding the tax consequences of an investment in the 2025B Bonds.***

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") generally imposes a 30% withholding tax on interest payments to (i) certain foreign financial institutions (including certain investment funds) that fail to certify their FATCA status and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders are not satisfied. Proposed Treasury Regulations, which may be relied upon until final Treasury Regulations are promulgated, suspend the requirement to apply the 30% withholding tax to gross proceeds from the sale or other disposition of 2025B Bonds. This requirement otherwise would have applied to a sale or other disposition of 2025B Bonds made on or after January 1, 2019.

In the case of payments made to a "foreign financial institution" (generally including an investment fund), as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a "FATCA Agreement") or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA"), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity either provides the withholding agent with a certification that it does not have any

"substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or identifies its "substantial" U.S. owners.

If 2025B Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold the 30% FATCA tax on payments of interest as described above made to (i) a person (including an individual) that fails to comply with certain information requests or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding in cases where the withholding described above in "Non-U.S. Owners" or "Information Reporting and Backup Withholding" also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on 2025B Bonds as a result of a failure by an investor (or by an institution through which an investor holds the 2025B Bonds) to comply with FATCA, none of the Authority, any paying agent or any other person would, pursuant to the terms of the 2025B Bonds, be required to pay additional amounts with respect to any 2025B Bond as a result of the deduction or withholding of such tax. ***Non-U.S. owners should consult their tax advisors regarding the application of FATCA to the ownership and disposition of 2025B Bonds.***

LEGAL MATTERS

All legal matters incident to the authorization, issuance and sale of the 2025 Bonds are subject to the receipt of approving legal opinions from Squire Patton Boggs (US) LLP, Washington, D.C. The form of the approving opinion of Bond Counsel is included as APPENDIX E hereto. Certain legal matters will be passed upon for the Authority by its counsel, Saul Ewing LLP, Pittsburgh, Pennsylvania. Certain other legal matters will be passed upon for the Underwriters by their counsel, Eckert Seamans Cherin & Mellott, LLC, Pittsburgh, Pennsylvania.

FINANCIAL STATEMENTS

The statement of net position of the Authority as of December 31, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended (the "Financial Statements"), appended hereto as APPENDIX A to this Official Statement have been audited by Plante & Moran, PLCC, independent auditors, as stated in their report appearing herein. The Financial Statements present financial and other information only as of the dates and for the periods set forth therein. The Financial Statements are the most recent audited financial statements of the Authority; however, inclusion of the Financial Statements herein shall not create any implication that Plante & Moran, PLCC has undertaken any review or procedures with regard to financial statements or financial information as of any date or for any period beyond December 31, 2023. Plante & Moran, PLLC has not performed or been engaged to perform any procedures or other services in connection with this Official Statement or the offer of sale of the 2025 Bonds.

UNDERWRITING

The 2025 Bonds are being purchased from the Authority by J.P. Morgan Securities LLC ("JPMS") and PNC Capital Markets LLC, as representatives (together, the "Representatives") of the Underwriters listed on the cover of this Official Statement (collectively, the "Underwriters"). The Underwriters have agreed to purchase the 2025 Bonds from the Authority at a price of $420,354,578.90 (which is equal to the par amount of the 2025 Bonds, plus original issue premium of $10,560,671.70, less an underwriters' discount of $721,092.80), subject to the terms of a bond purchase agreement (the "Bond Purchase Agreement") among the Representatives and the Authority. The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2025 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions.

The Underwriters intend to offer the 2025 Bonds to the public at the initial offering price or prices set forth on the inside cover page of this Official Statement. The Underwriters may allow concessions from the initial public offering prices to certain dealers, banks and others. After the initial public offering, the public offering prices may be varied from time to time by the Underwriters, without prior notice.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses. In addition, PNC Bank, National Association, which is an affiliate of PNC Capital Markets LLC, one of the Underwriters, is a lender to the Authority pursuant to the PNC Line of Credit. See "CERTAIN RELATIONSHIPS."

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

JPMS, an Underwriter of the 2025 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

PNC Capital Markets LLC, an Underwriter of the 2025 Bonds, may offer to sell to its affiliate, PNC Investments, LLC ("PNCI"), securities in PNC Capital Markets' inventory for resale to PNCI's customers, including securities such as those to be offered by the Authority.

BofA Securities, Inc., an Underwriter of the 2025 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 2025 Bonds.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (the "Financial Advisor") is serving as financial advisor to the Authority for the issuance of the 2025 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement. The Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities. The Financial Advisor is a registered municipal advisor with the SEC and the Municipal Securities Rulemaking Board under the Dodd-Frank Act of 2010.

AIRPORT CONSULTANT

LeighFisher, San Francisco, California, has served as the Airport Consultant to the Authority. See "REPORT OF THE AIRPORT CONSULTANT" herein and attached hereto as APPENDIX B. References to and excerpts from such report contained in this Official Statement do not purport to be an adequate summary of such report or complete in all respects. Such report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed herein.

CONTINUING DISCLOSURE

Pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Authority has entered into a Continuing Disclosure Agreement (the "Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC" or the "Dissemination Agent"). The Authority has covenanted in the Continuing Disclosure Agreement for the benefit of the holders of the 2025 Bonds to provide certain financial information and operating data relating to the Airport System and the 2025 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The Authority has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") for purposes of complying with the Rule. Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The Authority has agreed to file notices of certain enumerated events, when and if they occur, with the Repository.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. The Continuing Disclosure Agreement will be executed by the Authority upon the issuance of the 2025 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the 2025 Bonds, no party other than the Authority is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The Authority has entered into a contract with Digital Assurance Certification, L.L.C. to provide continuing disclosure dissemination agent services for all of its outstanding bond issues.

CERTAIN RELATIONSHIPS

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of the PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association currently has a banking relationship with the Authority, including the PNC Line of Credit, and may in the future have other banking and financial relationships with the Authority.

Squire Patton Boggs (US) LLP, Bond Counsel, has, from time to time, represented certain of the Underwriters in bond financing matters unrelated to the Authority and its issuance of the 2025 Bonds.

Saul Ewing LLP, Issuers Counsel, has, from time to time, represented certain of the Underwriters in bond financing matters unrelated to the Authority and its issuance of the 2025 Bonds.

LeighFisher, the Authority's Airport Consultant, and Jacobs, the Program Manager for the TMP, are both divisions of Jacobs Engineering Group. The two divisions operate independently of one another in providing professional services to the Authority.

MISCELLANEOUS

The references herein to the Act, the Master Indenture and the Airline Operating Agreements are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to such documents and the Act for full and complete statements of their provisions.

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

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

The delivery of this Official Statement and its distribution and use have been duly authorized by the Authority.

THE ALLEGHENY COUNTY AIRPORT AUTHORITY

By: /s/ Christina A. Cassotis
Christina A. Cassotis, Chief Executive Officer

APPENDIX A

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

[THIS PAGE INTENTIONALLY LEFT BLANK]



Annual Comprehensive **FINANCIAL REPORT** of the

ALLEGHENY COUNTY AIRPORT AUTHORITY

(a component unit of the County of Allegheny, Pennsylvania)

for the fiscal year ended **DECEMBER 31, 2023**

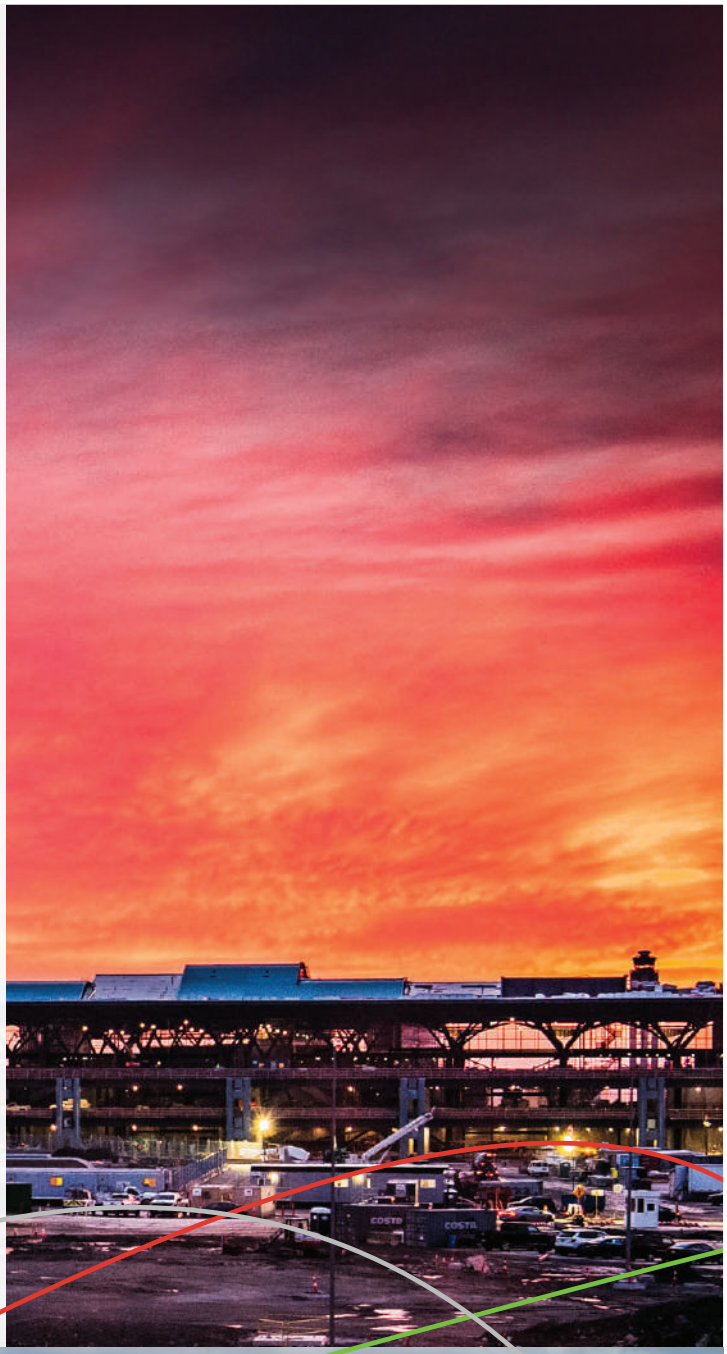
Prepared by the Allegheny County Airport Authority's Finance Department

ABOUT US: Fast Facts

The Allegheny County Airport Authority (ACAA) manages Pittsburgh International Airport (PIT) and Allegheny County Airport (AGC).

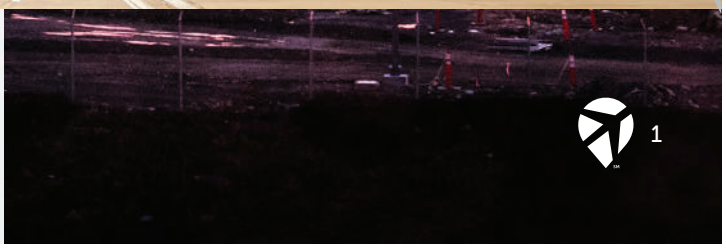
PIT is the premier gateway to Western Pennsylvania. First constructed in 1952 and completely rebuilt in 1992, it is now undergoing a complete rebuild of the landside facilities. It is one of the largest airports by land mass in the U.S., at more than 8,800 acres. The X-shaped Airside Terminal was a pioneering design for airports worldwide, and PIT has continued to set new industry standards with a first-of-its-kind microgrid that completely powers the terminals and airfield, a unique advanced manufacturing campus, and a childcare center built in the terminal for employees on the airport campus.

AGC is the busiest general aviation airport in Pennsylvania and the fifth-busiest among all state airports. Located just east of Pittsburgh in West Mifflin, it opened in 1931 as the third-largest airport in the U.S. and one of the first with hard-surface runways and a lit airfield. Notable for its signature Art Deco terminal, AGC is home to several fixed-base operators, two flight schools, an aviation mechanic school and more.











Rich Fitzgerald,
Allegheny County Executive

Replaced by Sara Innamorato
on January 1, 2024



Christina Cassotis,
Chief Executive Officer, ACAA



David Minnotte, *Chairman*



Matthew Smith,
Vice Chairman



Ashley Henry Shook,
Secretary



Jan Rea,
Treasurer

Allegheny County Airport Authority
LEADERSHIP & BOARD MEMBERS

The Allegheny County Airport Authority is in its third decade of overseeing Pittsburgh International and Allegheny County airports. Under a lease with an initial term of 25 years and two additional 25-year option terms, the ACAA, governed by a board appointed by the Allegheny County Executive, operates the two premier airports that serve the Pittsburgh region.



Lance Chimka
Served until December 31, 2023



Rev. Dr. William H. Curtis



Thomas McIntyre



Randy Vulakovich



Cynthia Shapira

Leadership as of December 31, 2023, unless otherwise noted.

2023 Highlights

In 2023, PIT continued a strong rebound from challenges related to the COVID-19 pandemic, with full-year passenger numbers recovering to 94 percent of pre-pandemic levels, the expansion of existing routes and the addition of several new destinations.

KEY MILESTONES INCLUDED:

- PIT's marquee international route, nonstop service to London Heathrow on British Airways (BA), added two flights per week by May, making for a total of six flights per week for through October;
- Major progress on PIT's new $1.57 billion Terminal Modernization Program, which is scheduled to open in 2025;
- The launch of PIT2Work, an innovative workforce development program hosted at PIT that has drawn strong praise from the White House and national organizations as a potential blueprint for similar programs around the country; and
- The opening of an onsite childcare center for employees on PIT's campus with room for about 60 children from infancy through pre-K.


British Airways adds flights



First PIT2Work Cohort


Childcare center ribbon cutting

Our **MISSION**

A global aviation leader driving innovation, regional growth and prosperity by investing in our employees, customers, airlines, and partners.

Our **VISION**

To transform Pittsburgh's airports to reflect and serve the community, inspire the industry, and advance the region's role as a world leader.

Our **DUAL IMPERATIVES**

01 Safety, Security & Public Health

02 Air Service Development

Smart Plan **FORWARD**

A LEADING-EDGE PLAN TO ACHIEVE THE ACAA VISION AND MISSION, 2019-2024.

SMARTER **TERMINAL**

Modernize Pittsburgh International Airport to create operational efficiencies, welcome visitors properly, and make local residents proud.

SMARTER **TECHNOLOGY**

Create seamless connectivity of interrelated devices, objects, people, and processes to improve the overall airport experience.

SMARTER **WORKFORCE**

Enable, empower and equip our workforce to thrive in a digitally driven, operationally efficient environment.

SMARTER **DEVELOPMENT**

Grow our prime real estate into a global epicenter of advanced manufacturing & digital innovation.

SMARTER **CARGO**

Increase growth potential for air cargo companies by becoming a first choice logistics center in the global supply chain of goods & materials.

Allegheny County Airport Authority

Contents

Introductory Section

Letter of Transmittal i-v

GFOA Certificate of Achievement for Excellence in Financial Reporting vi

Listing of Board of Directors and Officers vii

Organization Chart viii

Financial Section

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-11

Basic Financial Statements

Fund Financial Statements:
- Statement of Net Position 12-13
- Statement of Revenue, Expenses, and Changes in Net Position 14
- Statement of Cash Flows 15

Notes to Financial Statements 16-40

Required Supplementary Information 41

Schedule of the Authority's Proportionate Share of the Net Pension Liability 42
Schedule of Pension Contributions 43

Statistical Section 44

Statistical Section Table of Contents 45

Table I - Statements of Revenues, Expenses, and Changes in Net Position Information 46-47

Operating Revenue by Category 48
Operating Expenses by Business Unit 49
Table II - Net Position by Component 50
Table III - Summary of Airline Rate Base Fees 51

Airline Revenue Derived by Carrier 52
Table IV - Rates and Cost Per Enplaned Passenger 53
Table V - History of Total Concessions Per Enplanement 54
Table VI - Outstanding Debt by Type and Revenue Bond Debt Service Ratios 55
Table VII - Revenue Bond Debt Service Coverage 56

Table VIII - Enplaned Passengers by Airline Group 57
Table IX - Activity Statistics 58
Table X - Count of Employees by Department 59

Capital Asset and Other Airport Information 60-62
Table XI - Allegheny County - Demographic and Economic Statistics 63
Table XII - Allegheny County - Principal Employers 64

Introductory Section

ALLEGHENY COUNTY AIRPORT AUTHORITY

PITTSBURGH INTERNATIONAL AIRPORT
ALLEGHENY COUNTY AIRPORT

April 22, 2024

To the Board of the Allegheny County Airport Authority and Residents and Stakeholders of the Surrounding Region:

This Annual Comprehensive Financial Report of the Allegheny County Airport Authority (the "Authority") is hereby submitted for the fiscal year that ended on December 31, 2023. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the Finance Department of the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of the operations of the Authority. This Letter should be read in conjunction with the accompanying Management Discussion and Analysis to gain a more complete financial and business understanding of the Authority.

REPORTING ENTITY

The Authority was created on June 17, 1999, and exists pursuant to the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382, as amended. The Authority is governed by a nine-member Board of Directors appointed by the County Executive of Allegheny County.

The Authority manages and operates two airports, Pittsburgh International Airport ("PIT") and Allegheny County Airport ("AGC"). Pittsburgh International Airport is a commercial passenger facility located 16 miles west of downtown Pittsburgh. Allegheny County Airport is a general aviation airport located in West Mifflin, approximately 10 miles southeast of downtown Pittsburgh.

ECONOMIC CONDITIONS

In 2023, leisure and business travel continued their post-pandemic rebound across the airline industry. The Authority saw continued growth in PIT's passenger numbers, hitting 2019 levels late in the year. Demand is expected to steadily increase in 2024 with new direct routes and increased seat capacity. Private and corporate flying increased to their highest levels in decades at AGC.

ORGANIZATIONAL PROGRESS

In 2023, the Authority launched new strategic projects and further developed ongoing initiatives that support the Authority's vision of creating a world-class airport that drives economic growth for the region via both passenger and cargo operations, as well as activities not typically

performed at airports, such as sustainable energy development and workforce initiatives benefitting adjacent industries.

The Terminal Modernization Project ("TMP"), the construction project to modernize PIT and exceed expectations of the modern air traveler, remains on schedule to open in 2025, a notable achievement given global supply chain challenges that emerged during the pandemic. In 2023, the TMP reached several important construction milestones, including completion of the steel framework and roof of the building, completion of the double-decker front arrivals and departures bridge, and the raising of the signature tree-shaped columns that support the building structurally.

The Authority is fully committed to building an airport for Pittsburgh, by Pittsburgh. The Authority's commitment to workplace safety has maintained incidents at a lower rate than the industry standard. Strong project governance is a hallmark of the TMP, with all of the Authority's partners and contractors working cooperatively and collaboratively to promote a safe work environment. The Authority's unique partnership with the Occupational Safety and Health Administration and Pittsburgh Regional Building Trades Council is dedicated to reducing construction site hazards, increasing sustainability, and advancing an overall safe and sustainable jobsite. Benefits of working on the TMP include on-site parking for all contractors, daily stretch and flex activities, weekly site safety walk-throughs, rewards for safe behaviors and site conditions, enhanced housekeeping standards, an internet platform to track safety trends and the use of state-of-the-art tools.

Approximately 90 percent of all new terminal work will be completed by businesses based in the Pittsburgh region, delivering approximately $2.5 billion in economic impact to the community, according to a report created by EBP US Inc. As with all projects undertaken by the Authority, there is a clear commitment to increasing Disadvantaged Business Enterprise ("DBE") participation. An audit by the Federal Aviation Administration ("FAA") found that the Authority not only complied with DBE requirements but exceeded them and cited the Authority's DBE program as an example for others to follow.

Another Authority strategic project, the development of Cargo 4, hit a milestone in 2022 with its groundbreaking. This is the Authority's largest freight investment in years – a 77,000-square-foot cargo processing building that features a new taxiway, aircraft parking apron, and an adjacent surface parking lot. The additional capacity and modern design will position PIT as a global logistics center. In 2019, Cargo 4 was a recipient of the federal Department of Transportation's BUILD Grant, the first cargo project to receive such funds, with additional support from the Commonwealth of Pennsylvania and the FAA. This facility, expected to open in 2025, will strengthen the country's domestic and international supply chain, bolster the regional economy, and help attract new carriers to PIT.

Efforts to increase air service are at the heart of the Authority's mission to connect the world to Western Pennsylvania and serve as a vital economic engine for the region. Passenger traffic increased considerably in 2023, with nearly 9.2 million passengers flying through PIT—94 percent of the airport's 2019 level. By the end of 2023, airlines were serving 61 nonstop

destinations from Pittsburgh, chief among them British Airways' ("BA") nonstop flight to London Heathrow. That connection is worth more than $50 million annually in economic impact for the region, according to a report created by EBP US Inc. By May 2023, BA had added two more flights a week, for six total during the summer season, a clear sign of their confidence in the market.

Underscoring our strength in air service are the unique resources of the Pittsburgh region. As a globally renowned hub of robotics and artificial intelligence research and development, the innovators here are building the future of technology. The Authority's xBridge innovation program, located onsite at PIT, exemplifies the role of innovation in the region. Launched in 2020, xBridge is a proving ground for technologies and startups that develop solutions to today's airport and industry needs, in addition to testing and incubating strategic technologies that could be deployed for aviation and other industries in the future. The proof-of-concept and pilot site showcases new technologies in a real-world operating environment. xBridge is designed to capitalize upon and grow the region's powerful tech economy right at the airport. xBridge has partnered with firms ranging from global Fortune 500 companies to local start-ups for projects that have tackled air purification, biological threat detection, ramp management technology driven by AI modeling and computer vision, and teleoperated vehicles, among other innovative projects. Dozens of external partners have worked with the xBridge program to date, validating the attractive opportunity xBridge provides to emerging technologies.

The Authority's investment in workforce development accelerated dramatically in 2023 with major strategic projects that have garnered national attention. The first is PIT2Work, an innovative five-week pre-apprenticeship training program that immerses participants into the trades and provides them with the skills, certifications, and connections to immediately begin careers in the construction trades. The program is hosted at PIT in partnership with unions and nonprofit training organizations and takes place on the construction site of the new terminal. In July, First Lady Jill Biden and other federal leaders came to PIT to learn more about PIT2Work and declared it a model for other workforce development initiatives around the U.S. to duplicate. The second project was the completion and opening of an onsite childcare center for employees working on PIT's campus, making it one of only a handful of airports nationwide to offer such an amenity. Operated in partnership with Learning Care Group, a national provider of childcare services, the 5,300-square-foot facility built in an unused section of the terminal has room for about 60 children from infancy to pre-kindergarten. Both PIT2Work and the childcare center are emblematic of the Authority's commitment to breaking down barriers to employment, strengthening the workforce for the airports and the regional economy.

Harnessing the power of transformative technology, particularly in heavy industry, comes naturally to Western Pennsylvania, which boasts a strong manufacturing legacy that is redefining its future. With about 9,000 acres comprising the PIT campus, the Authority has expanded the definition of what airports can do. Utilizing its access to air, ground, rail, and water transportation on Foreign Trade Center-designated land, PIT hosts the world's first end-to-end additive manufacturing hub, Neighborhood 91. This hub is intended to remove obstacles to the industrial transition of the growing additive manufacturing sector, co-locating the equipment and resources needed to expedite the creation and delivery of precise 3D printed parts. In 2023, the campus added tenants HAMR and Metal Powder Works, marking the completion of the first

phase of the project, during which high-value metal printing and finishing has been used to create efficient solutions for the transportation, defense, and aerospace industries. Plans for future development of Neighborhood 91 are ongoing.

The Authority unveiled a first-of-its-kind airport microgrid in the summer of 2021, providing a direct electric power source for the PIT terminal and airport campus in the event of an outage that affects the traditional grid. In partnership with People's Natural Gas, the microgrid is fueled by natural gas and over 9,000 solar panels built atop a capped landfill, land otherwise unusable for development. By utilizing cleaner energy, the microgrid provides a yearly carbon reduction of over 8 million pounds and is saving the Authority and its partners more than $1 million in electricity costs each year, based on Authority estimates. The Authority is currently in the middle of plans to double the size of the solar farm and continues to make progress in carbon reductions by seeking sustainable and innovative solutions throughout its airports.

AGC continued its strong post-pandemic performance in 2023, recording its busiest year in more than a decade. Hangars at the general aviation facility were near full occupancy by the end of the year, and a large waiting list of tenants of all sizes has allowed the Authority to raise rental rates, increasing revenue. Among AGC's most prominent tenants are Pittsburgh Institute of Aeronautics, a nationally renowned training school for aviation mechanics, and two flight schools. AGC also offers community meeting space and flight options for private and corporate entities.

The Authority's strategic business plan continues to guide the Authority on a dynamic path into the future, and with the support of staff, airline partners, passengers, the Board of Directors, the Allegheny County Executive, and regional elected officials, the Authority is pleased to have recorded an outstanding year.

FINANCIAL INFORMATION

The Authority's Finance Department is responsible for implementing and maintaining an internal control structure to ensure the integrity of the Authority's operations and to allow for the preparation of financial statements conforming to accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable assurance that the assets, resources, and operations of the Authority are handled in a manner that protects against waste, theft, neglect, and other irregularities that may hinder operations. This objective is met by adequate employee supervision, segregation of duties, and multiple levels of expenditure approvals.

BUDGETARY CONTROLS

The Authority's budget process is designed to ensure that the Authority will have adequate funding to meet its operational objectives. The passenger airline operating agreement specifies a residual rate-making methodology for the calculation of airline rates and charges. The aggregate of airport fees paid by the signatory airlines must be sufficient to pay for the net cost of operating, maintaining, and developing the airfield and terminals of PIT and AGC. The

Authority's annual operating and capital budgets are reviewed and approved by its Board of Directors.

INDEPENDENT AUDIT

The Authority's independent auditor, Plante & Moran, PLLC, has performed the annual audit for the year that ended on December 31, 2023, and has rendered an unmodified opinion of the Authority's financial statements. The audit was conducted in accordance with auditing standards generally accepted in the United States. The audit report of Plante & Moran, PLLC, is contained herein.

INTERNAL CONTROLS

The Authority's management is responsible for the establishment and maintenance of internal accounting controls that ensure assets are safeguarded and financial transactions are properly recorded and adequately documented. The Authority has established internal controls to fulfill these requirements. These controls are reviewed annually by an external audit firm for applicability, relevance, and effectiveness.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Allegheny County Airport Authority for its Annual Comprehensive Financial Report for the fiscal year that ended on December 31, 2022. This is the thirteenth consecutive year that the Authority achieved this prestigious award. In order to receive the Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements.

ACKNOWLEDGEMENTS

The completion of this report would not have been possible without the support of the Authority's Board of Directors and their commitment to the continuous improvement of corporate governance and financial reporting. In addition, members of the Finance Department played a significant role in compiling and completing this report.

Christina A. Cassotis

Christina A. Cassotis
Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Allegheny County Airport Authority
Pennsylvania

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

ACAA Board of Directors

2023

Officers

David Minnotte, Chairman

Matt Smith, Vice Chairman

Ashley Henry Shook, Secretary

Jan Rea, Treasurer

Operations and Facilities Committee

Randy Vulakovich, Chair

Business & Communications Committee

Ashley Henry-Shook, Chair

Finance & Administration Committee

Matt Smith, Chair

Audit Committee

Jan Rea, Chair

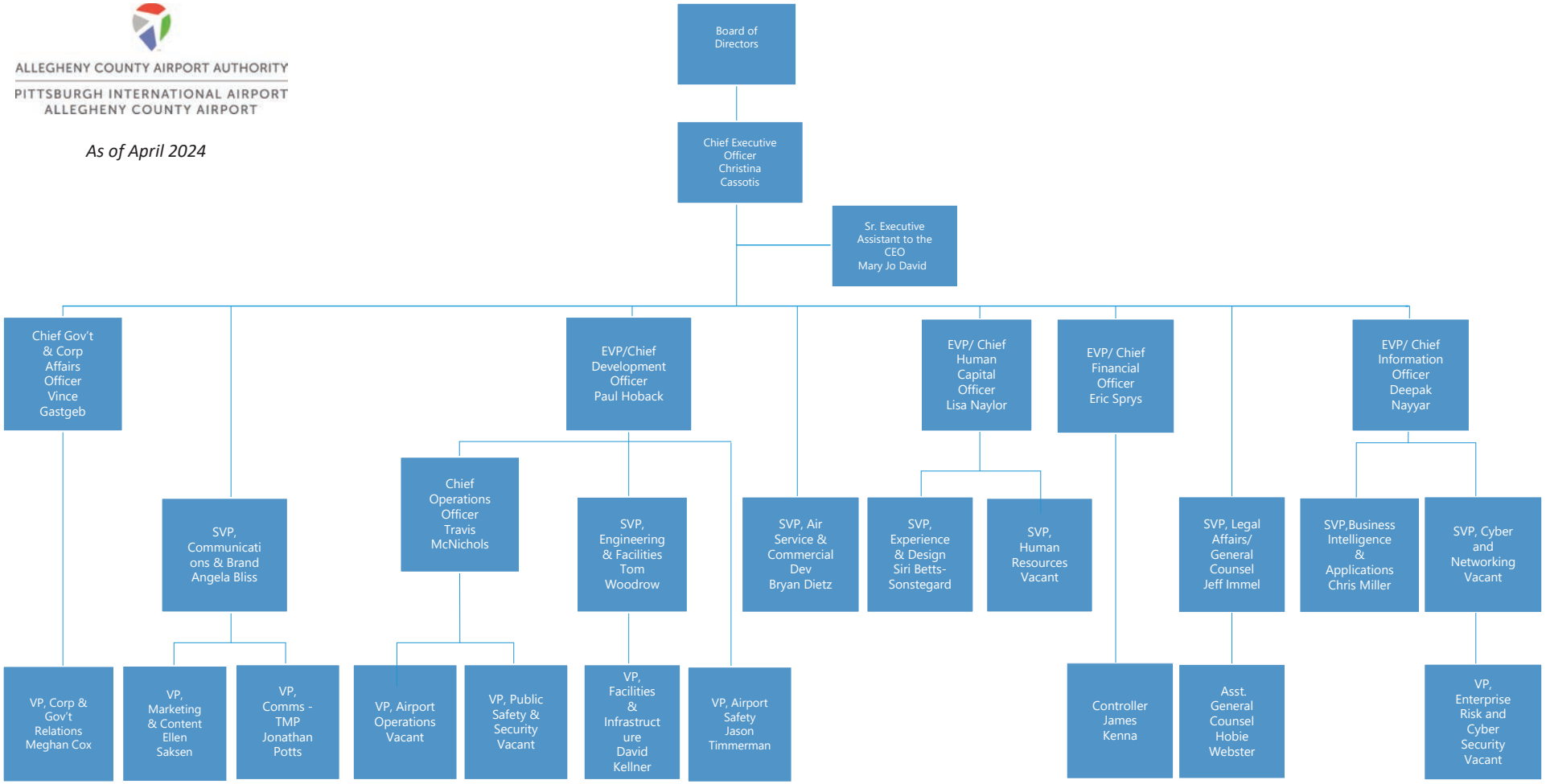
Members

Tom McIntyre
Cindy Shapira
Dr. William H. Curtis
Randy Vulakovich

ALLEGHENY COUNTY AIRPORT AUTHORITY

PITTSBURGH INTERNATIONAL AIRPORT
ALLEGHENY COUNTY AIRPORT

As of April 2024



Plante & Moran, PLLC
Suite 300
537 E. Pete Rose Way
Cincinnati, OH 45202-3578
Tel: 513.595.8800
Fax: 513.595.8806
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Allegheny County Airport Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Allegheny County Airport Authority (the "Authority"), a component unit of the County of Allegheny, Pennsylvania, 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 Allegheny County Airport Authority as of December 31, 2023 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 opinion. 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 and other required supplementary information, as identified 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical section schedules but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Board of Directors
Allegheny County Airport Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024 on our consideration of Allegheny County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 Allegheny County Airport 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 Allegheny County Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 22, 2024

Financial Section

The Allegheny County Airport Authority's (the "Authority") discussion and analysis is presented to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position. Management encourages the reader to consider this discussion and analysis in conjunction with the information contained in the Authority's financial statements.

The Airline Operating Agreement

The Authority operates and manages the facilities at Pittsburgh International Airport ("PIT" or the "Airport") and the Allegheny County Airport ("AGC") (collectively, the "Airports") pursuant to the terms of the Airport Operation, Management and Transfer Agreement and Lease dated September 16, 1999, between Allegheny County, Pennsylvania (the "County") and the Authority. The County transferred and leased the Airports to the Authority for a term of 25 years plus two 25-year options (since extended by 10 years). Additionally, passenger airline operations are governed by an Airline Operating Agreement and Terminal Building Lease (the "AOA"), which expires on December 31, 2028, with an option to extend for an additional 3 years upon mutual agreement. The AOA has been signed by Air Canada, Alaska Airlines, Allegiant Air, American Airlines, British Airways, Delta Air Lines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines (collectively, the "Signatory Airlines").

Airline revenue at PIT is based upon a residual arrangement, as defined in the AOA. The Signatory Airlines collectively assume financial risk by agreeing to pay the costs of running the Airports that are not allocated to other users or offset by nonairline sources of revenue.

Overview of the Financial Statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned, and expenses are recognized when incurred. Capital assets are recorded in land, building, and equipment accounts and are depreciated over their useful lives (except land). See Notes 1 and 2 to the financial statements for a summary of the Authority's organization and significant accounting policies. Following this discussion and analysis are the financial statements of the Authority, including the notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's financial statements are designed to provide readers with a broad overview of the Authority's financial position and activities.

The Statement of Net Position presents information on all of the Authority's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial condition.

The Statement of Revenue, Expenses, and Changes in Net Position presents information showing the change in the Authority's net position during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded and reported in this statement for some items that will result in cash flows in future periods.

The Statement of Cash Flows relates to the flows of cash and cash equivalents. Consequently, only transactions that provide or use cash are recorded in this statement. A reconciliation is provided at the bottom of the Statement of Cash Flows to assist in the understanding of the difference between (1) the operating loss and (2) net cash and cash equivalents used in operating activities.

Significant Events and Financial Highlights

Enplaned (departing) passengers at the Airport increased by 13.4% in 2023 as compared to 2022, which followed the prior year's 27.9% increase, as the return to travel continued post-pandemic. Enplaned passengers reached 94.2% of the 2019 pre-pandemic level. The Pittsburgh market saw 9.2 million passengers arriving and departing through the Airport in 2023. The Airport's diversified portfolio of airlines, including major network carriers, low-cost carriers, and ultra-low-cost carriers, increased the direct flight destinations to 61, with over 150 peak-day nonstop departures. During 2023, Southwest Airlines was the Airport's largest carrier, measured by the number of

passengers, followed by American Airlines.

The Airport continues to be a key cargo gateway for the region as well, hosting several cargo carriers including FedEx, UPS, and Amazon Air, as well as cargo charter operators. In addition, passenger carriers provide crucial cargo service at the Airport via the cargo hold on passenger aircraft. Besides being a popular passenger connection, British Airways' nonstop service to London Heathrow is an important cargo route, handling significant volumes. In total among all cargo operators, the Airport handled 190.5 million pounds of combined mail and freight in 2023.

The Airport has had success in recruiting additional air service, as several airlines launched or announced 17 new routes. Breeze launched nine new routes in 2023. American Airlines launched seasonal service to Cancun starting in December 2023, and Spirit launched service to Miami. Two key announcements made in 2023 include Icelandair adding Pittsburgh to Reykjavik launching in May 2024, and Frontier adding four new routes including twice-daily service to Philadelphia beginning in May 2024.

The Authority continues to be designated as a recipient of Pennsylvania state revenue generated from casinos and operations that combine a racetrack with a casino. This designation is a result of the Pennsylvania Racehorse Development and Gaming Act, which is often referred to as the Gaming Act. An amendment to this act known as the Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget appropriated a $12.4 million payment to the Authority annually. The Authority expects to continue to receive this $12.4 million annual payment for as long as it is a recipient under the Gaming Act.

In 2023, the parking operation at PIT continued as the largest non-aeronautical operating revenue generator for the Airport. There was $60.3 million in parking revenue included in the results of the Airport for 2023, an increase of $16.9, or 39.0% as compared to 2022. Enplaned passengers climbed from 4.1 million in 2022 to 4.6 million in 2023, a 13.4% increase. Additionally, the Airport made several operational improvements and key pricing decisions in conjunction with new parking operator LAZ to add more parking spaces and modernize parking rates.

On February 8, 2013, the Authority's board awarded the bid to drill natural gas at the Airports to CNX Gas Company LLC (CNX). CNX's lease has continued from year to year with new wells added at PIT as recently as 2023. In addition to ground rent, the Authority earns ongoing royalties on the natural gas production. In addition, CNX has partnered with Range Resources to add lateral drilling at PIT from well pads on neighboring properties. The new lateral wells started production in May 2023. Net revenues from the natural gas lease have been used to reduce airline rates and charges and for capital expenditures, including economic development at the Airport. During 2023 and 2022, drilling revenues were $9.2 million and $12.2 million, respectively.

The Terminal Modernization Program (the "TMP") broke ground in the fall of 2021 and construction of the new, rightsized terminal to serve the region remains on schedule for a 2025 opening. The financing of the TMP includes a subordinate revolving line of credit facility with PNC (the "PNC Line of Credit"). The terms of the credit facility were updated with the Fourth amendment to the loan agreement on December 15, 2023. The par amount available of $50.0 million remains, and the index changed to the Secured Overnight Financing Rate (SOFR) and is a combination of bearing interest at a rate per annum, which is equal to the sum of 79% of the Daily 1M SOFR plus an applicable spread starting at 58 basis points. This line was and continues to be used to pay certain costs of the TMP. The security for repayment of the facility is a subordinate lien on net revenue, as defined in the Master Trust Indenture. The outstanding balance on the line of credit was $726,750 on December 31, 2023.

The AOA provides approval for $1.569 billion in TMP costs and $241.9 million for (i) renovations of the existing airside terminal and (ii) Signatory Airline fit-outs of the project's newly constructed leased premises, such as ticket counters and offices. TMP design and construction is primarily being funded with bond financing. As of December 31, 2023, two bond sales were completed, including the most recent on October 9, 2023 (the "2023 Bonds"). Leading up to this sale, three bond rating agencies cited, among other things, the Airport's well-anchored origination and destination traffic base serving the broader Pittsburgh metropolitan area, and well-diversified airline market share.

The $415.0 million bond sale was met with solid investor demand and oversubscription. The Authority benefited from the oversubscription through favorable repricing at the end of the sale. Over 87 separate institutional

investors placed orders and over $1.3 million of orders were filled for retail Pennsylvania investors.

The 2023 Bonds consisted of three tranches:

- Series 2023A (AMT) Bonds: The Par amount of the Series 2023A Bonds is $346,960,000, and the proceeds from these bonds are used to (i) pay costs of the TMP, the airside terminal renovations, and the airline fit-outs, including repayment of a portion of the then-outstanding principal balance under the PNC Line of Credit; (ii) fund capitalized interest on the 2023A Bonds; (iii) fund the Common Debt Service Reserve Account in the Debt Service Reserve Fund; and (iv) pay the costs of issuance of the 2023A Bonds.

- Series 2023B (Non-AMT) Bonds: The principal amount of the Series 2023B Bonds is $27,065,000, and the proceeds from these Bonds are used to (i) pay costs of the TMP, including repayment of a portion of the outstanding principal balance under the PNC Line of Credit; (ii) fund capitalized interest on the 2021B Bonds; (iii) fund the Common Debt Service Reserve Account in the Debt Service Reserve Fund; and (iv) pay the costs of issuance of the 2023B Bonds (including the premium for the insured Series 2023B Bonds).

- Series 2023C (Federally Taxable) Bonds: The principal amount of the Series 2023C Bonds is $41,000,000, and the proceeds from these Bonds are used to (i) pay costs of the TMP, including repayment of a portion of the outstanding principal balance under the PNC Line of Credit; (ii) fund capitalized interest on the 2021B Bonds; (iii) fund the Common Debt Service Reserve Account in the Debt Service Reserve Fund; and (iv) pay the costs of issuance of the 2023B Bonds (including the premium for the insured Series 2023B Bonds).

The 2023 Bonds have a 30-year final maturity with principal repayment structured to achieve approximately level annual debt service.

The following is a summary of the Authority's Statement of Revenue, Expenses and Changes in Net Position for the years ended December 31, 2023, and 2022 (in thousands):

	2023	2022	% Change 2023 vs 2022
Operating revenues			
Landing fees and airline rentals and fees	$ 63,421	$ 54,181	17.1%
Parking revenues	60,254	43,338	39.0%
Rental car revenues	15,044	13,941	7.9%
Other revenues	28,031	29,759	-5.8%
Total operating revenues	166,751	141,219	18.1%
Nonoperating revenues			
Passenger and customer facility charges	28,940	25,441	13.8%
Gaming act revenues	12,400	12,400	0.0%
Gas drilling revenues	9,191	12,205	-24.7%
Non capital grants	20,294	13,310	52.5%
Net increase in fair value of investments	17,151	(6,029)	-384.5%
Other revenues	27,260	14,133	92.9%
Total nonoperating revenues	115,236	71,460	61.3%
Total revenues	$ 281,987	$ 212,679	32.6%

	2023	2022	% Change 2023 vs 2022
Operating expenses			
Salaries, wages, and benefits	83,818	70,379	19.1%
Utilities, cleaning, and maintenance	29,366	29,028	1.2%
Depreciation	39,148	52,944	-26.1%
Other expenses	65,517	53,835	21.7%
Total operating expenses	217,848	206,186	5.7%
Nonoperating expenses			
Interest expense	27,827	28,085	-0.9%
Other expenses	3,017	42	-
Total nonoperating expenses	30,843	28,127	9.7%
Total expenses	248,691	234,313	6.1%
Loss before capital contributions and grants	33,295	(21,634)	-253.9%
Capital contributions and grants	54,622	30,838	77.1%
Increase (decrease) in net position	87,917	9,204	855.2%
Net Position – beginning of year	663,298	654,094	1.4%
Net Position – end of year	$ 751,215	$ 663,298	13.3%

Total operating revenues increased approximately $25.6 million, or 18.1%, compared to 2022. The primary drivers were combined parking and ground transportation revenues finishing the year up $16.9 million, or 39.0%, compared to 2022 as a direct result of the 13.4% increase in enplaned passengers year over year and strategic initiatives to better utilize lots and pricing. Similarly, landing fees and airline rentals and fees were up $9.2 million, or 17.1% in 2023 as compared to 2022 due to the increase in air service.

Total operating expenses (including depreciation) were up $11.7 million, or 5.7%, in 2023 as compared to 2022. Salaries, wages, and benefits increased approximately $13.4 million as employment returned to full post-pandemic levels. The category of “Other expenses” includes professional services, supplies, fuel, and chemicals and increased by $11.7 million year over year. The application of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* resulted in the recognition of additional pension expense of $27.6 million and $19.5 million in 2023 and 2022, respectively.

Nonoperating revenues increased $43.8 million due to a $23.1 million increase in the fair value of investments and a $12.8 million increase in interest income, both due to the increase in bond proceeds on-hand and interest rate increases in 2023 over 2022.

Nonoperating expenses increased $2.7 million due to $2.9 million spent in 2023 on bond issuance costs as part of the 2023 bond sale.

Significant Capital Project - Terminal Modernization Program

In 2017, the Authority approved its master plan for the Airport, which identified the need to right-size and modernize the Airport's terminal facilities. The existing terminal was designed and constructed in the late 1980s

and early 1990s in close cooperation with the former US Airways to accommodate its hubbing operations. The terminal complex was therefore designed to handle high volumes of connecting traffic. The Airport no longer serves as a major hub, with US Airways ending its hubbing operations in 2004. Traffic at the Airport is now composed of approximately 97% origination and destination (O&D) passengers who are served by a diversified portfolio of airlines. Because the Airport is no longer a hub, the existing terminal facilities far exceed the current level of activity in some respects, and in other respects are undersized for a thriving O&D market. For example, the TSA security screening area was not originally designed to meet today's needs, causing congestion. In addition, building systems such as elevators, escalators, mechanical, electrical, and communications that became operational in 1992 are reaching the end of their respective service lives, requiring significant maintenance or replacement.

The TMP will replace the existing landside terminal at the Airport with a new landside terminal housing ticketing, the TSA checkpoint, and baggage claim. In addition, associated facilities, including roadways, parking, and rental car facilities, will be constructed adjacent to the new landside terminal. The new landside terminal will be integrated with the existing airside terminal, eliminating the need for a train between the buildings. The design of the new terminal took into account evolving customer requirements, technology, and health standards. The TMP design was informed and influenced by extensive collaboration and coordination between the Authority and its airline partners. The TMP is designed to balance airside and landside terminal operations to serve current and projected passenger demands and improve building system functionality along with reduced operating costs.

The TMP Budget totals nearly $1.4 billion, and the opening date is scheduled for early 2025. Major components of the program include a terminal ($761.9 million), a multimodal complex ($164.8 million), indirect costs such as designs and management ($303.8 million), and contingencies ($102.5 million). The airline operating agreement executed in 2021 allowed the TMP construction to formally start in the summer of 2021. Major construction highlights in 2023 include the completion of all steel placement, terminal deck concrete, and roadway bridges. At year end, terminal glass installation was near completion and the MMC precast components were in the final stages. By the end of 2023, 96% of terminal contracts were awarded as well as 95% of MMC contracts.

COVID-19 Significant Legislation

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic which spread across the globe. In response, many countries implemented measures to combat the outbreak. These measures included international travel restrictions and, in some states, orders to stay home. As a result, domestic travel across the United States significantly declined. The United States Government responded by passing acts of legislation to partially offset the negative financial impacts of COVID-19.

The CARES Act, signed into law on March 27, 2020, included $10.0 billion of assistance to U.S. commercial airports. The Authority was awarded $36.2 million of CARES Act funds which the Authority used to partially offset operating expenses in 2021 and 2022. The FAA has officially approved the grant closeout.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), signed into law on December 27, 2020, included approximately $2.0 billion of financial relief for airports. The Authority was awarded $10.6 million of CRRSA funds which the authority used to offset debt and operating expenses as well as to pass-through to the Airport's concessionaires. The FAA has officially approved the grant closeout.

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, included $8.0 billion in funds to U.S. airports. The Authority was awarded $35.8 million of ARPA funds which the authority used to offset debt and operating expenses as well as to pass-through to the Airport's concessionaires. The final grant closeouts have been filed and are pending final FAA notification.

The following table summarizes the above legislation and the amounts drawn down from ACAA fiscal years 2021 thru 2023. All funding has been fully utilized.

COVID - 19 Grants
FY 2020 thru FY 2023
millions

	Debt Service	Operating	Concessions	Total
Federal Relief Available				
Cares	$ 8.28	$ 27.84	$ -	$ 36.12
CRRSA	$ 9.54	$ 0.06	$ 1.01	$ 10.61
ARPA	$ 2.75	$ 29.08	$ 4.04	$ 35.87
Total Federal Relief Available	$ 20.57	$ 56.98	$ 5.05	$ 82.60
Drawn Down as of 12/31/2023				
FY 2020 CARES	$ -	$ 11.14	$ -	$ 11.14
FY 2021 CARES	$ 8.28	$ 14.34	$ -	$ 22.62
FY 2022 CARES	$ -	$ 2.36	$ -	$ 2.36
FY 2020 CRRSAA	$ -	$ -	$ -	$ -
FY 2021 CRRSAA	$ 9.54	$ 0.06	$ -	$ 9.60
FY 2022 CRRSAA	$ -	$ -	$ 1.01	$ 1.01
FY 2020 ARPA	$ -	$ -	$ -	$ -
FY 2021 ARPA	$ 2.75	$ 4.17	$ -	$ 6.91
FY 2022 ARPA	$ -	$ 9.73	$ -	$ 9.73
FY 2023 ARPA	$ -	$ 15.19	$ 4.04	$ 19.23
Total Drawn	**$ 20.57**	**$ 56.97**	**$ 5.05**	**$ 82.59**
Total Available for Future Use	**$ -**	**$ -**	**$ -**	**$ -**

The Bipartisan Infrastructure Law (BIL), another major legislative act, was signed on November 15, 2021. This law is further broken out between competitive grants and entitlement grants.

Bipartisan Infrastructure Law Funding Airport Terminal Program Grants (ATP) represent competitive grants. The Authority has been awarded a total of $23.5M to date in BIL ATP Grants. In 2022, the Authority's award of $20 million was fully used to procure Steel for the TMP project. In 2023, the Authority's award of $3.5 million was used to support the TMP project. The Authority will continue to apply for these competitive grants in 2024 through 2026.

Bipartisan Infrastructure Law Airport Infrastructure Grants (AIG) represent entitlement grants. These grants include an annual allocation through 2026 of relatively fixed amounts adjusted based on the most recent current year enplaned passenger or NPIAS classification. These grants can be carried over to future years. The Authority chose to rollover grants and the first utilization of AIG grants was in 2023. The Authority's airports will each receive entitlement grants as follows:

a. Pittsburgh International Airport is estimated to receive $55.1 million (roughly $11.0 million per year for five years adjusted in later years as stated above). These funds will be used on various capital projects, including restroom renovations, interior lighting, and holdrooms.
b. Allegheny County Airport is estimated to receive a total of $3.8 million (roughly $763,000 per year for five years). These funds will be used on various capital projects, including airfield and taxiway improvements as well as airfield signage projects.

Financial Position

The following represents a summary of the Authority's Statement of Net Position as of December 31, 2023, and 2022 (in thousands):

	2023	2022	% Change 2023 vs 2022
Assets and Deferred Outflows of Resources			
Assets			
Current assets - Unrestricted	$ 189,536	$ 161,727	17.2%
Current assets - Restricted	89,272	76,264	17.1%
Net property and equipment	1,474,181	1,037,141	42.1%
Other non current assets - Unrestricted	231,667	227,280	1.9%
Other non current assets - Restricted	673,771	647,435	4.1%
Total assets	2,658,428	2,149,847	23.7%
Deferred Outflows of Resources	98,587	83,712	17.8%
Total assets and deferred outflows of resources	$ 2,757,015	$ 2,233,559	23.44%

	2023	2022	% Change 2023 vs 2022
Liabilities and Deferred Inflows of Resources			
Liabilities			
Current payables from unrestricted assets	$ 34,176	$ 65,411	-47.8%
Current payables from restricted assets	86,182	74,328	15.9%
Long-term liabilities	1,657,809	1,188,829	39.4%
Total liabilities	1,778,168	1,328,568	33.8%
Deferred Inflows of Resources	227,632	241,693	-5.8%
Total liabilities and deferred inflows of resources	2,005,801	1,570,261	27.7%
Net Position			
Net investment in capital assets	638,807	602,988	5.9%
Restricted	76,163	33,085	130.2%
Unrestricted	36,244	27,225	33.1%
Total net position	$ 751,215	$ 663,298	13.25%

The Authority's total net position increased by $87.9 million from 2022 due to changes in net investments in capital assets, restricted net position, and unrestricted net position. The net investment in capital assets increased by $35.8 million due to additional investments in capital assets financed through capital grants and contributions. Restricted net position increased by $43.1 million primarily due to an increase in investment gains in 2023 and increased PFC revenues. Unrestricted net position increased $9.0M due to increases in unrestricted cash, cash equivalents, and investments due to the increased revenues and favorable market conditions in 2023 when compared to 2022.

For the years ended December 31, 2023, and 2022, the Authority's financial statements include the adoption of GASB Statement No. 87, Leases ("GASB 87"). Further detailed information on the Authority's leases can be found in Note 12 to the financial statements.

Capital Asset and Debt Administration

Capital Assets - The Authority's capital assets, net of depreciation, as of December 31, 2023, and 2022 amounted to $1.5 billion and $1.0 billion, respectively. The capital assets include land and land improvements (including runways and taxiways); buildings and building improvements; equipment; furniture and fixtures; as well as construction in progress. The total increase in the Authority's capital assets before accumulated depreciation for 2023 was 16.6%.

Major capital projects in progress and expenditures incurred during 2023 included the following:

- Terminal Modernization Program $417.1 million
- Development area projects $2.4 million
- Airfield projects $1.4 million

Major capital projects in progress and expenditures incurred during 2022 included the following:

- Terminal Modernization Program $288.9 million
- Development area projects $14.2 million
- Airfield projects $7.9 million

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. Acquisitions are funded using a variety of sources, including federal grants, state grants, passenger facility charges, debt issuance, and cost recovery through airline rates and charges. Major commitments include $418.4 million for the TMP and $180.8 million for multiple other projects. Further detailed information on the Authority's capital assets can be found in Note 5 to the financial statements.

Debt Administration - As of December 31, 2023, and 2022, the Authority's long-term debt outstanding totaled $1,431.6 million and $1,043.6 million, respectively. The outstanding debt as of December 31, 2023, consists primarily of 2023 Bonds and the 2021 Bonds. Additionally, the Authority reported $2.8 million and $5.0 million in installment purchases on December 31, 2023, and 2022, respectively. In October 2023, ratings were confirmed from Fitch (A Stable), Moody's (A2 Stable), and Kroll (A+) in conjunction with the 2023 Bond sale. Detailed information regarding the Authority's long-term debt can be found in Note 6 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Authority's Chief Financial Officer, Pittsburgh International Airport, Landside Terminal, 4th Floor Mezz., Pittsburgh, PA 15231-0370 or via the "Contact Us" area of the Authority's website at www.flypittsburgh.com.

Allegheny County Airport Authority

Statement of Net Position

December 31, 2023

Assets	
Current assets:	
Cash and cash equivalents (Note 3)	$ 58,957,581
Investments (Note 3)	78,626,168
Receivables:	
Trade receivables	10,541,078
Due from County of Allegheny, Pennsylvania (Note 11)	634,501
Accrued interest receivable	965,685
Leases receivable	8,440,270
Due from other governments	24,168,646
Gas drilling receivable	2,234,075
Other receivables	2,447,768
Inventory	2,520,634
Restricted assets: (Note 4)	
Cash and cash equivalents (Note 3)	86,457,753
Accrued interest receivable	933,460
Passenger and customer facility charge receivable	1,881,228
Total current assets	278,808,847
Noncurrent assets:	
Restricted assets: (Note 4)	
Restricted cash and cash equivalents	15,136,400
Restricted investment securities	658,634,960
Investments (Note 3)	47,923,443
Capital assets: (Note 5)	
Assets not subject to depreciation	1,152,424,724
Assets subject to depreciation - Net	321,756,129
Lease receivable - Net of current portion	183,722,917
Prepaid debt issuance costs	20,833
Total noncurrent assets	2,379,619,406
Total assets	2,658,428,253
Deferred Outflows of Resources - Deferred pension costs (Note 8)	98,587,011
Liabilities	
Current liabilities:	
Accounts payable	10,885,715
Due to County of Allegheny, Pennsylvania (Note 11)	1,986,690
Payables from restricted assets:	
Accounts payable	34,048,689
Accrued liabilities	21,460,400
Retainage payable	29,029,935
Other liabilities	1,643,417
Short-term line of credit (Note 6)	726,750
Unearned revenue	8,574,135
Accrued liabilities and other	11,157,177
Current portion of long-term debt (Note 6)	845,990
Total current liabilities	120,358,898
Noncurrent liabilities:	
Long-term debt - Net of current portion (Note 6)	1,432,792,906
Net pension liability (Note 8)	220,116,474
Unearned revenue	4,004,263
Other noncurrent liabilities	895,757
Total noncurrent liabilities	1,657,809,400
Total liabilities	1,778,168,298

See notes to financial statements.

Statement of Net Position (Continued)

	December 31, 2023
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 8)	$ 43,363,100
Leases	184,269,199
Total deferred inflows of resources	227,632,299
Net Position	
Net investment in capital assets	638,807,282
Restricted:	
Capital projects	51,454,815
Operations and maintenance	23,774,882
Debt service	933,460
Unrestricted	36,244,228
Total net position	**$ 751,214,667**

Allegheny County Airport Authority

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2023

Operating Revenue	
Landing fees	$ 22,315,870
Terminal area airline rentals and fees	41,105,317
Other aeronautical revenue	7,260,118
Parking revenue	60,254,253
Rental car revenue	15,044,458
Terminal concessions	9,535,277
Other nonaeronautical revenue	8,702,604
Allegheny County Airport revenue	2,532,940
Total operating revenue	166,750,837
Operating Expenses	
Salaries, wages, and benefits	83,817,913
Utilities	11,025,254
Cleaning and maintenance services	18,340,538
Professional services	47,976,843
Other operating expenses	14,408,537
Allegheny County Airport expenses	3,131,525
Depreciation	39,147,510
Total operating expenses	217,848,120
Operating Loss	(51,097,283)
Nonoperating Revenue (Expense)	
Interest income	19,971,001
Loss on sale of assets	(86,600)
Customer facility charges	10,902,348
Passenger facility charges	18,037,523
Gaming Act revenue	12,400,000
Gas drilling revenue	9,191,352
Grant revenue	20,293,746
Interest expense	(27,826,826)
Net increase in fair value of investments	17,150,723
Bond issuance costs	(2,929,942)
Lease interest revenue	7,288,986
Total nonoperating revenue	84,392,311
Income - Before capital contributions	33,295,028
Capital Contributions - Capital grants	54,621,747
Change in Net Position	87,916,775
Net Position - Beginning of year	663,297,892
Net Position - End of year	**$ 751,214,667**

See notes to financial statements.

Allegheny County Airport Authority

Statement of Cash Flows

Year Ended December 31, 2023

Cash Flows from Operating Activities		
Receipts from customers and users	$	162,527,348
Payments to suppliers for goods and services		(96,696,263)
Payments to employees and fringes		(57,409,405)
Net cash and cash equivalents provided by operating activities		8,421,680
Cash Flows from Noncapital Financing Activities		
Gaming Act receipts		12,400,000
Gas drilling rent and royalty receipts		8,362,709
Grant revenue receipts		30,167,769
Net cash and cash equivalents provided by noncapital financing activities		50,930,478
Cash Flows from Capital and Related Financing Activities		
Net draws on line of credit and issuance of debt obligations		399,097,388
Receipt of capital grants and contributions		47,773,298
Payments for construction in progress and purchase of capital assets		(461,825,108)
Net payments on bonds, interest, and other debt-related charges		(46,122,667)
Passenger facility charges collected		18,037,523
Customer facility charges collected		18,191,334
Net cash and cash equivalents used in capital and related financing activities		(24,848,232)
Cash Flows from Investing Activities		
Interest received on investments		36,563,319
Proceeds from sale and maturities of investment securities		4,308,398
Net cash and cash equivalents provided by investing activities		40,871,717
Net Increase in Cash and Cash Equivalents		75,375,643
Cash and Cash Equivalents - Beginning of year		85,176,091
Cash and Cash Equivalents - End of year	**$**	**160,551,734**
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	$	58,957,581
Restricted cash and cash equivalents - Current		86,457,753
Restricted cash and cash equivalents - Noncurrent		15,136,400
Total cash and cash equivalents	**$**	**160,551,734**
Reconciliation of Operating Loss to Net Cash and Cash Equivalents from Operating Activities		
Operating loss	$	(51,097,283)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:		
Depreciation		39,147,510
Changes in assets and liabilities:		
Receivables		(8,263,621)
Inventories		(196,396)
Prepaid and other assets		(25,312)
Accounts payable		9,667,178
Net pension liability		50,554,046
Deferrals related to pension		(22,944,519)
Accrued and other liabilities		(8,419,923)
Total adjustments		59,518,963
Net cash and cash equivalents provided by operating activities	**$**	**8,421,680**

See notes to financial statements.

Note 1 - Nature of Business

Allegheny County Airport Authority (the "Authority") presently leases and operates the Pittsburgh International Airport (PIT or the "Airport") and the Allegheny County Airport (AGC) (collectively, the "Airport System"). The Authority's activities are commercial in nature and are intended to be self-sustaining. The Authority is a corporate body existing under the laws of the Commonwealth of Pennsylvania pursuant to the Municipality Authorities Act of 1945, approved on May 2, 1945, P.L. 382, and subsequently amended by the Municipal Authority Act, Act 22 of 2001. The Authority was organized by the County of Allegheny, Pennsylvania (the "County") on June 17, 1999. On September 16, 1999, pursuant to the Airport Operation, Management and Transfer Agreement and Lease between the County and the Authority (the "Transfer Agreement"), as amended, the County transferred and leased the Airport System to the Authority for an initial term of 25 years with two 25-year extension options exercisable at the option of the Authority. In connection with the Transfer Agreement, the County transferred to the Authority all of the County's rights, title, and interest in the property utilized by the County in connection with the Airport System. In addition, all contractual rights, obligations, and liabilities pertaining to the Airport System, including revenue and general obligation bonds issued by the County to finance construction and development of PIT, were transferred to the Authority by the County. Prior to the organization of the Authority, the operations were included in the County's Department of Aviation.

Board members of the Authority are appointed by the county executive, subject to confirmation by a majority of the County Council. The Authority's financial statements are presented as a component unit in the County's general purpose financial statements and Annual Comprehensive Financial Report. Given the relationship of the parties to the Transfer Agreement, no adjustments were made to the historical carrying values of the Airport System's assets and liabilities and net position. The accompanying financial statements reflect the financial position and results of operations of the Authority as of and for the year ended December 31, 2023.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Governmental Accounting Standards Board (GASB) establishes standards for external financial reporting for state and local governments and components thereof. The Authority's net position is classified into three categories according to external restrictions or availability of assets for satisfaction of authority obligations. The Authority's net position is classified as follows:

- Net Investment in Capital Assets - This represents the Authority's total investment in capital assets - net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- Restricted Net Position - This includes resources for which the Authority is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
- Unrestricted Net Position - Unrestricted net position represents resources derived from operations that may be used at the discretion of the board of directors for any purpose.

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.

Basis of Accounting

The Authority is accounted for as a single-purpose, business-type entity since its operations are financed and operated in a manner similar to a private business. The Authority's financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 2 - Significant Accounting Policies (Continued)

Revenue and Expenses

Revenue from airlines, concessionaires, lessees, and parking is reported as operating revenue. Operating expenses include the cost of administering the airport system, plus depreciation and amortization of capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses or capital contributions and grants.

Revenue Recognition and Unearned Revenue

Airline Operating Agreement

Landing fees and terminal building lease rental revenue include amounts computed in accordance with the Airline Operating Agreement (AOA) between the Authority and the airlines serving PIT that sign this agreement (the "Signatory Airlines"). The AOA provides that the aggregate of airline fees and charges, together with other revenue, including nonairline revenue, for each fiscal year should be sufficient to pay the operating expenses of the cost centers included in the AOA and to make all deposits and payments under the bond indentures issued in connection with financings of capital projects for the Authority. In 2021, the AOA was extended to expire on December 31, 2028.

American Airlines, together with its affiliated commuter airlines, accounted for approximately 23 percent of total enplaned passengers at PIT in 2023. Southwest Airlines accounted for approximately 25 percent of total enplaned passengers at PIT in 2023. Revenue from American Airlines represents approximately 12.15 percent of PIT operating revenue in 2023. No other airline represents more than 10 percent of operating revenue or 20 percent of total enplaned passengers.

Concession and Rental Car Revenue

Concession and rental car revenue is generally based on a fixed percentage of tenant revenue, subject to certain minimum monthly fees.

Parking Revenue

Parking revenue is derived from a third-party operator and is based on a fixed percentage of net revenue, as defined in the associated management agreement.

Gas Drilling Revenue

On February 8, 2013, the Authority's board awarded the bid to drill natural gas at the Airports to CNX Gas Company LLC (CNX). Its lease has continued from year to year. In addition to ground rent, the Authority earns ongoing royalties on the natural gas production. Net revenue from the natural gas lease has been used to reduce airline rates and charges and for capital expenditures, including economic development, at the Airport. In addition, CNX has partnered with Range Resources to further develop the gas lease by adding laterals to their contiguous drilling pads. CNX began to frac the wells in April 2023 and commenced production in May 2023, with the Authority receiving royalties on the same basis as if CNX drilled the acres itself. During 2023, drilling revenue was $8.8 million.

Passenger Facility Charges (PFCs)

On October 1, 2001, the airlines began collecting PFCs on qualifying enplaning passengers at PIT on behalf of the Authority. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system; fund noise mitigation at the airport; or furnish opportunities for enhanced competition between or among air carriers. Regulations have been promulgated by the Federal Aviation Administration (FAA) that enhance the eligibility of PFC usage to include, among other things, debt service payments. Both the fee imposed and the intended uses must be reviewed and approved by the FAA.

Note 2 - Significant Accounting Policies (Continued)

Effective December 1, 2004, the FAA approved an increase to the PFC, allowing the Authority to collect at the current maximum rate of $4.50. The project summary was approved by the FAA in its Record of Decision, dated July 2001, and subsequently amended through December 17, 2019, as follows:

Reimbursement for preapplication projects (to be applied to debt service)	$ 215,055,143
Safety and security-related projects	160,695,520
Environmental-related projects	82,427,857
Terminal development projects	741,021,344
Total	$1,199,199,864

The Authority has expended $382,907,941 on these projects through December 31, 2023.

PFC revenue is classified as nonoperating in the statement of revenue, expenses, and changes in net position and is restricted for capital improvements, debt service, and certain other uses approved by the FAA.

Customer Facility Charges (CFCs)

Beginning on June 1, 2011, the Authority began collecting CFCs from all rental car concessionaires that operate at PIT. CFC revenue is classified as nonoperating in the statement of revenue, expenses, and changes in net position. Such amounts are restricted for operating and maintenance expense, capital improvements, and debt service related to the rental car operation at the Airport or for any rental car-related purpose the Authority determines is a reasonable use of such funds.

The CFC fee is charged to each on-airport rental car concessionaire customer on a per transaction day basis. The CFC rate was increased to $6.00 effective February 1, 2020. Also, at the request of the rental car companies, in April 2020, the Authority raised the cap on the number of days of collection from 7 to 30.

Federal and State Grants

Outlays for airport capital improvements and, from time to time, certain airport operating expenses are subject to reimbursement from federal grant programs. Funds are also received for airport development from the State of Pennsylvania. Funding provided from government grants is considered earned as the related approved capital outlays or expenses are incurred and is recorded as a component of capital contributions and grants. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

Tenant-financed Improvements

Unearned revenue also includes amounts funded by tenants of the Authority for certain capital assets. These unearned revenue amounts are being amortized to contribution revenue using the straight-line method over the depreciable lives of the related assets through credits to current rents payable.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Changes in the fair value of investments are reported as nonoperating revenue in the statement of revenue, expenses, and changes in net position.

Note 2 - Significant Accounting Policies (Continued)

Inventories

Inventories are valued at cost, which is determined using the weighted-average method of accounting. Inventories are composed of construction-related materials and parts used for maintenance of facilities and equipment.

Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs incurred for major improvements are carried in construction in progress until the assets are placed in service or are available for use, whichever occurs first.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Terminal buildings	10-30
Airfield (runways/taxiways/deicing)	20
Site development	30-50
Parking garage/lots/etc.	15-40
Hangars	5-30
Roadways	10-20
Mobile and other equipment	10-20
Computer/Security equipment and systems	5-20
Utilities	10-40
Other assets	10-30
Other structures	10-30
Landing area - Non sub	20-50

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Authority reports deferred outflows related to pension. See Note 8 for further details on pension deferred outflows.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred inflows related to pension and deferred lease revenue. See Notes 8 and 12 for further details on pension inflows and deferred lease revenue, respectively.

Note 2 - Significant Accounting Policies (Continued)

Pension

The Authority participates in a single-employer defined benefit pension plan sponsored by the County, known as the Allegheny County Employees' Retirement System (the "Plan"). For reporting and accounting purposes, the Plan is treated as a cost-sharing multiple-employer defined-benefit plan, as the Plan covers both the Authority's and the County's employees. The Authority records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Allegheny County Employees' Retirement System Pension Plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences (Vacation and Sick Leave)

It is the Authority's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Certain firefighters employed by the Authority earn vested sick benefits that are accrued for based on the estimated amount that the Authority will pay upon employment termination (current rates of compensation plus appropriate taxes); vacation pay is accrued based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Leases

The Authority is a lessor for noncancelable leases of certain assets, including airport facilities, surrounding property, and locations within the airport. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Authority uses its incremental borrowing rate at lease inception as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 2 - Significant Accounting Policies (Continued)

Lease activity is further described in Note 12.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2024.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The standard defines a concentration (a lack of diversity related to an aspect of significant inflow of resources or outflow or resources) and a constraint (a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority), both of which may limit a government's ability to acquire resources or control spending. GASB 102 requires a government to disclose information about a concentration or constraint if certain criteria are met. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2025.

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

Cash and cash equivalents	$ 58,957,581
Investments - Current	78,626,168
Investments - Noncurrent	47,923,443
Restricted cash and cash equivalents - Current	86,457,753
Restricted cash and cash equivalents - Noncurrent	15,136,400
Restricted investments - Noncurrent	658,634,960
Total deposits and investments	$ 945,736,305

These amounts are classified into the following deposit and investment categories:

Deposits with financial institutions	$ 58,350,030
Investments:	
Reported at cost - Investment pool - Federated government obligations fund	104,331,400
Reported at fair value:	
Commercial paper	165,200,011
Treasury notes	412,948,090
Treasury bills	152,712,869
Government agency bonds	52,193,905
Total	$ 945,736,305

Note 3 - Deposits and Investments (Continued)

The Authority's investment policy is to follow Section 5611 of the Commonwealth of Pennsylvania Municipality Authorities Act and Act 131 of 2014 (Section 2) (collectively, the "Acts"). In accordance with the Acts, the Authority is authorized to invest in (1) U.S. Treasury bills; (2) short-term obligations of the U.S. government or its agencies or instrumentalities; (3) obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania (the "Commonwealth") or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; (4) commercial paper rated in the highest rating category, without reference to a subcategory, by a rating agency; and (5) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 if the only investments of that company are in the authorized investments for authority funds listed (1) through (4) above.

Commonwealth of Pennsylvania law requires that the Authority's deposits be placed in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation, or the National Credit Union Insurance Fund. To the extent that such accounts are so insured, and for any amounts above the insured maximum, the approved collateral, as provided by law, shall be pledged by the depository.

The Authority has designated four banks for the deposit of its funds. The Authority's deposits and investments are in accordance with statutory authority and the adopted investment policy.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash deposits are insured up to $250,000 at financial institutions insured by the FDIC. Any cash deposits in excess of the $250,000 FDIC limits are uninsured and collateralized by financial institutions via single collateral pool arrangements, as permitted by Act No. 72 of the 1971 session of the Pennsylvania General Assembly, for the protection of public depositors. At December 31, 2023, the Authority had bank deposits of $46,888,418 that were uninsured but collateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2023, the Authority's investments were not exposed to custodial credit risk. The Authority's investments are held by the pledging financial institution's trust department or agent in the Authority's name. The Authority's investment policy does not address how investment securities and securities underlying repurchase agreements are to be held.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority does not have an investment policy that manages exposure to fair value losses arising from rising interest rates.

Note 3 - Deposits and Investments (Continued)

At December 31, 2023, the Authority had the following investments and maturities:

Type of Investment	Carrying Value	Less Than 1 Year	1-5 Years
Investment pool - Federated government obligations fund	$ 104,331,400	$ 104,331,400	$ -
Commercial paper	165,200,011	77,352,383	87,847,628
Treasury notes	412,948,090	355,648,095	57,299,995
Treasury bills	152,712,869	152,712,869	-
Government agency bonds	52,193,905	27,882,574	24,311,331
Total	$ 887,386,275	$ 717,927,321	$ 169,458,954

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Act provides for investment of governmental funds into certain authorized investment types. Statutes do not prescribe regulations related to demand deposits; however, they do allow pooling of governmental funds for investment. The Authority has no investment policy that would further limit its investment choices. The deposit and investment policy of the Authority adheres to state statutes, related trust indentures, and prudent business practices. As of December 31, 2023, the credit quality ratings of investments are as follows:

Investment	Carrying Value	Standard & Poor's	Moody's
Investment pool - Federated government obligations fund*	$ 104,331,400	AAAm	Aaa-mf
Treasury notes	141,291,041	AAA	Aaa
Treasury notes	265,912,049	AA+	Aaa
Treasury notes	5,745,000	AAA	Aaa
Treasury bills	152,712,869	A-1+	P-1
Government agency bonds	52,193,905	AAA/AA+	Aaa
Commercial paper	26,499,676	A-1+	P-1
Commercial paper	31,539,230	A-1	P-1
Commercial paper	19,313,477	A-1	Not rated
Commercial paper	87,847,628	A+	Aa2
Total	$ 887,386,275		

*Investment is valued at amortized cost rather than fair value. There is no limitation on redemption frequency, no redemption notice period required, and no unfunded commitments.

Concentration of Credit Risk

The Authority's investment policy places no limit on the amount the Authority may invest in any one issuer. At December 31, 2023, the Authority does not have any investments subject to concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The Authority's exposure to foreign currency risk derives from its investments in commercial paper issued by Canadian, Asian, and other foreign corporations. The Authority's investment policy permits it to hold commercial paper rated in the highest rating category, without reference to a subcategory, by a rating agency. At December 31, 2023, the Authority's investment in commercial paper of foreign currencies matured in less than one year and had a fair value of $53,130,536.

Note 3 - Deposits and Investments (Continued)

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Authority has the following recurring fair value measurements as of December 31, 2023:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Investments by Fair Value Level				
U.S. Treasury securities	$ 565,660,959	$ -	$ -	$ 565,660,959
Commercial paper	-	165,200,011	-	165,200,011
Government agency bonds	-	52,193,905	-	52,193,905
Total investments by fair value level	$ 565,660,959	$ 217,393,916	$ -	$ 783,054,875

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The fair value of commercial paper at December 31, 2023 was determined primarily using Level 2 inputs. The Authority estimates the fair value of these investments using other inputs, such as top-tier third-party pricing sources, including Interactive Data Corporation.

Note 4 - Restricted Assets

At December 31, 2023, restricted assets are composed of the following:

Passenger and customer facility charge funds	$ 401,110
Construction funds (unspent bond proceeds)	496,657,659
Capitalized interest	90,851,443
Debt service reserve	80,932,884
Operations and maintenance reserve	28,385,437
Airport system capital fund	50,237,715
Equipment and capital outlay fund	6,484,433
Prefunded grant proceeds	4,698,276
Customer facility charges fund	1,076,552
Other	3,318,292
Total	$ 763,043,801

Under the AOA, the Authority must also maintain certain funds and accounts (as therein defined). The AOA further requires the use of a cost-center structure. In general, revenue from all cost centers is pledged to the payment of the Authority's revenue bonds. However, debt service on the TMP will be charged to the terminal cost center exclusively.

The Passenger Facility Charge Fund provides for the segregation of PFC receipts, as required by the FAA. Such revenue is to be expended only for allowable capital projects or to repay debt issued for allowable capital projects under a record of decision granted by the FAA.

All other restricted funds and accounts (including those established under the AOA) of the Authority represent amounts held for customer facility charge fund expenditures, specific grants and capital projects, or deposits held on behalf of others.

Note 5 - Capital Assets

Capital asset activity of the year ended December 31, 2023 is as follows:

	Balance January 1, 2023	Additions	Disposals and Adjustments	Transfers	Balance December 31, 2023
Capital assets not being depreciated:					
Land	$ 112,630,772	$ -	$ -	$ -	$ 112,630,772
Construction in progress	617,927,663	476,274,214	-	(54,407,925)	1,039,793,952
Subtotal	730,558,435	476,274,214	-	(54,407,925)	1,152,424,724
Capital assets being depreciated:					
Terminal buildings	729,289,595	-	(34,870)	11,557,022	740,811,747
Airfield (runways, taxiways, and deicing)	204,160,737	-	-	5,392,319	209,553,056
Site development	78,188,683	-	-	29,679,620	107,868,303
Parking garage and lots	122,368,625	-	-	202,285	122,570,910
Hangars	49,403,269	-	-	53,748	49,457,017
Other structures	210,501,404	-	-	663,086	211,164,490
Roadways	74,538,570	-	-	1,987,731	76,526,301
Mobile and other equipment	59,393,023	-	(1,708,732)	60,782	57,745,073
Computer and security equipment/systems	66,384,856	-	-	3,807,917	70,192,773
Utilities	52,065,825	-	-	-	52,065,825
Other assets	37,259,056	-	-	1,003,415	38,262,471
Landing area (non sub)	327,282,403	-	(19,885,235)	-	307,397,168
Subtotal	2,010,836,046	-	(21,628,837)	54,407,925	2,043,615,134
Accumulated depreciation:					
Terminal buildings	683,477,424	8,325,910	(34,870)	-	691,768,464
Airfield (runways, taxiways, and deicing)	131,418,114	9,149,951	-	-	140,568,065
Site development	52,547,991	1,430,710	-	-	53,978,701
Parking garage and lots	97,446,529	2,873,599	-	-	100,320,128
Hangars	43,584,392	562,772	-	-	44,147,164
Other structures	146,237,730	5,306,380	-	-	151,544,110
Roadways	65,413,548	1,003,362	-	-	66,416,910
Mobile and other equipment	44,480,056	2,493,669	(1,622,132)	-	45,351,593
Computer and security equipment/systems	52,519,321	2,795,604	-	-	55,314,925
Utilities	47,689,098	351,933	-	-	48,041,031
Other assets	25,924,301	2,464,449	-	-	28,388,750
Landing area (non sub)	313,515,228	2,389,171	(19,885,235)	-	296,019,164
Subtotal	1,704,253,732	39,147,510	(21,542,237)	-	1,721,859,005
Net capital assets being depreciated	306,582,314	(39,147,510)	(86,600)	54,407,925	321,756,129
Net capital assets	$ 1,037,140,749	$ 437,126,704	$ (86,600)	$ -	$ 1,474,180,853

Note 5 - Capital Assets (Continued)

Construction Commitments

Construction in progress related to runway and taxiway rehabilitation, garage and parking lots, terminal enhancements, nonairfield property development, and the Terminal Modernization Program. As of December 31, 2023, the Authority's equipment purchases and construction commitments are as follows:

	Spent to Date	Remaining Commitment
Terminal Modernization Program	$ 776,159,625	$ 418,425,888
Development area projects	38,613,319	1,567,494
Snow removal equipment	-	1,406,400
Other projects	269,785,098	177,824,859
Total	$ 1,084,558,042	$ 599,224,641

Inexhaustible Assets

The Authority maintains various collections of inexhaustible assets to which no value can be determined. Such collections could include contributed works of art, historical treasures, literature, etc. that are held for exhibition and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not capitalized or recognized for financial statement purposes.

Note 6 - Long-term Debt

Long-term debt activity for the year ended December 31, 2023 can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
Line of credit	Variable	N/A	$ 31,520,742	$ 11,714,461	$ (42,508,453)	$ 726,750	$ 726,750
BIOS loan	2.00%	$82,783 $217,925	5,844,763	155,237	-	6,000,000	-
Tax Increment Financing Note, Series 2022 (McClaren Road Tax Increment Financing District)	5.00%	$192,991 - $1,239,389	1,935,781	1,154,219	-	3,090,000	192,991
Total direct borrowings and direct placements principal outstanding			39,301,286	13,023,917	(42,508,453)	9,816,750	919,741
Other debt:							
Series 2021A and 2021B bonds	4.00% - 5.00%	$12,560,000 - $26,680,323	832,670,000	-	-	832,670,000	-
Series 2023A, 2023B, and 2023C bonds	5.00% - 6.22%	$250,000 - $104,993,000	-	415,025,000	-	415,025,000	-
Total other debt principal outstanding			832,670,000	415,025,000	-	1,247,695,000	-
Unamortized bond premiums - Series 2021A and 2021B bonds			171,661,344	-	(11,007,322)	160,654,022	-
Unamortized bond premiums - Series 2023A, 2021B, and 2023C bonds			-	13,556,924	(144,052)	13,412,872	-
Total long-term debt			1,043,632,630	441,605,841	(53,659,827)	1,431,578,644	919,741
Other liabilities - Installment purchases:							
2020 installment purchase - 3D printer	6.25%	$29,294 - $45,085	2,263,638	-	(1,894,936)	368,702	368,702
2022 installment purchase - 3D printer	1.99%	$20,724 - $24,632	1,669,972	-	(256,856)	1,413,116	263,352
Installment purchase - Powder facility	6.25%	$1,459 - $6,895	1,024,863	-	(19,679)	1,005,184	20,945
Total installment purchases			4,958,473	-	(2,171,471)	2,787,002	652,999
Total long-term debt and installment purchase obligations			$1,048,591,103	$ 441,605,841	$ (55,831,298)	$1,434,365,646	$ 1,572,740

Lines of Credit - Direct Borrowings

On December 18, 2019, the Authority negotiated a new line of credit from the bank. This was the first supplemental trust indenture under the new Master Trust Indenture. The original term of the line was for three years, and the initial maturity date was December 18, 2022. The original terms have since been revised under a series of amendments. As of January 1, 2023, the revised maximum commitment under the line of credit was $50,000,000 at an interest rate of 79 percent of BSBY plus 40 or 50 basis points. Under the Fourth Amendment to the Loan Agreement, dated December 15, 2023, the maximum commitment remains at $50,000,000, and the index changed to the Secured Overnight Financing Rate (SOFR) and is a combination of bearing interest at a rate per annum, which is equal to the sum of (A) 79 percent of the Daily 1M SOFR plus an applicable spread. The initial spread is 58 basis points, and this will increase if rating downgrades would occur on any of the Authority's outstanding bonds (outside of the Subordinate Obligation Notes).

Note 6 - Long-term Debt (Continued)

The funds are to be used to pay for costs of the Authority's terminal modernization program. The security for repayment of the loan is a subordinate lien on the net revenue as per the new Master Trust indenture. Interest paid in 2023 on the line of credit was $538,532. In October 2023, upon issuance of the 2023 Taxable Bond Series, the then-current balance of the line of credit of $17,891,585 was paid off. The balance of this line of credit was $726,750 at December 31, 2023.

BIOS Loan - Direct Borrowings

On June 20, 2020, the Authority entered into an agreement with the PA Department of Community & Economic Development for a Business in Our Sites (BIOS) loan in the amount of $6 million. This loan will be used to advance land development at the Neighborhood 91 site. The Authority has drawn down $6,000,000 as of December 31, 2023. Per modified payment terms of the note, upon the earlier of the leasing of 30 percent of the site or the fifth anniversary of the effective date, the borrower will begin to make monthly principal and interest payments in an amount to fully amortize the loan by the maturity date. As of December 31, 2023, there are four tenants that have started a lease.

Series 2021A and 2021B Bonds

On August 26, 2021, the Authority issued its Airport Revenue Bonds: Series 2021A (AMT) and Series 2021B (Non-AMT) (the "2021 Bonds") in the amounts of $719,850,000 and $112,820,000, respectively. The proceeds of the 2021 Bonds will be used to pay (1) a portion of the costs of the Authority's Terminal Modernization Program, (2) the costs of funding interest on and a debt service reserve account for the 2021 Bonds, and (3) the costs of issuing the 2021 Bonds.

The principal of, interest on, and premium on the 2021 Bonds are payable by the Authority only out of net revenue (as defined under the provisions of the Master Trust Indenture and Supplemental Indentures) and from such other moneys as may be available for such purpose. Neither the general credit of the Authority nor the credit or taxing power of the County of Allegheny, Pennsylvania; the Commonwealth of Pennsylvania; or any political subdivision thereof is pledged for the payment of the 2021 Bonds. The 2021 Bonds shall not be or be deemed a general obligation of the Authority or an obligation of the County, the Commonwealth of Pennsylvania, or any political subdivision thereof. The scheduled payments of principal and interest on the 2021 Bonds when due are guaranteed by third-party insurers. The ultimate ability of such insurers and guarantors to meet their obligations with respect to the Authority's 2021 Bonds will be predicated on their future financial condition.

Series 2023A, 2023B, and 2023C Bonds

On October 12, 2023, the Authority issued its Airport Revenue Bonds: Series 2023A (AMT), Series 2023B (Non-AMT), and Series 2023C (Federally Taxable) (the "2023 Bonds") in the amounts of $346,960,000, $27,065,000, and $41,000,000, respectively. The proceeds of the 2023 Bonds will be used to pay (1) a portion of the costs of the Authority's Terminal Modernization Program, (2) the costs of funding capitalized interest on and a common debt service reserve account deposit for the 2023 Bonds, and (3) the costs of issuing the 2023 Bonds.

The principal of, interest on, and premium on the 2023 Bonds are payable by the Authority only out of net revenue (as defined under the provisions of the Master Trust Indenture and Supplemental Indentures) and from such other moneys as may be available for such purpose. Neither the general credit of the Authority nor the credit or taxing power of the County of Allegheny, Pennsylvania; the Commonwealth of Pennsylvania; or any political subdivision thereof is pledged for the payment of the 2023 Bonds. The 2023 Bonds shall not be or be deemed a general obligation of the Authority or an obligation of the County, the Commonwealth of Pennsylvania, or any political subdivision thereof. The scheduled payments of principal and interest on the 2023 Bonds when due are guaranteed by third-party insurers. The ultimate ability of such insurers and guarantors to meet their obligations with respect to the Authority's 2023 Bonds will be predicated on their future financial condition.

Note 6 - Long-term Debt (Continued)

Tax Increment Financing Loan - Direct Borrowing

In 2022, the Authority entered into a series of agreements surrounding the development and financing of certain land owned by the Authority to be known as the McClaren Site. As part of the project, the Authority performed certain improvements, including grading, wetlands mitigation, and the extension of utilities required to accommodate future development. The McClaren Site will provide an additional 52 acres for development, composed of logistic/warehouse and tech/flexspace, which will be leased to tenants through the third-party developer for further construction and development.

The Authority's development of this site project will be partially financed through a tax increment financing. The Authority issued Tax Increment Financing (TIF) Note, Series 2022 (McClaren Road Tax Increment Financing District) in the principal amount of $3,090,000 to finance the project. As of December 31, 2023, the Authority has received $3,090,000 in proceeds under the TIF note. The TIF note is a limited obligation of the Authority. Payments on the TIF note will be made in accordance with the McClaren Road Tax Increment Financing Plan, which includes a tax increment financing agreement entered into by and among the Redevelopment Authority of Allegheny County and local taxing authorities. Pursuant to the TIF agreement, 70 percent of the tax increment revenue will be pledged by the local taxing authorities for the payment of debt service on the TIF note. Additionally, the Authority has pledged all lease revenue from the McClaren Site as security for the TIF note. The Authority is not required to contribute revenue on a current basis towards the TIF note.

As of December 31, 2023, the project is still in the development phase. The Authority has incurred $12,703,012 in development costs, which have been capitalized as construction in progress. Of this amount, $3,090,000 has been funded through the TIF note. The remaining costs will be funded out of Authority funds and other grant programs.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the BIOS loan and Series 2021 and 2023 bonds, excluding any premiums and discounts, are as follows:

	Direct - BIOS Loan and TIF Note		Other Than Direct - Series 2021 and Series 2023 Bonds		
Years Ending December 31	Principal	Interest	Principal	Interest	Total
2024	$ 192,991	$ 157,075	$ -	$ 64,599,383	$ 64,949,449
2025	374,774	206,149	15,840,000	60,537,681	76,958,604
2026	561,831	249,948	20,435,000	59,744,592	80,991,371
2027	579,866	232,094	21,470,000	58,721,171	81,003,131
2028	597,917	213,862	22,545,000	57,645,226	81,002,005
2029-2033	3,945,996	834,797	130,870,000	274,097,065	409,747,858
2034-2038	2,127,730	180,838	166,530,000	239,010,425	407,848,993
2039-2043	708,895	11,712	208,100,000	197,836,605	406,657,212
2044-2048	-	-	261,370,000	146,302,090	407,672,090
2049-2053	-	-	305,865,000	74,755,636	380,620,636
2054-2056	-	-	94,670,000	12,877,100	107,547,100
Total	$ 9,090,000	$ 2,086,475	$ 1,247,695,000	$ 1,246,126,974	$ 2,504,998,449

Note 6 - Long-term Debt (Continued)

Pledged Revenue from Airport Operations

The principal, interest, and redemption premiums, if any, related to bonds authorized and issued under the provisions of the Master Trust Indenture and Supplemental Indentures are payable by the Authority only out of net revenue (as defined) and from such other moneys as may be available for such purpose. Bonds authorized and issued do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the Authority's properties, including PIT, or upon any of its income or receipts of revenue except as noted above. The holders of the revenue bonds have no claim upon the taxing power or tax revenue of the County.

As required by the Master Trust Indenture, the Authority must attain a debt service coverage ratio of 1.25 and meet other nonfinancial covenants. As of December 31, 2023, amounts available to pay debt service charges were approximately $25 million. There was no required principal and interest debt service per the terms of the Master Trust Indenture for the year ended December 31, 2023.

The Authority's ability to derive net revenue from operations depends upon various factors, many of which are not within the control of the Authority. The primary source of net revenue is the Airline Operating Agreement between the Authority and the Signatory Airlines. The AOA provides for the landing fees, terminal rentals, and ramp fees to be charged to the airlines. In addition, the Signatory Airlines are obligated to pay costs associated with aircraft support systems and tenant improvements.

At any point in time, the U.S. economy, excess airline capacity, and industrywide competition through airfare discounting may create significant constraints on the operations of the airlines. Due to these factors, the financial results of the Authority are largely dependent upon conditions in the national economy and the U.S. airline industry and the financial condition of air carriers serving the Authority.

Note 6 - Long-term Debt (Continued)

Installment Purchase Obligations

The Authority reports installment purchase obligations related to three asset purchases - two purchases related to 3D printing equipment and one lease for a powder facility located in Neighborhood 91. As of December 31, 2023, assets recorded under these installment purchase obligations were $3,077,000, $1,900,333, and $1,050,723, respectively, and accumulated depreciation associated with the assets was $1,391,976, $566,009, and $91,082, respectively.

In November 2020, the Authority entered into an agreement to lease 3D printer equipment from a lessor over a period of seven years. Lease terms include monthly payments of $45,320, including interest of 6.25 percent. The lease agreement includes an option for the Authority to purchase the equipment from the lessor for the amount of unpaid lease payments remaining. The powder facility lease commenced on August 1, 2021 and is a 25-year lease that includes monthly payments of $6,931, including interest at 6.25 percent. The lease agreement includes an option for the Authority to purchase the facility from the lessor for the amount of unpaid lease payments remaining. In January 2022, the Authority entered into an agreement to lease 3D printer equipment from a lessor over a period of seven years. Lease terms include monthly payments of $24,684, including interest of 1.99 percent. The lease agreement includes purchasing the equipment at the end of the lease for $1. Based on the structure of these agreements, these assets are accounted for as installment purchases. Annual debt service requirements to maturity for the installment purchase agreements are as follows:

Fiscal Year Ending December 31	2020 3D Printer		Powder Facility		2022 3D Printer		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	$ 368,702	$ 23,186	$ 20,945	$ 62,231	$ 263,352	$ 32,853	$ 771,269
2025	-	-	22,290	60,884	270,012	26,193	379,379
2026	-	-	23,726	59,450	276,840	19,365	379,381
2027	-	-	25,252	57,924	276,840	19,365	379,381
2028	-	-	26,876	59,299	291,019	5,186	382,380
2029-2033	-	-	162,646	253,232	35,053	154	451,085
2034-2038	-	-	222,131	193,747	-	-	415,878
2039-2043	-	-	303,371	112,507	-	-	415,878
2044-4046	-	-	197,947	16,924	-	-	214,871
Total	$ 368,702	$ 23,186	$ 1,005,184	$ 876,198	$ 1,413,116	$ 103,116	$ 3,789,502

Note 6 - Long-term Debt (Continued)

Other Pledges of Revenue

In 2008, the Authority entered into a series of agreements surrounding the development and financing of certain land owned by the Authority to be known as the Northfield Site, Phase I. As part of this endeavor, a funding and development agreement was signed with the RAAC to provide tax increment financing for the project. The RAAC originally issued TIF notes in the amount of $5,000,000 (the "2008 TIF Notes") to a single lender, and, in December 2015, the lender refinanced the notes. The refinanced notes totaled $4,577,000 and carry an annual interest rate of 4.5 percent, with a maturity date of December 1, 2028. These notes are a limited obligation of the RAAC and are generally payable from two sources. The first source is 75 percent of the tax increment revenue pledged by the local taxing authorities. The second source is the Authority's pledge of 75 percent of gross revenue from the leasing of the property. All amounts pledged in this agreement are maintained in separate trust accounts under the direction of the trustee, Wells Fargo Bank, National Association. As principal payments are due to the lender, the trustee makes the payments from the trust accounts. At December 31, 2023, the TIF notes' balance was $2,223,525, and the corresponding trust accounts contained $354,620. As additional security and credit enhancement, the Commonwealth Financing Authority has agreed to guarantee the payment of the TIF notes. While the Authority has pledged to assign certain of its revenue to the trustee for the satisfaction of the TIF notes, the Authority is not party to the respective trust indentures and is under no obligation to repay the TIF notes; therefore, the TIF notes are not reflected as liabilities of the Authority in these financial statements. Revenue from the leasing of the property is reported net of any pledged amounts remitted according to this agreement.

Note 7 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, natural disasters, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority carries commercial insurance to cover these risks of loss. The commercial insurance coverage is on a guaranteed-cost basis covering any expense of the Authority. Settled claims have not exceeded this commercial coverage in any of the past three years. The range of deductibles is from $0 on aviation liability to a maximum of $100,000 on employees and officers and property insurance.

Note 8 - Pension Plan

Plan Description

The County sponsors the Allegheny County Employees' Retirement System (the "Retirement System"), a single-employer defined benefit pension plan that covers substantially all authority employees. As a component unit of the County, the Authority applies the cost-sharing pension plan accounting and reporting requirements for its stand-alone financial reports, as required by the GASB.

Benefit and contribution provisions for the Retirement System are determined under statutes enacted by the General Assembly of the Commonwealth of Pennsylvania. The Retirement System Board (the "Board") administers the Retirement System and consists of seven members: the county executive, the county controller, the county treasurer, two members elected by the county employees and retirees, one member appointed by the county executive, and one member appointed by the County Council. The Board, pursuant to express statutory authority, has the right to increase the employee contributions in the event it is actuarially determined that a contribution increase is required in order for the Retirement System to meet its funding requirements. Also, the obligation of the Retirement System to pay retirement benefits is further secured by a statutory obligation imposed upon the County to utilize its taxing authority to meet such obligation.

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Allegheny County Employees' Retirement System, 106 County Office Building, 542 Forbes Avenue, Pittsburgh, PA 15219 or online at www.alleghenycounty.us/retirement.

Note 8 - Pension Plan (Continued)

Benefits Provided

Monthly benefit payments are determined for each individual member according to the retirement option selected and the age and length of service at retirement. Under normal retirement, employees hired prior to February 21, 2014 (generally, attainment of age 60 with 20 years of service for nonuniformed employees), the retirement benefit is equal to 50 percent of final average salary plus 1 percent of final average salary for each full year of service between 20 and 40 years. Final average salary is the monthly average of the 24 highest months of compensation in the last 48 months of employment preceding retirement.

Act 125, signed into law on December 23, 2013, became effective 60 days later and applies to participating employees hired or rehired on or after February 21, 2014. Act 125 revises the Retirement System's vesting requirement from 8 to 10 years and the service requirement from 20 to 25 years. The determination of final average salary is changed to equal the monthly average of the highest 48 months of compensation out of the last 8 years of service. Additionally, overtime compensation is limited to 10 percent of base pay.

In addition to retirement benefits, the Retirement System also provides disability and survivor benefits. Any eligible employee who has completed at least 12 years of service and who was employed prior to attaining age 55 who becomes mentally incapacitated or totally and permanently disabled is eligible to receive a disability retirement benefit. There is no age requirement to receive this benefit. Additionally, any eligible employee may elect the spouse's benefit at any time prior to retirement. The election is irrevocable after attaining age 50. If this election is made, the surviving spouse shall be eligible to receive certain benefits, depending on the type of coverage selected.

Contributions

Beginning in 2014, authority employees were required to contribute 9.0 percent of covered compensation effective December 28, 2014 through December 31, 2017. Effective January 1, 2018, the contribution rate increased to 9.5 percent of covered compensation, and the contribution rate increased again to 10.0 percent of covered compensation effective January 1, 2019 and to 10.5 percent effective January 1, 2021. Employee contributions are matched equally by the County, as prescribed by the Second Class County Code of the Commonwealth of Pennsylvania and deposited in the Pension Trust Fund. The Board, pursuant to express statutory authority, has the right to increase or decrease the contribution rate in the event it is actuarially determined that a contribution change is required in order for the Board to meet its funding requirements. Employees with at least 24 months of service who terminate prior to satisfying the minimum service requirements for a retirement benefit are entitled to refunds of their contributions, plus interest thereon. Employees with less than 24 months of service who terminate prior to satisfying the minimum service requirements for a retirement benefit are entitled to refunds of their contributions only.

The annual required contribution for the current year was determined as part of an actuarial valuation as of January 1, 2023 and is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2023, contributions to the pension plan from the Authority were $4,548,866 (or 10.5 percent of covered payroll). The Authority contributed all required amounts for the year ended December 31, 2023.

Note 8 - Pension Plan (Continued)

Net Pension Liability

At December 31, 2023, the Authority reported a liability of $220,116,474 for its proportionate share of the net pension liability. The net pension liability 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, which used update procedures to roll forward the estimated liability to December 31, 2023. The Authority's proportion of the net pension liability was based on the wages reported by the Authority and County relative to the collective wages of the plan. This basis of allocation is consistent with the manner in which contributions to the pension plan are determined. At December 31, 2023, the Authority's proportion was 10.4569 percent, which was an increase of 1.4321 percentage points from its proportion measured as of December 31, 2022.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Authority recognized pension expense of $32,158,393.

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8,475,778	$ -
Changes in assumptions	46,102,714	43,363,100
Net difference between projected and actual earnings on pension plan investments	8,509,022	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	35,499,497	-
Total	$ 98,587,011	$ 43,363,100

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Amount
2024	$ 22,639,971
2025	17,555,296
2026	7,903,399
2027	7,125,245
Total	$ 55,223,911

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using an inflation assumption of 2.75 percent; assumed salary increases (including inflation) of 3.25 - 5.75 percent; and an investment rate of return (net of investment expenses) of 7.75 percent. Mortality rates were based on the PubG-2010 Healthy Retiree Total Dataset with Pub-2010 Contingent Survivor Total Dataset table for spouses for all healthy employees except police/fire employees who use PubS-2010(A) Healthy Retiree Amount-Weighted, Above Median for Public Safety Employees; Pub-2010(A) Contingent Survivor Amount-Weighted, Above Median table for spouses; PubG2010 Disabled Retiree table for Non-Safety Employees for disabled Non-Uniformed Employees; and PubS2010 Disabled Retiree table for all other disabled employees.

Note 8 - Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.71 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that authority contributions will be made at contractually required rates, actuarially determined (10.5 percent effective January 1, 2022). Based on those assumptions, in the January 1, 2023 valuation, the pension plan's fiduciary net position was projected to reach a depletion date in 2038. Therefore, in the determination of the discount rate, the long-term expected rate of return was applied through 2038 to projected benefit payments, and a municipal bond rate of 4.00 percent was applied to projected benefit payments thereafter to determine the total pension liability. For this purpose, the index used was the S&P Municipal Bond 20 Year High Grade Index as of December 31, 2023.

Investment Rate of Return

Best estimates of geometric real rates of return as of the December 31, 2023 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US equity	16.50 %	7.50 %
Non-US equity	16.50	8.50
Private equity	20.00	5.25
Core fixed income	12.50	2.50
High yield fixed income	12.00	2.50
Global infrastructure	5.00	5.25
Private real estate	12.50	4.50
Liquid policy portfolio	5.00	2.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority, calculated using the discount rate of 4.71 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (3.71%)	Current Discount Rate (4.71%)	1 Percentage Point Increase (5.71%)
Authority's proportionate share of the net pension liability	$ 262,636,885	$ 220,116,474	$ 184,949,085

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The discount rate changed from 5.08 percent to 4.71 percent.

Note 9 - Other Postemployment Benefit Plan

The Authority provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the Authority's Postemployment Medical Benefits Plan (the "OPEB Plan"), a single-employer plan administered by the Authority. The plan provides reimbursement for medical benefits to eligible firefighter retirees hired before May 1, 2005 and their spouses. Benefits are provided upon the retiree's date of retirement. The retiree is responsible for any premium cost in excess of the defined benefit. Payments to the retirees are made on a reimbursement basis.

The OPEB Plan provides medical benefits for eligible firefighter retirees who were hired before May 1, 2005 and their spouses. Benefits are provided through a third-party insurer, and the cost of the benefits is split between the OPEB Plan and the retiree. The Authority covers 62.0 percent of the premiums at age 50, which increases 3.00 percent each year until the age of 65 when the retiree becomes eligible for Medicare and the benefits are terminated.

The Authority estimated the net OPEB liability (asset) using an actuarial valuation as of December 31, 2020 and, for the year ended December 31, 2023, concluded the net OPEB liability and related deferrals were not material to the Authority's financial statements.

Note 10 - Contingent Liabilities

The Authority is subject to various legal proceedings and claims that arise in the ordinary course of its business. The Authority believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

In January 1998, the Pennsylvania Department of Environmental Protection (DEP) issued an Administrative Order to the Allegheny County Department of Aviation alleging violations of a January 1994 Consent Order and Adjudication (the "Consent Order") and violations of the Pennsylvania Clean Streams Law and Dam Safety Act at the Pittsburgh International Airport. The alleged violations have been resolved except for issues relating to DIW. The Authority continues to negotiate the DIW issue with DEP. In connection with these negotiations, sometime between May 2002 and December 2006, the Authority agreed to construct in-stream lined retention basins in the East Fork of Enlow Run and West Fork of McClarens Run, a conveyance system between the two basins, and a stormwater deicing treatment facility (the "Treatment Facility") to treat the water collected in the retention basins. The retention basins and conveyance system have been constructed, but the Treatment Facility has not been constructed. In December 2006, the Authority amended its NPDES permit renewal application to include discharges from the Treatment Facility when it is constructed. DEP prepared a draft NPDES renewal permit in 2010, which included proposed effluent limits for the Treatment Facility. Both the Authority and EPA submitted comments on the draft permit to DEP. A final permit renewal was not issued, and the existing permit remained in effect pending renewal. In August 2020, DEP prepared a revised draft NPDES permit, again with proposed effluent limits for the Treatment Facility, and published notice of the draft permit in the Pennsylvania Bulletin for public comment. The Authority again submitted comments that DEP is considering. The Authority’s comments include, inter alia, a request for additional time to update studies on DIW generation and treatment, as well as receiving stream conditions, as these are now significantly outdated, and reconsideration of the Treatment Facility effluent limits that are based on the DEP’s guidance regarding discharges to intermittent and ephemeral streams, which the Authority believes are inapplicable. In March 2022, DEP issued a second predraft NPDES permit renewal and a revised fact sheet responding to comments submitted by EPA and the Authority. The predraft renewal permit includes, among other things, a proposed compliance schedule for the proposed DIW treatment system. The DEP is also proposing a Consent Order and Agreement, which would impose an enforceable schedule for addressing DIW beyond the 59-month limit for a compliance schedule in a NPDES permit and a requirement to address a discharge containing a white precipitate from Outfall 016.

Note 11 - Related Party Transactions

The Authority has entered into intergovernmental agreements with the County that provide for, among other things, contractual services for county police services, 911 services, and certain accounting and professional services. The Authority contracts the Allegheny County, Pennsylvania treasurer office to perform audit functions. During 2023, the Authority paid $5,000 to the County Treasurer and $14,997 to the County Controller. The Authority contracts with Allegheny County Police for public safety services at the Airport. During 2023, the Authority recognized expenses of $11,750,131 paid to the Allegheny County Police for public safety services at the Airport.

In June 2017, the Authority entered into a 20-year lease agreement with the County for the 67,390-square-foot property located at 150 Hookstown Grade Road, Coraopolis, PA 15108. The County repurposed the facility to become the Allegheny County Emergency Operations and 911 Center. The lease agreement requires the County to make monthly rental payments of $87,832 (after the application of rent credits) to the Authority upon occupancy. Rent credits will be granted to the County as a result of the following:

- Improvements made to the facility and funded by the County. All improvements to the facility will accrue to the benefit of the Authority and will be funded as follows:
  - $2,445,000 - Funded by the County
  - $1,550,000 - Funded by the Authority
  - All remaining - Funded by the County
- Certain operating expenses typically paid by lessors but paid by the County in this case. In the base year of the lease, these costs are estimated to be $76,825.

The Authority will pay for certain operating expenses of the facility, and these costs include utilities, janitorial costs, refuse collection, facility manager, routine building and parking lot maintenance, and landscaping costs. The Authority estimates that, in the base year of the lease, these costs will total $450,165. In 2023, actual costs were $1,084,666. The lease provides that any increase in the actual operating expense over the base year estimated total will be paid by the County. In subsequent years, if the actual operating costs paid by the Authority are less than the base year amount, the Authority will issue a rent credit to the County in the amount of the difference.

The lease provides for a refurbishment allowance of $673,390 to be paid by the Authority after year 10 of the lease.

In August 2018, the Authority signed an intergovernmental agreement designed to coincide with the 20-year term of the lease for the Allegheny County Emergency Operations and 911 Center. This agreement requires the Authority to pay the County for certain emergency response services totaling an estimated $514,910 in the base year and for the 19 following years. Furthermore, this agreement provides that the Authority will reimburse the County for certain capital equipment costs already incurred on behalf of the Authority totaling $1,187,744. These amounts will be reimbursed via monthly payments of $4,949 over the 20-year term of the agreement.

Both the lease and the intergovernmental agreement commenced on the first day of the month following the day that the County occupied the facility, which was February 1, 2019.

Note 12 - Leases

The Authority leases certain assets to various third parties. The assets leased include airport facilities, surrounding property, and locations within the airport. The discount rates applicable to these leasing arrangements range from 1.21 percent to 5.9 percent. Payments are generally fixed annually or monthly, with certain variable payments based on airport usage or concession sales, which are not included in the measurement of the lease receivable.

Note 12 - Leases (Continued)

During the year ended December 31, 2023, the Authority recognized the following related to its lessor agreements:

Lease revenue	$ 9,767,045
Interest income related to its leases	7,288,986
Revenue from variable payments not previously included in the measurement of the lease receivable	21,458,259
Total revenue from leases	$ 38,514,290

In addition, the Authority received amounts recorded as revenue in 2023 that related to common area maintenance, work orders, utilities, and other operating charges under the leases. These amounts are considered nonlease components and are not included in the calculation of the lease receivable.

Future principal and interest payment requirements related to the Authority's lease receivable at December 31, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	$ 8,440,270	$ 7,082,690	$ 15,522,960
2025	7,571,657	6,781,611	14,353,268
2026	7,200,851	6,508,048	13,708,899
2027	6,562,212	6,253,074	12,815,286
2028	6,070,937	6,021,149	12,092,086
2029-2033	15,954,016	27,815,238	43,769,254
2034-2038	16,123,850	25,131,890	41,255,740
2039-2043	9,156,753	22,673,409	31,830,162
2044-2048	9,149,496	21,056,983	30,206,479
2049-2053	13,023,752	19,029,462	32,053,214
2054-2058	15,740,075	16,306,794	32,046,869
2059-2063	21,148,865	12,874,589	34,023,454
2064-2068	23,939,468	8,352,932	32,292,400
2069-2073	12,530,289	4,764,844	17,295,133
2074-2078	8,428,772	2,863,370	11,292,142
2079-2083	11,121,924	930,596	12,052,520
Total	$ 192,163,187	$ 194,446,679	$ 386,609,866

Regulated Leases

The Authority is party to certain regulated leases, as defined by GASB Statement No. 87. The leased assets include contracts with airlines and are regulated under the Federal Aviation Administration. Certain gates, baggage claim areas, passenger hold areas, and ticket counter and office space are subject to preferential or exclusive use by the airlines and represent 22.5 percent of the square feet of the airport. In addition, airlines have preferential use of 34.4 percent of aircraft parking position and 40.34 percent of jet bridges.

During the year ended December 31, 2023, the Authority recognized the following from regulated leases:

Lease revenue	$ 3,366,585
Revenue from variable payments excluded from the schedule of expected future minimum payments	60,054,603
Total revenue from regulated leases	$ 63,421,188

Note 12 - Leases (Continued)

Future expected minimum payments related to the Authority's regulated leases at December 31, 2023 are as follows:

Years Ending	Future Minimum Lease Payments
2024	$ 3,267,113
2025	3,363,444
2026	454,203
2027	476,586
2028	122,773
Total	$ 7,684,119

Required Supplementary Information

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Allegheny County Employees' Retirement System

Last Ten Plan Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	10.45690 %	9.02480 %	7.45600 %	7.18430 %	7.61670 %	7.70030 %	7.49320 %	7.48040 %	7.77210 %	7.26080 %
Authority's proportionate share of the net pension liability	$220,116,474	$169,562,428	$170,587,105	$127,357,162	$ 98,796,640	$ 98,817,359	$ 81,391,583	$ 83,549,481	$ 48,915,429	$ 40,088,306
Authority's covered payroll	$ 45,368,743	$ 36,548,314	$ 30,305,981	$ 29,466,640	$ 31,042,463	$ 30,916,747	$ 29,243,194	$ 28,239,219	$ 28,433,558	$ 26,486,921
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	485.17 %	463.94 %	562.88 %	432.21 %	318.26 %	319.62 %	278.33 %	295.86 %	172.03 %	151.35 %
Plan fiduciary net position as a percentage of total pension liability	31.02 %	33.26 %	32.44 %	36.14 %	42.75 %	40.56 %	46.41 %	43.44 %	56.62 %	60.26 %

Notes to Schedule

Benefit Changes

None noted

Change of Assumptions

2023 - Decrease in discount rate from 5.08 percent at December 31, 2022 to 4.71 percent at December 31, 2023
2022 - Increase in discount rate from 3.46 percent at December 31, 2021 to 5.08 percent at December 31, 2022
2021 - Decrease in discount rate from 3.80 percent at December 31, 2020 to 3.46 percent at December 31, 2021
Mortality rates updated from RP-2000 basis to Society of Actuaries study (Pub-2010) of public retirement plans published in 2019
Active participant load - A 10 percent load was added to the active participants to account for the difference between calculating final average salary based on annual compensation for valuation purposes and the monthly formula used for calculating actual retirement benefits.
2020 - Decrease in discount rate from 5.22 at December 31, 2019 to 3.80 percent at December 31, 2020
2019 - Decrease in discount rate from 5.31 percent at December 31, 2018 to 5.22 percent at December 31, 2019

Other Notes

The amounts presented for each fiscal year were determined as of December 31 (measurement date).
10 years of information is required to be disclosed and will be added as the information becomes available.

Required Supplementary Information
Schedule of Pension Contributions
Allegheny County Employees' Retirement System

Last Ten Fiscal Years

Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 4,763,718	$ 3,837,573	$ 3,182,128	$ 2,946,664	$ 3,104,246	$ 2,937,091	$ 2,631,887	$ 2,541,530	$ 2,559,020	$ 2,245,908
Contributions in relation to the statutorily required contribution	4,763,718	3,837,573	3,182,128	2,946,664	3,104,246	2,937,091	2,631,887	2,541,530	2,559,020	2,245,908
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's Covered Payroll	$ 45,368,743	$ 36,548,314	$ 30,305,981	$ 29,466,640	$ 31,042,463	$ 30,916,747	$ 29,243,194	$ 28,239,219	$ 28,433,558	$ 26,486,921
Contributions as a Percentage of Covered Payroll	10.50 %	10.50 %	10.50 %	10.00 %	10.00 %	9.50 %	9.00 %	9.00 %	9.00 %	8.48 %

The amounts presented for each fiscal year were determined as of December 31 (the Authority's most recent fiscal year end).

Statistical Section

Statistical Section Table of Contents

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

The statistical section is organized into the following main categories:

Financial trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time. (Tables I through II)

Revenue capacity

These schedules contain information to help the reader assess the Authority's most significant local revenue sources. (Tables III through V)

Debt capacity

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future. (Tables VI through VII)

Operating information

These schedules are intended to provide contextual information about the Authority's operations and resources in order for readers to understand and assess its economic condition. (Tables VIII through X and narrative section entitled *Capital Asset and Other Airport Information*)

Demographic and economic information

These schedules help the reader understand the environment within which the Authority's financial activities take place. (Table XI through XII)

Table I
Statements of Revenues, Expenses, and Changes in Net Position Information

Last Ten Fiscal Years
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenues										
Landing fees	$ 22,315,870	$ 19,764,353	$ 15,407,701	$ 11,842,189	$ 17,279,723	$ 15,251,639	$ 14,365,250	$ 13,470,508	$ 12,448,844	$ 14,361,523
Terminal area airline rentals and fees	41,105,317	34,416,329	33,760,990	35,314,364	41,775,380	45,229,579	59,801,919	57,810,845	57,159,010	58,931,950
Other aeronautical revenue	7,260,118	7,896,013	8,561,005	8,797,493	8,908,660	11,164,643	8,820,789	8,633,244	8,695,472	19,765,780
Parking revenues	60,254,253	43,337,837	28,847,944	13,711,988	41,631,005	36,925,829	33,895,240	31,417,166	30,554,032	29,964,552
Rental car revenues	15,044,458	13,941,324	11,906,074	7,933,045	12,510,219	12,714,616	11,891,053	11,460,088	11,519,067	12,117,122
Terminal concessions	9,535,277	11,033,171	10,208,269	8,281,487	10,707,375	10,577,565	8,028,157	7,890,938	7,455,056	7,261,383
Other nonaeronautical revenue	8,702,604	8,233,096	9,489,811	9,088,397	8,938,623	8,194,466	7,166,081	6,203,074	6,414,724	5,975,443
Pittsburgh International Airport revenues	164,217,897	138,622,123	118,181,794	94,968,963	141,750,985	140,058,337	143,968,489	136,885,863	134,246,205	148,377,753
Allegheny County Airport revenues	2,532,940	2,596,417	2,666,777	2,542,728	2,811,510	3,025,549	3,049,570	2,995,960	2,980,767	2,948,259
Total operating revenues	166,750,837	141,218,540	120,848,571	97,511,691	144,562,495	143,083,886	147,018,059	139,881,823	137,226,972	151,326,012
Operating Expenses										
Salaries, wages, and benefits	83,817,913	70,378,920	63,302,220	54,764,544	53,700,238	54,194,079	48,904,569	47,003,628	39,943,997	38,706,910
Utilities	11,025,254	11,392,806	10,887,662	9,086,233	10,860,849	11,006,346	10,216,075	10,355,357	10,596,853	11,173,533
Cleaning and maintenance services	18,340,538	17,635,063	16,870,532	18,171,130	18,917,978	18,358,894	16,807,122	17,143,416	16,479,835	16,134,004
Professional services	47,976,843	33,834,076	28,876,231	24,662,534	23,445,358	23,374,131	20,818,792	18,949,222	17,468,184	16,392,772
Other	14,408,537	16,458,412	7,995,308	11,218,139	13,291,357	15,701,447	9,802,286	9,627,834	9,387,942	8,597,630
Pittsburgh International Airport expenses	175,569,085	149,699,277	127,931,953	117,902,580	120,215,780	122,634,897	106,548,844	103,079,457	93,876,811	91,004,849
Allegheny County Airport expenses	3,131,525	3,542,971	2,496,366	2,504,576	2,594,279	3,060,064	3,281,416	2,808,271	2,917,479	2,964,068
Depreciation	39,147,510	52,943,562	59,119,359	60,417,786	56,981,022	55,786,882	55,642,763	56,805,124	56,782,417	54,781,801
Total operating expenses	217,848,120	206,185,810	189,547,678	180,824,942	179,791,081	181,481,843	165,473,023	162,692,852	153,576,707	148,750,718
Income (Loss) From Operations	(51,097,283)	(64,967,270)	(68,699,107)	(83,313,251)	(35,228,586)	(38,397,957)	(18,454,964)	(22,811,029)	(16,349,735)	2,575,294

Table I

Statements of Revenues, Expenses, and Changes in Net Position Information (Continued)

Last Ten Fiscal Years
December 31, 2023

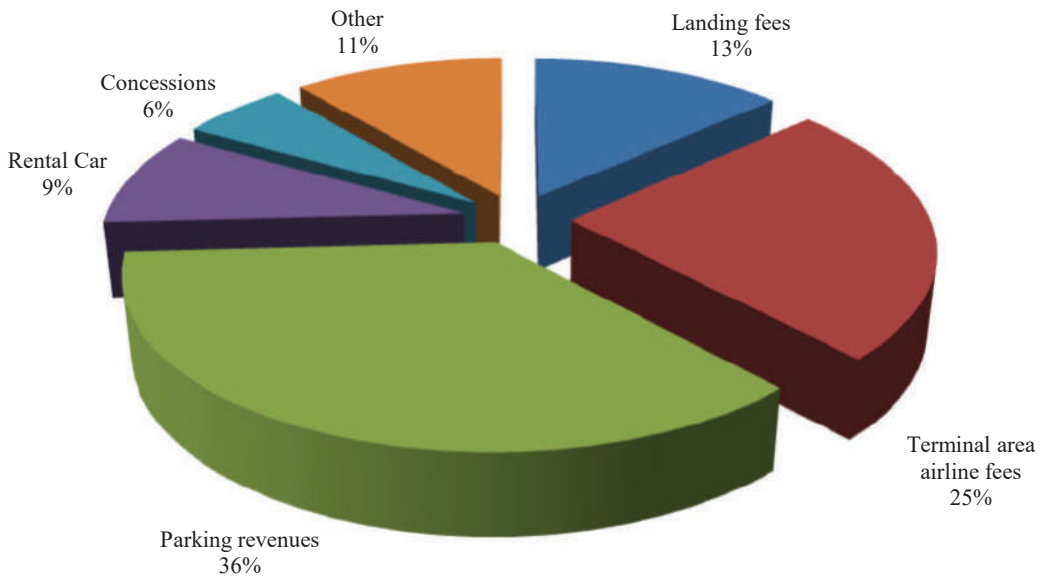
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Nonoperating Revenue (Expense)										
Interest expense	$ (27,826,826)	$ (28,085,474)	$ (10,558,701)	(881,263)	(3,537,841)	(4,320,322)	(7,100,150)	(9,901,627)	(12,769,066)	(15,278,047)
Investment income	19,971,001	7,139,253	449,723	725,293	4,641,026	2,667,551	1,869,435	841,899	559,527	2,803,774
Customer facility charges	10,902,348	9,573,786	7,706,289	4,585,923	9,536,624	5,928,821	4,893,987	4,990,737	5,030,877	4,982,379
Passenger facility charges	18,037,523	15,867,688	13,145,575	6,945,191	18,979,556	19,023,229	17,794,862	16,176,674	15,856,825	15,561,599
Gain (loss) on disposal of capital assets	(86,600)	(41,682)	(2,072)	1,550,691	(7,732)	(12,504)	-	(1,088,113)	39,551	(10,499)
Lease interest revenue - GASB 87	7,288,986	6,788,935	-	-	-	-	-	-	-	-
Gaming act revenues	12,400,000	12,400,000	12,400,000	12,400,003	12,400,000	8,000,000	8,000,000	12,400,000	12,400,000	12,400,000
Gas drilling revenues	9,191,352	12,205,005	8,509,477	5,559,879	10,121,571	19,266,592	25,983,025	13,918,971	10,192,316	9,072,202
Grant revenues	20,293,746	13,310,283	19,580,305	13,091,912	-	-	-	-	-	-
Miscellaneous revenue	-	204,712	207,231	263,582	203,669	322,646	2,498,496	894,399	599,277	1,136,594
Miscellaneous expense		-	-	(318,579)	-	-	-	-	-	-
Bond issuance costs	(2,929,942)		(3,903,044)	-	-	-	-	-	-	-
Loss on in-substance debt defeasance		-	-	-	(3,635,528)	-	-	-	-	-
Net increase (decrease) in fair value of investments	17,150,723	(6,029,257)	(418,261)	(113,508)	386,528	203,976	(483,433)	(49,040)	35,676	64,730
Total nonoperating income (expense)	84,392,311	43,333,249	47,116,522	43,809,124	49,087,873	51,079,989	53,456,222	38,183,900	31,944,983	30,732,732
Income (Loss) Before Capital Contributions and Grants	33,295,028	(21,634,021)	(21,582,585)	(39,504,127)	13,859,287	12,682,032	35,001,258	15,372,871	15,595,248	33,308,026
Capital Contributions and Grants	54,621,747	30,838,294	39,813,845	19,962,114	8,175,418	29,836,954	9,349,376	23,400,937	14,759,396	20,144,222
Increase (Decrease) in Net Position	87,916,775	9,204,273	18,231,260	(19,542,013)	22,034,705	42,518,986	44,350,634	38,773,808	30,354,644	53,452,248
Net Position, Beginning of Year, As Previously Reported	663,297,892	654,093,619	635,862,359	655,404,372	633,369,667	592,061,788	547,711,154	508,937,346	530,269,549	476,817,301
Change in Accounting Principle and Prior Period Adjustments (1)		-	-	-	-	(1,211,107)	-	-	(51,686,847)	-
Net Position, Beginning of Year, As Restated	663,297,892	654,093,619	635,862,359	655,404,372	633,369,667	590,850,681	547,711,154	508,937,346	478,582,702	476,817,301
Net Position, End of Year	$ 751,214,667	$ 663,297,892	$ 654,093,619	$ 635,862,359	$ 655,404,372	$ 633,369,667	$ 592,061,788	$ 547,711,154	$ 508,937,346	$ 530,269,549

(1) - Note that only 2018 and 2015 respective amounts have been restated for these items.

Allegheny County Airport Authority

Operating Revenue by Category

For the Year Ended December 31, 2023



Allegheny County Airport Authority

Operating Expenses by Business Unit

For the Year Ended December 31, 2023

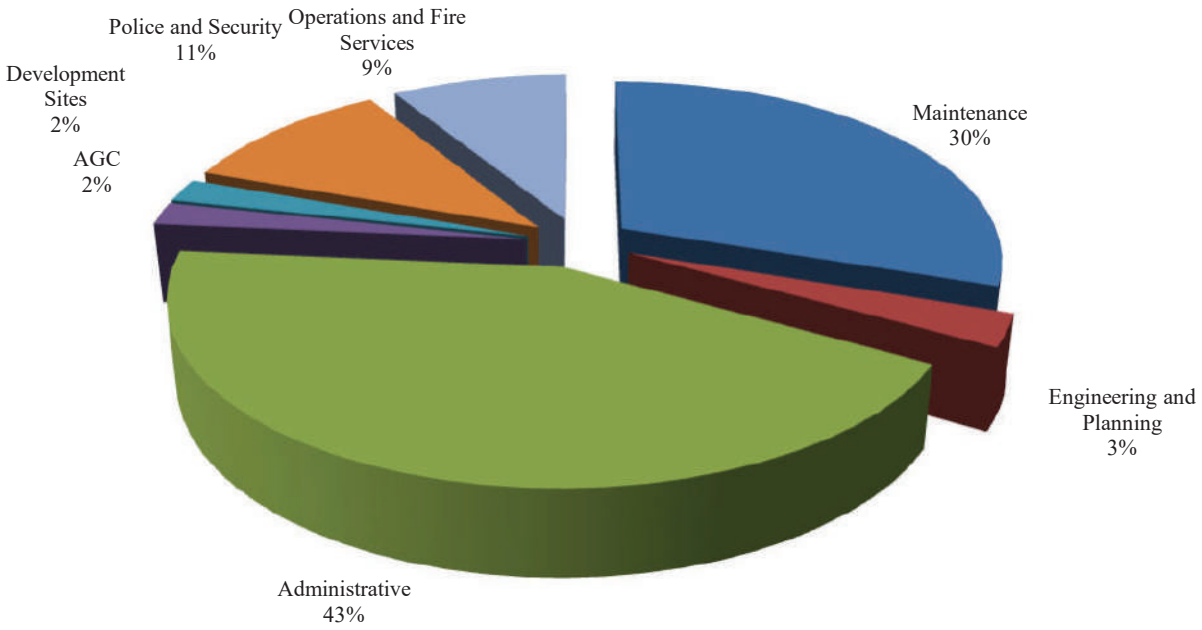


Table II
Net Position by Component

Last Ten Fiscal Years
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	$ 638,807,282	$ 602,987,861	$ 558,844,307	$ 595,209,963	$ 600,732,387	$ 537,519,690	$ 523,445,000	$ 492,846,022	$ 453,272,524	$ 432,654,829
Restricted net position										
Capital	51,454,815	12,666,688	47,146,954	32,852,772	39,871,240	53,764,257	47,545,824	44,539,284	45,164,846	41,551,209
Debt service, Operations and Maintenance	24,708,342	20,418,556	17,817,421	7,393	208,207	17,261,196	19,718,004	19,458,747	19,978,735	19,685,858
Total restricted net position (expendable)	76,163,157	33,085,244	64,964,375	32,860,165	40,079,447	71,025,453	67,263,828	63,998,031	65,143,581	61,237,067
Unrestricted (deficit) net position	36,244,228	27,224,787	30,284,937	7,792,231	14,592,538	24,824,524	1,352,960	(9,132,899)	(9,478,759)	36,377,653
Total net position	$ 751,214,667	$ 663,297,892	$ 654,093,619	$ 635,862,359	$ 655,404,372	$ 633,369,667	$ 592,061,788	$ 547,711,154	$ 508,937,346	$ 530,269,549

Note: 2018 reflects the impact of adoption of GASB Statement 75. 2015 and forward reflects the impact of adoption of GASB Statement 68.

Table III
Summary of Airline Rate Base Fees

Last Ten Fiscal Years
December 31, 2023

Airline Group	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
American	$ 13,771,122	$ 11,799,220	$ 10,663,933	$ 10,886,918	$ 13,218,040	$ 18,294,407	$ 26,777,240	$ 25,787,789	$ 25,847,593	$ 27,451,129
Southwest	10,122,656	8,193,783	7,823,839	7,596,123	9,153,211	7,528,484	7,243,540	6,978,846	7,590,483	8,674,778
Delta	8,333,598	7,082,417	6,578,882	6,129,846	8,329,580	7,311,514	7,739,515	7,524,428	7,311,689	7,896,444
United	8,924,428	7,357,237	6,803,779	6,445,602	8,157,134	7,280,370	7,825,091	7,523,024	7,426,050	7,967,974
Other signatories	9,383,245	7,109,649	5,984,768	5,244,541	7,224,379	5,944,189	5,119,148	3,252,934	2,314,704	2,219,936
Total signatory airlines	50,535,049	41,542,306	37,855,201	36,303,030	46,082,344	46,358,964	54,704,534	51,067,021	50,490,519	54,210,261
Other passenger carriers	1,663,971	1,347,964	1,195,429	914,338	1,609,264	3,434,097	2,657,432	2,325,699	1,752,589	1,441,706
Total rate base fees <A>	$ 52,199,020	$ 42,890,270	$ 39,050,630	$ 37,217,368	$ 47,691,608	$ 49,793,061	$ 57,361,966	$ 53,392,720	$ 52,243,108	$ 55,651,967
Total rate base fees	$ 52,199,020	$ 42,890,270	$ 39,050,630	$ 37,217,368	$ 47,691,608	$ 49,793,061	$ 57,361,966	$ 53,392,720	$ 52,243,108	$ 55,651,967
Cargo landings and rents	2,884,166	3,366,530	3,446,961	2,357,515	1,983,312	1,785,438	1,648,031	1,612,284	1,495,458	1,622,521
Other terminal and hangar fees	18,075,954	16,043,938	14,055,047	15,378,934	16,316,709	20,067,362	23,977,962	24,909,592	24,564,760	35,784,767
Concession revenues	83,461,466	67,130,488	49,790,928	28,787,311	63,604,379	63,619,256	52,293,056	49,345,717	48,142,557	48,001,577
Other operating revenues	10,442,648	11,277,813	11,838,232	11,227,833	12,154,977	9,293,999	8,687,474	7,625,550	7,800,322	7,316,921
Total PIT operating revenues <B>	$ 167,063,254	$ 140,709,039	$ 118,181,798	$ 94,968,961	$ 141,750,985	$ 144,559,116	$ 143,968,489	$ 136,885,863	$ 134,246,205	$ 148,377,753

<A> Includes both signatory and nonsignatory landing, terminal, and ramp fees, as well as gate usage fees for all fiscal years.

<B> PIT is Pittsburgh International Airport.

Note: Excludes GASB 87 revenue adjustments

Note: United includes Continental and Southwest includes Airtran for all years due to mergers between these airlines, which were fully effective for fiscal year 2014. American includes USAirways for all years due to merger effective for fiscal year 2015.

Allegheny County Airport Authority

Airline Revenue Derived by Carrier

For the Year Ended December 31, 2023

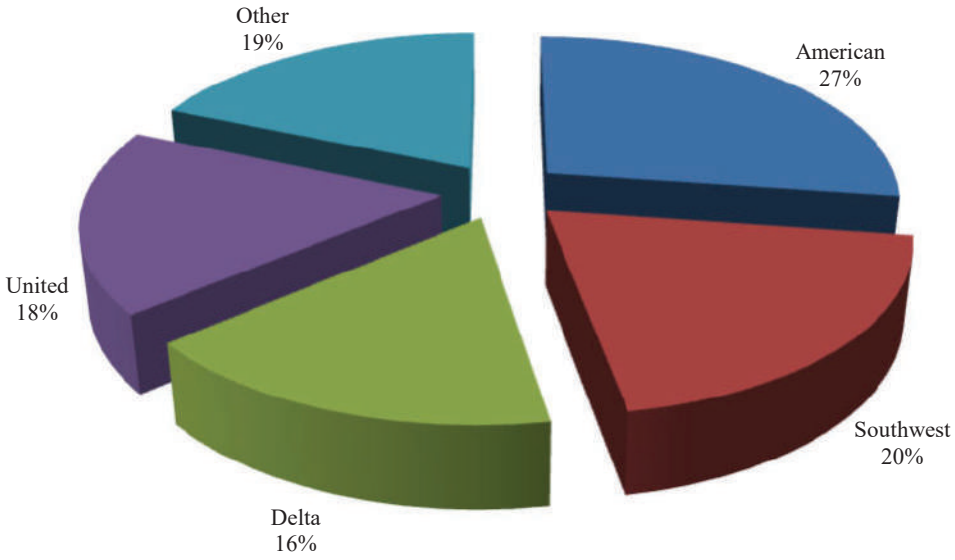


Table IV
Rates and Cost Per Enplaned Passenger
Last Ten Fiscal Years
December 31, 2023

	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
Landing fee rate	$ 3.4800	$ 3.4000	$ 3.0621	$ 3.0100	$ 2.6055	$ 2.3030	$ 2.3971	$ 2.4240	$ 2.2239	$ 2.6063
Terminal fee rate	178.33	147.84	158.29	161.67	179.61	145.67	139.90	133.42	132.61	136.04
Ramp fee rate	n/a	n/a	n/a	n/a	266.17	204.24	192.25	192.80	196.19	191.86
Operating expenses	135,577,566	123,732,357	103,080,417	98,523,291	107,045,661	109,461,863	99,934,480	96,447,247	93,079,111	90,560,685
Debt service		-	-	-	21,190,890	24,812,266	58,580,713	66,040,592	65,698,295	66,453,095
Nonrate base revenues	(112,774,411)	(90,322,659)	(71,561,210)	(51,083,457)	(87,317,539)	(87,182,388)	(83,539,654)	(86,202,047)	(84,416,245)	(94,214,399)
Debt service and operating expense offset	(3,029,132)	(12,957,283)	(18,183,300)	(12,934,912)	(5,545,000)	(9,200,000)	(27,402,477)	(32,964,368)	(31,864,241)	(16,653,372)
Airline capital fund deposits	34,153,639	23,755,272	28,709,094	4,758,828	13,799,380	13,038,513	10,529,788	11,009,655	10,591,738	10,433,599
Other, primarily cargo landing fees	(1,057,398)	(1,317,417)	(2,994,371)	(2,046,382)	(1,481,784)	(1,137,193)	(740,884)	(938,359)	(845,550)	(927,641)
Total rate base costs	$ 52,870,264	$ 42,890,270	$ 39,050,630	$ 37,217,368	$ 47,691,608	$ 49,793,061	$ 57,361,966	$ 53,392,720	$ 52,243,108	$ 55,651,967
Total enplaned passengers	4,598,890	4,053,690	3,168,029	1,815,361	4,881,951	4,834,085	4,495,180	4,151,628	4,053,880	4,000,461
Cost per enplaned passenger	$ 11.50	$ 10.58	$ 12.33	$ 20.50	$ 9.77	$ 10.30	$ 12.76	$ 12.86	$ 12.89	$ 13.91

Table V
History of Total Concessions Per Enplanement
Last Ten Fiscal Years
December 31, 2023

	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
Parking	$ 60,254,253	$ 43,337,837	$ 28,847,944	$ 13,711,988	$ 41,631,005	$ 36,925,829	$ 33,895,240	$ 31,417,166	$ 30,554,032	$ 29,964,552
Rent-A-Car	15,044,458	13,941,324	11,906,074	7,933,045	12,510,219	12,714,616	11,891,053	11,460,088	11,519,067	12,117,122
AirMall Concessions	11,167,296	8,889,248	7,836,435	5,804,834	7,925,137	8,901,724	5,957,342	5,926,912	5,553,241	5,372,968
Hotel/ConvCenter	436,497	526,046	556,928	534,024	616,152	576,308	549,420	541,551	516,217	546,935
Total passenger concessions	$ 86,902,504	$ 66,694,456	$ 49,147,381	$ 27,983,891	$ 62,682,513	$ 59,118,477	$ 52,293,055	$ 49,345,717	$ 48,142,557	$ 48,001,577
Total enplaned passengers	4,598,890	4,053,690	3,168,029	1,815,361	4,881,951	4,834,085	4,495,180	4,151,628	4,053,880	4,000,461
Concessions per enplaned passenger	$ 18.90	$ 15.51	$ 15.51	$ 15.42	$ 12.84	$ 12.23	$ 11.63	$ 11.89	$ 11.88	$ 12.00

Table VI
Outstanding Debt by Type and Revenue Bond Debt Service Ratios
Last Ten Fiscal Years
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Outstanding Debts										
Revenue bonds	$ 1,421,761,894	$ 1,004,331,344	$ 1,015,338,667	$ -	$ -	$ 71,511,923	$ 88,589,194	$ 174,972,222	$ 229,952,019	$ 282,405,082
Loans and other credit facility agreements	6,726,750	37,365,505	4,011,552	76,822,324	43,148,234	-	-	3,050,178	4,237,142	4,679,259
Obligations under financed purchases	2,787,002	4,958,472	3,696,058			-	1,108,506	2,183,208	3,225,137	4,235,292
Total Outstanding Debt	$ 1,431,275,646	$ 1,046,655,321	$ 1,023,046,277	$ 76,822,324	$ 43,148,234	$ 71,511,923	$ 89,697,700	$ 180,205,608	$ 237,414,298	$ 291,319,633
Outstanding Debt Per Capita	$ 1,172.16	$ 833.31	$ 843.00	$ 63.24	$ 35.48	$ 58.69	$ 73.34	$ 146.47	$ 192.95	$ 236.60
Total Enplaned Passengers	4,599,144	4,057,550	3,173,664	1,822,219	4,894,337	4,834,085	4,495,180	4,151,628	4,053,880	4,000,461
Outstanding Debt/Enplaned Passenger	$ 311.20	$ 257.95	$ 322.35	$ 42.16	$ 8.82	$ 14.79	$ 19.95	$ 43.41	$ 58.56	$ 72.82
Outstanding Debt as % of Personal Income	Not Available	11.98%	11.71%	0.92%	0.05%	0.09%	0.13%	0.27%	0.36%	0.44%
Revenue Bond Debt Service										
Principal	$ -	$ -	$ -	$ -	$ 19,024,760	$ 16,860,000	$ 85,520,000	$ 53,990,000	$ 51,130,000	$ 49,535,000
Interest	27,826,827	10,326,956	10,326,956	-	3,635,528	4,090,908	8,274,802	10,923,357	13,441,080	15,790,882
Total Revenue Bond Debt Service	$ 27,826,827	$ 10,326,956	$ 10,326,956	$ -	$ 22,660,288	$ 20,950,908	$ 93,794,802	$ 64,913,357	$ 64,571,080	$ 65,325,882
Total Expenses (Less Depreciation)	$ 178,700,610	$ 153,242,248	$ 130,428,319	$ 120,407,156	$ 122,810,059	$ 122,810,059	$ 125,694,961	$ 109,830,260	$ 105,887,728	$ 96,794,290
							0			
Revenue Bond Debt Service/ Total Expenses	15.57%	6.74%	7.92%	0.00%	18.45%	17.06%	74.62%	59.10%	60.98%	67.49%
Revenue Bond Debt Service/ Enplaned Passenger	$ 6.05	$ 2.55	$ 3.25	$ -	$ 4.63	$ 4.33	$ 20.87	$ 15.64	$ 15.93	$ 16.33

Table VII
Revenue Bond Debt Service Coverage

Last Ten Fiscal Years
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Pledged Revenues										
Landing fees	$ 22,316	$ 19,764	$ 15,408	$ 11,842	$ 17,280	$ 14,854	$ 14,365	$ 13,471	$ 12,449	$ 14,362
Terminal area airline fees	41,105	34,416	33,761	35,314	41,758	44,798	59,719	57,728	57,076	58,849
Other aeronautical revenue	7,674	8,216	8,561	8,798	8,297	8,770	7,818	7,691	7,808	7,736
Parking revenues	60,254	43,338	28,848	13,712	41,631	36,926	32,289	29,796	29,156	28,092
Rent-A-Car revenues	15,083	13,980	11,906	7,933	12,510	12,715	11,891	11,460	11,519	12,117
Terminal concessions	13,862	11,173	10,208	8,282	10,707	10,578	7,584	7,446	7,010	6,817
Other non-aeronautical revenue	12,613	9,594	28,266	21,748	12,821	22,519	34,433	44,742	43,235	38,564
AGC revenues	2,967	2,962	2,794	2,775						
Total pledged revenues	175,874	143,443	139,752	110,404	145,004	151,160	168,099	172,334	168,253	166,537
Operation and Maintenance Expenses										
Salaries, wages and related expenses	58,436	53,320	44,764	41,985	32,699	26,854	26,823	26,502	25,084	25,144
Cost allocations					44,664	51,471	43,540	40,697	38,713	35,827
Utilities	11,443	11,789	11,211	9,430	9,480	9,122	8,384	8,595	8,681	9,129
Cleaning and maintenance services	18,373	17,665	16,899	18,200	16,640	18,059	16,499	16,798	16,213	15,841
Professional services	41,672	35,135	28,954	24,719	187	340	553	236	285	256
Other	13,176	13,710	7,448	10,052	2,641	3,181	3,744	3,248	3,713	3,944
Total operation and maintenance expenses	143,100	131,619	109,276	104,386	106,311	109,027	99,543	96,076	92,689	90,141
Net Revenues	32,774	11,824	30,476	6,018	38,692	42,133	68,556	76,258	75,564	76,396
Plus: Other Available Funds	3,029	13,105	16,332	16,332	16,332	16,332	16,332	16,332	16,332	16,332
Total Net Revenues and Other Available Funds	$ 35,803	$ 24,929	$ 46,808	$ 22,350	$ 55,024	$ 58,465	$ 84,888	$ 92,590	$ 91,896	$ 92,728
Deposit Requirement Payments										
Deposits for debt service - Airport Revenue Bonds	$ -	$ -	$ -	$ -	$ 15,161	$ 16,686	$ 57,453	$ 64,914	$ 64,571	$ 65,326
Funding deposit requirement	-	-	385	198	429	410	174	598	301	311
Total deposit requirement payments	$ -	$ -	$ 385	$ 198	$ 15,590	$ 17,096	$ 57,627	$ 65,512	$ 64,872	$ 65,637
Coverage Ratio	N/A	N/A	121.47	112.77	3.53	3.42	1.47	1.41	1.42	1.41

Table VIII
Enplaned Passengers by Airline Group

Last Ten Fiscal Years
December 31, 2023

Group	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual	2014 Actual
American	1,042,821	977,947	764,238	431,438	1,136,330	1,156,825	1,169,648	1,157,703	1,347,399	1,380,672
Southwest	1,146,018	995,256	865,760	478,707	1,231,855	1,257,464	1,211,828	1,134,880	1,025,342	1,062,692
Delta	758,776	683,146	534,738	279,350	921,353	848,698	768,660	750,335	753,924	741,023
United	682,290	594,498	396,612	243,810	763,085	713,564	650,645	624,348	628,187	650,568
Other signatories	950,623	727,470	564,008	358,437	626,942	692,307	508,889	304,687	156,338	112,301
Total signatory airlines	4,580,528	3,978,317	3,125,356	1,791,742	4,679,565	4,668,858	4,309,670	3,971,953	3,911,190	3,947,256
Scheduled nonsignatory	12,714	72,772	40,722	20,662	195,464	141,007	163,218	161,700	101,910	37,972
Nonscheduled	5,902	6,461	7,586	9,815	19,308	24,220	22,292	17,975	40,780	15,233
Total enplaned passengers	4,599,144	4,057,550	3,173,664	1,822,219	4,894,337	4,834,085	4,495,180	4,151,628	4,053,880	4,000,461

Note: United includes Continental, and Southwest includes Airtran for all years due to mergers between these airlines, which were fully effective for fiscal year 2014. American includes US Airways for all years due to merger effective for fiscal year 2015.
Source: Monthly Analysis of Scheduled Airline Traffic Report

Table IX
Activity Statistics

Last Ten Fiscal Years
December 31, 2023

Fiscal Year	Total Passengers	<A> Aircraft Operations	Landed Weight (1,000 Lbs.)	Cargo Volume (1,000 Lbs.)
2023	9,196,564	128,175	6,051,685	171,541
2022	8,114,028	121,650	5,411,732	185,725
2021	6,354,770	108,464	4,662,435	209,700
2020	3,649,270	91,803	3,703,501	157,603
2019	9,779,024	148,119	6,263,255	165,517
2018	9,658,897	151,414	6,196,005	156,219
2017	8,988,016	148,681	5,762,766	148,343
2016	8,309,754	141,630	5,387,059	150,239
2015	8,128,187	141,674	5,347,849	138,324
2014	7,998,970	135,293	5,233,428	135,840

<A> An operation is any aircraft landing or takeoff.
Sources: Federal Aviation Administration Tower Reports and Airline Self Reporting

Table X
Count of Employees by Department

Last Ten Fiscal Years
December 31, 2023

Bus Unit	Description	Year End 2023	Year End 2022	Year End 2021	Year End 2020	Year End 2019	Year End 2018	Year End 2017	Year End 2016	Year End 2015	Year End 2014
1100	Administration	17	13	14	8	7	8	8	4	6	16
1200	Human Resources	13	10	9	8	8	8	10	9	10	6
1300	Finance	17	16	14	14	15	17	16	15	16	16
1400	Information Technology	11	14	16	14	13	12	7	4	5	5
1530	Engineering/Construction	10	11	11	9	8	12	7	7	7	8
1540	Planning	4	7	3	2	4	8	6	5	5	5
1700	Business Development	3	5	8	7	7	7	8	5	5	9
1850	Field Maintenance	87	83	91	84	107	110	114	116	114	118
1810	Facilities Maintenance	75	76	72	72	85	81	84	82	84	86
1860	Airfield Operatings	34	31	26	20	19	30	33	39	48	42
1870	Emergency Planning	9	10	7	7	8	11	12	10	10	10
	PSOM Admin	4	3	3	9	9	-	-	-	-	-
1830	Fire Services	51	52	46	50	39	53	49	42	48	50
2300	Air Service Development	5	4	4	4	3	4	5	2	2	2
2400	Marketing & Communications	12	15	20	19	25	28	21	18	15	3
1820	Airline Services	54	54	54	52	58	61	63	67	66	65
1520	Facilities/Engineering/Maintenance	5	2	5	3	4	6	10	6	6	-
2410	Government and Community Affairs	6	4	3	3	-	-	-	-	-	-
2440	Terminal Operations	9	10	-	-	-	-	7	5	-	-
1310	Legal	9	8	3	3	3	-	-	-	-	-
1510	TMP	8	9	6	3	11	-	-	-	-	-
1250	Administrative Services	3									
1260	Experience and Design	5									
1510	Workplace Safety	3									
1550	Intelligent Infrastructure	5									
9100	Allegheny County Airport	15	13	13	9	19	14	21	20	15	17
	Totals	474	450	428	400	452	470	481	456	462	458

Source: Allegheny County Airport Authority Human Resources Executive Summary of Employment Transactions

Pittsburgh International Airport (PIT) is located in Southwestern Pennsylvania approximately 15 miles west of downtown Pittsburgh. PIT occupies approximately 8,800 acres and is situated in Moon and Findlay Townships in Allegheny County. Access to PIT is provided via Interstate 376. The volume, usage and nature of the Authority's most significant capital assets is discussed below and on the following five pages.

Airfield

PIT has four runways, consisting of one crosswind runway (oriented northwest to southeast) and three parallel runways (oriented east to west) of which one is immediately north of the passenger terminal complex and the other two are south of the terminal:

Runway 10R/28L	11,500 feet long, 200 feet wide
Runway10C/28C	10,775 feet long, 150 feet wide
Runway 10L/28R	10,502 feet long, 150 feet wide
Runway 14/32	8,100 feet long, 150 feet wide

The separation between the runways permits the capability of conducting dual landings and dual takeoffs in all weather conditions. All of PIT's runways can accommodate air carrier aircraft and are equipped with instrument landing systems, lighting systems and other air navigation aids, permitting PIT to operate in virtually all-weather conditions. Precision instrument approach capability is provided to Runways 10R, 10L, 28R, 28L and 32. In addition, Runways 10R and 10L can handle Category II/III instrument landing systems (ILS).

Passenger Terminal

The Midfield Terminal opened on October 1, 1992 and consists of approximately 1.7 million square feet of enclosed space. The Midfield Terminal consists of a four-level landside terminal, a four-level airside terminal connected to the landside terminal by an automated underground people-mover system, a two-level central service building and a commuter terminal. The landside terminal houses pre-security and ground transportation operations (passenger drop-off, ticketing/check-in, baggage claim and the security checkpoint).

The "X-shaped" airside terminal has two major elements - a central "core" and four concourses. The Midfield Terminal with 75 gates was originally constructed to function as a major hub facility for the former US Airways to support a major connecting hub operation. As a result of de-hubbing in 2002, and in anticipation of future changes, the Authority removed gates from service. New common use technology and equipment also reduced the number of gates necessary for daily airline operations, so that 53 gates are currently available for use. The Midfield Terminal also originally included a commuter terminal. However, due to the reduction in connecting traffic and the discontinuation of service to many smaller communities, the commuter terminal was closed for operations and currently serves as an alternative security check point to help alleviate congestion during peak throughput times at the main security check point.

Arriving international passengers clear immigration and customs through a Federal Inspection Services ("FIS") facility comprising approximately 60,000 square feet, which can accommodate roughly 800 passengers per hour. The current FIS facility was designed primarily for connecting international passengers and is suboptimal for the needs of an O&D market.

Ground Access and Transportation

PIT can be accessed directly from the all directions via I-376, I-576, and Business I-376, which form a loop around the airport. The Midfield Terminal is served by a four lane, two-level roadway serving both sides of the landside terminal. One roadway serves the ticketing level and the other roadway serves the baggage claim level. Curb frontage on one side of the terminal is for private automobiles and curb frontage on the other side of the landside terminal is for commercial vehicles and ground transportation services including taxis, TNCs, limousines, private and public buses, and hotel courtesy shuttles.

The Airport's three-level parking garage contains approximately 2,310 public parking spaces, a rental car facility with 850 ready and return spaces, and 149 leased parking spaces for a total of approximately 3,309 parking spaces. The parking garage is connected to the landside terminal by an enclosed moving walkway and crosswalks that cross over the Airport's public arrivals roadways. Additionally, the Airport has 15,844 surface public parking spaces in its long-term, extended term and economy parking lots.

Rental car ready/return stalls are located on level 1 of the garage. Hertz operates a quick turnaround area adjacent to the garage at grade level for stacking, cleaning, fueling, washing and staging cars prior to moving them into the ready car spaces in the garage and the other companies perform these functions on leased space in the vicinity of the landside terminal as part of the service facilities. Currently, four “companies” representing eight brands of rental car companies operate on-airport from the garage: (1) Avis, (2) Budget, (3) Dollar, (4) Hertz, (5) Enterprise (6) Alamo (7) National), (8) SIXT.

Hotel

A Hyatt Regency Hotel, which opened in June 2001, is located adjacent to the parking garage and adjacent to the landside terminal building and is accessible via the enclosed moving walkways. The facility contains 331 hotel rooms and approximately 21,000 square feet of convention space. The hotel provides a restaurant, bar/lounge, and an indoor pool/health club facility.

Airline Support

The Authority leases land and buildings to airlines and others for activities supporting airline operations. An aboveground aircraft fuel farm supplies fuel to the aircraft hydrant fueling system, which serves all 53 gates and a fueling rack. An automotive fuel storage facility is located adjacent to the fuel farm.

American Airlines leases aircraft maintenance and parts facilities, which encompasses 473,529 square feet at PIT. American Airlines also leases a special service building at PIT.

LSG Sky Chefs leases a catering/food preparation facility containing 80,000 square feet that also serves as its North American frozen food kitchen and freezing facility.

In addition, the Authority constructed a wide body deicing facility at PIT, which is being managed by a third-party company. That company also operates the Authority’s main deicing pads, which are boom and truck operated, and utilize hot air technology.

Six cargo carriers, FedEx, UPS, Sun Country, Mas Air, Cathay Pacific, and Qatar Cargo, are signatories to the Airfield Use Agreement relating to the use and lease of the airfield for cargo operations.

The Authority is engaged in strategic planning to further increase cargo operations at the Airport. In September 2022, the Airport was awarded an $24.49 million federal grant by the U.S. Department of Transportation ("USDOT") through the Better Utilizing Investments to Leverage Development program, to be used to build a 75,000 square foot cargo processing facility and an adjacent surface parking lot, which is set to open within the next three years. The new building will enable the Airport to serve additional cargo operations and offer opportunities for airlines that require varying levels of cargo handling and access for high volumes of trucks.

Republic Airways operates aircraft maintenance facilities at PIT in two hangars containing 99,625 square feet. Atlantic Aviation operates a fixed base operation (“FBO”), containing a terminal building, two hangars, a fuel farm, and an equipment maintenance building.

The Authority also leases three corporate hangar facilities. We have two additional corporate hangars under ground lease to MP Air and Dick’s Sporting Goods. MP Air leases 153,331 square feet of land from the Authority, which consists of a hangar and flight facility. Dick’s Sporting Goods leases land from the Authority for their corporate headquarters, which consists of approximately 136,625 square feet of hangar and aeronautical facilities. The Authority has leased to FJ Turbine its jet engine test cell facility consisting of 14,985 square feet and prep room consisting of 12,400 square feet.

Also located at PIT is a full-service fixed base operator (FBO), Atlantic Aviation, which operates from the Business Aviation Center, and a limited FBO, Corporate Air, LLC, and L J Aviation which operates from corporate hangar facilities.

Commercial/Industrial Property Development

There are approximately 3,600 acres of land at the Airport available to the Authority for non-aviation development of which approximately 52% are developable. In addition, approximately 5,000 acres of land at the Airport are designated as a "Foreign Trade Zone".

Significant development activities have been undertaken by the Authority to provide "pad ready" development sites, including the completion and continued development of infrastructure, including roadways and installation of utility services to develop further commercial office and industrial uses. Dick's Sporting Goods has located its corporate headquarters at the Airport; those facilities include one of the corporate hangars noted in the prior section. The Authority has entered numerous ground leases with major development companies for nearly 6,000,000 square feet of office park, flex space, distribution facilities and other similar uses. The Authority is also developing the Pittsburgh Airport Innovation Campus known as Neighborhood 91 to be a center for advanced manufacturing, particularly additive manufacturing and 3D-printing as mentioned in relation to the development of Neighborhood 91. The development has broken ground in 2020 and will add another 1,000,000 square feet of new development. Revenues from the various developers and land tenants are utilized by the Authority for further investment in development activities.

In addition, the County relocated its emergency response and 911 call center to the Airport on property leased from the Authority. The call center provides centralized 911 emergency call and response services to the entire County.

Other Facilities

Aircraft rescue and firefighting (ARFF) services are provided from one fire station. The Authority also operates an aircraft rescue and firefighting training center at PIT, which includes a fire-training simulator as well as classrooms, a management center, a vehicle bay, trainee/equipment support areas and a visitor center.

PIT also accommodates airfield maintenance buildings, an FAA Airport traffic control tower, air navigation aids and guidance systems, and various other support facilities. It also serves as the home of the Pittsburgh Air Reserve Station and the Pennsylvania Air National Guard.

Sources: Planning Department of Allegheny County Airport Authority & Business Development

Table XI
Allegheny County - Demographic and Economic Statistics

For the Year Ended December 31, 2023

Year	Population	Personal Income (millions)	Per Capita Personal Income	Annual Average Unemployment Rate
2023	1,221,061	Not Available	Not Available	2.8%
2022	1,256,024	87,360	71,973	3.4%
2021	1,213,573	87,385	68,874	3.7%
2020	1,214,810	83,313	64,236	6.6%
2019	1,216,040	79,996	64,871	4.5%
2018	1,218,452	76,711	59,899	5.3%
2017	1,223,048	68,316	55,263	4.7%
2016	1,230,360	67,145	54,357	5.2%
2015	1,230,459	66,556	54,090	4.8%
2014	1,231,255	66,458	53,976	5.3%

n/a = information is not available

Table XII
Allegheny County - Principal Employers

For the Year Ended 2023 and 2014
December 31, 2023

2023 (1)

Employer	Employees	Percentage of Total County Employment
University of Pittsburgh Medical Center	59,100	8.82%
Highmark Health	24,000	3.58%
United States Government	18,912	2.82%
Commonwealth of Pennsylvania	14,959	2.23%
University of Pittsburgh	14,108	2.11%
Wal-Mart Stores, Inc.	11,700	1.75%
PNC Financial Services	11,600	1.73%
Giant Eagle, Inc.	10,826	1.62%
Independence Health System	7,300	1.09%
BNY Mellon	7,300	1.09%
Total	179,805	26.84%
Total Employees in County	670,000 (2)	

2014 (2)

Employer	Employees	Percentage of Total County Employment
University of Pittsburgh Medical Center	43,000	12.72%
Highmark Health	19,000	5.62%
United States Government	18,028	5.33%
Commonwealth of Pennsylvania	13,081	3.87%
University of Pittsburgh	11,982	3.54%
Giant Eagle, Inc.	10,577	3.13%
The Bank of New York Mellon	7,600	2.25%
Allegheny County	7,150	2.11%
Wal-Mart Stores Inc.	6,200	1.83%
Westinghouse Electric	5,600	1.66%
Total	142,218	42.06%
Total Employees in County	338,147 (2)	

Sources:
(1) Allegheny County Accounting Department
(2) City of Pittsburgh Annual Comprehensive Financial Report 2013

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

REPORT OF THE AIRPORT CONSULTANT DATED APRIL 8, 2025

[THIS PAGE INTENTIONALLY LEFT BLANK]

Appendix B

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

Allegheny County Airport Authority

AIRPORT REVENUE BONDS (PITTSBURGH INTERNATIONAL AIRPORT)
Series 2025A (AMT) and Series 2025B (Taxable)

Prepared for

Allegheny County Airport Authority

Prepared by

LeighFisher
San Francisco, California

April 8, 2025

[THIS PAGE INTENTIONALLY LEFT BLANK]

Leigh | Fisher

April 8, 2025

Ms. Christina Cassotis
Chief Executive Officer
Allegheny County Airport Authority
Pittsburgh International Airport
Landside Terminal, 4th Floor Mezzanine
P.O. Box 12370
Pittsburgh, PA 15231-0370

Re: Report of the Airport Consultant, Allegheny County Airport Authority, Airport Revenue Bonds (Pittsburgh International Airport), Series 2025A (AMT) and Series 2025B (Taxable)

Dear Ms. Cassotis:

We are pleased to submit this Report of the Airport Consultant in connection with the proposed issuance of Airport Revenue Bonds, Series 2025A (AMT) and Series 2025B (Federally Taxable) (collectively, the 2025 Bonds) by the Allegheny County Airport Authority (the Authority or ACAA) to fund a portion of the costs of the Terminal Modernization Program (the TMP) and Airside Renovations Program (the ARP) at Pittsburgh International Airport (the Airport or PIT). This letter and the accompanying attachment and exhibits constitute our report.

The 2025 Bonds are being issued pursuant to a Master Trust Indenture dated as of December 1, 2019 (the Master Indenture), as amended and supplemented by a First Supplemental Indenture dated as of December 31, 2019 (as previously amended, the First Supplemental Indenture), a Second Supplemental Indenture dated as of August 1, 2021 (the Second Supplemental Indenture), a Third Supplemental Indenture dated as of September 1, 2023 (the Third Supplemental Indenture), and a Fourth Supplemental Indenture to be dated as of April 1, 2025 (the Fourth Supplemental Indenture) each between the Authority and The Bank of New York Mellon Trust Company, N.A. (the Trustee). Collectively, the Master Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, and Fourth Supplemental Indenture are referred to as the Indenture. Bonds to be issued by the Authority under the Indenture are secured by a pledge of Net Revenues of the Airport System and moneys held in certain funds and accounts pursuant to the Indenture. Other Pledged Revenues (as defined below) are included in the calculation of Revenues. In addition, while not considered Other Pledged Revenues, PFCs Available for Debt Service may be used to reduce the Debt Service calculation for both the Rate Covenant and Additional Bonds Test.

Pursuant to the First Supplemental Indenture, the Authority issued subordinated obligation notes (the Series 2019 Subordinate Notes) to PNC Bank, National Association (PNC Bank) to secure a revolving line of credit in the maximum principal amount of $200 million (as previously amended, the PNC LOC), which amount has been increased and reduced over time and is currently equal to $200 million. On May 1, 2025, the maximum principal amount available under the PNC LOC will be reduced to $50 million. The PNC LOC matures on December 16, 2025, unless otherwise extended pursuant to the terms of the loan agreement relating to the PNC LOC. The Authority intends to extend or replace the PNC LOC upon its expiration (the LOC).

Capitalized terms used in this report and not otherwise defined have the meanings given to such terms in the Indenture, the preliminary official statement (POS) related to the 2025 Bonds, or the Airline Operating Agreement and Terminal Building Lease.

The net proceeds of the 2025 Bonds, together with certain investment earnings thereon, will be used to (1) finance a portion of the costs of the TMP and ARP, (2) make a deposit to the Common Debt Service Reserve Account in the Debt Service Reserve Fund to equal the Reserve Requirement, (3) fund capitalized interest on a portion of the 2025 Bonds, (4) repay all or a portion of the amount outstanding under the PNC LOC (described above) which was used to pay certain costs of the TMP and ARP, and (5) pay the costs of issuance of the 2025 Bonds.

The report presents our forecast of passengers enplaning at the Airport and evaluates the ability of the Authority to generate Net Revenues sufficient to satisfy the requirements of the Rate Covenant (defined below) for the forecast period 2025 through 2030 taking into account outstanding Bonds and the 2025 Bonds (as described below) estimated to be required to allow completion of the Authority's 2025–2030 Capital Improvement Program (the CIP or 2025–2030 CIP).*

The Authority

On June 17, 1999, the Authority was created by the County of Allegheny (the County) as a body corporate and politic under the Municipality Authorities Act of the Commonwealth of Pennsylvania (the Act). The Airport is owned by the County and is operated by the Authority under the Operation, Management, and Transfer Agreement and Lease (Transfer Agreement). The Authority's original Articles of Incorporation provided that the term of existence of the Authority extends to July 14, 2049; however, in June 2021, the County extended the term of the Authority through June 2059. In connection with the transfer, the Authority assumed the obligations of the County for airport revenue bonds previously issued by the County to finance construction and development of the Airport System, all of which were defeased in 2019.

Airport System

The Authority leases and operates two airports -- PIT, the commercial service airport serving the Pittsburgh metropolitan region, and Allegheny County Airport (AGC), which serves as the general aviation reliever airport to PIT (collectively, as defined under the Indenture as the Airport System). In 2024, PIT accounted for approximately 98.5% of total Revenues for the Airport System.

PIT is classified by the FAA as a medium hub airport. The Airport ranked 48th among U.S. airports in terms of total enplaned passengers in 2024 and approximately 97% of its passengers were domestic origin-destination (O&D) passengers based on U.S. Department of Transportation (USDOT) data.

Terminal Modernization Program and Airside Renovation Program

The Terminal Modernization Program (TMP) is a program to replace the existing landside passenger terminal at PIT with a new terminal and associated facilities. The TMP was developed on a collaborative basis with the airlines through a multiyear master planning process and adopted by the Authority Board in 2017 to guide future development at the Airport. The master plan identified the need to right-size and modernize terminal facilities that had been designed in the late 1980s and early 1990s in close cooperation with US Airways – the then dominant hub carrier at PIT – to accommodate its connecting hub operation, which was subsequently discontinued. The existing terminal complex was therefore designed with the intent to handle high volumes of connecting traffic when it opened in 1992. The Airport no longer serves as

* The Authority's Fiscal Year ends December 31. The forecast period for the Additional Bonds Test in the Master Indenture is the later of (1) the fifth full Fiscal Year following the issuance of the proposed Bonds or (2) the third full Fiscal Year during which no interest on the proposed Bonds is expected to be paid from the proceeds. Interest on portions of the 2025 Bonds is expected to be capitalized through August 1, 2025. Therefore, the forecast period for this report extends through 2030.

a connecting hub, but instead traffic is comprised of approximately 98% origin-destination (O&D) passengers and is now served by a diverse mix of airlines. As a result, existing terminal capacity in some respects far exceeds the current level of activity, and in other respects, is undersized for a busy O&D airport.

The TMP will replace the existing passenger landside terminal at PIT with a new 811,000 square foot landside terminal adjacent to the airside terminal. Associated facilities include a three-level roadways system and a Multi-Modal Complex (MMC) consisting of a five-level parking structure (housing rental car ready/return stalls and approximately 3,300 public parking spaces), a rental car customer service building, and approximately 2,750 close-in surface public parking spaces and 400 to 500 employee parking spaces.

The expected date of beneficial occupancy (DBO) of the new landside terminal and associated facilities is early in the fourth quarter of 2025 as set forth in the POS. The financial forecasts presented in this report assume a DBO of October 1, 2025.

As set forth in the POS, the TMP is currently estimated to cost $1.7 billion, including construction, design, project and construction management, contingencies, an Owner Controlled Insurance Program, and escalation. Although it was initially contemplated that when the new terminal opens, the existing landside terminal would be demolished, the Authority and the Signatory Airlines decided to postpone its demolition pending identification of a funding source or alternative use. The Authority also intends to retain the existing garage and surface parking lots for public or employee parking or for potential tenants of the existing landside terminal. The existing automated people mover system and automated baggage system will be removed from service and abandoned in place. All of the existing 53 gates will remain operational.

While discussing the scope, design, and budget for the TMP, the Authority and the airlines decided to advance the construction of certain renovations to the existing airside terminal to allow these improvements to be performed concurrently with the construction of the new landside terminal complex while contractors are mobilized and thereby reduce construction costs. The current estimated cost of this Airside Renovation Program (ARP) totals $226.3 million (per the POS), which is in addition to the $1.7 billion for the TMP. The current ARP scope includes holdroom renovations for the Signatory Airlines, $15.5 million for airline tenant finishes and fit-outs, restroom renovations, jetway preconditioned air system replacements, lighting panel retrofits, concourse lighting and lighting control replacements, Public Safety / Operations and Maintenance offices relocation, TSA office relocation, kitchen prep room relocation, vertical circulation, electrical and communications room renovations, and associated design, construction and program management.

The Authority received Signatory Airline Majority-In-Interest (MII) approvals (as defined later) to move forward with the TMP and ARP. Amounts in excess of the approved amounts would require additional MII approval unless funded from sources that would not be recoverable through airline rates and charges such as additional grants and Authority discretionary revenues.

2025 – 2030 Capital Improvement Program

The Authority maintains an ongoing major maintenance and capital improvement program for the Airport System that includes the TMP and ARP. The 2025-2030 Capital Improvement Program (the CIP) totals approximately $2.2 billion, which includes the $1.7 billion budgeted for the TMP and $226.3 million budgeted for the ARP. In addition to the TMP and ARP, the CIP identifies another $231.9 million for projects to maintain and enhance PIT and $72.5 million for AGC for a total of an additional $304 million. Cost estimates were provided by the Authority and its consultants and include allowances for design,

construction management, and contingencies, but not allowances for general price escalation. These estimates also include annual funding for Equipment and Capital Outlays as defined in the Airline Operating Agreement and Terminal Building Lease (AOA), which are expected to average approximately $3.8 million per year between 2025 and 2030.

The larger projects in the CIP Include:

1. Rehabilitation of Runways 10L/28R and 28L/10R to be completed in multiple phases over the period 2024 through 2035 to maximize the participation of FAA Airport Improvement Program (AIP) grant funding and minimize the impact on aircraft operations. Runway 10L/28R is expected to cost $87 million and 28L/10R $120 million. The Authority intends to phase both projects to maximize AIP grant participation. The 2025 - 2030 CIP includes $70.5 million for Runway 10L/28R and $20 million for Runway 28L/10R.

2. Runway Safety Area (RSA) improvements at AGC to address a deficiency identified in the AGC master plan. The current estimated cost of this project is $63.1 million and will be phased in over multiple years to maximize grant funding and minimize the impact on aircraft operations. $16.6 million was already spent from 2020 to 2024. The 2025-2030 CIP includes $44.8 million for this program the remaining phase is expected to occur in 2031 depending on federal grants.

3. An allowance for the deicing stormwater improvements and stream mitigation program of $8 million (see “THE AIRPORT- Environmental Matters” in the Preliminary Official Statement). This program was developed to address concerns raised by the Pennsylvania Department of Environment Protection (DEP) to mitigate stream impacts due to deicing, anti-icing, and defrosting of aircraft at PIT. On December 5, 2024, the Authority and DEP entered into a Consent Order and Agreement regarding the Authority’s National Pollutant Discharge Elimination System (NPDES) Permit to resolve these issues. According to the Authority, in compliance with this agreement, its proposed mitigation plan incorporates a variety of watershed improvements including stormwater runoff detention, stream restoration, and wetland creation to control peak flow during storm events and mitigate the impacts of propylene glycol, biological oxygen demand, and high pH discharges.

4. A potential rehabilitation of the Pennsylvania Route 885 tunnel at AGC that passes under the western end of Runway 10/28. The Authority estimates that a full rehabilitation could cost $150 million and will be needed in the next 10 years. The Authority believes relocating the road around the runway is not feasible, and that unless the tunnel is rehabilitated, the length of the 6,500-foot runway would need to be displaced by approximately 1,000 feet. Although the scope, cost, and funding for this necessary rehabilitation has not been determined at this time, the CIP includes allowances for maintenance of the tunnel totaling approximately $8 million through 2030.

Not included in the CIP is the cost to develop a quick turnaround (QTA) facility for the rental car companies, which the companies have asked the Authority to develop directly behind the MMC. The new rental car agreements allow for the development of the QTA with a full level of public parking on top of the facility with approximately 1,200 spaces. This QTA and parking deck could be financed with rental car customer facility charge (CFC)-supported debt if and when both parties commit to its construction as described in the attachment to this report. The CIP includes $9 million for design of the QTA/parking deck, which would be funded with CFC pay-as-you-go revenues, but not its construction.

Table 1 in the attachment provides a summary of the 2025-2030 CIP with expected funding as well as funding for the TMP and ARP since 2020.

The Authority expects to use a combination of Federal Airport Improvement Program (AIP) and Bipartisan Infrastructure Law (BIL) grants as well as Pennsylvania Department of Transportation (PennDOT) grants to fund approximately $234 million in CIP project costs, some of which have already been received. To the extent anticipated Federal and/or PennDOT grants are not available in the future, the Authority may need to defer projects and/or issue additional debt to fund them.

According to the Authority's most recent assessment, the current CIP contains all of the significant capital improvements expected to be undertaken through 2030. The Authority reassesses its capital needs at least annually and will modify the CIP as necessary to accommodate demand-driven traffic activity, security and health needs, strategic initiatives, receipt of required environmental and other regulatory approvals, and other factors which could result in increases or decreases to the CIP or extend or accelerate the timing to complete certain projects. The Authority believes the projects included in the 2025 - 2030 CIP will provide the necessary Airport facility improvements to satisfy future airline and passenger needs through the forecast period (2030). The Authority has discussed the potential to construct an Authority office building and infrastructure to connect the new terminal facilities to the existing parking lots. Neither of these projects are currently included in the 2025 – 2030 CIP nor are they needed to satisfy future traffic needs.

Plan of Finance for the TMP and 2025-2030 CIP

Costs for the CIP have been or are expected to be funded by:

1. AIP entitlement and discretionary grants-in-aid
2. Bipartisan Infrastructure Law (BIL) grants under the competitive Airport Terminals Program (ATP) and the entitlement Airport Infrastructure Grants (AIG) program
3. PennDOT Bureau of Aviation AIP matching grants
4. Passenger facility charge (PFC) revenues on both a pay-as-you-go basis and leveraged basis
5. CFC revenues on both a pay-as-you-go basis and leveraged basis
6. Federal COVID-19 Grants to refund principal and interest on the PNC LOC
7. Funds generated through the residual ratemaking system for capital expenditures
8. Other Authority discretionary funds, including Gaming Revenues and Natural Gas Revenues
9. Bonds for the TMP and ARP
10. Other funds consisting of interest earnings on the 2021 and 2023 Bonds in excess of estimated amounts assumed by the Municipal Advisor (as defined below) at the time of pricing and a $2 million RK Mellon grant

It was assumed that all or a most of PFC and CFC revenues and BIL grants would be dedicated to the TMP and QTA/parking deck design.

Federal AIP grants are subject to congressional appropriation and there is no assurance that the FAA will receive spending authority nor that the Authority will receive AIP discretionary grants as contemplated by the Authority in the CIP. AIP grants could also be affected by automatic across-the-board spending cuts

known as sequestration. In addition, on January 27, 2025, the Office of Management and Budget issued a memorandum called "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance" providing that Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance. This directive was subsequently rescinded, and its implementation was put on hold by a federal judge. Accordingly, there can be no assurance that FAA grants will continue to be funded for airports. With regard to the TMP and ARP, approximately $21.0 million in unexecuted BIL AIG grants (for FY 2025 and FY 2026) and $16.6 million in executed grants have not yet been received by the Authority from the FAA. To the extent anticipated Federal and/or PennDOT grants are not available in the future, the Authority may need to use more of its discretionary revenues, defer projects, and/or issue additional debt to fund them.

Exhibit A shows the estimated sources and uses of funds for the TMP and ARP being funded in whole or in part from Bonds. The Authority's independent registered municipal advisor – PFM Financial Advisors LLC (the Municipal Advisor) - provided the estimated sources and uses of funds and estimated debt service requirements for the 2025 Bonds used to finance a portion of the TMP and ARP. A portion of the debt service on Bonds will be supported from PFCs and CFCs.

The Municipal Advisor made the following specific assumptions regarding the issuance of the 2025 Bonds, which are assumed to be secured by a cash funded deposit to the Common Debt Service Reserve Account, that are reflected in the financial forecasts contained in this report.*

2025 Bonds[1]	Revenue-Supported	PFC-Supported
Issuance Date	4/30/2025	4/30/2025
Bond-Funded Project Costs	$356,781,208	$23,753,420
Approx. Interest Rate Cushion Over Current Estimated Market Rates*	+75 bps.	+75 bps.
First Principal Payment	1/1/2028	1/1/2028
Final Principal Payment	1/1/2055	1/1/2055
Capitalized Interest	Through 10/1/2025	None
Debt Structure	Approximately $5.7 million in 2025, $22.9 million in 2026, and $29.2 million per year from 2027-2054	Approximately $982 thousand in 2025, $1.5 million in 2026, and $1.9 million per year from 2027-2054

The Municipal Advisor provided the sources and uses of bond funds in Exhibit A and the estimated Debt Service requirements in Exhibit C.

The Authority also plans to use its LOC to advance $21.0 million in BIL AIG grants expected to be received in 2025 and 2026 for the TMP. The Authority may also elect to use the LOC from time to time prior to the issuance of Additional Bonds for any other available legal use. The interest rate on amounts drawn on the LOC is variable. For purposes of the financial forecasts, the Municipal Advisor has recommended assuming an interest rate of 6.0%, which is conservative relative to current market rates. Therefore, the financial forecast shows Subordinate Obligation debt service on such amounts in each of 2025 and 2026.

* Preliminary subject to change. Based on market rates as of March 28, 2025.

Exhibit A presents a summary of the anticipated funding for the TMP and ARP.

At this time, the Authority does not plan to issue additional debt to fund projects in the CIP. However, there is the potential for the issuance of debt for the QTA/parking deck (as noted earlier) if approved by the Authority and the rental car companies. If the Authority and the on-airport rental car companies agree to construct the QTA facility, it is anticipated that the associated debt would be secured with CFC revenue and contingent rent paid by the on-airport rental car companies, which debt would be junior lien obligations of the Authority that are subordinate to the Bonds and Subordinate Obligations issued under the Indenture. In addition, to the extent anticipated Federal and/or PennDOT grants are not available in the future, the Authority may need to defer projects and/or issue debt to fund them.

Master Trust Indenture

The 2025 Bonds will be the fourth series of debt obligations issued by the Authority pursuant to the Master Trust Indenture and the third series of senior lien Bonds. The Bank of New York Mellon Trust Company, N.A, serves as Trustee. The first series of debt obligations are the Subordinate Notes that pertain to the subordinate lien PNC LOC and were issued pursuant to the First Supplemental Indenture as amended from time to time. The Second Supplemental Indenture allowed for certain amendments to the Master Indenture and allowed a portion of the cost for the TMP and ARP to be financed with the 2021 Bonds. The Third Supplemental Indenture provided additional funding for the TMP and ARP with the 2023 Bonds. The Fourth Supplemental Indenture is expected to provide additional funding for the completion of the TMP and ARP with the 2025 Bonds.

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport System. Revenues do not include, among other things, gifts or grants, PFC revenues, Customer Facility Charges (CFCs), Gaming Revenues, Natural Gas Revenues, and rents or other payments of any nature received now or in the future attributable to any ground leases, facility leases, or other developments which are identified as Neighborhood 91 (N91) unless designated as Other Pledged Revenues.

PFCs Available for Debt Service are the amounts generated from PFC revenues that are designated by the Authority to be used to pay Debt Service accruing during an applicable period for Bonds issued to finance PFC-eligible project costs and may be used to reduce the Debt Service calculation in both the Rate Covenant and Additional Bonds Test.

Other Pledged Revenues are moneys that are designated by the Authority pursuant to Section 4.18 of the Master Indenture as Revenues and may include, but are not limited to, all or a portion of gifts and grants (including Federal COVID-19 Grants), Customer Facility Charges, Gaming Revenues, and Natural Gas Revenues as declared by the Authority as Other Pledged Revenues and moneys transferred from the Rate Stabilization Fund pursuant to Section 4.12 of the Master Indenture. However, PFCs Available for Debt Service may not be designated as or considered Other Pledged Revenues. At this time, there is no rate stabilization funding provision in the new AOA; therefore, there is no expectation to make any deposits to this fund through the term of the AOA.

Operation and Maintenance Expenses (O&M Expenses) consist of the Authority's expenses for operation, maintenance, repairs, ordinary replacement, and ordinary reconstruction of the Airport System but do not include any capital cost or any allowance for depreciation or any operation or maintenance costs for Special Facilities.

In Section 5.04 of the Master Indenture (the Rate Covenant), the Authority covenants that it will fix, prescribe, and collect fees and other charges for the use of the Airport so as to produce:

1. Net Revenues (which include Other Pledged Revenues) equal to at least 100% of the amounts required to (a) pay Annual Debt Service on any Outstanding Bonds, (b) make the required deposits to the Common Debt Service Reserve Account or any Series Debt Service Reserve Account, (c) reimburse amounts owed to any Credit Provider or Liquidity Provider, (d) pay the interest on and principal of any indebtedness of the Authority during such Fiscal Year, other than for Outstanding Bonds, but including Subordinate Obligations, and (e) fund any debt service reserve funds created in connection with any indebtedness of the Authority other than Outstanding Bonds, but including Subordinate Obligations; and
2. Net Revenues and any amounts available in the Coverage Account,* in an amount at least equal to (a) 1.25 times the Annual Debt Service on Outstanding Bonds for each Fiscal Year and (b) 100% of the annual debt service with respect to all outstanding Subordinate Obligations.

For purposes of demonstrating compliance with the Rate Covenant and the Additional Bonds Test, Debt Service is reduced by the amount of principal and/or interest paid with Capitalized Interest, and PFCs Available for Debt Service, if any, as defined in the Master Indenture. CFC revenues equal to annual debt service due on CFC-supported Bonds will be designated as Other Pledged Revenues and deposited to the Revenue Fund.

Under Section 2.11 of the Master Indenture, certain conditions must be met before Additional Bonds may be issued to pay the Cost of Projects (the Additional Bonds Test). These conditions require, among other things, that estimates of Net Revenues together with funds available in the Coverage Account and any other legally available funds of the Authority plus Other Pledged Revenues shall equal at least 1.25 times Aggregate Annual Debt Service on (1) Outstanding Bonds, (2) the Additional Bonds, and (3) any future Series of Bonds which the Authority estimates will be required to complete payment of the estimated costs of construction of uncompleted portions of Airport Facilities, and (4) 100% of the annual debt service for each such Fiscal Year with respect to all outstanding Subordinate Obligations. The estimates of Net Revenues must satisfy these obligations for the later of (1) the fifth full Fiscal Year following the issuance of the proposed Bonds (which for the 2025 Bonds is 2030) or (2) the third full Fiscal Year following the issuance of the Bonds during which no interest on the proposed Bonds is expected to be paid from the proceeds (which for the 2025 Bonds is 2028). This provision of the Master Indenture is referred to as the Additional Bonds Test.

Subordinate Obligations

The Master Indenture permits the Authority to issue Subordinate Obligations secured by liens on the Authority's Revenues remaining after the deposits to the O&M Fund, Debt Service Funds, and Debt Service Reserve Fund that are subordinate to the liens provided to holders of the Authority's Bonds, including the 2025 Bonds.

PNC Bank currently provides a revolving line of credit to the Authority in the maximum principal amount of $200 million, which amount is scheduled to step down to $50 million on May 1, 2025, and expires on December 16, 2025, unless otherwise extended pursuant to the terms of the loan agreement relating to the PNC LOC. The PNC LOC has been used to provide interim funding for costs of the TMP and ARP. The

* The amount in the Coverage Account, which may be counted for purposes of the Rate Covenant or Additional Bonds Test, cannot exceed 25% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

PNC LOC or successor LOC are also expected to be used to pre-fund TMP and ARP projects costs expected to be ultimately funded from FY 2025 and FY 2026 BIL AIG entitlement grants. The PNC LOC and any future LOC are secured under the Master Indenture by a subordinate lien on Net Revenues. A portion of the proceeds of the 2025 Bonds will be applied to repay all or a portion of the outstanding balance of the PNC LOC as of the date of issuance and delivery of the 2025 Bonds.

Other Debt

The Authority also has incurred $7.8 million in indebtedness that is not secured by the pledge of Net Revenues under the Master Indenture under a Business in Our Sites (BIOS) loan from the Commonwealth Finance Authority. The proceeds of the BIOS loan are being used for the development of infrastructure and related improvements in the N91 site. The BIOS loan has a pledge on revenues generated from certain real estate leases in N91, which are not part of Revenues under the Master Indenture.

Airline Operating Agreement and Terminal Building Lease (AOA)

In late 2020, the Authority entered into a new AOA with passenger airlines relating to the use of the Airport, the rental of space, and the establishment of procedures for adjusting airline rentals, fees, and charges. The new AOA replaced an agreement that had been in place since 1988 and was scheduled to expire in May 2018, but was extended with modest revisions through the end of 2019. The effective date of the new AOA was retroactive to January 1, 2020 and initially extended through December 31, 2021, but was amended and extended through December 31, 2028, with an option to extend for an additional three years upon mutual agreement, through the end of 2031.

The AOA requires Signatory Airline Majority-In-Interest (MII) approval* to include the capital costs of improvements in Airline Fees and Charges. The AOA and three subsequent MII approvals provide for up to $1.6 billion in bond-financed improvements for the TMP and ARP. Amounts in excess of these amounts would require additional MII approval to include in Airline Fees and Charges. The Authority believes that the total amount of bond financing approved by the Signatory Airlines combined with additional Federal grants and other funds will fully fund the revised TMP cost of $1.7 billion and ARP of $226.3 million. The AOA also provides certain project control procedures pertaining to the TMP and ARP.

As of the date of this report, the following airlines have signed the amended and extended AOA (the Signatory Airlines) – Air Canada, Alaska Airlines, Allegiant Air, American Airlines, British Airways, Delta Air Lines, Frontier Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines. These airlines and their affiliates accounted for 97.8% of the passenger market share at the Airport in 2024.

Each AOA is substantially identical except for provisions relating to the Leased Premises and assigned aircraft parking positions for each Signatory Airline. The Signatory Airlines collectively lease 22 of the 53 active gates with jetways on a preferential use basis. The remaining gates are available on a common use basis, of which six are Authority-controlled international gates. Similar to many “spoke” airports in a “hub and spoke” system, there are far more remain overnight (RON) aircraft parked than leased gates. According to the Authority, typically approximately 45 aircraft are parked at contact gates overnight during weekdays.

The AOA provides for the rental of space and the use of certain facilities by the Signatory Airlines, the establishment of cost accounting centers, and the periodic adjustment of the rentals, fees, and charges to

* Majority-in-Interest means Signatory Airlines representing greater than 50% in number, plus one additional Signatory Airline, and carrying greater than 50% of the total Enplaned Passengers at the Airport.

be paid by the Signatory Airlines as determined by the costs and expenses associated with the cost centers as defined in the agreements. The AOA also (1) grants certain rights and privileges to airlines, (2) provides for the timing and manner of required payments of rates and charges, and (3) sets forth other applicable operating conditions and requirements at the Airport.

Under the AOA, Landing Fees and Terminal Rentals are each calculated according to "cost center residual cost" formulas, under which Non-Airline Revenues are credited against certain defined costs to determine the net cost to be paid by the Signatory Airlines in each cost center. The certain costs defined in the AOA include Operation and Maintenance Expenses (O&M Expenses), debt service, and other fund deposit requirements as required under the Indenture allocable to the respective Cost Centers, including the Coverage Requirement and O&M Reserve Requirement.

Signatory Airlines are also obligated to pay certain additional charges to recover costs associated with fit-outs to their ticket counters and aircraft parking (Ramp Fees) to the extent the costs exceed their allotted budgets for the TMP. In addition, prior to DBO of the TMP, O&M Expenses, debt service, and certain rents related to the baggage systems are allocated amongst its users. Airlines also pay Facility Fees for the use of the common use gates, ticket counters, and associated facilities.

Under the new AOA, the number of cost centers used to derive airline rates and charges have been significantly streamlined into Airfield, Terminal, and ACAA cost centers for PIT, plus AGC. Airline-supported cost centers are the Airfield and Terminal. In addition to runway and taxiway areas, the Airfield Cost Center includes the hangar & field support areas and military areas. The Terminal Cost Center includes the passenger terminals, roadways, and all associated ground transportation facilities. The ACAA Cost center encompasses all other areas at PIT and is not part of the airline residual requirement. The first $600,000 per year (escalated with inflation since 2020) of surpluses or deficits from the AGC cost center will be credited to or included in the airline landing fee rate base. The remainder will be credited to the airline rate base or the responsibility of the Authority.

Under the AOA, Signatory Airline rentals, fees, and charges are calculated to ensure that the Airport System generates sufficient Airport System Revenues in the airline-supported cost centers to operate on a break-even basis after paying all Costs of such cost centers (as defined below) plus produce annual discretionary funding for Airport System capital improvements or other lawful purposes from (1) a required deposit to the Airport System Capital Fund (ASCF)* and (2) a Concession Incentive Fee equal to 6% of nonairline concession revenues. In addition, pre-DBO rates will fund the required increase in the amount to be on deposit in the Coverage Account prior to the opening of the TMP (the Coverage Requirement).

Certain aspects of the residual ratemaking methodology differ during the pre-DBO and post-DBO periods, including the annual required deposit into the Airport System Capital Fund, funding of the Coverage Requirement, and recovery of the $24.7 million the Authority applied to defease outstanding bonds in December 2019 (defined as the ACAA Loan in the AOA), which amount was fully paid off in 2023. Costs are defined as (1) O&M Expenses, (2) the O&M Reserve Requirement (after giving effect to amounts on deposit in the Operation and Maintenance Reserve Account), (3) Aggregate Annual Debt Service (including the ACAA Loan), (4) Coverage Requirement** (if any, after giving effect to amounts on deposit in a Coverage Account), (5) expensed Equipment and Capital Outlays, (6) Capital Projects to be expensed as provided in

* The Authority waived the required ASCF deposit requirement for 2026 through the end of the term of the AOA (2028) in connection with Signatory Airline MII approval for the third MII ballot for the TMP.

** The Coverage Requirement is the amount necessary to produce or maintain an amount in the Coverage Account pursuant to the Master Indenture.

the agreement, (7) Fund Deposit Requirements, (8) the estimated amount of defending, settling, or satisfying any threatened litigation, litigation, assessment, judgment, settlement or charge net of estimated insurance proceeds to become payable to the Authority relating directly to the Airport System or its operation net of any revenues received by the Authority of any judgment or settlement arising as a result of the Authority's ownership, operation, and maintenance of the Airport System payable during said Fiscal Year, and (9) any and all other sums, amounts, charges or requirements of the Authority required to be recovered, charged, set aside, expensed or accounted for under the AOA or the Master Indenture.

Space is rented to the Signatory Airlines on an exclusive and preferential use basis subject to accommodation provisions, and for the post-DBO period the baggage handling facilities will be leased on a common use basis.

Prior to the start of each Fiscal Year, the Authority establishes rates to be in effect for the subsequent Fiscal Year. After the close of each Fiscal Year, there is an annual settlement, whereby the rates and charges are recalculated using audited financial statements to determine any airline under/over payment. There is also the ability to adjust rates mid-year in the event the current charges would result in an underpayment or overpayment of 5% or more of the estimated annual requirements.

Cargo carriers can sign a separate airline operating agreement that provides similar rights and privileges, but the AOA establishes the signatory cargo landing fee rate to be equal to 110% of the Signatory Airline rate. Non-signatory passenger airlines pay a rate equal to 120% of the Signatory Rate. Both non-signatory passenger and cargo airlines are required to sign non-signatory operating agreements with the Authority.

Revenues of the Authority Not Initially Pledged for Payment of Bonds

The Authority has identified additional revenue sources that it may choose to pledge to payment of debt service on the Bonds and/or O&M Expenses and other uses (such as air service incentives), including PFC revenues, CFC revenues, Federal COVID-19 Grants, Gaming Revenues, and Natural Gas Revenues. PFCs designated by the Authority as PFCs Available for Debt Service will be deposited to the Debt Service Fund for the purpose of paying principal and/or interest on Bonds. Federal COVID-19 Grants, Gaming Revenues, Natural Gas Revenues, and CFCs are excluded from the definition of Revenues in the Master Indenture except to the extent designated by the Authority in any Fiscal Year as Other Pledged Revenues and deposited to the Revenue Fund. Unless so designated and deposited, these amounts are not pledged to pay debt service on the Bonds.

Other revenues not pledged for the payment of Bonds include revenues derived from N91 that are dedicated to the repayment of the BIOS loan as noted earlier.

PFC Program. The Authority has approvals from the FAA under eight applications to collect and use PFCs for a total of $1.12 billion in collection authority at the $4.50 level. The most recent PFC application, approved in April 2022, authorized the Authority to collect and use $633.4 million in PFCs for $353.2 million in eligible TMP construction costs and $280.2 million in associated financing costs of the TMP. The Authority's current PFC collection authority extends to August 1, 2061. No new PFC application submittals are anticipated through the horizon of the forecast period. However, the Authority intends to submit amendments to existing approvals, which are expected to reduce the total amount of collection authority and reduce the duration to reflect actual expenditures and revisions to the plan of finance for projects.

PFC approval is reflected in the financial forecasts presented in this report, including the authorization to use PFC revenues to pay a portion of the debt service attributable to the 2021 Bonds, 2023 Bonds, and 2025 Bonds for the TMP as well as for pay-as-you-go PFC expenditures.

Customer Facility Charges (CFCs). The Authority has levied a rental car CFC since March 1, 2011, which is assessed on all customers renting a vehicle from the Airport. The initial amount of $3.00 per rental car transaction day, not to exceed seven transaction days, was increased to $5.50 per day on November 1, 2018 and to $6.00 per day on February 1, 2020. In April 2020, the Authority raised the cap on the number of days of collection from 7 to 30 days at the request of the rental car companies. Effective January 1, 2025, the CFC rate increased to $8.00 per day. Approximately $63 million in CFCs collected through late 2024 have been set aside for pay-as-you-go rental car-allocable TMP costs. Starting in 2025, CFCs will be used in the following order of priority: pay RAC-Allocable TMP debt service, fund rolling debt service coverage on CFC-supported debt, fund a CFC renewal and replacement reserve, fund design for a potential QTA with a public parking deck behind the MMC garage on a pay-as-you-go along with construction costs if the project is implemented, and fund a CFC Deficiency Reserve as described in the attachment to this report.

CFC Revenues are excluded from Revenues under the Master Indenture except to the extent designated as Other Pledged Revenues when deposited to the Revenue Fund under the terms of the Indenture. The Authority intends to designate certain CFC revenues as Other Pledged Revenues in an amount sufficient to pay rental car allocable debt service and associated debt service coverage each year of the forecast period.

The CFC amounts shown in the forecast represent the Authority's expectations at this time but could be lower or higher based on the actual CFC collections, capital improvement expenditures, and the financial results for the Fiscal Year.

Gaming Revenues. The Authority is a designated funding recipient under the Pennsylvania Race Horse Development and Gaming Act adopted by the Commonwealth in 2000 and amended in 2019 (the Gaming Act). The Gaming Act legalized slot machine parlors and table games in race tracks and standalone facilities. The Authority receives payments of $12.4 million per year from the Commonwealth under the Gaming Act (Gaming Revenues). The Gaming Act provides that the Gaming Revenues can be used for debt service, development, and economic development of the Airport.

The Authority expects to continue to receive payments of $12.4 million per year for so long as it continues to be a recipient under the Gaming Act. However, there can be no assurance that the Gaming Act will not be amended in the future to reduce or eliminate payments of such revenues to the Authority.

In the past, the Authority has deposited a portion of the annual Gaming Revenues in the Revenue Fund as a credit to the airline rates and charges. The Authority has not credited Gaming Revenues to the airlines since 2019 and under the AOA is only obligated to credit an amount equal to 10% of baggage system fees starting at DBO. However, as part of the January 2025 MII vote, the Authority agreed to commit no less than $8.8 million in 2025 and $11.575 million per year for 2026 through 2028 in discretionary revenues (which could include Gaming Revenues or Natural Gas Revenues) as Other Pledged Revenues to reduce airline rates and charges.

The Authority intends to use Gaming Revenues to fund development and economic development costs on a pay-as-you-go basis and to designate a portion of annual Gaming Revenues as Other Pledged Revenues to pay a portion of the debt service on the Bonds as shown in the financial forecasts. Per the residual nature of the AOA, any increase or reduction in the amount of Gaming Revenues designated as Other Pledged Revenues would correspondingly impact Signatory Airline rentals, fees, and charges to ensure that the Airport System generates sufficient Airport System Revenues to operate on a break-even basis.

Natural Gas Revenues. On February 22, 2013, the Authority's Board awarded the bid to drill natural gas at PIT and AGC to CNX Gas Company LLC (CNX). The Authority received an upfront payment of $46.1 million from CNX and receives ongoing payments over the term of the lease which continues from year to year as drilling continues. In addition to ground rent, the Authority earns ongoing royalties on the natural gas production. Net revenues from the natural gas lease have been used to reduce airline rates and charges and for capital expenditures, including economic development, at the Airport. During 2022, 2023, and 2024, gas revenues of $12.2 million, $9.2 million, and $11.3 million, respectively, were received. In May 2022, the Authority and CNX amended the terms of the Gas Lease to, among other things, calculate royalties on a net as opposed to gross basis, and entered into a Marketing and Services Agreement with commitments to drill additional wells and grant CNX the exclusive right to sell certain fuel alternatives to the Authority.

While the Authority has received royalties on an ongoing basis under the Gas Lease, there can be no assurance that CNX will continue operations at the Airport, or that other companies active in the oil and gas business will be interested in obtaining rights at the Airport. Decisions regarding continued drilling, as well as the amount and frequency of royalties, are made based on market conditions relating to fluctuations in the price of oil, gas and other hydrocarbons on the open market and other various factors, and are not in the control of the Authority. Accordingly, there can be no assurance that the Authority will continue to receive royalties under the Gas Lease or that such royalties will remain at current annual levels.

Prior to 2021, the Authority deposited a portion of the annual Natural Gas Revenues in the Revenue Fund as a credit to the airline rates and charges; however, since then has been retaining these revenues to fund capital improvements and as a source of a reserve. At this time, the Authority does not expect to apply Natural Gas Revenues as a credit to Airline Fees and Charges but instead use balances in the Gaming Fund to pay for all or a portion of Airport System capital improvements and other lawful purposes.

Federal COVID-19 Grants. During 2020 through 2023, the Authority applied for and received Federal COVID-19 Grants for reimbursement of O&M Expenses and concession relief, which were designated by the Authority as Other Pledged Revenues. A portion of these grants was used to pay debt on the PNC LOC.

Scope of Report

The report was prepared to address the ability of the Authority to meet the requirements of the Additional Bonds Test under the Master Indenture for the forecast period 2025 through 2030, taking into account the proposed 2025 Bonds.

In preparing the report, we analyzed:

- The pattern and rate of recovery of air traffic at the Airport from the reductions that occurred from the economic disruption and public health restrictions caused by the novel coronavirus (COVID 19) pandemic.
- Future airline traffic demand at the Airport giving consideration to the demographic and economic characteristics of the Airport service region, historical trends in airline service and traffic, the role of the Airport in airline route systems, and other key factors that may affect future traffic.
- The status of, estimated costs, and proposed funding plan for the 2025-2030 CIP, including the TMP and the other capital improvements expected to be completed by 2030.

- Estimated sources and uses of funds and associated annual debt service requirements of the 2025 Bonds expected to complete the financing of the projects comprising the 2025-2030 CIP as provided by the Municipal Advisors.
- Interest accruing on the LOC for interim financing of BIL AIG grants for the TMP and ARP expected to be received in 2025 and 2026, which are shown as a separate line item pending receipt of such grants to pay down the LOC.
- Historical and forecast future PFC revenues for pay-as-you-go expenditures and for the payment of debt service, including associated current and expected future designation by an Authorized Authority Representative of PFCs Available for Debt Service to the financing of PFC-eligible project costs.
- The Authority's intended use of PFC Revenues during the forecast period, including the payment of debt service and pay-as-you-go project expenditures.
- The Authority's intended declaration of CFC revenues to pay debt service and fund its pro rata portion of debt service coverage on the CFC-supported Bonds as Other Pledged Revenues.
- Historical relationships among revenues, expenses, and airline traffic for the Airport and other factors that may affect future Revenues and O&M Expenses.
- The facilities expected to be provided, as included in the 2025-2030 CIP, and other operational considerations affecting Airport revenues and expenses.
- The Authority's intent to take actions to realize projected O&M Expenses savings attributable to the TMP and to take additional actions to reduce personnel expenses beginning in 2026, both as provided by the Authority.
- Audited financial results for the Airport for 2019 through 2023, and unaudited results for 2024, including the preliminary year-end adjustment of Airline Fees and Charges.
- The Authority's approved 2025 budget.
- The ratemaking procedures under the new AOA for both the pre-DBO and post-DBO periods.
- The new On-Airport Rental Car Concession Agreements without forecasting the impact of the development of the QTA/parking deck given the uncertainties at this time.
- The Authority's CFC Regulation and ground transportation policy and fee structure.
- The Pennsylvania Race Horse Development and Gaming Act as amended in 2019 under which $12.4 million per year is appropriated by statute to the Authority.
- The amended Gas Lease and new Marketing and Services Agreement with CNX along with forecasts of Natural Gas Revenues provided by the Authority based in CNX projections.
- Other contractual agreements relating to the use and lease of the Airport such as the operation of public automobile parking and other concession and service privileges, and the leasing of buildings and grounds.
- The use of Federal COVID-19 Grants to refund $20.0 million in principal and interest on the PNC LOC and the balance to pay operating expenses to offset the loss of revenues resulting from the pandemic.

We have relied upon the Authority and its construction managers for estimates of project costs and construction schedules for the TMP and other projects in the 2025-2030 CIP, and upon the Authority's Municipal Advisor for the plan of debt finance and estimated debt service requirements for the proposed 2025 Bonds for financial modeling purposes.

We also identified key factors upon which the future financial results of the Authority may depend, formulated assumptions about those factors, and on the basis of those assumptions, assembled the financial forecasts presented in the exhibits at the end of the report. Historical financial data and estimates of project costs, project financing, and annual debt service requirements were provided by the sources noted in the report.

Forecast Airline Payments per Enplaned Passenger

Exhibits E-1 through E-3 present the forecast financial requirements that determine terminal rentals, landing fees, and other fees and charges payable by the Signatory Airlines and Non-Signatory Airlines under the new AOA. The exhibits also present forecast airline payments expressed per enplaned passenger.

Forecast Debt Service Coverage and Rate Covenant Compliance

The table on the following page presents a summary of forecast Net Revenues (including Other Pledged Revenues), the amount on deposit in the Coverage Account, Debt Service, Aggregate Annual Debt Service, Debt Service Coverage under Section 5.04 of the Indenture, total airline payments, enplaned passengers, and airline cost per enplaned passenger (CPE). As shown, Net Revenues together with the amount on deposit in the Coverage Account, are forecast to be at least 1.25 times the Aggregate Annual Debt Service on the outstanding Bonds and the 2025 Bonds.

These forecast results indicate compliance with the Rate Covenant under the Master Indenture during the forecast period.

SUMMARY OF PROJECTED DEBT SERVICE COVERAGE AND AIRLINE PAYMENTS
Pittsburgh International Airport
(in thousands, except coverage)
(for the 12 months ending December 31)

	2025	2026	2027	2028	2029	2030
Net Revenues[1]	$ 79,417	$ 94,616	$ 102,774	$ 101,815	$ 107,144	$ 107,243
Coverage Amount	$ 14,745	$ 21,168	$ 21,168	$ 22,707	$ 22,639	$ 22,566
Total	$ 94,162	$ 115,783	$ 123,942	$ 124,522	$ 129,783	$ 129,809
Annual Debt Service[2]	$ 77,005	$ 104,555	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Less PFCs Available for Debt Service	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
Aggregate Annual Debt Service	$ 58,980	$ 84,670	$ 91,112	$ 90,827	$ 90,556	$ 90,264
Debt Service Coverage	1.60	1.37	1.36	1.37	1.43	1.44
Passenger Airline Payments	$ 79,528	$ 98,325	$ 101,410	$ 100,941	$ 108,806	$ 111,987
Enplaned Passengers	5,064	5,140	5,217	5,295	5,374	5,455
Cost Per Enplanement (CPE)	$15.71	$19.13	$19.44	$19.06	$20.25	$20.53

1. Includes Other Pledged Revenues.
2. Excludes interest expense on the PNC LOC, which is expected to be repaid from proceeds of the 2025 Bonds when issued.

Note: Debt service is capitalized through February 1, 2025 for the 2021 Bonds, April 1, 2025 for the 2023 Bonds, and October 1, 2025 for the 2025 Bonds except for the PFC-supported 2025 Bonds which is not capitalized. In addition, there is no principal amortization on the 2023 revenue-supported bonds in 2025.

Sources: Debt service: PFM based on market conditions as of March 28, 2025. All other LeighFisher.

Assumptions Underlying the Financial Forecasts

The financial 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 Authority management's expected course of action during the forecast period through 2030 and, in Authority management's judgment, present fairly the expected financial results of the Airport. 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, the forecasts are subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecasts and actual results, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, express 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.

* * * * *

Ms. Christina Cassotis
April 8, 2025

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

Respectfully submitted,

Leigh Fisher

LEIGHFISHER

[THIS PAGE INTENTIONALLY LEFT BLANK]

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE

FOR THE FINANCIAL FORECASTS

Allegheny County Airport Authority

Pittsburgh International Airport

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTENTS

Page

AIRPORT FACILITIES AND CAPITAL PROGRAM B-26
Existing Airport Facilities B-26
Airfield B-26
Passenger Terminal B-26
Ground Access and Transportation B-28
Hotel B-28
Other Aviation Facilities B-29
Commercial/Industrial Property Development B-30
Other Facilities B-33
Allegheny County Airport B-33
Terminal Modernization Program and Airside Renovation Program B-34
Terminal Modernization Program B-34
Airside Renovations Program B-35
Airline MII Approvals B-36
Potential Rental Car QTA Project B-36
2025 - 2030 Capital Improvement Program B-36
BASIS FOR PASSENGER AIRLINE DEMAND B-41
Airport Service Region B-41
Airport Role B-44
Medium-Hub Origin-Destination Passenger Airport B-44
Economic Basis for Airline Traffic B-46
Population, Nonagricultural Employment, and Per Capita Personal Income B-46
Industry Clusters B-52
Visitor Industry B-55
Housing Market B-56
Economic Outlook B-58
Historical Airline Service and Traffic B-59
Airlines Serving the Airport B-59
Enplaned Passenger Trends B-60
Enplaned Passenger Trends by Residents, Visitors, and Connecting B-63
Enplaned Passenger Market Shares B-65
Origin-Destination Markets B-66
Domestic Airfares B-68
Airline Service B-70
Air Cargo B-73
Allegheny County Airport B-75
Key Factors Affecting Future Airline Travel B-76
National Economic Conditions B-76
International Economic and Geopolitical Conditions B-76
Financial Health of the Airline Industry B-77
Airline Consolidation B-79

Airline Service and Routes B-79
Airline Competition and Airfares B-80
Availability and Price of Aviation Fuel B-81
Aviation Safety, Security Concerns B-81
Public Health Concerns B-82
Climate Change Concerns B-83
Capacity of the National Air Traffic Control System B-84
Capacity of the Airport B-84
Airline Traffic Forecasts B-85
Base Passenger Forecast B-85
Landed Weight B-86
Stress Test Projection B-86
FINANCIAL ANALYSIS B-89
Framework for Financial Operations B-89
Master Trust Indenture B-89
Subordinate Obligations B-92
Other Debt B-92
Passenger Facility Charge Program B-92
Airline Operating Agreement and Terminal Building Lease (AOA) B-93
Cargo Airfield Use Agreement B-96
Customer Facility Charge Program B-97
Rental Car Agreements and CFC Flow of Funds B-97
Gaming Revenues B-101
Natural Gas Revenues B-102
Federal COVID-19 Grants B-102
Infrastructure Investment and Jobs Act or Bipartisan Infrastructure Law B-103
Reconciliation of Historical Financial Results B-103
Plan of Finance B-104
Passenger Facility Charges B-105
Customer Facility Charges B-106
Debt Service B-106
Operation and Maintenance Expenses B-106
Revenues B-108
Airline Revenues B-109
Non-Airline Revenues B-113
Application of Revenues B-122
Debt Service Coverage B-122
Financial Forecasts and Stress Test Projections B-123

TABLES

Page

Table 1 2025-20230 Capital Improvement Program Expenditures and Funding B-37

Table 2 Population Distribution in the Pittsburgh MSA B-41

Table 3 Historical Socioeconomic Trends B-47

Table 4 Comparative Uneployment Rates B-51

Table 5 Pittsburgh MSA Largest Private Sector Employers B-52

Table 6 Passenger and Air Cargo Airlines Serving Pittsburgh International Airport B-59

Table 7 Historical Enplaned Passengers B-62

Table 8 Passenger Traffic Trends by Resident and Visitor B-64

Table 9 Enplaned Passengers by Airline B-65

Table 10 Domestic Passenger Destination Pattern and Scheduled AIrline Service B-67

Table 11 Trends in Average Daily Departures and Seat by Airline B-71

Table 12 Total Air Cargo Tonnage B-74

Table 13 Historical Aircraft Operations B-75

Table 14 Airline Traffic Forecast B-87

Table 15 Approved Passenger Facility Charges B-93

Table 16 Reconciliation Between Two Basis of Accounting B-104

Tabld 17 Revenues by Source B-109

Table 18 Number of Aircraft Gates by Airline B-112

Table 19 Public Parking Spaces - Pre and Post DBO B-115

FIGURES

Page

Figure 1 Existing Pittsburgh International Terminal Facilities B-27
Figure 2 Commercial/Industrial Development Projects B-32
Figure 3 Terminal Modernization Program Site Diagram B-35
Figure 4 Airport Service Region B-43
Figure 5 Origin-Destination and Connecting Passengers at 20 Busiest U.S. Medium-Hub Airports B-45
Figure 6 Comparative Distribution of Nonagricultural Employment B-50
Figure 7 U.S. Natural Gas Production by State B-55
Figure 8 Index of Home Prices B-57
Figure 9 Historical Originating Passengers and Events B-60
Figure 10 Historical Enplaned Passengers B-61
Figure 11 Low-cost Enplaned Passengers B-63
Figure 12 Airline Market Shares of Enplaned Passengers B-66
Figure 13 Trends in Domestic O&D Passengers and Airfares B-69
Figure 14 Airports Served from Pittsburgh B-72
Figure 15 Historical Enplaned Passengers on U.S. Airlines B-77
Figure 16 Quarterly Net Income (Loss) for U.S. Airlines B-78
Figure 17 Historical Domestic Yield for U.S. Airlines B-80
Figure 18 Historical Aviation Fuel Prices B-81
Figure 19 Historical and Forecast Enplaned Passengers B-88
Figure 20 Flow of Funds Under the Master Indenture B-91
Figure 21 Potential Rental Car QTA and Public Parking Deck B-99
Figure 22 CFC Flow of Funds B-100
Figure 23 Current Parking Lot Locations B-114
Figure 24 Parking Lot Locations After TMP DBO B-116
Figure 25 Historical Rental Car Gross Revenues Per Enplaned Passenger B-117
Figure 26 Historical CFC Transaction Days Per Enplaned Passenger B-118

EXHIBITS

		Page
Exhibit A	TMP/ARP Plan of Finance / Sources and Uses of Funds	B-124
Exhibit B-1	Passenger Facility Charges	B-125
Exhibit B-2	Customer Facility Charges	B-126
Exhibit C	Debt Service Requirements	B-127
Exhibit D	Operation and Maintenance Expenses	B-128
Exhibit E	Revenues	B-129
Exhibit E-1	Calculation of Airline Terminal Rental Rate	B-131
Exhibit E-2	Calculation of Landing Fee Rate	B-133
Exhibit E-3	Passenger Airline Cost per Enplaned Passenger	B-134
Exhibit F	Application of Revenues	B-135
Exhibit G	Debt Service Coverage	B-136
Exhibit H	Summary of Base and Stress Test Financial Projections	B-137

AIRPORT FACILITIES AND CAPITAL PROGRAM

EXISTING AIRPORT FACILITIES

Pittsburgh International Airport is located in Southwestern Pennsylvania approximately 15 miles west of downtown Pittsburgh. The Airport occupies approximately 8,800 acres and is situated in Moon and Findlay Townships in Allegheny County. Access to the Airport is provided via Interstate 376.

Figure 1 presents an aerial of the existing Airport.

Airfield

The Airport has four runways, consisting of one crosswind runway (oriented northwest to southeast) and three parallel runways (oriented east to west) of which one is immediately north of the passenger terminal complex and the other two are south of the terminal:

Runway 28L/10R	11,500 feet long, 200 feet wide
Runway 28C/10C	10,775 feet long, 150 feet wide
Runway 28R/10L	10,502 feet long, 150 feet wide
Runway 14/32	8,101 feet long, 150 feet wide

The separation between Runways 28L/10R and 28R/10L permits the capability of conducting dual landings and dual takeoffs in all weather conditions. All of the Airport's runways are designed to accommodate air carrier aircraft and are equipped with instrument landing approaches, lighting systems, and other air navigation aids, permitting the Airport to operate in virtually all weather conditions. Precision instrument approach capability is provided to Runways 10R, 10L, 28R, 28L, and 32. In addition, Runways 10R and 10L have the ability to handle Category II/III instrument landing systems (ILS) and Runway 28R has the ability for a Special Authorization CAT II (SA CAT II).

Passenger Terminal

The Midfield Terminal opened in October 1992 and consists of approximately 1.7 million square feet of enclosed space. The Midfield Terminal consists of a four-level, double-sided landside terminal, a four-level airside terminal (with tower in the center core on the fifth through seventh levels) connected to the landside terminal by an automated underground people-mover system, and a two-level central services building.

The landside terminal provides for the ticketing of passengers, collecting and sorting baggage, baggage claim, and security screening of passengers. The "X-shaped" airside terminal has two major elements – a central "core" and four concourses. An automated baggage system conveys inbound and outbound baggage between the landside terminal and the airside terminal for American Airlines and Southwest Airlines on the north side of the terminal.

Figure 1

EXISTING PITTSBURGH INTERNATIONAL TERMINAL FACILITIES



Source: Allegheny County Airport Authority.

The central services building contains the automated people mover (APM) station for the landside terminal, general offices, support equipment functions, the north area baggage screening facility, and an alternative passenger security screening checkpoint that is opened when the main checkpoint in the landside terminal becomes congested, as well as enclosed walkways that had served commuter aircraft operations, but are now used as covered walkways to employee parking on the former commuter aircraft ramp. In late July 2021, the employee parking was relocated to the long-term lot to make room for construction staging for the new terminal.

As of December 2024, there were 53 operational gates available for use of which 4 were equipped to accommodate arriving international passengers. All of these gates are equipped with loading bridges, aircraft support systems, and hydrant fueling. Arriving international passengers clear immigration and customs through an approximately 60,000 square-foot Federal Inspection Services (FIS) facility, which can accommodate 800 passengers per hour and is located on the lower level of Concourse C.

Ground Access and Transportation

The Airport property can be accessed directly from the north or south via I-376 and Business I-376, which form a loop around the Airport. The existing landside terminal is served by a four lane, two-level roadway serving both sides of the landside terminal. One upper level serves the ticketing level (Departures) and the other lower level serves the baggage claim level (Arrivals). Curb frontage on one side of the landside terminal is for public access automobiles and curb frontage on the other side of the landside terminal is for commercially controlled vehicles and ground transportation services.

A three-level parking garage adjacent to the landside terminal contains 2,089 public parking spaces, a rental car facility with 835 ready and return spaces, and 145 leased parking spaces, which is connected to the landside terminal by an enclosed walkway that crosses over the public arrivals roadway.

In addition, approximately 14,000 spaces are provided for public and employee parking in long-term, walkable economy, and extended (shuttle) surface parking lots, which are all within walking distances of the Terminal. Moving walkways link the long-term surface parking lot to the landside terminal with a maximum walking distance of 1,000 feet to the moving walkways. Parking patrons using the extended (shuttle) lots can use the Authority's shuttle bus service, serving five designated bus stops within the parking lot.

Rental car ready/return stalls are located on level 1 of the garage. Hertz operates a quick turnaround area adjacent to the garage at grade level for stacking, cleaning, fueling, washing, and staging cars prior to moving them into the ready car spaces in the garage and the other companies perform these functions on leased space in the vicinity of the landside terminal as part of their service facilities. Currently, four companies representing eight brands of rental car companies operate on-Airport from the garage: (1) Avis Budget Group (Avis and Budget brands) (2) Enterprise Holdings (Enterprise, Alamo, and National brands), (3) The Hertz Corporation (Hertz and Dollar brands), and (4) SIXT.

Hotel

A Hyatt Regency Hotel, which opened in June 2001, is located within the Long Term lot and connected to the landside terminal building via the moving walkway (which connection will cease to exist when the new terminal opens). The facility contains 338 hotel rooms and approximately 20,000 square feet of convention space. The hotel provides a restaurant, bar/lounge, and an indoor pool/health club facility.

Other Aviation Facilities

The Authority leases land and buildings to airlines and others for activities supporting airline operations. The Authority leases an above-ground aircraft fuel farm to an airline consortium that accommodates 8.4 million gallons of Jet A fuel and supplies fuel to the aircraft hydrant fueling system serving all jet gates. In addition, Atlantic Aviation has storage for 40,000 gallons of Jet A fuel and 20,000 gallons of aviation gasoline (Avgas). An automotive fuel storage facility is located adjacent to the fuel farm.

American Airlines leases approximately 331,000 square feet of aircraft maintenance and parts facilities where it performs mid-level and heavy maintenance on its Airbus fleet. American currently employs about 300 people at this base and intends to hire an additional 44 in 2025 to expand the work done there.* Republic Airways operates aircraft maintenance facilities on the Airport in two hangars containing 99,605 square feet.

LSG Sky Chefs leases a catering/food preparation facility containing 80,000 square feet that provides in-flight catering services to all air carriers at the Airport.

In addition, the Authority constructed three deicing pads at the Airport which are managed by a third-party company. The fixed base operation (FBO) also provides deicing services to airlines.

Air cargo transported by the passenger and all-cargo airlines is currently processed through four facilities - Cargo 1, 2, 3, and Cargo A. Cargo 1 and 3 are multi-tenant cargo buildings with airside ramp access. Cargo 2 is occupied by FedEx and Cargo A by Amazon. The four facilities comprise approximately 231,598 square feet in warehouse space and 736,000 square feet in cargo aircraft apron area. All four cargo buildings, which are almost fully leased, are managed by Aviation Facilities Company, Inc. (AFCO). In May 2021, Amazon Air initiated service to PIT and is leasing space from AFCO.

The Authority has constructed a new 77,000 square-foot facility (called Cargo 4) with warehouse, office space, 18 loading docks, and an ability to handle freight from all aircraft types on a 24-acre site, which significantly expands air cargo facilities at the Airport. The Cargo 4 apron is able to serve two Boeing 747-8 Freighters side by side, or up to four Boeing 757-200s at once. Cargo 4 construction will be completed in the second quarter of 2025. At this time, the Authority does not have a confirmed tenant(s) for Cargo 4. In addition to providing space for future expansion, Cargo 4 will also bring new technology and handling capabilities to PIT. The new building can accommodate large aircraft and new space for carriers that require sorting facilities, high volumes, and access for trucks.

Several companies that maintain their world or regional headquarters in the Pittsburgh area own or lease facilities at the Airport and conduct general aviation aircraft operations, including Dick's Sporting Goods, Mylan Pharmaceuticals, Titan Robotics, and U.S. Steel. In addition, LJ Aviation and Rockwell Property Development Associates lease hangars from the Authority and GE Engine Services, Inc. leases a jet engine test cell facility consisting of 14,985 square feet and prep room consisting of 12,400 square feet.

Atlantic Aviation operates the Airport's only full-service FBO containing a terminal building, two hangars, a fuel farm, and an equipment maintenance building. Atlantic Aviation operates from the Business Aviation Center. In addition, a limited FBO, Corporate Air, LLC, operates from a corporate hangar facility.

---

* "American Airlines adding new jobs at Pittsburgh maintenance base," September 12, 2024, https://www.wtae.com/article/american-airlines-pittsburgh-jobs/62161298.

The Authority developed a first-of-its-kind 20 megawatt energy plant and three megawatt solar array microgrid that was built and financed by Peoples Natural Gas (now Cordia), is operated and maintained by IMG Energy Solutions, and supports normal operations for the airfield, terminals, the Hyatt Hotel, and the gas station/convenience store. Although the Authority does not currently retain the renewable energy credits (RECs), the Authority is guaranteed the amount of energy assumed to be generated by the array via a virtual net metering agreement. In the future, the Authority may double the number of solar panels to 8 megawatts and retain the RECs for use by the Authority to reduce the Airport's Scope 1 and 2 emissions and further bolster its sustainable operations.

The microgrid is able to operate independently from the grid, but the Authority will maintain an interconnect with Duquesne Light for emergency or back-up power. The microgrid is fueled in part both by the natural gas sourced from wells drilled on Airport property which power five natural gas generators and by approximately 9,400 solar panels across eight acres. The Airport's current peak demand is approximately 14 megawatts; therefore, the microgrid can supply greater than 100% of the Airport's electricity demand. Peoples Natural Gas is permitted to export excess capacity to the grid and retain the revenues. The microgrid provides savings in energy expenses to the Authority as well as bringing power resiliency and redundancy to enhance safety and ensure continued operations. It became fully operational in July 2021.

Commercial/Industrial Property Development

There is approximately 4,500 gross acres of land at the Airport available to the Authority for non-aeronautical use of which approximately 195 acres are in the Neighborhood 91 (N91) site. The N91 site is not included in the Indenture airport properties. The Authority is undertaking a master plan to determine the amount of buildable acres remaining for future development. The Airport is included in Foreign Trade Zone 33 operated and controlled by the Regional Industrial Development Corporation of Southwest Pennsylvania, a privately funded non-profit entity focused on managing and developing research and business parks.

The Authority has undertaken significant development activities to provide "pad ready" development sites, including the completion and continued development of infrastructure, including roadways, and installation of utility services to develop further commercial office and industrial uses. As of January 2025, 38 buildings have been constructed totaling nearly 5 million gross square feet of commercial development property with more than $625 million in private investment since 1999. This development has created or retained an estimated 7,000 direct and indirect jobs.

As shown on Figure 2, several active commercial/industrial developments exist at the Airport, including:

- The Airside Business Park is located on the site of the former airport terminal. Currently, there are six buildings totaling approximately 462,000 square feet which are substantially occupied. Tenants include AdaptHealth, ADI, Bactronix, Bridgeway, Canon, Columbia, Michael Baker International, A. Stucki, and Rockwell Automation.
- Clinton Commerce Park is a 790-acre bulk warehouse park on the northwest side of the Airport. To date, nine buildings have been constructed totaling nearly 2.3 million square feet and a tenth, 70,873 square foot building is under construction. Tenants include Pittsburgh Post-Gazette, Knepper Press, FedEx Smart Post, Berlin Packing, Nord-lock, Graybar, Haemonetics, American Tire, and Oshkosh.
- Cherrington Commerce Park is a 160-acre business park located on the east side of the Airport where site work was completed in 2008. Five buildings totaling more than 250,000

square feet have been constructed on the site. Tenants include Caldreys, Global Payments, Service Link, Mastech Digital, and PowerHome Remodel Group.

- Dick's Sporting Goods relocated its world corporate headquarters on Airport property in 2009. The company currently leases 116 acres of airport property in the Northfield site and has constructed a 661,000 square foot office complex, a 60,000 square foot corporate hangar, and a 16,000 square foot childcare center. The company took occupancy of the facilities in February 2010.
- Industry Drive is a 110-acre site that has additional capacity for a 50,000 square foot building. Tenants include Thermo Fisher, Under Armour, and PerkinElmer.
- Skyview Business Park has 30 buildable acres with approximately 400,000 square feet of light industrial development, of which 280,175 square feet are completed and 53% leased by Sysco. Building 2, which is approximately 109,000 square feet, was completed in mid-2023.
- The Northfield Business Park is a 58-acre site with development capacity up to 750,000 square feet. To date, 402,806 square feet have been completed; tenants include Krystal Biotech and Pepsi Co.
- N91 is a 195-acre planned development. It has a Foreign Trade Center designation as well as tax and import/export benefits. This site will be a center for advanced manufacturing and an international epicenter for companies in the 3D printing supply chain or additive manufacturing space (as described in the next section). The first building at the N91 site features an SLM®800 printer, which will produce state-of-the-art, large-scale, lightweight parts. The development broke ground in 2020 and will provide approximately one million square feet among nine new buildings. N91 tenants include Cumberland Additive, HAMR Industries, Metal Powder Works, RJ Lee Group, The Future of Jewelry, and Westmoreland Mechanical Testing & Research.
- The Pittsburgh International Commerce Park is a 1,300-acre site zoned for heavy industrial use of which 7 acres is "pad-ready." The topography and natural resources make development challenging and costly for this site.

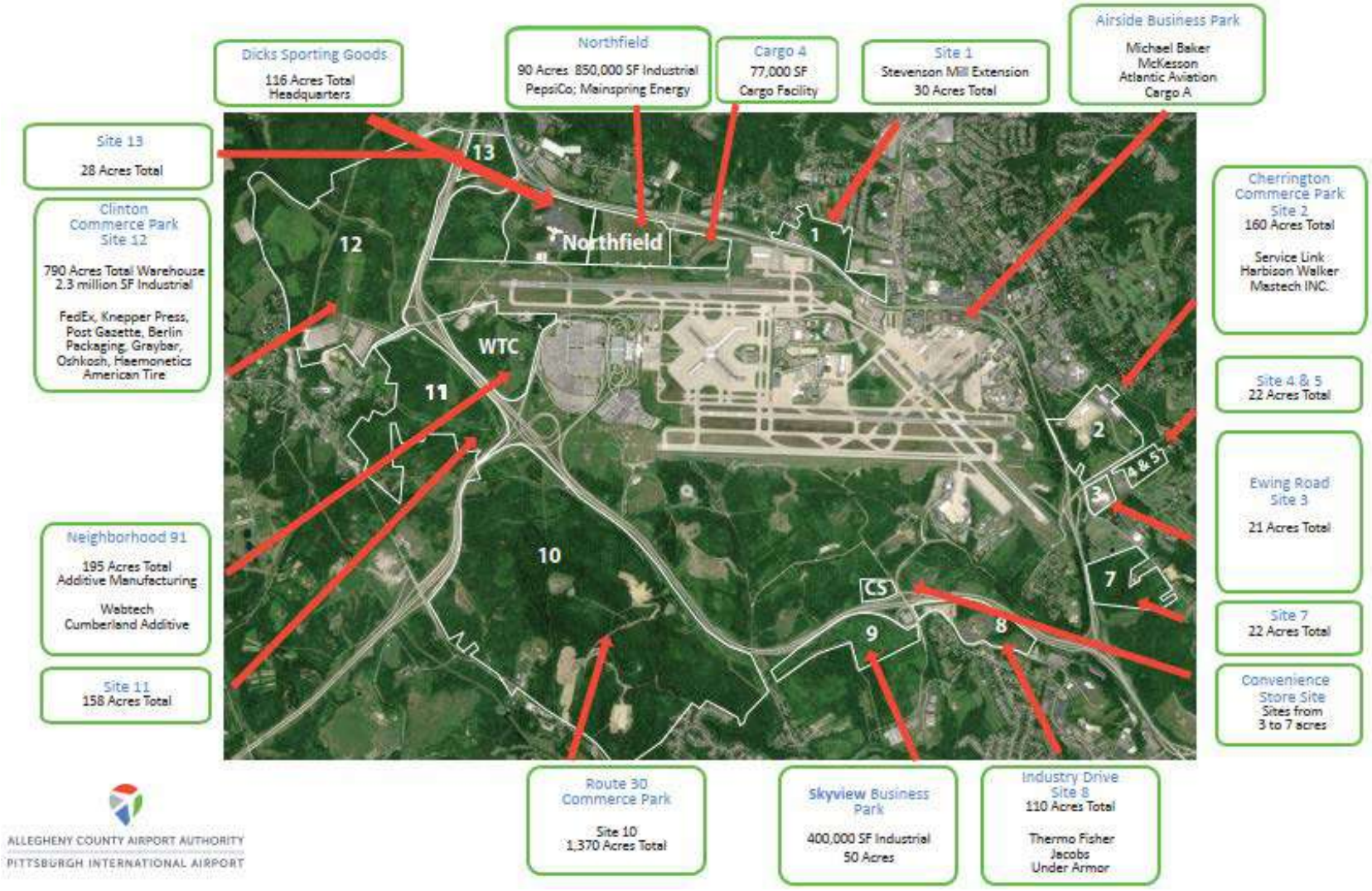
Sunoco, Inc. opened an automobile gas station and convenience store on 2.5 acres located at the northwestern corner of the Airport parking lots. The operation provides 24-hour self-fueling.

In 2024, these developments generated $4.8 million in net revenues for the Authority.

Figure 2

COMMERCIAL/INDUSTRIAL DEVELOPMENT PROJECTS

Pittsburgh International Airport



Source: Allegheny County Airport Authority.

Other Facilities

Aircraft rescue and firefighting (ARFF) services are provided from one fire station at PIT and one at Allegheny County Airport (AGC). The Authority also operates an aircraft rescue and firefighting training center at the Airport, which includes a fire training simulator as well as classrooms, a management center, a vehicle bay, trainee/equipment support areas and a visitor center.

Also located at the Airport are units of the U.S. Air Force (911th Airlift Wing) and Pennsylvania Air National Guard (171st Air Refueling Wing), which provide aerial refueling, air mobility, and tactical airlift support to the U.S. Air Force and other U.S. Department of Defense activities.

The Airport also accommodates airfield maintenance buildings, a Federal Aviation Administration (FAA) Airport traffic control tower, air navigation aids and guidance systems, and various other support facilities. It also serves as the home of Pittsburgh Air Reserve Station.

In addition, Allegheny County recently relocated its emergency response and 911 call center to the Airport on property leased from the Authority. The call center provides centralized 911 emergency call and response services to the entire County. The facility also serves as the Authority's Joint Information Center (JIC) and Emergency Operations Center (EOC) in the event of large-scale incidents.

Allegheny County Airport

Allegheny County Airport (AGC) was Pittsburgh's commercial airport before the opening of PIT in 1952. AGC is now used primarily for general aviation, flight instruction schools, and charter services, and serves as an FAA designated general aviation reliever airport for PIT. It is located in West Mifflin, Pennsylvania, approximately 10 miles southeast of downtown Pittsburgh, which makes it popular for corporate business jets. AGC is the busiest general aviation airport in Pennsylvania and the 5th among all state airports in terms of operations.

AGC comprises approximately 432 acres and has two active runways – Runway 10/28 (6,501 x 150 feet) and Runway 13/31 (3,825 x 100 feet) – along with one helipad. Runway 10/28 has a non-standard Runway Safety Area (RSA). The Authority has worked with the FAA as well as engineering and environmental professionals to study the feasibility of several different solutions or combinations of solutions. Associated costs are included in the Authority's current CIP described below. Runway 5/23, at 2550 x 100 feet, was closed in 2004 due to the FAA policy of not funding runways this short. AGC has an ARFF station that is staffed 24 hours per day by Authority firefighters.

There are two FBOs at AGC, a flight training center, an aircraft maintenance school, and a flying club. STAT MedEvac is based at AGC, which provides emergency medevac and air medical transport of critically wounded or sick civilians, either from emergency scenes or between hospitals.

The main terminal was constructed in 1931 and has gone through several renovations. The Authority's current CIP (described below) provides for additional renovations to the main terminal. The Authority also owns and leases hangar facilities to various corporate, commercial, and private users.

TERMINAL MODERNIZATION PROGRAM AND AIRSIDE RENOVATION PROGRAM

Terminal Modernization Program

The Terminal Modernization Program (TMP) is a program to replace the existing landside passenger terminal at PIT with a new landside terminal and associated facilities. The TMP was developed on a collaborative basis with the airlines through a multiyear master planning process and adopted by the Authority Board in 2017 to guide future development at the Airport.

Under the TMP, the existing passenger landside terminal will be replaced with a new 811,000 square foot landside terminal and associated facilities, adjacent to the existing airside terminal, including a three-level roadway system and a five-level Multi-Modal Complex (MMC). The new landside terminal will include a terminal curbside, ticketing lobby, TSA passenger security screening checkpoint, TSA in-line Checked Baggage Inspection System, curbside bag check, baggage claim areas, a connection to the airside terminal US Customs & Border Protection facilities (Federal Inspection Services), concessions, a covered commercial curb, and associated public areas and support functions. The MMC garage will accommodate approximately 3,300 public parking spaces and will have access to the landside terminal via a ground level covered pedestrian walkway and customer service building (CSB) for rental car customers. The first level of the garage will be dedicated to rental car ready/return operations. A covered commercial curb at the terminal's ground level will provide curb access for hotel, parking, and off-Airport rental car shuttles and public transportation. Close-in public surface parking with approximately 2,900 parking spaces and approximately 400 to 500 employee parking spaces will be located within walking distance of the terminal. The TMP was designed to balance airside and landside terminal operations and requirements to serve the current and future makeup of passenger demand and capacity of PIT.

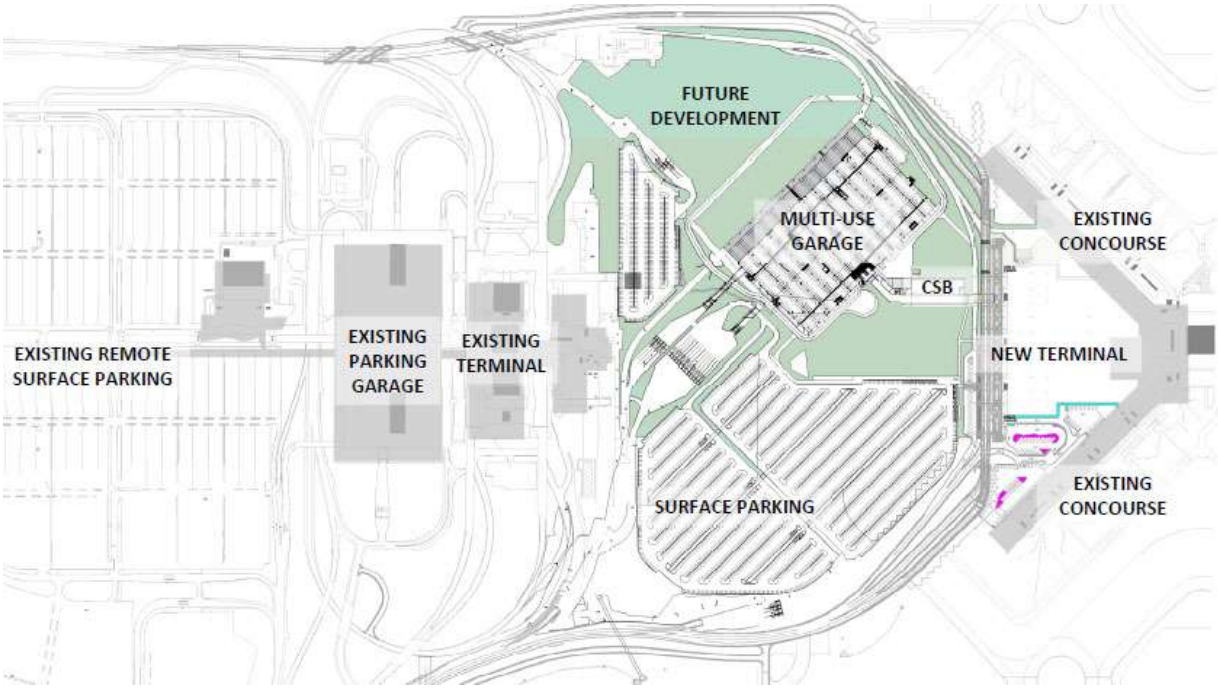
As shown on Figure 3, the new landside terminal will be located adjacent to and will be connected directly to the existing airside terminal. The independent nature of the landside and airside terminals continues to allow for construction of the new landside terminal and other components of the TMP while still maintaining existing operations.

The expected date of beneficial occupancy (DBO) of the new landside terminal and associated facilities is scheduled to occur early in the fourth quarter of 2025 as set forth in the Preliminary Official Statement (POS). The financial forecasts presented in this report assume a DBO of October 1, 2025.

Also as set forth in the POS, the TMP is currently estimated to cost $1.7 billion which includes construction, design, project and construction management, contingencies, an Owner Controlled Insurance Program (OCIP), and escalation. The cost estimate reflects actual bids received as of December 31, 2024 and known expected uses of the Construction Contingency. Substantial completion is expected in late June 2025 followed by trials, testing, and commissioning. Based on Authority estimates, both the final TMP cost and the opening date are realistic and achievable.

Although it was initially contemplated that when the new terminal opens, the existing landside terminal would be demolished, the Authority and the Signatory Airlines decided to postpone its demolition pending identification of a funding source or development of an alternative use. The Authority also intends to retain the existing garage and surface parking lots for public or employee parking or for potential tenants of the existing landside terminal. The existing automated people mover system and automated baggage system are to be removed from service and abandoned in place.

Figure 3
TERMINAL MODERNIZATION PROGRAM SITE DIAGRAM
Pittsburgh International Airport
March 2025



Source: PIT TMP design and program management team.

Airside Renovations Program

While discussing the scope, design, and budget for the TMP, the Authority and the airlines decided to advance the construction of certain renovations to the existing airside terminal to allow these improvements to be performed concurrently with the construction of the new landside terminal complex while contractors are mobilized and thereby reduce construction costs. In addition to advancing certain airside renovations, at the request of the airlines, the Authority also agreed to finance the cost of certain airline tenant finishes and fit-outs that will bring them to a move-in ready condition for preferential leased premises in the new terminal.

As set forth in the POS, the current estimated cost of the ARP totals $226.3 million, which is in addition to the $1.7 billion for the TMP. The current ARP scope includes holdroom renovations for the Signatory Airlines, $15.5 million for airline tenant finishes and fit-outs, restroom renovations, jetway preconditioned air system replacements, lighting panel retrofits, concourse lighting and lighting control replacements, Public Safety / Operations and Maintenance offices relocation, TSA office relocation, kitchen prep room relocation, vertical circulation, electrical and communications room renovations, and associated design, construction and program management.

Airline MII Approvals

The Signatory Airlines provided MII approval for the TMP and ARP project costs in 2021 as well as additional bond financing: (1) $154 million in July 2023 for the TMP, (2) $77.8 million in January 2024 for the ARP, and (3) $82.3 million in February 2025 for the TMP. The Authority believes that the total amount of bond financing approved by the Signatory Airlines combined with additional Federal grants and other funds will fully fund the revised TMP cost of $1.7 billion and ARP of $226.3 million as described earlier. Amounts in excess of these amounts would require additional MII approval unless funded from sources that would not be recoverable through airline rates and charges such as additional grants and Authority discretionary revenues.

POTENTIAL RENTAL CAR QTA PROJECT

The on-Airport rental car companies have asked the Authority to reconsider the construction of the quick turnaround (QTA) facility that had been planned for inclusion in the TMP prior to the COVID-19 pandemic. Its location was directly behind the MMC garage. The rental car companies made a decision after the onset of the pandemic to no longer support the planned MMC rental car program through contingent rent payments in the event customer facility charges (CFCs) would be insufficient to pay for allocable debt service and reserve requirements. Therefore, the Authority decided to move forward with all of the MMC rental car improvements but not the QTA.

When the rental car companies requested the re-introduction of the QTA, the Authority agreed to consider its development as long as the project included a full level of public parking on the top of the facility with approximately 1,200 spaces. The Authority's rationale was the area where the QTA would be situated could otherwise accommodate this amount of surface parking.

As described later, neither the Authority nor the rental car companies have committed to develop the QTA/parking deck pending a redesign and updated cost estimate. Given this uncertainty, for purposes of this report, it was assumed that the QTA will not be developed and associated potential debt, operating expenses, and incremental parking revenues will not be realized. In the event the QTA project does move forward, the Authority estimates construction would not start until at least 2026 and would take two years to build. Additional information regarding the potential QTA development is provided in the Rental Car Agreements and CFC Flow of Funds section of this report.

2025 - 2030 CAPITAL IMPROVEMENT PROGRAM

The Authority maintains an ongoing major maintenance and capital improvement program for the Airport System, which includes the TMP and ARP. Each year the Authority develops a detailed Capital Plan for the ensuing Fiscal Year and a preliminary plan for capital projects for the five years thereafter. The Authority's 2024 Capital Budget and its 2025-2030 Capital Improvement Program (collectively the CIP) for the Airport System totals approximately $2.2 billion as provided by the Authority (including the $1.7 billion budgeted for the TMP and $226.3 million for the ARP). Table 1 provides a summary of project costs and projected expenditures by funding source for the CIP, including amounts previously spent on the TMP and ARP. According to the Authority, the non-TMP and non-ARP cost estimates include all soft costs but not allowances for general price escalation.

Table 1

2025-2030 CAPITAL IMPROVEMENT PROGRAM EXPENDITURES AND FUNDING (IN THOUSANDS)

Pittsburgh International and Allegheny County Airports

Allegheny County Airport Authority

		Federal Grants				Grants / Other		Bonds[1]			Pay-as-you-go						
	Total	AIP Entitle	AIP Discr	BIL AIG	BIL ATP	PaDOT Grants	Bond Interest Earnings/ Other Grants[2]	TMP GARBs	CFC-Supported	PFC-Supported	PFC	CFC	Federal Stimulus[3]	ECOF	Gaming Revenues	ASCF	Natural Gas Revenues
Terminal Modernization Program																	
Terminal	$ 1,235,980	$ -	$ -	$ 31,186	$ 28,800	$ -	$ 30,403	$ 757,811	$ -	$ 290,000	$ 76,907	$ -	$ 16,575	$ -	$ 15	$ 1,496	$ 2,787
Parking	286,185	-	-	-	-	-	-	266,691	-	-	-	-	3,838	-	-	-	$ 15,656
Rental Car	180,398	-	-	-	-	-	-	-	117,571	-	-	62,827	-	-	-	-	-
Total TMP	$ 1,702,563	$ -	$ -	$ 31,186	$ 28,800	$ -	$ 30,403	$ 1,024,502	$ 117,571	$ 290,000	$ 76,907	$ 62,827	$ 20,412	$ -	$ 15	$ 1,496	$ 18,443
Airside Renovations Program																	
PC Air	$ 18,197	$ -	$ 11,011	$ -	$ -	$ 57	$ -	$ 2,095	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,296	$ 1,738
Airline Fitout	15,488	-	-	-	-	-	-	15,488	-	-	-	-	-	-	-	-	-
Other ARP Projects - Base																	
Connector Bridge	7,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,050
Restroom Renovations	16,168	-	-	8,805	-	-	-	7,097	-	-	-	-	-	-	-	-	265
Interior Lighting	5,640	-	-	3,388	-	-	-	2,252	-	-	-	-	-	-	-	-	-
PSOM Offices Relo	4,869	-	-	-	-	-	-	1,652	-	-	-	-	-	-	-	1,519	1,698
TSA Office Relo	6,119	-	-	-	-	-	-	2,161	-	-	-	-	-	-	-	1,869	2,089
Kitchen Prep Room	2,241	-	-	-	-	-	-	2,173	-	-	-	-	-	-	-	68	-
Vertical Circulation (includes contingency)	57,655	-	-	-	-	-	-	46,944	-	-	-	-	-	-	-	6,340	4,371
Holdrooms	22,973	-	-	9,006	-	-	-	9,544	-	-	-	-	-	-	-	3,314	1,110
Fire Alarm	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	-
Center Core Ceiling (backed into AIG)	10,238	-	-	1,400	-	-	-	8,838	-	-	-	-	-	-	-	-	-
Center Core Renovations	34,647	-	-	-	-	-	-	34,647	-	-	-	-	-	-	-	-	-
Design	20,972	-	-	-	-	-	-	18,312	-	-	-	-	-	-	-	2,660	-
Total ARP	$ 226,257	$ -	$ 11,011	$ 22,600	$ -	$ 57	$ -	$ 151,202	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,066	$ 18,321
Total TMP and ARP	1,928,820	-	11,011	53,786	28,800	57	30,403	1,175,704	117,571	290,000	76,907	62,827	20,412	-	15	24,562	36,764
Other CIP																	
Landing	115,688	13,767	48,601	-	-	14,916	-	-	-	-	-	-	-	2,200	9,263	18,416	8,525
Terminal	19,833	-	-	-	6,000	-	-	-	-	-	-	-	-	3,920	2,333	1,300	6,280
Ramp	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roadways	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park/RAC	33,459	-	-	-	-	-	-	-	-	-	-	9,054	-	700	15,150	400	8,155
Hangar	3,417	-	-	-	-	-	-	-	-	-	-	-	-	767	-	2,100	550
CIA	800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	-
Security	8,520	-	-	-	-	-	-	-	-	-	-	-	-	4,138	1,328	245	2,810
Admin	16,455	-	-	-	-	-	-	-	-	-	-	-	-	2,155	2,625	3,150	8,525
General	32,188	-	-	-	-	-	-	-	-	-	-	-	-	7,100	4,175	12,213	8,700
Cargo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ARFF	1,587	-	-	-	-	-	-	-	-	-	-	-	-	1,587	-	-	-
AGC	72,487	900	40,586	1,458	1,235	12,991	-	-	-	-	-	-	-	118	387	8,012	6,800
Total Other CIP	$ 304,433	$ 14,667	$ 89,187	$ 1,458	$ 7,235	$ 27,907	$ -	$ -	$ -	$ -	$ -	$ 9,054	$ -	$ 22,684	$ 35,261	$ 46,635	$ 50,345
Total CIP	$ 2,233,252	$ 14,667	$ 100,198	$ 55,244	$ 36,035	$ 27,964	$ 30,403	$ 1,175,704	$ 117,571	$ 290,000	$ 76,907	$ 71,881	$ 20,412	$ 22,684	$ 35,276	$ 71,197	$ 87,109

Notes: 1. Includes revenue-supported, PFC-supported, and CFC-supported Bonds issued in 2021 and 2023 to fund project costs totaling approximately $1.2 billion. See Exhibit A.

2. *Other grants, foundation donations, excess investment earnings on the 2021 and 2023 Bond funds.*

3. Includes reimbursement of all or a portion of principal and interest on PNC LOC with Federal COVID-19 relieve grants.

Source: Allegheny County Airport Authority, March 2025.

In addition to the TMP and ARP, the CIP identifies another $231.9 million for projects to maintain and enhance PIT and $72 million for Allegheny County Airport for a total of an additional $304 million. These estimates also include annual funding for Equipment and Capital Outlays as defined in the AOA, which are expected to average approximately $3.8 million per year between 2025 and 2030.

The CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a funding plan. The projects are informed by the need to maintain existing infrastructure, potential government mandates, and the Authority's master plan (which addressed a 20-year planning period). The CIP was developed to address passenger safety, security, and passenger experience and is also designed to ensure the continued availability of existing facilities and to develop improvements necessary to meet the ongoing air travel demands of the region. Identification of maintenance and facility rehabilitation projects comes from periodic reviews of facilities, field reports, and a deferred maintenance schedule for key Airport System facilities.

In addition to the TMP and ARP, the larger projects in the Authority's CIP include:

1. Rehabilitation of Runways 10L/28R and 28L/10R to be completed in multiple phases over the period 2024 through 2035 to maximize the participation of FAA Airport Improvement Program (AIP) grant funding and minimize the impact on aircraft operations. Runway 10L/28R is expected to cost $87 million and 28L/10R $120 million. The Authority intends to phase both projects to maximize AIP grant participation. The 2025 – 2030 CIP includes $70.5 million for Runway 10L/28R and $20 million for Runway 28L/10R.

2. RSA improvements at AGC to address a deficiency identified in the AGC master plan. The current estimated cost of this project is $63.1 million and will be phased in over multiple years to maximize grant funding and minimize the impact on aircraft operations. $16.6 million was already spent from 2020 to 2024. The 2025-2030 CIP includes $44.8 million for this program the remaining phase is expected to occur in 2031 depending on federal grants.

3. An allowance for the deicing stormwater improvements and stream mitigation program of $8 million in the CIP (see "THE AIRPORT- Environmental Matters" in the Preliminary Official Statement). This program was developed to address concerns raised by the Pennsylvania Department of Environment Protection (DEP) to mitigate stream impacts due to deicing, anti-icing, and defrosting of aircraft at PIT. On December 5, 2024, the Authority and DEP entered into a Consent Order and Agreement regarding the Authority's National Pollutant Discharge Elimination System (NPDES) Permit to resolve these issues. According to the Authority, in compliance with this agreement, its proposed mitigation plan incorporates a variety of watershed improvements including stormwater runoff detention, stream restoration, and wetland creation to control peak flow during storm events and mitigate the impacts of propylene glycol, biological oxygen demand, and high pH discharges.

4. A potential rehabilitation of the Pennsylvania Route 885 tunnel at AGC that passes under the western end the of Runway 10/28. The Authority estimates that a full rehabilitation could cost $150 million and will be needed in the next 10 years. The Authority believes relocating the road around the runway is not feasible, and that unless the tunnel is rehabilitated, the length of the 6,500-foot runway would need to be displaced by approximately 1,000 feet. Although the scope, cost, and funding for this necessary rehab has not been determined at this time, the CIP includes allowances for maintenance of the tunnel totaling approximately $8 million through 2030.

Although the CIP does not include the costs to build the QTA/parking deck, it does include an allowance of $9 million for design, which would be funded with CFC pay-as-you-go revenues.

Estimated Sources of Funding for the 2025-2030 Planned Capital Projects

As shown in Table 1, costs for the CIP are expected to be funded by:

1. AIP entitlement and discretionary grants-in-aid
2. Federal Bipartisan Infrastructure Law (BIL) grants under the competitive Airport Terminals Program (ATP) and the entitlement Airport Infrastructure Grants (AIG) program
3. PennDOT Bureau of Aviation AIP matching grants
4. Passenger facility charge (PFC) revenues on both a pay-as-you-go basis and leveraged basis
5. CFC revenues on both a pay-as-you-go basis and leveraged basis
6. Federal COVID-19 Grants to refund principal and interest on the PNC LOC
7. Funds generated through the residual ratemaking system for capital expenditures
8. Other Authority discretionary funds, including Gaming Revenues and Natural Gas Revenues
9. Bonds for the TMP and ARP
10. Other funds consisting of interest earnings on the 2021 and 2023 Bonds in excess of estimated amounts assumed at the time of pricing and a $2 million RK Mellon grant

With respect to grants, the Authority expects to use a combination of AIP, BIL, and PennDOT grants to fund approximately $204 million in CIP project costs. Approximately $112.5 million of this amount is expected from a combination of entitlement and discretionary AIP grants to fund various airfield improvements under the 2025 – 2030 CIP. The Authority is eligible to receive grants-in-aid from the FAA under the AIP for up to 75% of the costs of eligible projects for PIT and 90% for AGC. Certain of these grants are awarded as "entitlement" grants, the annual amount of which is calculated based on the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airport. Other "discretionary" grants are awarded based on the FAA's determination of the priorities for projects at the Airports and at other airports nationwide. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2024 in May 2024 reauthorizing the FAA for FY 2024 to 2028 and providing a total of $105 billion in funding, which includes $4.0 billion of AIP grants for airports annually. However, the $4.0 billion per year in AIP is subject to annual appropriation by Congress. In addition, if not reauthorized in 2028, the AIP could be affected by automatic across-the-board spending cuts known as sequestration.

Federal AIP grants are subject to congressional appropriation and there is no assurance that the FAA will receive spending authority nor that the Authority will receive AIP discretionary grants as contemplated by the Authority in the CIP. AIP grants could also be affected by sequestration. In addition, on January 27, 2025, the Office of Management and Budget issued a memorandum called "Temporary Pause of Agency Grant, Loan, and Other Financial Assistance" providing that Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance. This directive was subsequently rescinded, and its implementation was put on hold by a federal judge. Accordingly, there can be no assurance that FAA grants will continue to be funded for airports. With regard to the TMP and ARP, approximately $21.0 million in unexecuted BIL AIG grants (for FY 2025 and FY 2026) and

$16.6 million in executed grants have not yet been received by the Authority from the FAA. To the extent anticipated Federal and/or PennDOT grants are not available in the future, the Authority may need to use more of its discretionary revenues, defer projects, and/or issue additional debt to fund them.

The other expected CIP funding sources, including PFCs, CFCs, Federal COVID-19 grants, Gaming Revenues and Gas Revenues as well as the plan of finance for the TMP and ARP are described later in this attachment. It was assumed that all or most of PFC and CFC revenues and BIL grants (with the exception of those for AGC) are being dedicated to the TMP and QTA/parking deck design at this time.

At this time, the Authority does not plan to issue additional debt to fund projects in the CIP.

According to the Authority's most recent assessment, the current CIP contains all of the significant capital improvements expected to be undertaken through the 2030. The Authority reassesses its capital needs at least annually and will modify the CIP as necessary to accommodate demand-driven traffic activity, security and health needs, strategic initiatives, receipt of required environmental and other regulatory approvals, and other factors which could result in increases or decreases to the CIP or extend or accelerate the timing to complete certain projects. The Authority believes the projects included in the 2025 - 2030 CIP will provide the necessary Airport facility improvements to satisfy future airline and passenger needs through the forecast period (2030). The Authority has discussed the potential to construct an Authority office building and infrastructure to connect the new terminal facilities to the existing parking lots. Neither of these projects are currently included in the 2025 – 2030 CIP nor are they needed to satisfy future traffic needs.

BASIS FOR PASSENGER AIRLINE DEMAND

AIRPORT SERVICE REGION

Pittsburgh International Airport is a medium-hub airport* and the domestic and international gateway to the Pittsburgh Primary Area. For the purposes of this study, the region served by the Airport includes a primary and secondary area. The Primary Area served by the Airport is the seven-county Pittsburgh Metropolitan Statistical Area (the Pittsburgh Primary Area or Pittsburgh MSA), a large population center in southwestern Pennsylvania, as shown in Table 2 and on Figure 4. The Pittsburgh MSA consists of seven counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland. According to the U.S. Department of Commerce, Bureau of the Census, the population of the MSA was 2.3 million in 2024. In 2024, the Pittsburgh MSA accounted for 18% of the total population of the Commonwealth of Pennsylvania (Pennsylvania or Commonwealth) which was approximately 1310 million. Because economic growth and activity within the Pittsburgh Primary Area stimulate a significant portion of passenger demand at the Airport, statistics for the Pittsburgh MSA were used to evaluate airline traffic trends at the Airport.

Table 2
POPULATION DISTRIBUTION IN THE PITTSBURGH MSA
2024

County	Population	Percent of total
Allegheny	1,231,814	52.5%
Armstrong	63,679	2.7
Beaver	165,540	7.0
Butler	199,341	8.5
Fayette	123,941	5.3
Washington	210,434	9.0
Westmoreland	350,935	15.0
Total Pittsburgh MSA	2,345,684	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed March 2025.

The Airport is located approximately 15 miles west of downtown Pittsburgh and, as the principal commercial service airport located within the Pittsburgh Primary Area, lacks nearby competition. Limited commercial service is provided at Arnold Palmer Regional Airport (Latrobe), a non-hub airport located 44 miles east of Pittsburgh in Westmoreland County, with an average of 2 daily departures scheduled for July 2025 and 76,300 revenue enplaned passengers in 2024.

The secondary area served by the Airport, which includes many of the counties surrounding the Primary Area and extends into northern West Virginia and eastern Ohio, is defined in relation to the location of and driving distance to other commercial service airports, as well as by the availability, price, and quality of airline service at those other airports. Five airports with commercial passenger airline service are

* 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%.

located in the secondary area, including three more than 100 miles from PIT and two within 100 miles but with limited scheduled airline service (as of July 2025):

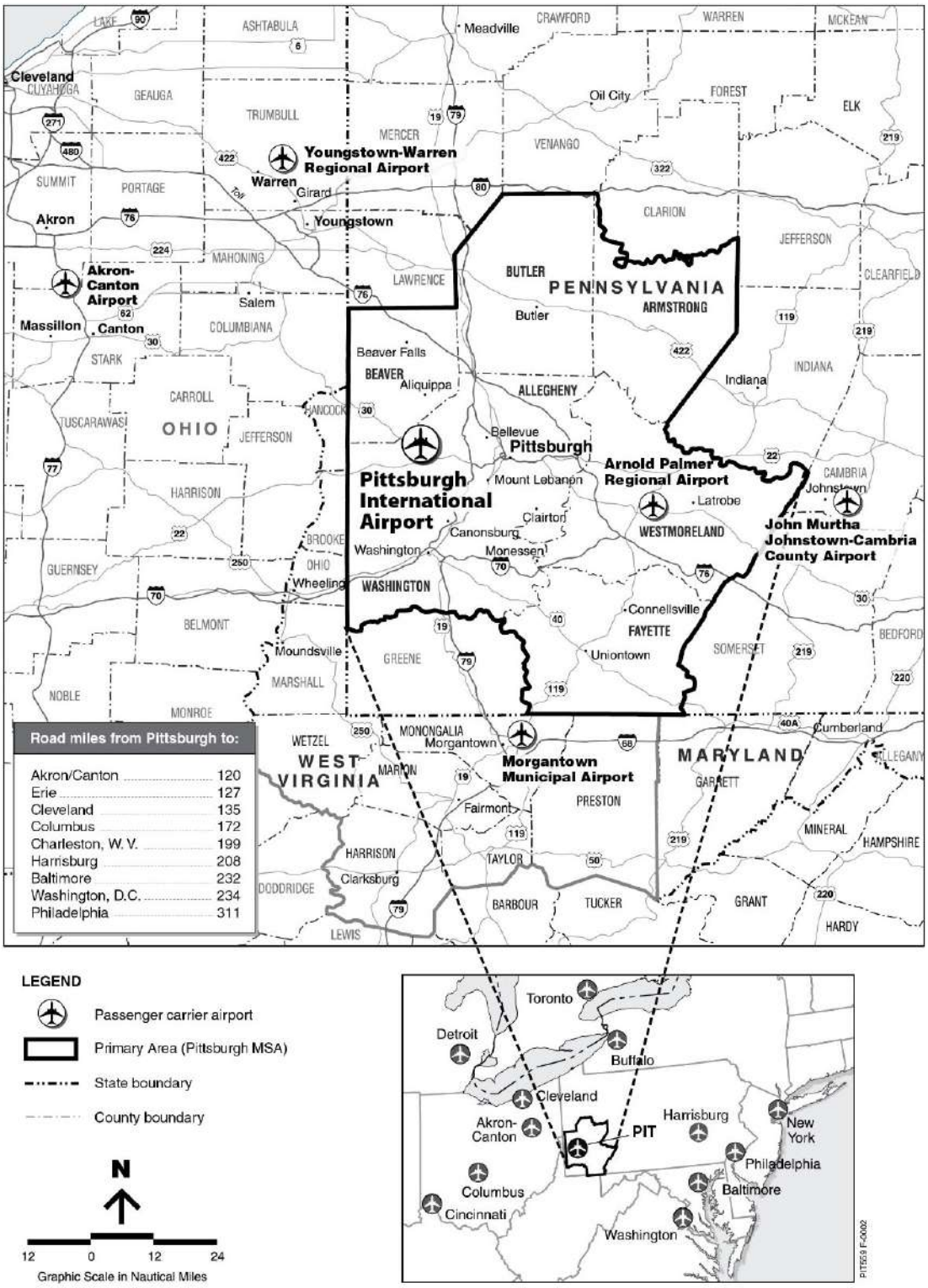
- Cleveland-Hopkins International Airport, a medium-hub airport with an average of 146 daily departures and 4.9 million revenue enplaned passengers in 2024, is located approximately 135 road miles northwest of Pittsburgh.
- John Glenn Columbus International Airport, a medium-hub airport with an average of 145 daily departures and 4.4 million revenue enplaned passengers in 2024, is located approximately 172 road miles southwest of Pittsburgh.
- Akron-Canton Regional Airport is a non-hub airport located approximately 120 road miles northwest of Pittsburgh with an average of 17 daily departures and 380,000 revenue enplaned passengers in 2024.
- John Murtha Johnstown-Cambria County Airport, located 72 miles east of Pittsburgh, is a non-hub airport with an average of 2 daily regional jet departures and 17,700 revenue enplaned passengers in 2024.
- Morgantown Municipal Airport, located 80 miles south of Pittsburgh in Monongalia County, West Virginia, is a non-primary commercial service airport with an average of 5 daily regional jet departures and 8,000 revenue enplaned passengers in 2024.*

By comparison, 156 average daily departures are scheduled at PIT in July 2025 and 5.0 million passengers were enplaned in 2024.

Allegheny County Airport, located 10 miles south of Pittsburgh, is a general aviation airport, and part of the Authority's Airport System. Although it has no scheduled commercial airline service, it serves as the primary reliever airport for PIT.

* As defined by the FAA, non-primary commercial service airports are publicly owned airports with scheduled passenger service that have at least 2,500 and no more than 10,000 passenger boardings each year.

Figure 4
AIRPORT SERVICE REGION
Pittsburgh International Airport



AIRPORT ROLE

In 2024, the Airport was the 48th busiest airport in the United States, the 17th busiest U.S. medium-hub airport, and Pennsylvania's second-largest airport, as ranked by enplaned passengers reported to the Department of Transportation (DOT). According to the DOT, the Airport enplaned 4.9 million passengers in 2024, which is lower than the Authority's numbers because they exclude non-revenue passengers.

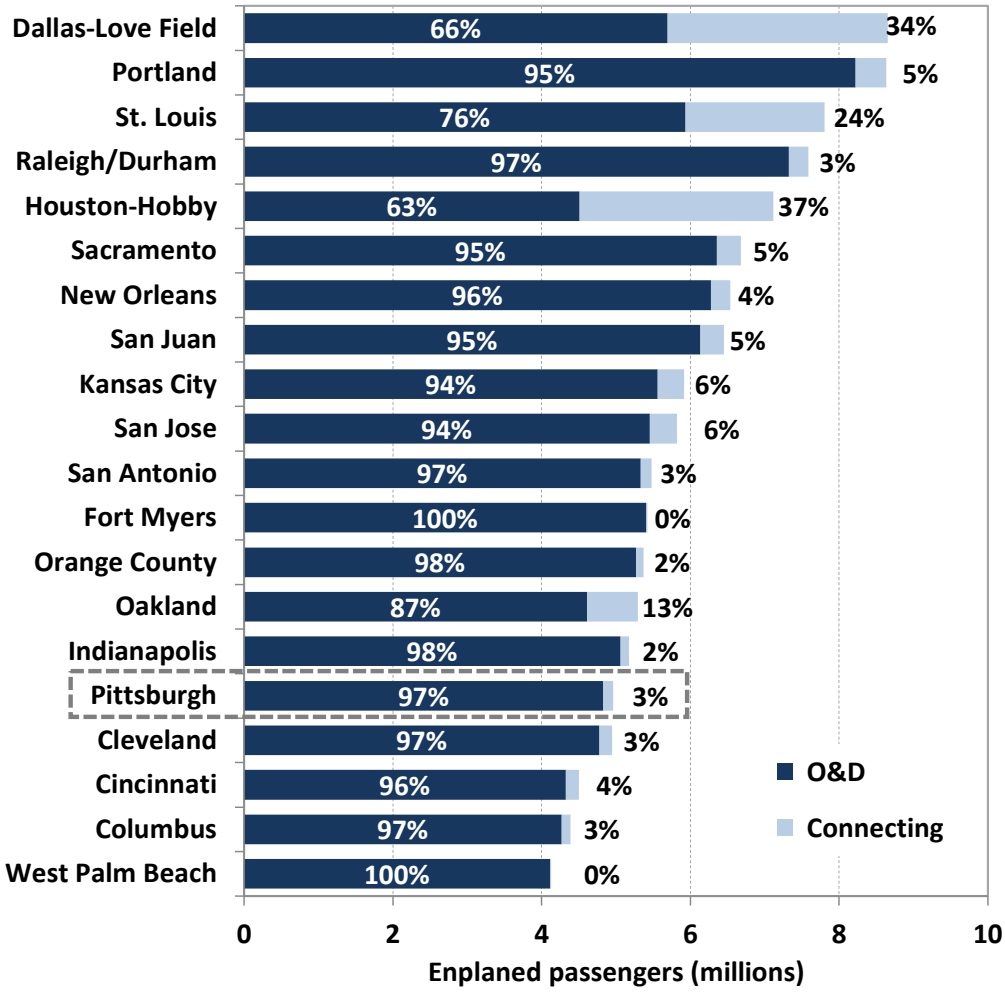
Philadelphia International Airport, located 311 miles southeast of the Airport, is the largest airport in the Pennsylvania, having enplaned 15.1 million enplaned passengers in 2024. Because of the driving distance to Philadelphia Airport, it is not considered a competitor of the Airport.

Medium-Hub Origin-Destination Passenger Airport

Figure 5 shows the number and share of origin-destination (O&D) passengers (i.e., passengers that did not connect with another flight at the Airport) and connecting passengers, combined, at the 20 busiest medium-hub airports in the United States according to the FAA's 2023 classification of airport hub size (the most recent classification available). Generally, medium-hub airports are characterized by metropolitan populations averaging approximately 2.0 to 2.5 million people and a dominant share of O&D passengers.

In 2024, 14 of the 20 medium-hub airports shown (out of 33 in total) have shares of O&D passengers equal to or greater than 95%. Houston-Hobby Airport has an O&D passenger share less than 95% and is one of Southwest Airlines' busiest airports and, as such, accommodates a significant number of connecting passengers. In 2024, 97.3% of passengers at the Airport were O&D passengers. Passenger traffic growth at a predominantly O&D airport is driven by the local economy and population base. In contrast, passenger traffic at an airport with a large share of connecting passengers is tied to the route network and strategies of the hubbing airline.

Figure 5
ORIGIN-DESTINATION AND CONNECTING PASSENGERS AT 20 BUSIEST U.S. MEDIUM-HUB AIRPORTS
Calendar Year 2024



Notes: Presented are the 20 busiest U.S. medium hub airports (out of a total 33) according to the FAA's 2023 classification of airport hub size. O&D = Origin-Destination passengers.

Source: U.S. Department of Transportation (DOT), *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100; U.S. DOT, Schedule T100, accessed April 2025.

ECONOMIC BASIS FOR AIRLINE TRAFFIC

The economy of the Pittsburgh MSA is an important determinant of long-term passenger demand at the Airport. Generally, regions with large populations, high levels of employment, and high average per capita incomes will generate strong demand for airline travel. The demographics and economy of the region—as measured by changes in population, employment, and per capita income—as well as airline service and airfares—are typically the most important factors affecting O&D passenger demand.

The following sections present a discussion of the economic basis for airline traffic at the Airport—historical population, employment, per capita personal income, and per capita gross domestic product (GDP) of the Pittsburgh MSA, industry clusters, and the visitor industry—and a summary of the economic outlook for the United States, the Commonwealth, and the Pittsburgh MSA.

Population, Nonagricultural Employment, and Per Capita Personal Income

Table 3 presents comparative historical and projected trends in population, nonagricultural employment, and per capita personal income in the Pittsburgh MSA, the Commonwealth, and the United States in 2000, 2010, and from 2019 through 2023. Values for 2024 are presented, where available.

Structural Demographic Change. According to Jeffery Fraser in early 2023, the managing editor of the Pittsburgh Quarterly, the Pittsburgh MSA is still dealing with structural changes resulting from the collapse of the steel industry in the 1980s when nearly 150,000 manufacturing jobs were lost resulting in an 8% reduction in the Pittsburgh MSA population from 1980 to 1990. Most of the residents who left the Pittsburgh MSA were young people in search of jobs due to the lack of jobs in the Pittsburgh MSA, which left behind an aging population base. Given the loss of families in their child-bearing years, more people die each year in the Pittsburgh MSA than are born. As a result, the Pittsburgh MSA is the only U.S. metro area to experience natural population loss.

Structural demographic changes are expected to impact long-term passenger traffic growth both nationally and for the Pittsburgh MSA.

- By 2025, more than 68% of travelers are expected to come from the portion of the population that has grown up during a time of technological change, globalization, and economic and energy disruption.* The combination of these experiences produced population generations such as Millennials and Gen Z who value experiences over ownership and have a higher propensity to travel than that of past generations.

- Longer life expectancy and improved overall health of aging generations such as the Baby Boomers facilitate more passenger airline trips per lifetime, particularly later in life when higher income and wealth levels and increased leisure time can support air travel.

- Increased migration and mobility of the population supports increased air travel for both business and leisure. For the working population, acceptance of work-from-home and hybrid working arrangements has led to an increase in combined business and leisure trips. For the retired population, air travel has supported migration to new locations.

* Airport Technology, "Aviation industry is experiencing a "demographic shift to a digital age" says new report", September 19, 2019, www.airport-technology.com.

Table 3

HISTORICAL SOCIOECONOMIC TRENDS

Pittsburgh MSA, Commonwealth of Pennsylvania, and United States

	Population (thousands)			Nonagricultural employment (thousands)			Per capita personal income (2023 dollars)		
	Pittsburgh MSA	Commonwealth of Pennsylvania	United States	Pittsburgh MSA	Commonwealth of Pennsylvania	United States	Pittsburgh MSA	Commonwealth of Pennsylvania	United States
2000	2,428	12,284	282,162	1,147	5,693	132,011	$54,314	$53,684	$54,059
2010	2,356	12,702	309,322	1,126	5,622	130,344	59,755	58,825	56,673
2019	2,318	12,799	328,330	1,190	6,066	150,905	68,561	66,909	66,227
2020	2,369.	12,996	331,578	1,092	5,605	142,186	72,211	70,932	69,606
2021	2,365	13,016	332,100	1,112	5,761	146,285	72,977	71,729	72,484
2022	2,349	12,985	334,017	1,144	5,984	152,520	69,498	68,093	68,971
2023	2,345	13,018	336,806	1,161	6,086	155,868	70,559	68,945	69,810
2024	2,346	13,079	340,111	1,178	6,181	157,960	n.a.	n.a.	n.a.
	Percent increase (decrease)								
2019-2020	2.2%	1.5%	1.0%	(8.3%)	(7.6%)	(5.8%)	5.3%	6.0%	5.1%
2020-2021	(0.2)	0.1	0.2	1.9	2.8	2.9	1.1	1.1	4.1
2021-2022	(0.7)	(0.2)	0.6	2.8	3.9	4.3	(4.8)	(5.1)	(4.8)
2022-2023	(0.2)	0.3	0.8	1.5	1.7	2.3	1.5	1.3	1.2
2023-2024	0.0	0.5	1.0	1.5	1.6	1.3	n.a.	n.a.	n.a.
	Compound annual percent increase (decrease)								
2000-2010	(0.3%)	0.3%	0.9%	(0.2%)	(0.1%)	(0.1%)	1.0%	0.9%	0.5%
2010-2019	(0.2)	0.1	0.7	0.6	0.8	1.6	1.5	1.4	1.7
2019-2024	0.2	0.4	0.7	(0.2)	0.4	0.9	0.7*(a)*	0.8*(a)*	1.3*(a)*
2000-2024	(0.1)	0.3	0.8	0.1	0.3	0.8	1.1*(b)*	1.1*(b)*	1.1*(b)*

n.a. = not available.

MSA = Metropolitan Statistical Area, consisting of 7 counties as shown in Table 2.

(a) Compound annual percent increase (decrease) for 2019-2023.
(b) Compound annual percent increase (decrease) for 2000-2023.

Sources: U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed March 2025.
U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2025. Values for 2024 are preliminary.
U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed March 2025.

Population. As shown in Table 3, from 2000 through 2024, the population of the Pittsburgh MSA decreased an average of 0.1% per year, from 2.43 million in 2000 to 2.35 million in 2024, compared to average annual increases of 0.3% and 0.8%, respectively, for the Commonwealth and the nation. The population decline in the Pittsburgh MSA reflects:

- A larger number of deaths than births due, in part, to the relatively large share of Pittsburgh MSA residents who were over the age of 65—22% in 2023 compared with 17% nationwide, and
- Net out-migration composed primarily of U.S. residents offset by international in-migration of both native and foreign-born populations.*
- Notwithstanding the Pittsburgh MSA's population decline, domestic O&D passengers at the Airport increased an average of 4.9% per year between 2014 and 2019, reflecting the expansion of low-cost carrier (LCC) service during this period which contributed to decreases in domestic airfares and stimulated air travel. In 2023, the number of domestic O&D passengers at the Airport was 95% that of 2019 numbers, while domestic air fares were 7% higher than 2019 airfares. Continued growth in passenger traffic at the Airport also reflects an increasing Gen Z and millennial population with a high propensity to travel and to use technology to facilitate travel. According to an American Express study, millennials drove the return to travel in 2022, particularly for "bucket-list" dream destinations and travel to destinations where their travel money impacts the local community.**

Nonagricultural Employment. Despite the decrease in population, nonagricultural employment in the Pittsburgh MSA increased an average of 0.1% per year between 2000 and 2024, compared to an average annual increase of 0.3% for the Commonwealth and 0.8% for the nation, as shown in Table 3. During the period following the 2008-2009 economic recession, nonagricultural employment in the Pittsburgh MSA increased an average of 0.6% per year between 2010 and 2019, slightly slower than the growth rate for the Commonwealth (0.8%) and the nation (1.6%). In 2024, nonagricultural employment in the Pittsburgh MSA had recovered to 99% of 2019 levels following the contraction of the U.S. economy and substantial job losses caused by the COVID-19 pandemic.

Per Capita Personal Income. As shown in Table 3, per capita personal income (in 2023 dollars) in the Pittsburgh MSA increased an average of 1.1% per year between 2000 and 2023 (the most recent data available), similar to growth in the Commonwealth and the nation. In 2023, per capita income in the Pittsburgh MSA was $70,559, greater than that for the Commonwealth ($68,945) and the nation ($69,810).

Per Capita Gross Domestic Product. Per capita gross domestic product, in 2023 dollars, in the Pittsburgh MSA increased 1.5% per year, on average, between 2000 and 2023 (the most recent data available, compared with an average annual increase of 1.1% for the Commonwealth and 1.1% for the nation. In 2023, the Pittsburgh MSA's per capita gross domestic product ($83,066) was 10.8% higher than the Commonwealth's average ($75,002) and 0.9% higher than the national average ($82,305).***

---

* U.S. Census Bureau, Estimates of the Components of Resident Population Change: April 1, 2020, to July 1, 2023, released March 2024. Net international migration for the United States includes: (a) the net international migration of the foreign born, (b) the net migration between the United States and Puerto Rico, (c) the net migration of natives to and from the United States, and (d) the net movement of the Armed Forces population between the United States and overseas.

** Forbes, "Travelers Want To Spend Big, Go Far In 2022, Amex Survey Finds", March 21, 2022.

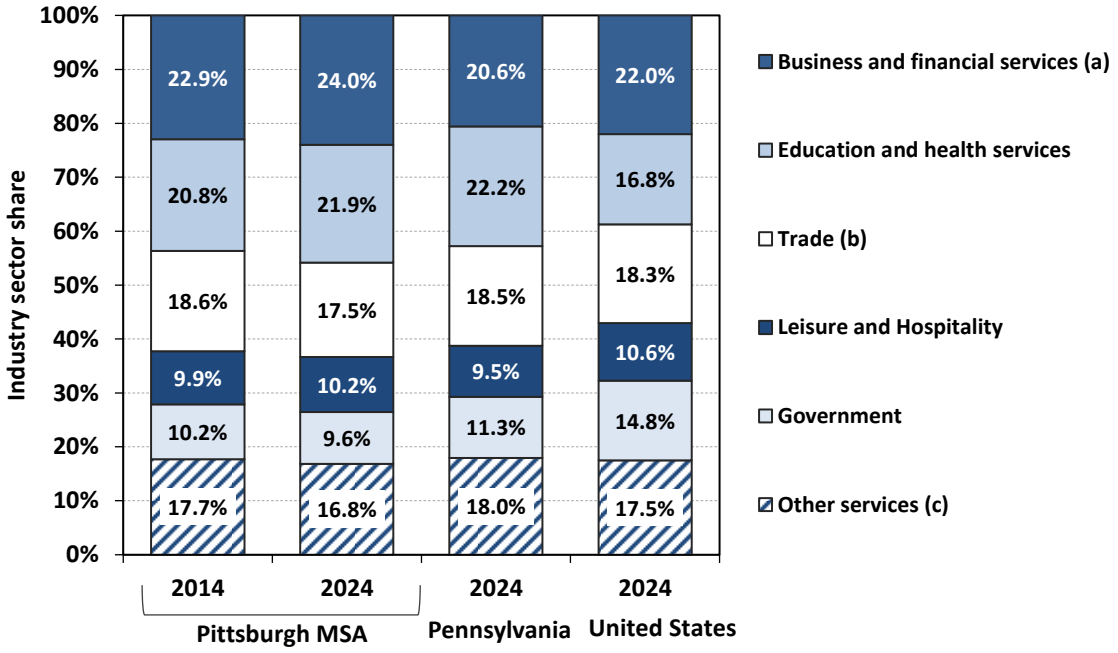
*** U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed March 2025.

Educational Attainment. The Pittsburgh MSA's higher than average per capita income levels reflect the higher-than-average levels of education attained by Pittsburgh residents. In 2023, approximately 49% of Pittsburgh MSA residents over the age of 25 had earned post-secondary degrees (Associate's degree or higher), compared with 44% of the Commonwealth's residents, and 45% of U.S. residents overall, according to the U.S. Department of Commerce, Bureau of the Census. Higher levels of both education and income correlate with a greater propensity to travel by air.

The Pittsburgh MSA is home to over 30 public and private institutions of higher education, including the University of Pittsburgh, Carnegie Mellon University, Duquesne University, Robert Morris University, Chatham University, and Carlow College. According to the 2024 Book of Lists published by the Pittsburgh Business times, approximately 124,000 students are enrolled in college or graduate programs in the Pittsburgh MSA. The presence of these institutions of higher learning contributes to the Pittsburgh MSA's higher levels of educational attainment and generates airline travel related to academic meetings and conferences, visiting professorships, and study-abroad programs, as well as individual travel by faculty, students, and their families. Additionally, close ties between the Pittsburgh MSA's colleges and universities and the region's healthcare and technology industries (discussed in more detail in the Industry Clusters section) help to foster the development of related high-value businesses and entrepreneurial ventures.

Nonagricultural Employment by Industry Sector. Figure 6 shows a comparative distribution of nonagricultural employment by industry sector for the Pittsburgh MSA in 2014 and in 2024, and for Pennsylvania and the nation in 2024. The Pittsburgh MSA's business and financial services sector accounted for the largest share of employment in 2024, with 24.0%. Education and health services accounted for the second largest share of nonagricultural employment in 2024 (21.9%).

Figure 6
COMPARATIVE DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT



(a) Includes professional and business services, financial activity, and information.
(b) Includes trade, transportation, and public utilities.
(c) Includes manufacturing, mining and construction, and other services.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2025. Data for 2024 is preliminary.

Unemployment Rates. In addition to the employment trends cited above, the unemployment rate is also indicative of the general economic climate. Table 4 shows comparative annual unemployment rates in the Pittsburgh MSA, the Commonwealth, and the nation for 2010 through 2024. The unemployment rates in the Pittsburgh MSA and the Commonwealth generally followed the trends in the nation, with unemployment rates in the Pittsburgh MSA higher than the national rate between 2016 and 2022. In 2024, the unemployment rate for the Pittsburgh MSA was 3.5%, the same as the Commonwealth, and lower than that of the nation (4.0%).

Table 4
COMPARATIVE UNEMPLOYMENT RATES

	Pittsburgh MSA	Commonwealth of Pennsylvania	United States
2010	7.7%	8.2%	9.6%
2011	7.2	7.8	8.9
2012	7.1	7.7	8.1
2013	6.6	7.1	7.4
2014	5.7	5.9	6.2
2015	5.4	5.4	5.3
2016	5.6	5.3	4.9
2017	5.1	5.0	4.4
2018	4.4	4.4	3.9
2019	4.3	4.3	3.7
2020	9.0	8.9	8.1
2021	5.9	5.9	5.3
2022	4.2	4.1	3.6
2023	3.5	3.4	3.6
2024 *(a)*	3.5	3.5	4.0

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

(a) Data is preliminary.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed March 2025.

Pittsburgh MSA Top 20 Employers. Table 5 lists the top 20 private sector employers in the Pittsburgh MSA, (based on the number of Pittsburgh area employees). The table indicates a diversity of economic activity, as well as a strong presence of health care and financial and business services employers. Of these 20 employers, 12 are headquartered in the Pittsburgh MSA and 11 are listed on the Fortune 500 list of largest U.S. companies, ranked based on 2023 revenues.

While not shown in Table 5, the Pittsburgh MSA contains a substantial amount of public sector employment, including the U.S. Government (19,400 employees), the Commonwealth (13,100 employees), and Local government (79,700 employees).

Table 5
PITTSBURGH MSA LARGEST PRIVATE SECTOR EMPLOYERS
2024

Employer	Product or service	Employees
University Pittsburgh Medical Center *(a)*	Education, healthcare	59,100
Highmark Health *(a)*	Healthcare	24,000
University of Pittsburgh *(a)*	Education	14,108
Wal-Mart Stores Inc. *(b)*	Retail/grocer	11,700
PNC Financial Services Group Inc. *(a)(b)*	Financial services	11,600
Giant Eagle Inc. *(a)*	Retail/grocer	10,826
Independence Health System *(a)(c)*	Healthcare	7,300
BNY Mellon *(b)*	Financial services	7,000
Carnegie Mellon University *(a)*	Education	5,678
Amazon *(b)*	Retail/grocer	5,000
FedEx Corporation *(b)*	Transportation	5,000
Eat'n Park Hospitality Group Inc. *(a)*	Hospitality	4,407
Dick's Sporting Goods *(a)(b)*	Retail/grocer	4,170
United States Steel Corp. *(a)(b)*	Manufacturing	3,750
Heritage Valley Health System *(a)*	Healthcare	3,700
Target Corporation *(b)*	Retail/grocer	3,400
CVS Health *(b)*	Retail/grocer	3,300
Lowe's Home Improvement *(b)*	Retail/grocer	3,200
United Healthcare *(b)*	Health insurance	2,800
Westinghouse Electric Co. *(a)*	Nuclear power	2,800

(a) Corporate headquarters are located in the Pittsburgh MSA.
(b) Ranked in 2024 Fortune 500 list of largest U.S. companies (based on 2023 revenue).
(c) Excela Health and Butler Health combined in January 2023.

Sources: Pittsburgh Regional Alliance, accessed December 2024; Fortune Magazine, Fortune 500 Companies, www.fortune.com.

Industry Clusters

The Pittsburgh MSA has undergone a long-term transformation from a steel manufacturing economy to a more diversified economy with strengths in advanced manufacturing, healthcare and life sciences, financial and business services, information technology and robotics, artificial intelligence, and energy and petrochemicals, according to the Pittsburgh Regional Alliance (PRA) and VisitPITTSBURGH.* These "industry clusters" are a coalescence of companies in the same industry operating in the same region and draw competitive advantage from their proximity to customers, suppliers, competitors, and a skilled workforce, and form a shared base of sophisticated knowledge about a given industry. These industry clusters are positioned to grow within the Pittsburgh MSA.

* The Pittsburgh Regional Alliance (PRA) is the economic development marketing affiliate of the Allegheny Conference on Community Development; VisitPITTSBURGH, is the official tourism promotion agency for Allegheny County.

Advanced manufacturing. Manufacturing has historically played an important role in the Pittsburgh MSA. Although steel manufacturing has decreased over the years, advanced manufacturing, particularly in the fields of additive manufacturing and engineering has increased. The number of manufacturing jobs in the Pittsburgh MSA totaled 84,500 in 2023. Notable employers include Boeing, Oshkosh, PPG Industries, and Westinghouse Electric.

In October 2019, the Authority announced plans for N91, the world's first development to locate all components of the additive manufacturing/3-D printing supply chain into a neighborhood concept. N91, developed in conjunction with the University of Pittsburgh, is the first development of the 195-acre Pittsburgh Airport Innovation Campus. A number of companies have started operations at N91, including Cumberland Additive, HAMR Industries, Metal Powder Works, RJ Lee Group, The Future of Jewelry, and Westmoreland Mechanical Testing and Research.

Health care and life sciences. Programs at both the University of Pittsburgh and Carnegie Mellon University support medical research in the Pittsburgh MSA. There were more than 13,000 healthcare-related degrees awarded in the region in 2021. In 2023, 155,600 people were employed in the health services sector in the Pittsburgh MSA. The University of Pittsburgh Medical Center Presbyterian Shadyside ranked nationally in nine adult specialties and second in Pennsylvania according to the 2023-2024 U.S. News & World Report "Best Hospital Rankings." In 2022 the University of Pittsburgh received more than $675 million in National Institutes of Health (NIH) grants, ranking third in the nation in terms of grant funding and the university ranked ninth nationally in life sciences research and development expenditures.

Financial and business services. In 2023, there were 261,900 financial and business services sector jobs in the Pittsburgh MSA. Notable employers located in the MSA include Bank of America, BNY Mellon, and PNC Financial Services Group (which maintains its global headquarters in Pittsburgh and was ranked as the fifth largest non-governmental employer in 2024). According to the Pittsburgh Regional Alliance, the Pittsburgh MSA has an above average concentration of lawyers, accountants, and auditors.

Information Technology and Robotics. As technology companies relocate and expand in the area, the Pittsburgh MSA is quickly becoming a world leader in robotics and autonomy as well as a hub for innovation and technology. The field of artificial intelligence (AI) was invented by faculty at Carnegie Mellon University in the 1950s and today robotics and AI programs in the region are driving innovations forward. The Future Travel Experience (FTE) Aviation and Robotics Summit was held in Pittsburgh and hosted by the ACAA in May 2024 and will be held there again in May 2025. The Information Technology (IT), AI, and robotics sector is leading new job creation in the Pittsburgh MSA. There were 21,600 information sector jobs in the Pittsburgh MSA in 2023, and between 2019 and 2023, it was the only employment sector to experience an increase in the number of jobs. Pittsburgh is the home of Amazon's International Technology (INTech) team. Other notable employers include ANSYS, Apple, Duolingo, Cisco, Google, Meta, and Uber.

The Pittsburgh region ranks second in the United States for IT degrees, with 5,000 graduates annually. Carnegie Mellon University ranked first in "Best Computer Science Schools according to US News and World Report (2024), is home to the Robotics Institute, which offered the world's first doctoral degree in robotics and is currently one of only three institutions offering such a degree. Robotics companies

located in Pittsburgh include Astrobotic, Aurora, Carnegie Robotics, Caterpillar, Gecko Robotics, Seegrid, and Smith+Nephew.

In September 2022, the U.S. Department of Commerce Economic Development Administration (EDA) awarded the Southwestern Pennsylvania (SWPA) New Economy Collaborative $62.7 million in grants to strengthen the region's robotics and autonomy cluster. The grants are being used to fund five projects to expand robotics and AI training opportunities in rural and coal-impacted communities assist small- and medium-sized businesses in adopting robotics and AI technology. The Collaborative was one of 21 winners of the $1 billion Build Back Better Regional Challenge. In their 2024 annual report, the Collaborative noted that since 2022 they have trained over 2,500 students, assisted approximately 1,200 business across the region, and secured over $50 million in additional federal, state, local, and regional investments to stabilize the future of the projects.*

Energy and petrochemicals. The Pittsburgh region is the top U.S. exporter of coal, metal ore, and other non-metallic minerals. Energy sector employers in the Pittsburgh MSA include Chevron, CNX Resources Corporation, Eaton, PPG Industries, and Shell Chemicals.

The Pittsburgh MSA is located atop the Marcellus, Utica, and other shale formations, among the largest shale formations in the United States, extending from West Virginia, through western Pennsylvania and eastern Ohio, into southern New York. Layers of rock in the Marcellus Shale trap natural gas, which can be extracted through drilling and hydraulic fracturing.

Between 2014 and 2024, natural gas production in Pennsylvania grew an average of 5.7% per year, compared to average annual growth of 3.9% per year for the nation. As shown on Figure 7, Pennsylvania accounted for 16.2% of natural gas production in the United States in 2024, second behind Texas (28.3%).

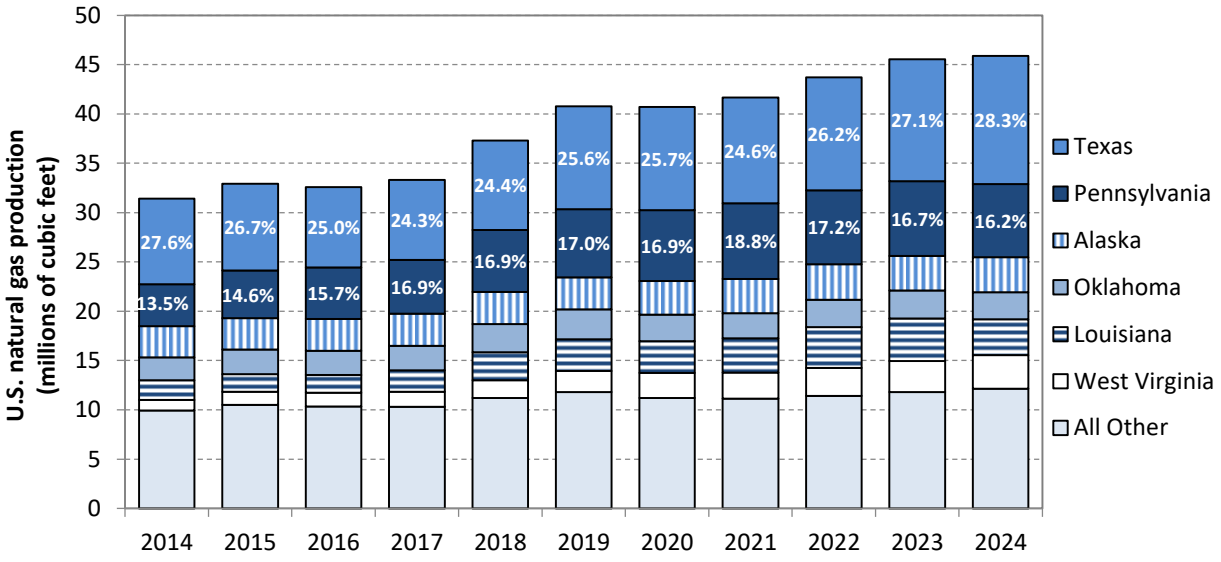
In November 2022, Shell Chemicals opened an ethylene cracker plant in Potter Township in Beaver County near the Airport. The 386-acre petrochemical complex brings in ethane from natural gas wells and chemically "cracks" the liquid fuel by heating it in furnaces to create polyethylene used in plastics manufacturing. According to Shell, the $6 billion automated plant employed 9,500 workers for its construction and employs 600 workers on site. The plant links the Pittsburgh area with Shell plants and offices in the U.S. and throughout the world.

A collective of more than 200 western Pennsylvania, West Virginia, Ohio, and Kentucky strategic partners and stakeholders, including private sector industry leaders, utilities, universities, non-profits, and transportation and state entities, have collaborated to pursue building a hub for hydrogen production and storage in northern Appalachia. The Appalachian Regional Clean Hydrogen Hub (ARCH2) proposes to produce and deliver low-cost clean hydrogen energy to the region and permanently store the associated carbon emissions. The project would utilize low-cost natural gas to produce clean hydrogen and facilitate carbon emissions storage. Development partners under ARCH2 include Pittsburgh-headquartered EQT Corporation and CNX Resources Corp among other companies. In October 2023, ARCH2 was selected to receive $925 million in federal support under the Bipartisan Infrastructure Law by the U.S. Department of Energy's Office of Clean Energy Demonstrations to create the new hydrogen hub. At its peak, ARCH2 anticipates creating more than 21,000 jobs—including more

* New Economy Collaborative, 2024 Annual Report.

than 18,000 in construction and more than 3,000 permanent jobs in the northern Appalachian region.* According to the ARCH2 application, the four phased implementation program shows a timeline ranging from 7 to 12 years.

Figure 7
U.S. NATURAL GAS PRODUCTION BY STATE



Source: U.S. Department of Energy, accessed March 2025.

In its 2023 Annual Energy Outlook (AEO), the U.S. Department of Energy's Energy Information Administration (EIA) projects U.S. natural gas production to increase 15% between 2022 and 2050 and liquefied natural gas (LNG) exports to increase 152%. The EIA projects rising global demand for natural gas and increased U.S. production due to rising oil prices that support increased production from unconventional oil formations with significant natural gas, an increase in the number of aging oil wells that produce a higher ratio of natural gas relative to oil, and more economical natural gas resources driven in part by the Inflation Reduction Act which creates penalties for venting and flaring methane and encourages producers to capture more natural gas from oil formations.**

Visitor Industry

VisitPITTSBURGH estimates that there are more than 12.2 million day trips to the Pittsburgh area annually (by all modes of transport). Visitors to the Pittsburgh area spent nearly $6.4 billion in the region in 2023, slightly less than the $6.5 billion impact the agency reported in 2019, and supported over 38,000 tourism-related jobs.***

VisitPITTSBURGH forecasts $6.7 billion in tourism spending in 2024, with the local tourism sector anticipating a gain of nearly 2,000 jobs (totaling more than 41,000 total jobs), by year-end. Travel &

* Source: https://www.battelle.org/insights/newsroom/press-release-details/appalachian-regional-clean-hydrogen-(arch2)-selected-by-the-department-of-energy-(doe)-to-develop-multi-state-clean-hydrogen-hub.

** U.S. Energy Information Administration, "U.S. associated natural gas production will likely grow through 2050 In our AEO2023," April 11, 2023, www.eia.gov.

*** VISITPITTSBURGH 2023 Annual Report, March 27, 2024, www.visitpittsburgh.com.

Leisure ranked Pittsburgh among "The Best 50 Places to Travel in 2023" for "Big City Thrills", noting cultural destinations such as the Moonshot Museum, the Carnegie Museum of Art, the childhood home of playwright August Wilson, and new hotels and bars.*

The increasing popularity of Pittsburgh as a visitor destination reflects the range of historical, cultural, natural, and social attractions, including:

- Several highly renowned museums—the Carnegie Museum of Art, the Carnegie Museum of Natural History, the Carnegie Science Center, the Children's Museum of Pittsburgh, and the Andy Warhol Museum which houses the largest collection of Warhol art and archives in the world.
- Performing arts venues—the Pittsburgh Symphony Orchestra, the Pittsburgh Opera, the Pittsburgh Ballet Theatre, PNC Broadway, Pittsburgh Playhouse, and City Theatre Company.
- Three major league sporting teams—Pittsburgh Steelers in the National Football League, Major League Baseball's Pittsburgh Pirates, and the Pittsburgh Penguins in the National Hockey League—as well as numerous NCAA Division I and II sports teams. According to VisitPITTSBURGH, Pittsburgh will have hosted 35 NCAA championship events between 2005 and 2026. Pittsburgh hosted the first and second rounds of the men's NCAA Division I basketball tournament, most recently, in 2024. The area is hosting the U.S. Open in June 2025.
- Regional historical attractions—the Duquesne Incline (a mountainside cable railway opened in 1877 to travel to Mount Washington), the Heinz History Center, Fallingwater (a 1930 Frank Lloyd Wright designed home perched over a waterfall), the Frick Art and Historical Center, Kennywood (an amusement park in West Mifflin, Pennsylvania), and the University of Pittsburgh's Cathedral of Learning.
- Nature and parks—Phipps Conservatory and Botanical Gardens, Point State Park, Pittsburgh Zoo and Aquarium, the National Aviary, Schenley Park, Frick Park, and the Three Rivers Heritage Trail.
- Shopping and dining—the Strip District, the PA Market, Station Square, the Waterfront, and Squirrel Hill Shopping District.

Conventions and tradeshows are hosted at the David L. Lawrence Convention Center, near downtown Pittsburgh. Featuring more than 300,000 square feet of exhibition space, 53 meeting rooms, and a 30,000-square foot ballroom, the facility is one of the largest LEED-certified "green" buildings in the world according to VisitPITTSBURGH.** In 2023, the David L. Lawrence convention center hosted 45 events resulting in $143 million in direct visitor spending and more than 114,00 hotel room nights.

Housing Market

Trends in the housing market in a region generally follow economic cycles and are an indicator of overall economic activity that will, in turn, help to spur air travel demand. Since 2007, home prices in the Pittsburgh MSA have gradually increased, as shown on Figure 8. Between 2007 and 2024, home prices in the Pittsburgh MSA increased an average of 4.3% per year, compared with an average increase of 3.7% in the nation. During the 2008-2009 economic recession, home prices in the Pittsburgh MSA remained stable, while home prices in the United States as a whole decreased by nearly 20%.

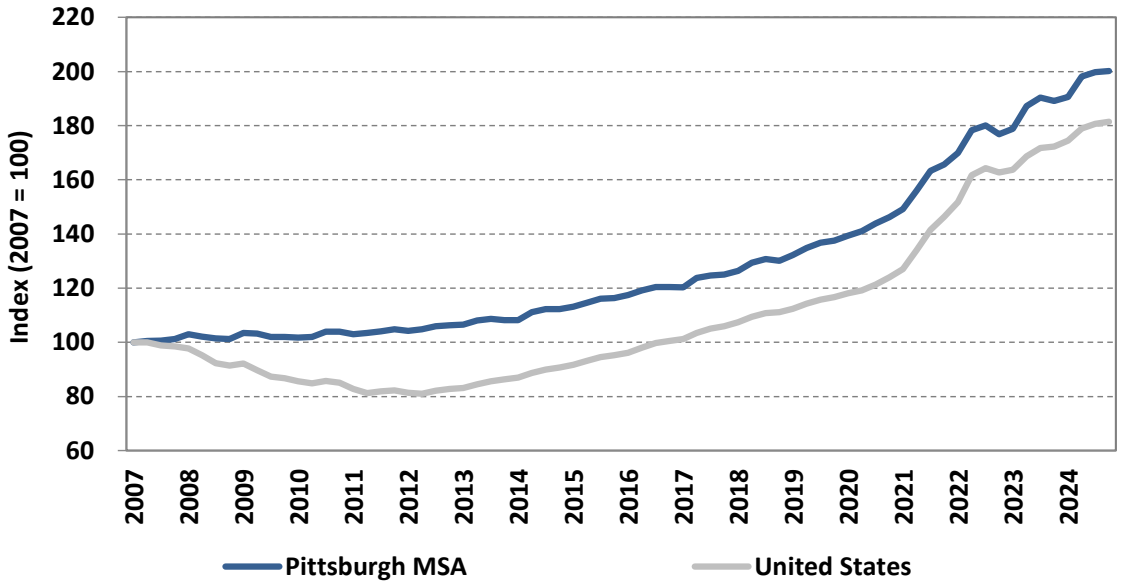
* Travel & Leisure, The 50 Best Places to Travel In 2023, January 24, 2023, www.travelandleisure.com.

** Leadership in Energy and Environmental Design (LEED) certification was developed by the U.S. Green Building Council and recognizes sustainable, environmentally friendly construction techniques.

In December 2022, the Pittsburgh City Council voted to streamline the process to convert existing downtown office space into residential units. The City and its Urban Redevelopment Authority (URA) partnered with the Allegheny County and Commonwealth for a $9 million residential conversion pilot program established to revitalize downtown office buildings that have sat largely empty since the Covid-19 pandemic spurred a shift to remote work. In February 2024, it was announced that the URA is seeking an $30 million in state aid to further bolster the program.* As of November 2024, the URA has earmarked $26 million for eight projects.**

In November 2024, a $600M, 15-acre redevelopment of a brownfield riverfront site on the North Side of the Golden Triangle was approved by the Pittsburgh Planning Commission that includes a giant Ferris wheel, restaurants, retail, apartments, a parking garage, and marina. The initial phase is expected to be complete in 2027 or 2028.***

Figure 8
INDEX OF HOME PRICES
Pittsburgh MSA and United States



Source: U.S. Federal Housing Finance Agency, All-Transactions House Price Index, retrieved from FRED, Federal Reserve Bank of St. Louis, accessed March 2025.

* Pittsburgh URA seeks $30 million in state aid to help with Downtown office conversions, February 23, 2024, Pittsburgh Post-Gazette.

** 'Desperately needed': URA provides another $10.3 million for building conversions in Downtown Pittsburgh, November 2014, 2024

*** Commission approves plans for $600 million North Side project featuring giant Ferris wheel, November 12, 2024, Pittsburgh Post-Gazette.

Economic Outlook

The economic outlook for the United States, and the Pittsburgh MSA forms a basis for anticipated growth in airline traffic at the Airport. Both airline travel and the movement of cargo through the Airport depend on the economic linkages between and among the regional, national, and global economies.

U.S. Economy. 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, increased 2.1% in 2022, and 2.4% in 2023. GDP is estimated to increase 2.3% in 2024. The Congressional Budget Office forecasts real GDP growth of 1.9% in 2025, 1.8% in 2026, and an average of 1.8% per year thereafter through 2035*.

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, growth in the economies of foreign trading partners, and stable trading relationships.

Pennsylvania Economy. The population of the Commonwealth is forecast to decrease 0.1% per year, on average, between 2025 and 2030 according to the Pennsylvania Demographic Outlook prepared by the Independent Fiscal Office in October 2024. The latest long-term employment projection prepared by the Commonwealth of Pennsylvania Department of Labor and Industry indicates that employment will grow 0.2%, per year, on average between 2022 and 2032.

Pittsburgh MSA Economy. In its June 2023 Cycle 12 forecast, the Southern Pennsylvania Commission (SPC) forecast that population and employment growth in the Pittsburgh MSA will increase at an average rate of 0.2% per year and 0.1% per year, respectively, between 2025 and 2030. Oxford Economics predicts the Pittsburgh MSA economy will lag growth relative to the nation in the next five years while unemployment remains slightly lower than the nation's and the median income remains steady.** In the Pittsburgh MSA, longer term economic growth will be supported by Pittsburgh's five key industry sectors—Information Technology and Robotics, Advanced Manufacturing, Financial and Business Services, Energy, and Healthcare and Life Sciences, supported by a highly educated and skilled work force and continued investment in regional infrastructure.

---

* The Budget and Economic Outlook: 2025 to 2035, January 17, 2025, Congressional Budget Office (https://www.cbo.gov/publication/60870).

** METRO HOUSING OUTLOOK: Pittsburgh - Ql 2024, Fannie Mae. https://multifamily.fanniemae.com/media/38376/display#:~:text=Economic%20Environment:%20Relative%20to%20the,median%20income%20has%20remained%20steady.

HISTORICAL AIRLINE SERVICE AND TRAFFIC

Airlines serving the Airport; enplaned passenger trends; airline shares of passengers; origin-destination markets; airline service at the Airport; and airline fares are discussed in this section.

Airlines Serving the Airport

As shown in Table 6, a total of 25 passenger airlines served the Airport in December 2024, including 4 U.S. mainline passenger airlines, 11 regional airlines, 7 low-cost carriers, and 3 foreign-flag airlines. In addition, four airlines provided all-cargo service.

Table 6
PASSENGER AND CARGO AIRLINES SERVING PITTSBURGH INTERNATIONAL AIRPORT
December 2024

Mainline carriers
Alaska Airlines
American Airlines
Delta Air Lines
United Airlines

Low-cost carriers
Allegiant Air
Breeze Airways
Frontier Airlines
JetBlue Airways
Southwest Airlines
Spirit Airlines
Sun Country Airlines *(a)*

Regional Airlines
Air Wisconsin (American)
Commutair (United)
Endeavor Air (Delta)
Envoy Air (American)
GoJet (United)
Mesa Airlines (United)
Piedmont (American)
PSA Airlines (American)
Republic Airlines (American, Delta, United)
SkyWest Airlines (Delta, United)
Southern Airways Express *(e)*

Foreign-flag airlines
Air Canada *(b)*
British Airways
Icelandair *(c)*

All-cargo airlines
Amazon Air
FedEx
Mountain Air Cargo *(d)*
UPS

(a) Sun Country provides seasonal service from May to August.
(b) Operated by Jazz Aviation.
(c) Initiated seasonal service in May 2024.
(d) Mountain Air Cargo provides feeder service to FedEx.
(e) Operates under the USDOT Essential Air Service (EAS) Program.

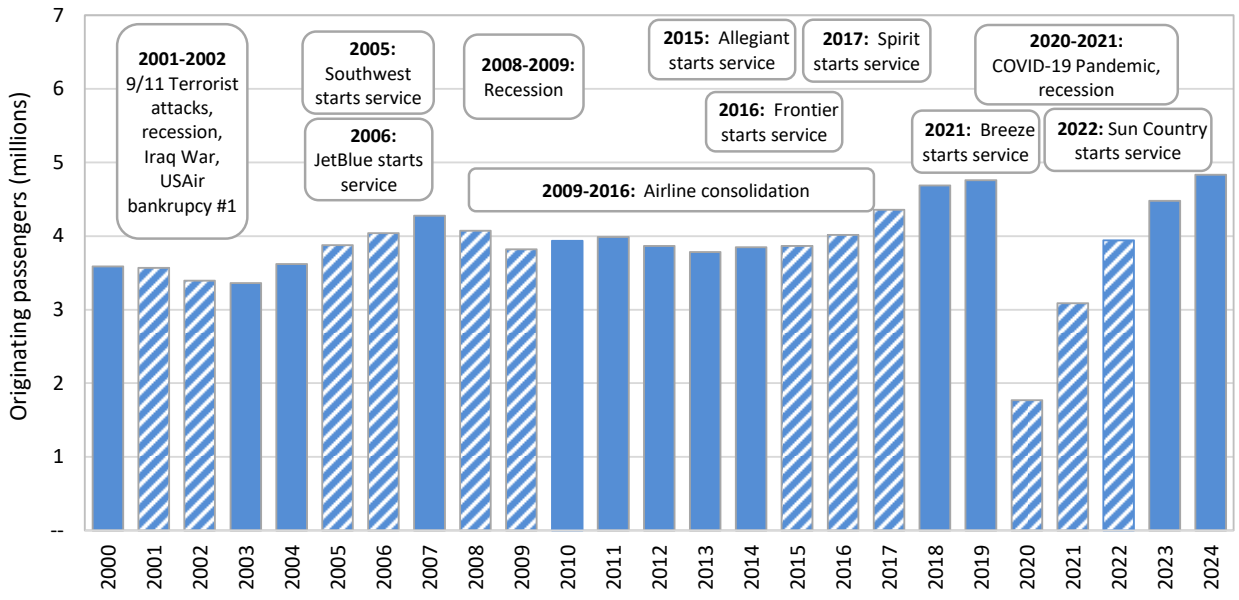
Source: Allegheny County Airport Authority records.

Enplaned Passenger Trends

Through the late 1990s, the Airport served as the primary connecting hub airport in the route system of US Airways. The number of passengers enplaned at the Airport peaked at more than 10 million per year during the 1995-1998 peak period, as US Airways increased its level of service and connecting passenger flows. In the fall of 2002, US Airways significantly cut back flights at the Airport and over the next few years gradually dismantled its Pittsburgh hub. As a result, passenger levels decreased due almost entirely to a reduction in connections. Following US Airways' de-hub of the Airport, the number of passengers enplaned on LCCs increased as several LCCs began service at PIT including Southwest (2005) and JetBlue (2006), and later, Allegiant (2015), Frontier (2016), Spirit (2017), Breeze (2021), and Sun Country (2022).

Figure 9 presents trends in originating passengers (excluding connecting passengers) at the Airport from 2000 through 2024 illustrating the continued long-term growth notwithstanding economic cycles and external events.

Figure 9
HISTORICAL ORIGINATING PASSENGERS AND EVENTS
Pittsburgh International Airport



Note: Striped bars correlate to notable events.

Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey* and Schedule T100, online databases, accessed April 2025 and Allegheny County Airport Authority records.

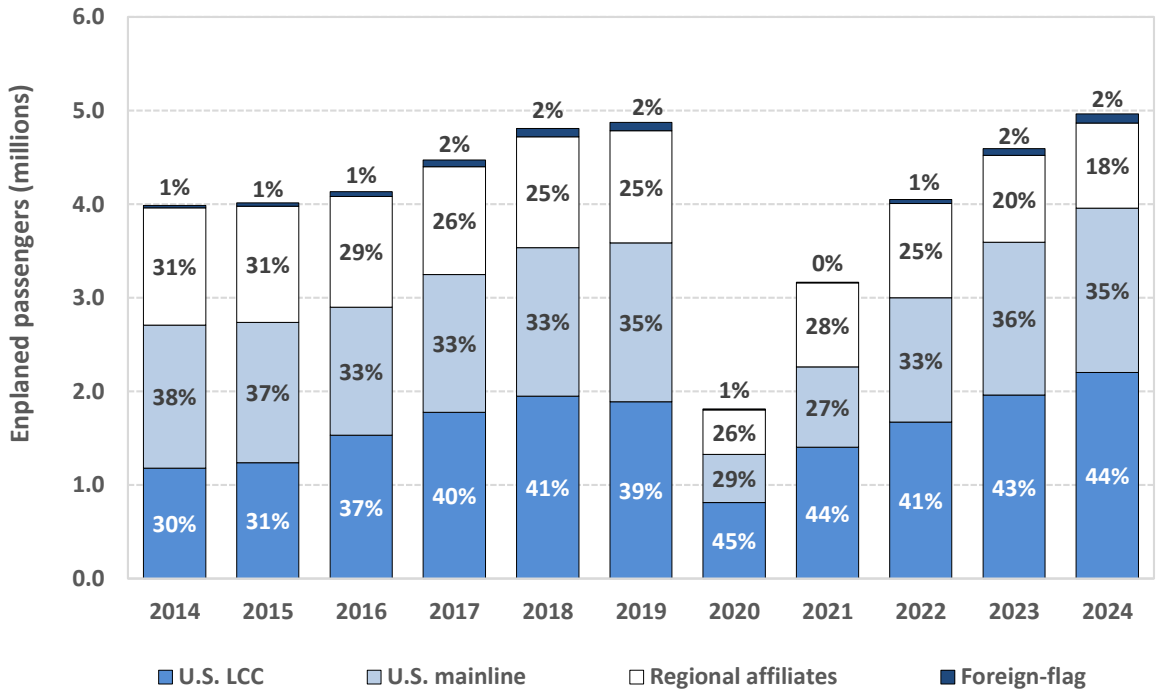
Figure 10 and Table 7 present enplaned passengers by type of carrier. Between 2014 and 2019 (prior to the pandemic), the number of enplaned passengers at the Airport increased an average of 4.1% per year, driven largely by growth in low-cost carrier passenger traffic (an average increase of 9.8% per year). In 2021, 2022, and 2023, the number of passengers enplaned at the Airport was approximately 65%, 83%, and 94% that of 2019, respectively. Enplaned passengers totaled 5.0 million in 2024 which was an 8.1% increase over 2023.

Airlines serving PIT adjusted their networks to largely focus on leisure travel given the shift in the profile of air travelers based on the recovery of leisure travel in lieu of business travel, which is still lagging.

In 2024, LCCs accounted for approximately 44% of enplaned passengers (up from 30% in 2014), while all other airlines accounted for the remaining 56%, including 35% on mainline airlines, 18% on regional airlines, and 2% on foreign-flag airlines.

PIT serves primarily domestic passengers, which accounted for 98.0% of total enplaned passengers in 2024. International passengers accounted for the remaining 2.0%.

Figure 10
HISTORICAL ENPLANED PASSENGERS
Pittsburgh International Airport



Notes: Excludes nonscheduled passengers.

Source: Allegheny County Airport Authority records.

As shown in Figure 11, between 2014 and 2024, the number of passengers enplaned on LCCs at the Airport increased from 1.2 million to 2.2 million—an average increase of 6.4% per year. In comparison, the number of LCC enplaned passengers at all U.S. airports increased an average of 4.5% per year between 2014 and 2024.

Table 7
HISTORICAL ENPLANED PASSENGERS
Pittsburgh International Airport

Year	Mainline airlines	Regional airlines	Foreign-flag airlines	Low-cost carriers	Total	Annual percent increase (decrease)
2010	1,380,012	1,350,980	19,595	1,332,091	4,082,678	2.1%
2011	1,435,140	1,348,940	22,508	1,337,192	4,143,780	1.5
2012	1,445,677	1,299,516	22,837	1,232,437	4,000,467	(3.5)
2013	1,512,011	1,208,660	22,452	1,184,870	3,927,993	(1.8)
2014	1,528,718	1,251,729	23,325	1,181,456	3,985,228	1.5
2015	1,500,462	1,241,332	33,069	1,238,237	4,013,100	0.7
2016	1,368,663	1,182,393	51,354	1,531,243	4,133,653	3.0
2017	1,470,628	1,150,467	73,659	1,778,134	4,472,888	8.2
2018	1,585,924	1,181,621	91,836	1,950,484	4,809,865	7.5
2019	1,696,643	1,199,542	90,789	1,888,048	4,875,029	1.4
2020	516,608	472,706	10,878	812,212	1,812,404	(62.8)
2021	857,553	898,082	6,594	1,403,849	3,166,078	74.7
2022	1,325,516	1,008,963	43,678	1,672,932	4,051,089	28.0
2023	1,634,844	926,149	72,896	1,959,353	4,593,242	13.4
2024	1,754,805	910,187	98,118	2,201,251	4,964,361	8.1
	Annual percent increase (decrease)					
2019-2020	(69.6%)	(60.6%)	(88.0%)	(57.0%)	(62.8%)	
2020-2021	66.0	90.0	(39.4)	72.8	74.7	
2021-2022	54.6	12.3	562.4	19.2	28.0	
2022-2023	23.3	(8.2)	66.9	17.1	13.4	
2023-2024	7.3	(1.7)	34.6	12.3	8.1	
	Average annual percent increase (decrease)					
2014-2019	2.1%	(0.8%)	31.2%	9.8%	4.1%	
2019-2024	0.7	(5.4)	1.6	3.1	0.4	
2014-2024	1.4	(3.1)	15.4	6.4	2.2	

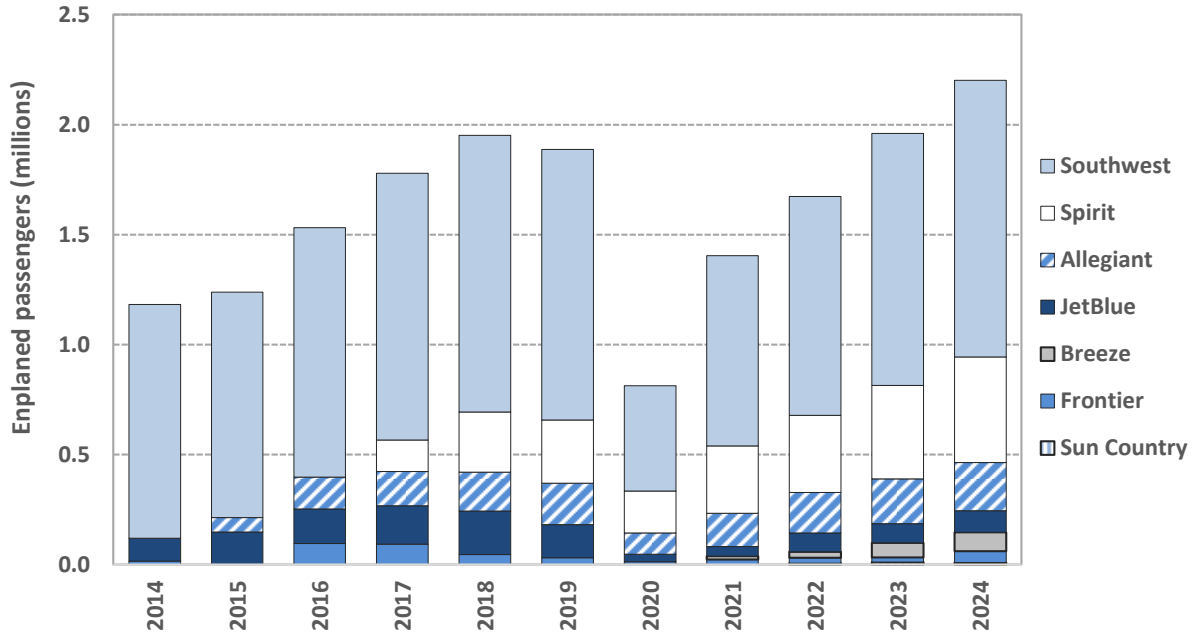
Note: Includes scheduled passengers only.

Source: Allegheny County Airport Authority records

The strongest growth in LCC enplaned passengers at the Airport occurred between 2015 and 2018 (an average increase of 16.4% per year) with the introduction of service by Allegiant, Frontier, and Spirit. In 2019, the number of enplaned passengers on LCCs decreased 3.2% while the network airlines (in particular Delta and United) increased 4.6%. Breeze and Sun Country started scheduled service at PIT in

July 2021 and June 2022, respectively, and in 2023, the number of passengers enplaned on LCCs exceeded the pre-pandemic high of 2.0 million.

Figure 11
LOW-COST CARRIER ENPLANED PASSENGERS
Pittsburgh International Airport
Ranked by 2024 passengers



Source: Allegheny Country Airport Authority records.

Unlike traditional network airlines such as American, Delta, and United, LCCs often target underserved markets and populations with strong economic and demographic metrics and stimulate passenger demand with low airfares rather than develop route networks to reach an increasing number of destinations. It is not uncommon for an LCC to withdraw service to a market if sufficient passenger traffic and revenues are not realized.

Enplaned Passenger Trends by Residents, Visitors, and Connecting

Table 8 presents historical data on originating and connecting passengers at the Airport between 2014 and 2024. The Airport has historically served mainly originating passengers, or area residents and visitors (non-residents). Collectively, these passengers accounted for 97.3% of enplaned passengers at PIT in 2024 and connecting passengers accounted for the remaining 2.7%. In 2001, prior to the dismantling of the US Airway hub, connecting passengers represented 63.5% of total enplaned passengers at PIT.

The relative proportion of area residents to visitors traveling through PIT has historically remained at approximately 60% residents and 40% visitors. In 2024, the number of enplanements by area residents was 3.0% higher than 2019 numbers, whereas enplanements by visitors was 99.4% of 2019..

Table 8

PASSENGER TRAFFIC TRENDS BY RESIDENT AND VISITOR

Pittsburgh International Airport

	Enplaned passengers							
	Outbound O&D *(a)*					Percent of O&D total		
Year	Pittsburgh MSA residents	Visitors	Total	Connecting and other *(a)*	Total *(b)*	Pittsburgh MSA residents	Visitors	Percent connecting
2014	2,297,697	1,549,586	3,847,283	137,945	3,985,228	59.7%	40.3%	3.5%
2015	2,275,526	1,587,957	3,863,483	149,617	4,013,100	58.9	41.1	3.7
2016	2,343,214	1,673,402	4,016,616	117,037	4,133,653	58.3	41.7	2.8
2017	2,562,703	1,792,113	4,354,816	118,072	4,472,888	58.8	41.2	2.6
2018	2,765,265	1,921,841	4,687,106	122,759	4,809,865	59.0	41.0	2.6
2019	2,816,130	1,942,331	4,758,461	116,568	4,875,029	59.2	40.8	2.4
2020	1,091,044	679,086	1,770,130	42,274	1,812,404	61.6	38.4	2.3
2021	1,866,862	1,222,004	3,088,866	77,212	3,166,078	60.4	39.6	2.4
2022	2,372,815	1,568,964	3,941,779	109,310	4,051,089	60.2	39.8	2.7
2023	2,689,681	1,787,188	4,476,869	116,373	4,593,242	60.1	39.9	2.5
2024	2,901,519	1,930,148	4,831,667	132,694	4,964,361	60.1	39.9	2.7
	Percent increase (decrease)							
2019-2020	(61.3%)	(65.0%)	(62.8%)	(63.7%)	(62.8%)			
2020-2021	71.1	79.9	74.5	82.6	74.7			
2021-2022	27.1	28.4	27.6	41.6	28.0			
2022-2023	13.4	13.9	13.6	6.5	13.4			
2023-2024	7.9	8.0	7.9	14.0	8.1			
	Compound annual percent increase (decrease)							
2014-2019	4.2%	4.6%	4.3%	(3.3%)	4.1%			
2019-2024	0.6	(0.1)	0.3	2.6	0.4			
2014-2024	2.4	2.2	2.3	(0.4)	2.2			

Note: Includes scheduled passengers only.

(a) Based on data from U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

(b) Allegheny County Airport Authority records.

Enplaned Passenger Market Shares

As shown in Table 9 and Figure 12, in 2024 Southwest accounted for the largest share (25.3%) of all passengers enplaned at the Airport, followed closely by American with the second largest share (22.1%). Delta and United enplaned 16.0% and 14.0% of passengers, respectively. All other airlines, combined, accounted for the remaining 22.6% in 2024, up from 3.7% in 2014. The PIT market is less concentrated in 2024 than it was a decade earlier. In 2014, the largest airline at PIT (American) enplaned over one third of passengers whereas in 2024, the largest airline (Southwest) enplaned one quarter of passengers. In 2024, 17 airlines provided service at the Airport, up from nine airlines ten years earlier.

Southwest's share of passengers did not change between 2019 and 2024, but the shares for American, Delta, and United all decreased. The number of passengers enplaned by Spirit increased 47.8% between 2019 and 2024 and its share of passengers increased from 5.9% to 9.7%. The remaining LCCs, except for JetBlue, increased share over the period.

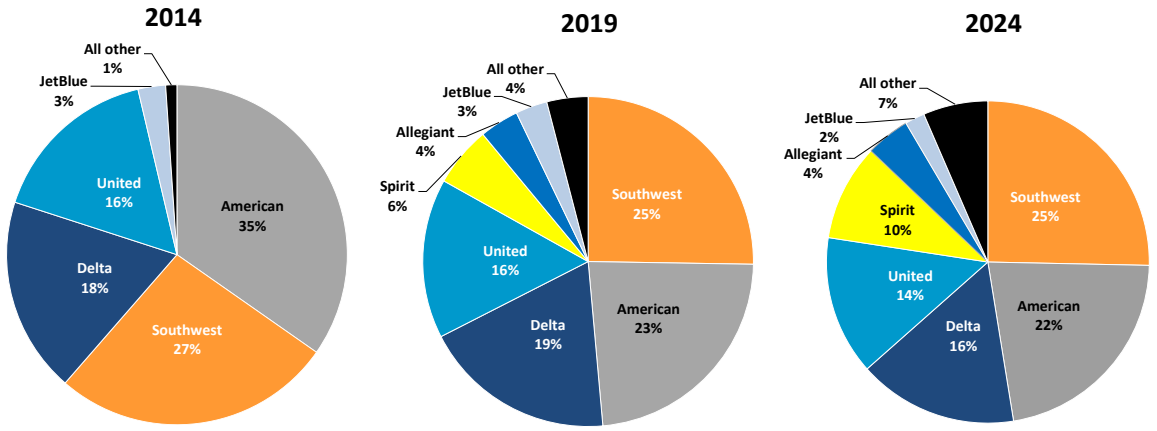
Table 9
ENPLANED PASSENGERS BY AIRLINE
Pittsburgh International Airport
Ranked by 2024 passengers

	Enplaned passengers			Percent of total		
Airline	2014	2019	2024	2014	2019	2024
Southwest	1,062,692	1,231,855	1,257,127	26.7%	25.3%	25.3%
American	1,384,201	1,136,330	1,098,929	34.7	23.3	22.1
Delta	741,063	921,353	794,186	18.6	18.9	16.0
United	650,568	763,085	693,939	16.3	15.7	14.0
Spirit	--	286,901	481,163	--	5.9	9.7
Allegiant	--	187,874	218,759	--	3.9	4.4
JetBlue	104,709	151,570	97,696	2.6	3.1	2.0
Breeze	--	--	86,765	--	--	1.7
Alaska	--	50,897	67,710	--	1.0	1.4
Frontier	14,055	29,848	51,208	0.4	0.6	1.0
British Airways	--	25,909	46,596	--	0.5	0.9
Air Canada	23,325	55,220	39,162	0.6	1.1	0.8
Icelandair	--	--	11,556	--	--	0.2
Sun Country	--	--	8,533	--	--	0.2
Southern Airways	592	20,536	9,140	--	0.4	0.2
All Other	4,023	13,651	1,892	2.6	0.3	0.0
Airport Total	3,985,228	4,875,029	4,964,361	100.0%	100.0%	100.0%

Notes: Passengers reported by regional affiliates have been grouped with their respective code sharing partners. Data for merged airlines are reported together, i.e., Alaska and Virgin America, American and US Airways, Southwest and AirTran, United and Continental.
Includes scheduled passengers only.
Percentages may not add to 100% due to rounding.

Source: Allegheny County Airport Authority records.

Figure 12
AIRLINE MARKET SHARES OF ENPLANED PASSENGERS
Pittsburgh International Airport



Notes: Data for merged airlines are reported together, i.e., Alaska and Virgin America, American and US Airways, Southwest and AirTran, United and Continental.
Includes scheduled passengers only.

Source: Allegheny County Airport Authority records.

Origin-Destination Markets

Table 10 presents the top 20 domestic destination markets, ranked by the number of passengers originating their journeys at the Airport in 2024. The 20 markets accounted for 66.5% of domestic O&D passengers at the Airport and the top three destinations - New York, Orlando, and Miami – accounted for 20.3% of the total. Other top destinations include Chicago, Boston, and Tampa. Leisure destinations such as Orlando, Miami, and Nashville all increased market share between 2019 and 2024.

Also presented are the average daily numbers of departing seats for the month of July 2019, 2024, and 2025, and the number of airlines providing nonstop service from the Airport to each destination. As scheduled for July 2025, each of the top 20 domestic destination markets was served nonstop from the Airport and 17 were served nonstop by two or more airlines. The number of average daily departing seats PIT in July 2025 was 15.0% greater than the number in July 2019, but 2.8% less than in July 2024.

Table 10

DOMESTIC PASSENGER DESTINATION PATTERN AND SCHEDULED AIRLINE SERVICE

Pittsburgh International Airport

Ranked by 2024 Domestic O&D passengers

2024 Rank	Origin-destination market	Air miles from Pittsburgh	Percent of domestic O&D passengers		Average daily domestic departing seats Month of July			Number of airlines providing service
			2019	2024	2019	2024	2025	July 2025
1	New York *(a)*	332	7.0%	7.7%	1,675	1,955	1,830	5
2	Orlando	835	6.7	7.3	834	1,111	857	3
3	Miami *(b)*	1,002	4.4	5.4	486	865	721	3
4	Chicago *(c)*	408	5.1	4.0	1,896	1,594	1,867	3
5	Boston	494	4.7	3.8	828	769	744	2
6	Tampa	874	3.8	3.6	327	383	405	2
7	Atlanta	526	3.9	3.5	1,689	1,579	1,674	2
8	Los Angeles *(d)*	2,130	3.9	3.4	156	267	274	2
9	Las Vegas	1,905	3.5	3.3	249	485	331	2
10	Dallas/Ft. Worth *(e)*	1,063	3.3	3.3	835	1,131	989	2
11	Denver	1,286	3.2	3.1	949	1,012	948	2
12	Houston *(f)*	1,123	3.1	2.7	516	628	480	2
13	San Francisco *(g)*	2,248	2.9	2.3	300	320	345	1
14	Fort Myers	967	2.2	2.2	167	182	259	2
15	Phoenix	1,809	2.2	2.2	276	344	338	2
16	Nashville	461	1.6	1.9	326	439	532	2
17	Washington, D.C. *(h)*	199	2.0	1.9	956	1,116	1,168	3
18	Philadelphia	268	1.6	1.7	532	951	735	2
19	Seattle-Tacoma	2,125	1.6	1.6	178	355	340	1
20	Charlotte	366	1.5	1.4	944	935	907	1
	Total—top 20 markets		68.2%	66.5%	14,118	16,421	15,746	
	All other markets		31.8	41.2	2,564	3,314	3,443	
	Total—all markets		100.0%	100.0%	16,682	19,735	19,189	

Notes: Totals may not add due to rounding.

(a) Newark Liberty International, LaGuardia, and John F. Kennedy International airports.
(b) Miami and Fort Lauderdale international airports.
(c) Chicago O'Hare and Midway International airports.
(d) Los Angeles International, Hollywood Burbank, Ontario International, John Wayne (Orange County), and Long Beach airports.
(e) Dallas-Fort Worth International Airport and Love Field.
(f) George Bush Intercontinental/Houston and William P. Hobby airports.
(g) San Francisco, Oakland, and Mineta San Jose International airports.
(h) Reagan Washington National, Baltimore/Washington International Thurgood Marshall, and Washington Dulles International airports.

Sources: Originating percentage: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed April 2025.
Departures: Airline Data Inc., online database, accessed March 2025.

Domestic Airfares

Passenger traffic at an airport is influenced by the cost of travel which can be measured in terms of average airfares or airline yield (the airfare paid to fly one mile). Figure 13 provides a comparison of changes in numbers of domestic O&D passengers and average domestic one-way airfares paid at the Airport and in the nation in 2008 through 2024. The data show both increases in passenger traffic that correspond to decreases in PIT airfares and, conversely, decreases in passenger traffic following increases in PIT airfares. In particular:

- In 2008 and 2009, the airline industry weathered a national economic recession as well as increases in oil prices that spiked in June 2008 and resulted in the cessation of service by certain LCCs and charter airlines. In addition, the airline industry as a whole became more focused on managing capacity and demand which contributed to airfare increases during the following years.

- Between 2009 and 2014, the number of domestic O&D passengers at PIT decreased an average of 0.9% per year in response to increases in domestic airfares (an average increase of 8.3% per year). By comparison, the number of U.S. domestic O&D passengers increased an average of 1.4% per year during this period while airfares increased an average of 5.6% per year.

- Airline service by new ULCCs and existing LCCs increased at PIT between 2014 and 2018, which contributed to a decrease in airfares at the Airport. The number of domestic O&D passengers at PIT increased an average of 5.6% per year between 2014 and 2018 as domestic airfares decreased an average decrease of 3.7% per year. U.S. domestic O&D passengers increased an average of 6.0% per year during this period while airfares decreased (an average of 2.5% per year).

- In 2019, PIT's domestic O&D passengers increased 2.4%, notwithstanding a 1.5% increase in PIT domestic airfares. Similarly, U.S. domestic O&D passengers increased 4.7% in 2019, despite a 1.0% increase in U.S. domestic airfares.

- In 2020, due to the Covid-19 pandemic, the number of domestic O&D passengers at PIT and for the U.S. decreased by 61.3% and 59.2%, respectively. In response to the lack of demand for air travel, airlines lowered fares to stimulate traffic. Domestic airfares at PIT and for the U.S. decreased by 21.6% and 19.5%, respectively.

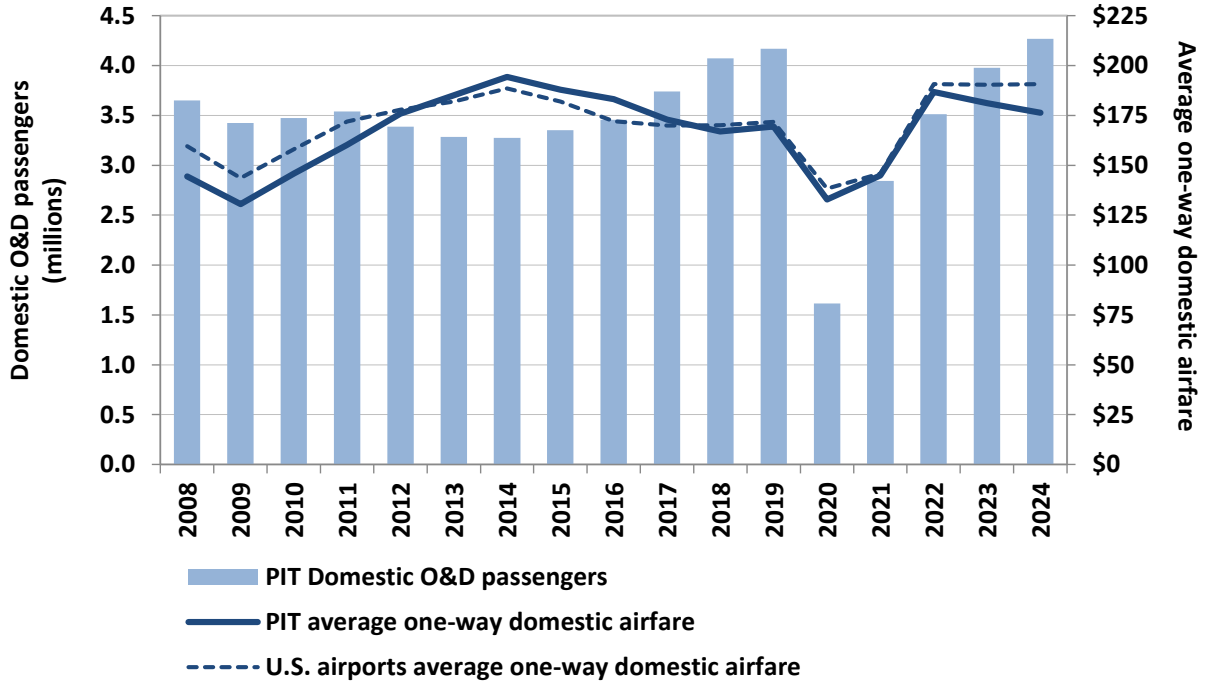
- By 2024, the number of domestic O&D passengers at PIT was 2.3% above that of 2019 and domestic airfares at PIT were 4.1% above those of 2019. Nationally, domestic O&D passenger numbers were 5.2% higher than 2019 numbers and domestic airfares were 11.1% higher than 2019. Rising airfares are a result of inflation, the increasing cost of jet fuel since 2021, increased labor costs resulting from contract negotiations, and constrained capacity.

O&D passengers accounted for 97.3% of enplaned passengers at the Airport in 2024. The number of O&D passengers includes the "pure" domestic passengers who start and end their journeys within the United States, passengers who boarded domestic flights at the Airport enroute to international destinations via other U.S. gateway airports, and passengers who boarded international flights at the Airport.

The average domestic airfares shown on Figure 13, as reported by the airlines to the U.S. DOT, exclude ancillary charges, such as those for checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes that have become widespread in the airline industry since 2006. As a result, the

average airfares shown understate the amount actually paid by airline passengers for their travel, particularly in later years. Ancillary 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 airport.

Figure 13
TRENDS IN DOMESTIC O&D PASSENGERS AND AIRFARES
Pittsburgh International Airport and U.S. Airports



Note: Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by airlines. Passenger numbers exclude non-revenue and charter passengers.

Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed April 2025.

Airline Service

Table 11 shows the average daily departures and departing seats from PIT to domestic and international destinations by carrier as scheduled for July of the years shown. With the exception of Hawaiian, all major U.S. airline brands are scheduled to serve the airport in July 2025. As scheduled for July 2025, Southwest accounts for 24.3% of scheduled departing seats, American accounts for 22.4%, the other three legacy carriers (Delta, United, and Alaska), combined, account for 32.6%, and the remaining LCCs account for 17.5%. All other airlines account for the remaining 3.2%

There were 151 average daily departures to domestic destinations in July 2025, up from 149 average daily departures in July 2024. The number of average daily departing seats on domestic flights decreased from 19,735 in July 2024 to 19,189 in July 2025, a decrease of 2.8%. The decrease in capacity is entirely due to a reduction of service by Spirit and Frontier. Spirit (who filed Chapter 11 in November 2024) is scheduled to operate an average of 7 fewer daily domestic flights, equating to 1,599 fewer daily departing seats at PIT in July 2025 than in July 2025. Frontier is scheduled to operate 3 fewer flights over the same period equating to 502 fewer daily departing seats. Combined, the other airlines are scheduled to increase capacity enough to offset approximately three quarters of the reduced capacity.

Between July 2019 and July 2025, the average number of seats per departing domestic flight increased 25.0%, from 101.6 to 127.1, reflecting the retirement and replacement of existing aging fleets with more fuel-efficient and larger capacity aircraft.

Figure 14 shows airports with scheduled nonstop service from PIT in July 2025. Nonstop service is scheduled to 48 domestic destinations accounting for 56 different airports (some destinations are served by more than one airport). In July 2025, nonstop service from PIT is scheduled to five international destinations—London, England; Montreal, Canada; Toronto, Canada; Cancun, Mexico; and Reykjavik, Iceland.

Table 11

TRENDS IN AVERAGE DAILY DEPARTURES AND SEATS BY AIRLINE

Pittsburgh International Airport

Month of July, Ranked by 2024 seats

Airline	Scheduled average daily nonstop departures			Scheduled average daily nonstop departing seats		
	2019	2024	2025	2019	2024	2025
Domestic						
Southwest	27	30	30	4,122	4,778	4,809
American	40	33	37	3,874	4,219	4,428
Delta	31	26	30	3,317	2,919	3,410
United	26	23	25	2,633	2,413	2,689
Allegiant	6	6	6	916	1,007	1,146
Spirit	5	11	4	799	2,320	721
Breeze	--	4	5	--	466	695
JetBlue	6	3	5	561	348	607
Alaska	1	2	2	178	355	340
Frontier	*(a)*	4	1	85	735	232
Southern Airways Express	19	8	6	174	72	56
Sun Country	--	1	*(a)*	--	102	54
Other airlines *(b)*	3	--	--	24	--	--
Subtotal--Domestic	164	149	151	16,682	19,735	19,189
International						
Air Canda	5	3	3	250	228	228
British Airways	1	1	1	124	187	227
Icelandair	--	1	1	--	88	93
Other airlines *(b)*	*(a)*	*(a)*	*(a)*	75	23	23
Subtotal--International	6	5	5	449	525	571
Total	170	154	156	17,132	20,260	19,760
Summary by airline type						
Domestic						
Low-cost carriers	44	58	51	6,483	9,756	8,265
Mainline/network airlines	98	83	94	10,002	9,907	10,868
Other airlines	22	9	7	198	72	56
Subtotal--Domestic	164	150	151	16,682	19,735	19,189
International						
Foreign-flag airlines	6	4	5	374	502	548
Other airlines	*(a)*	*(a)*	*(a)*	75	23	23
Subtotal--International	6	5	5	449	525	571
Total	170	154	156	17,132	20,260	19,760
Percent of total						
Domestic						
Low-cost carriers	25.8%	37.4%	32.8%	37.8%	48.2%	41.8%
Mainline/network airlines	57.8	54.1	60.0	58.4	48.9	55.0
Other airlines	12.9	5.5	4.2	1.2	0.4	0.3
Subtotal--Domestic	96.5%	97.0%	97.0%	97.4%	97.4%	97.1%
International						
Foreign-flag airlines	3.3%	2.9%	2.9%	2.2%	2.5%	2.8%
Other airlines	0.2	0.1	0.1	0.4	0.1	0.1
Subtotal--International	3.5%	3.0%	3.0%	2.6%	2.6%	2.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Totals may not add due to rounding.

(a) Less than one average daily departure.

(b) Includes less than one average daily flight by Condor (2019) and Southwest (2024 and 2025).

Source: Airline Data Inc., online database, accessed March 2025.



LEGEND

- Airports with scheduled service by only one airline
- Airports with scheduled service by more than one airline
- Airports with scheduled seasonal service

Source: Airline Data Inc., online database, accessed March 2025.

Figure 14
AIRPORTS SERVED FROM PITTSBURGH
Pittsburgh International Airport
As scheduled for July 2025

Air Cargo

As shown in Table 12, total air cargo at PIT increased an average of 1.8% per year between 2014 and 2024. Over the period, the amount of cargo tonnage carried by passenger aircraft increased by 0.5% per year, on average, with decreases in some years slightly offset by increases in others, while the amount of cargo tonnage on all-cargo carriers increased 1.9% per year on average. As reported by the FAA for 2023, the Airport ranked 53rd among U.S. airports in terms of all-cargo carrier landed weight.

The Authority identified increasing air cargo as one of its top strategic initiatives and spent time on ensuring that logistics providers for major shippers are aware of the benefits of PIT and its geographic location to provide enhanced levels of speed, ease of use, and efficiency compared to other airports. These efforts yielded significant growth in cargo in 2021 from a diverse combination of integrator and e-commerce business on UPS, FedEx, and Amazon Air, growth in international all-cargo aircraft serving the airport, and the introduction of widebody international passenger flights capable of handling cargo in the belly of the aircraft.

In 2021, air cargo tonnage at the Airport totaled 124,700 tons, an increase of 29.5% over 2020, as Amazon Air began service and cargo carriers utilized larger aircraft and increased operations at PIT. Combined, all-cargo carriers Amazon Air, Cathay Pacific, FedEx, Finnair, Qatar, SpiceXpress, and UPS, accounted for 97.2% of the increase in air cargo tonnage in 2021 with the passenger carriers contributing the remainder. Total air cargo tonnage at PIT decreased by 11.9% in 2022 and by 13.3% in 2023, reflecting the loss of international all-cargo carrier service at PIT, the collapse in cargo demand post-pandemic, and reductions in service by FedEx and UPS. Air cargo tonnage increased 5.1% at PIT in 2024 due to additional frequencies by Amazon and UPS offsetting a reduction by FedEx. In 2024, cargo carried on FedEx (including Mountain Air Cargo) accounted for 45.1% of all cargo tonnage at the Airport, followed by UPS, 33.4%, and Amazon Air, 14.7%.

The Airport is one of many experiencing a weakening in air cargo demand and activity. In its 2024 Annual World Airport Traffic report, Airports Council International (ACI) noted that North American airport cargo volume decreased by 3% in 2022 and by 7.4% in 2023 reflecting a cooling in global demand. As of February 2025, ACI was expecting global air cargo volume to increase 8.4% in 2024 and 3.5% in 2025.* According to the International Air Transport Association (IATA), worldwide air cargo demand for January 2025 was 3.2% higher than January 2024, marking the 18th consecutive month of year-over-year demand growth. Demand is reportedly cooling due to new U.S. tariffs causing trade uncertainty and unrest in the Middle East. North American air cargo carriers saw a 5.3% increase in cargo volumes and a 7.5% increase in capacity in January 2025 compared to the same month in 2024.

The Authority continues to promote PIT as an alternative to congested cargo gateways like New York and Chicago where airlines and freight forwarders often have to wait days to get their products offloaded and on the road. At PIT, the process can happen in a matter of hours.

Amazon operates a distribution center and a sortation facility approximately 3 miles from the Airport and a fulfillment center and a sortation facility approximately 6 miles from the Airport.

Construction of a new state-of-the-art Cargo 4 facility will be completed in the second quarter of 2025. At this time, there are no tenants signed up for space but the Authority is pursuing leads. Cargo 4 provides 77,000 square feet of cargo processing space and expanded aircraft and vehicular parking.

* Airports Council International Advisory Bulletin, February 26, 2025.

Table 12
TOTAL AIR CARGO TONNAGE
Pittsburgh International Airport

Year	Passenger airlines	All-cargo airlines	Total Cargo	Annual percent increase (decrease)	Percent of total: Passenger airlines	Percent of total: All-cargo airlines
2010	7,278	77,983	85,261	7.5	8.5%	91.5%
2011	8,216	79,756	87,972	3.2	9.3	90.7
2012	6,522	81,084	87,605	(0.4)	7.4	92.6
2013	6,288	79,924	86,212	(1.6)	7.3	92.7
2014	5,549	77,863	83,412	(3.2)	6.7	93.3
2015	6,674	78,770	85,444	2.4	7.8	92.2
2016	6,537	85,083	91,620	7.2	7.1	92.9
2017	6,798	84,233	91,031	(0.6)	7.5	92.5
2018	6,902	89,486	96,389	5.9	7.2	92.8
2019	6,422	92,246	98,667	2.4	6.5	93.5
2020	3,958	92,322	96,280	(2.4)	4.1	95.9
2021	4,757	119,942	124,700	29.5	3.8	96.2
2022	4,518	105,346	109,864	(11.9)	4.1	95.9
2023	5,552	89,698	95,250	(13.3)	5.8	94.2
2024	5,833	94,259	100,092	5.1	5.8	94.2
	Percent increase (decrease)					
2019-2020	(38.4%)	0.1%	(2.4%)			
2020-2021	20.2	29.9	29.5			
2021-2022	(5.0)	(12.2)	(11.9)			
2022-2023	22.9	(14.9)	(13.3)			
2023-2024	5.1	5.1	5.1			
	Compound annual percent increase (decrease)					
2014-2019	3.0%	3.4%	3.4%			
2019-2024	(1.9)	0.4	0.3			
2014-2024	0.5	1.9	1.8			

Note: Includes enplaned and deplaned freight and mail.

Source: Allegheny County Airport Authority records.

Allegheny County Airport

Table 13 presents historical aircraft operations (landings and takeoffs) by type of operation (air carrier, air taxi & commuter, general aviation, and military) and the number of based aircraft at Allegheny County Airport (AGC) since 2010. Operations increased 1.3% per year, on average, between 2014 and 2024, due to general aviation (GA) and air taxi (small aircraft carrying passengers or cargo for hire) activity. GA aircraft operations account for the majority of the operations at AGC, comprising 71.5% of operations in 2024. Air taxi and commuter aircraft comprised 28.0% of operations, and air carrier and military aircraft accounted for the remainder.

Table 13
HISTORICAL AIRCRAFT OPERATIONS
Allegheny County Airport
Calendar years

Year	Air carrier	Air taxi/ commuter	General aviation	Military	Total operations	Based aircraft *(a)*
2010	64	18,214	48,970	473	67,721	121
2011	9	17,964	43,781	570	62,324	106
2012	14	18,309	43,132	520	61,975	103
2013	8	19,215	39,481	577	59,281	100
2014	2	17,472	36,159	554	54,187	98
2015	9	17,962	33,183	473	51,627	70
2016	20	20,613	35,447	468	56,548	70
2017	9	23,604	37,428	471	61,512	68
2018	16	21,841	35,370	360	57,587	92
2019	3	19,681	39,162	346	59,192	88
2020	2	17,526	35,474	283	53,285	79
2021	11	21,720	40,765	304	62,800	90
2022	2	18,711	43,862	315	62,890	82
2023	1	19,290	53,087	177	72,555	83
2024	4	17,295	44,106	275	61,680	70
	Average annual percent increase (decrease)					
2014-2019	8.4%	2.4%	1.6%	(9.0%)	1.8%	(2.1%)
2019-2024	5.9	(2.6)	2.4	(4.5)	0.8	(4.5)
2014-2024	7.2	(0.1)	2.0	(6.8)	1.3	(3.3)

(a) Based aircraft count is for the 12 months ended September 30 of each year.

Sources: Federal Aviation Administration, Operations Network (OPSNET) and *Terminal Area Forecast.*

KEY FACTORS AFFECTING FUTURE AIRLINE TRAVEL

In addition to the demographics and economy of the Orlando 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 15, recessions in the U.S. economy took place in 2001, 2008-2009, and 2020, and associated high unemployment, reduced discretionary income and reduced 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 U.S. GDP (31.2% in the second quarter of 2020), with an associated sharp increase in unemployment. The second quarter decrease was followed by strong U.S. 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 2024. GDP increased 5.8%, 1.9%, 2.4%, and 2.3% (estimated) in 2021, 2022, 2023, and 2024, respectively.

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

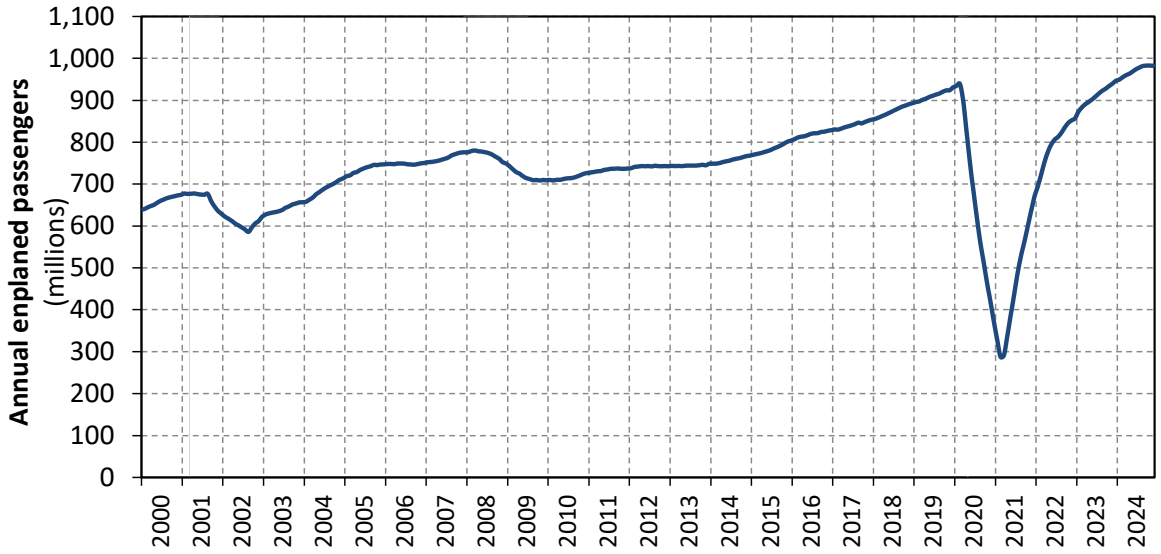
International Economic and Geopolitical Conditions

International passenger traffic at U.S. airports is influenced by the globalization of business, international trade and tourism, international economics, trade balances and tariffs, 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 and cargo traffic at the Airports 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 passenger travel, not hinder trade in goods and commodities.

Figure 15
HISTORICAL ENPLANED PASSENGERS ON U.S. AIRLINES



Notes: Data shown are 12-month moving averages of enplaned passengers on scheduled and non-scheduled flights to domestic and international destinations.

Sources: Bureau of Transportation Statistics, T100 Market and Segment, www.rita.gov, accessed March 2025; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, www.nber.com.

Financial Health of the Airline Industry

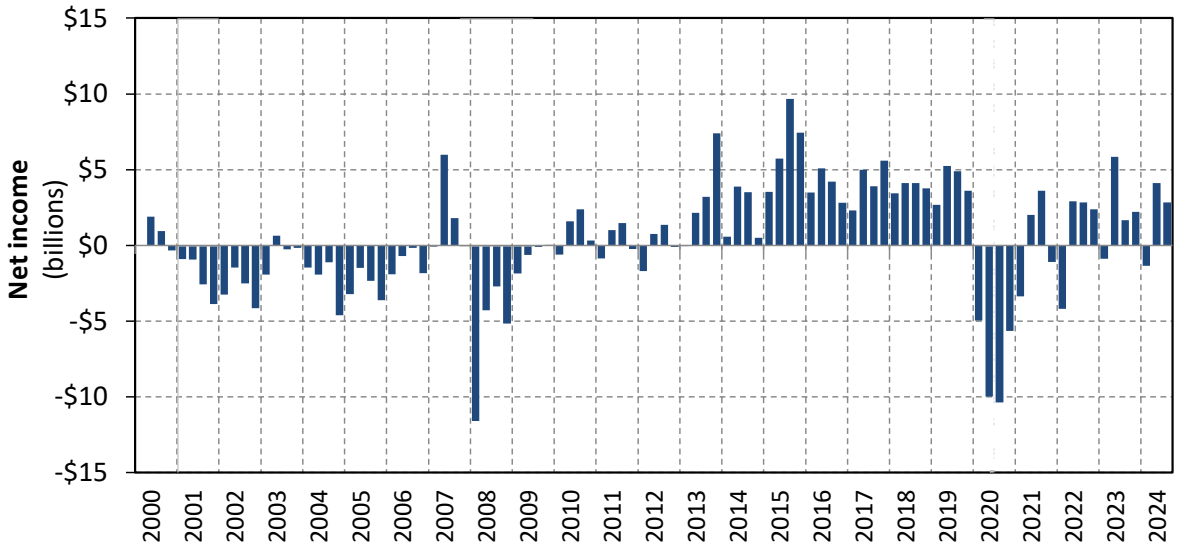
The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to provide service. Figure 16 shows historical net income for U.S. airlines.

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.

From 2010 to 2013, after recovering 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 Airlines filed for bankruptcy protection in 2011.

Figure 16
QUARTERLY NET INCOME (LOSS) FOR U.S. AIRLINES



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

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, accessed March 2025.

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 16, the U.S. airline industry 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. Commercial aircraft manufacturing has also slowed due to delays in the certification of new aircraft such as the B737 MAX10 due to quality assurance issues and an 8-week machinist union member strike at Boeing that began on September 13, 2024.

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 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 and Spirit announced plans to merge, which would have created the nation's fifth largest airline by enplaned passengers with a nationwide 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, and in November 2024, Spirit filed for Chapter 11 bankruptcy protection. Spirit completed its financial restructuring on March 12, 2025 and its plan of reorganization was confirmed by the U.S. Bankruptcy Court for the Southern District of New York. In 2024, Spirit accounted for 9.7% of enplaned passengers at PIT.

In December 2023, Alaska announced plans to acquire Hawaiian. The two airlines together account for approximately 6% 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 2024, Alaska accounted for 1.4% 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.

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

Airline Service and Routes

Airports serve as gateways to their communities and as connecting points. The number of origin and destination passengers at an airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided at the Airport. The number of connecting passengers, on the other hand, depends entirely on the airline service provided. In 2024, 97.3% of passengers at PIT originated their journeys rather than connected between flights.

The large network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically reduced at many former

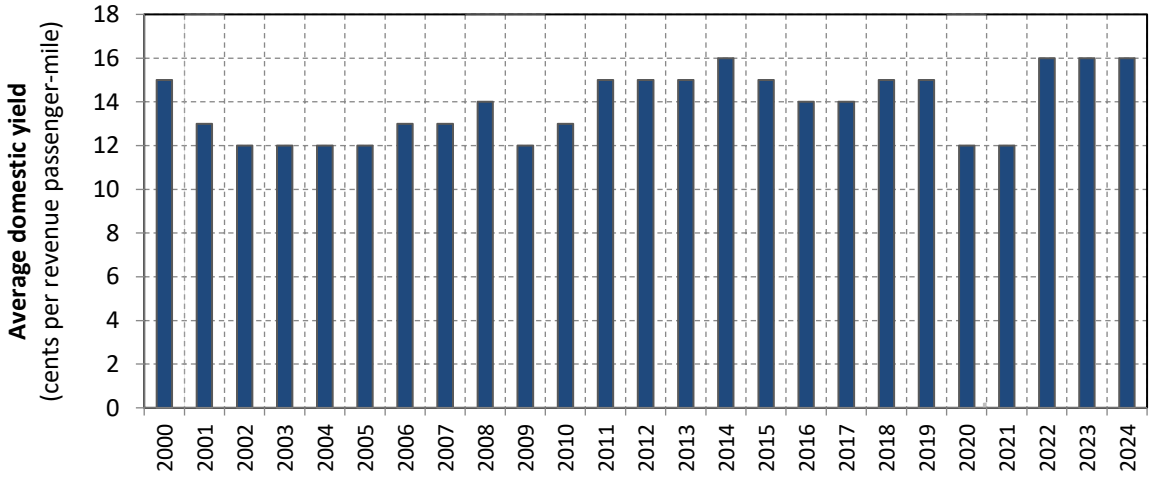
connecting hub airports in addition to PIT, including those serving St. Louis (American 2003-2005), Dallas-Fort Worth (Delta 2005), Las Vegas (US Airways 2007-2010), Cincinnati (Delta 2009-2011), Memphis (Delta 2011-2013), and Cleveland (United 2014).

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively 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, in part, on the level of airfares.

Figure 17 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. In 2022, the average yield increased 33% to 2014 levels because of pent-up demand during the pandemic; then increased in 2022, 2023, and 2024 as demand rebounded and airline seat capacity was constrained.

Figure 17
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services.
Shaded areas indicate economic recession during all or part of year.
Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed April 2025.

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.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 18 shows the historical fluctuation in fuel prices caused by the many factors influencing the global demand for and supply of oil.

Figure 18
HISTORICAL AVIATION FUEL PRICES



Notes: Data shown are monthly averages and were converted from gallons to barrels.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed March 2025.

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

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

As the pandemic drastically reduced the demand for aviation fuel in early 2020, the price of aviation fuel fell sharply, before rebounding in 2021 as pandemic restrictions were eased, economies recovered, and demand exceeded supply. The economic disruption and sanctions resulting from the Russian invasion and war on Ukraine 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.

Aviation Safety, 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 functions under the Transportation Security Administration (TSA), more intensive screening of passengers and baggage, and deployment of new screening technologies.

Following fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded by the FAA in March 2019. Among North American airlines, Air Canada, American, Southwest, United, and WestJet were affected. In November 2020, following the approval of modifications to the flight control system software and pilot training, the FAA rescinded its order grounding the aircraft, allowing it to be gradually 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 could delay the ability of some airlines 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 have reduced 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 to most parts of the world. COVID-19 was declared a global pandemic by the WHO in March 2020.

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

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

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

Questions 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 Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays nationwide have decreased because of reduced numbers of aircraft operations (down approximately 9% between 2007 and 2023), but, as airline travel increases in the future, flight delays and restrictions can be expected.

Recent shortages of qualified air traffic controllers have also reduced airspace capacity in some regions. The fatal collision of a commercial passenger aircraft and a military helicopter in Washington, DC in January 2025 will likely increase scrutiny of air traffic controller staffing levels nationwide. 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 national 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 FORECASTS

Forecasts of airline traffic at the Airports through 2030 were developed on the basis of socioeconomic indicators for the Pittsburgh MSA, trends in historical airline traffic at the Airport, and key factors likely to affect future airline 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 2025, was also reviewed.

It was assumed that over the long term, airline traffic at the Airport will increase as a function of growth in the economy of the region and increased airline service. It was further 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. In the near term, pilot and air traffic controller shortages and airline capacity constraints are expected to affect the growth of passenger traffic.

Base Passenger Forecast

Enplaned passenger numbers for 2024 totaled 4.96 million, which is 8.1% above 2023 levels. Based largely on advance published airline flight schedules, which are subject to change, passenger levels are forecast at 5.06 million in 2025, which represents a 2.0% increase over 2024. Thereafter, enplaned passengers are forecast to increase 1.5% per year based on the following assumptions:

- The U.S. economy will experience GDP growth of 1.9% in 2025 and then roughly 1.8% in 2026 and later years as projected by the Congressional Budget Office.
- The economy of the Pittsburgh MSA will grow at rate slightly below that of the national economy consistent with past trends and forecasts of the Pittsburgh MSA.
- The Airport will continue to be primarily an origin-destination airport and the small percentage of passengers connecting at the Airport will not change materially.
- 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 labor and aviation fuel costs along with 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 or travel restrictions.
- The airlines serving the Airport will remain diverse, including low-cost carriers, mainline airlines, and foreign-flag carriers, 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 as a result of airline bankruptcies or liquidations, public health concerns, international hostilities, terrorist acts or threats, or government policies restricting or deterring air travel.

Beginning in 2026, passenger numbers are forecast to increase approximately 1.5% per year, on average, with the number of total enplaned passengers reaching 5.46 million in 2030. (The FAA forecasts an average annual increase of 2.2% in enplaned passengers at PIT over the 2025 - 2030 period.) In its 2024

update, the FAA forecast enplaned passengers, nationwide, to increase an average 1.9% per year between 2024 and 2029.*

Table 14 presents forecasts of enplaned passengers through 2030. Figure 19 shows historical and base passenger forecast numbers graphically.

Landed Weight

As shown in Table 14, landed weight at PIT totaled 6.5 million thousand-pound units in 2024. Total landed weight (on passenger and cargo airlines) at PIT is forecast to increase 1.8% in 2025 and then grow at 1.4% per year, on average, to 7.1 million thousand-pound units in 2030. Passenger airline landed weight is forecast to increase at the same rate as enplaned passengers between 2025 and 2030. Growth in cargo airline landed weight is forecast to remain flat over the forecast period.

Stress Test Projection

A stress test projection was developed to provide the basis for testing the sensitivity of the Airport's financial results to a hypothetical reduction in passenger numbers, such as could occur under conditions of weak economic growth or recession, restricted seat capacity, reduced competition, and/or high airfares, including a potential airline bankruptcy. Relative to the base forecast, it was assumed that passenger traffic at the Airport would decline 8.0% in 2025, then increase at 1.5% per year for 2026 through 2030. Landed weight for passenger airlines was also assumed to be lower by the same amount as passengers relative to the base forecast under the stress test. The stress test projections for enplaned passengers are shown in Exhibit H.

* FY2024-2044 F Aerospace Forecast, https://www.faa.gov/dataresearch/aviation/aerospaceforecasts/faa-aerospace-forecast-fy-2024-2044.

Table 14

AIRLINE TRAFFIC FORECAST

Pittsburgh International Airport

2023-2030

	Historical		Forecast					
	2023	2024	2025	2026	2027	2028	2029	2030
Enplaned passengers (thousands) *(a)*	4,595	4,964	5,064	5,140	5,217	5,295	5,374	5,455
Annual percent increase (decrease)		8.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Landed weight (1,000-pound units)								
Passenger airlines	5,523,974	5,899,341	6,017,328	6,107,588	6,199,202	6,292,190	6,386,573	6,482,371
All-cargo airlines	528,989	568,118	568,118	568,118	568,118	568,118	568,118	568,118
Total landed weight	6,052,963	6,467,460	6,585,446	6,675,706	6,767,320	6,860,308	6,954,691	7,050,490
Annual percent increase (decrease)		6.8%	1.8%	1.4%	1.4%	1.4%	1.4%	1.4%

Note: Totals may not add due to rounding.

(a) Scheduled passengers only.

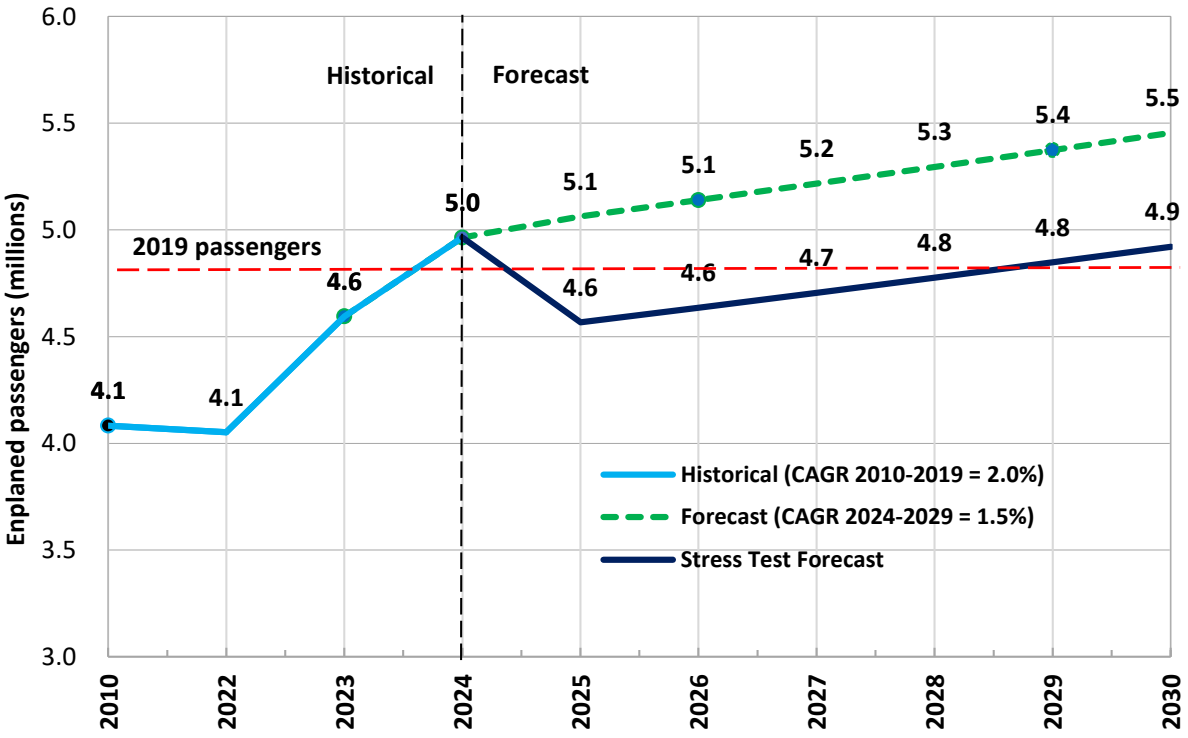
This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

Sources: Historical: Allegheny County Airport Authority records.
Forecast: LeighFisher, February 2025.

Figure 19

HISTORICAL AND FORECAST ENPLANED PASSENGERS

Pittsburgh International Airport



Note: CAGR = Compound annual growth rate

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

Sources: Historical— Allegheny County Airport Authority records.
Forecast—LeighFisher, February 2025.

FINANCIAL ANALYSIS

FRAMEWORK FOR FINANCIAL OPERATIONS

On June 17, 1999, the Authority was created by the County of Allegheny (the County) as a body corporate and politic under the Municipality Authorities Act of the Commonwealth of Pennsylvania (the Act). The Airport is owned by the County and is operated by the Authority under the Operation, Management, and Transfer Agreement and Lease (Transfer Agreement). dated September 16, 1999, as amended. The County transferred and leased the Airport System to the Authority for a term of 25 years with two 25-year extension options exercisable at the option of the Authority. The Authority's original Articles of Incorporation provided that the term of existence of the Authority extends to July 14, 2049; however, in June 2021, the County extended the term of the Authority through June 2059. The Authority exercised its first option in October 2023, which extended the term of the Transfer Agreement through September 16, 2049 when the option becomes exercisable in October 2023.

There are no preconditions to the Authority's exercise of its options to extend other than providing notice within the last year of the applicable term to the County of its exercise. No action is required by the County or any third party to extend the Transfer Agreement. In connection with the transfer, the Authority assumed the obligations of the County for airport revenue bonds previously issued by the County to finance construction and development of the Airport System, all of which were defeased in 2019.

In connection with the Transfer, the County also transferred to the Authority its right, title and interest in all licenses, permits, approvals, awards or decisions related to the Airport System, including grant agreements, the right to receive any amounts payable to the County in connection with the Airport System (including without limitation the Revenues) and all benefits of contracts and agreements. The Authority also assumed all of the County's obligations and liabilities pertaining to the Airport System. Pursuant to the Transfer, the Authority assumed the County's obligations in connection with various series of bonds issued by the County, all of which have since been repaid.

The Airport and Allegheny County Airport are defined as the Airport System under the Indenture.

Master Trust Indenture

The Master Indenture provides the conditions and associated covenants for the issuance of Bonds and permits the issuance of Subordinate Obligations. The 2021 Bonds were the first series of senior lien Bonds issued by the Authority pursuant to the Master Trust Indenture under which The Bank of New York Mellon Trust Company, N.A., serves as Trustee. The 2023 Bonds were the second series and the 2025 Bonds will be the third series of senior lien Bonds. The initial issuance of debt pertained to the subordinate lien PNC LOC.

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport System. Revenues do not include, among other things, gifts or grants (including Federal COVID-19 Grants), PFC revenues, Customer Facility Charges (CFCs), Gaming Revenues, Natural Gas Revenues, and rents or other payments of any nature received now or in the future attributable to any ground leases, facility leases, or other developments which are identified as N91 unless as designated as Other Pledged Revenues.

PFCs Available for Debt Service are the amounts generated from PFC revenues that are designated by the Authority to be used to pay Debt Service accruing during an applicable period for Bonds issued to finance PFC-eligible project costs and may be used to reduce the Debt Service calculation in both the Rate Covenant compliance and Additional Bonds Test.

Other Pledged Revenues are moneys that are designated by the Authority pursuant to Section 4.18 of the Master Indenture as Revenues and may include, but are not limited to, moneys transferred from the Rate Stabilization Fund pursuant to Section 4.11 of the Master Indenture, and a portion of gifts and grants (including Federal COVID-19 Grants), Customer Facility Charges, Gaming Revenues, and Natural Gas Revenues as declared by the Authority as Other Pledged Revenues. However, PFCs Available for Debt Service may not be designated as or considered Other Pledged Revenues. At this time, there is no rate stabilization funding provision in the new AOA; therefore, there is no expectation to make any deposits to this fund through the term of the AOA.

Operation and Maintenance Expenses (O&M Expenses) consist of the Authority's expenses for operation, maintenance, repairs, ordinary replacement, and ordinary reconstruction of the Airport System but do not include any capital cost or any allowance for depreciation or any operation or maintenance costs for Special Facilities.

Rate Covenant. In Section 5.04 of the Master Indenture (the Rate Covenant), the Authority covenants that it will fix, prescribe, and collect fees and other charges for the use of the Airport so as to produce:

1. Net Revenues (which include Other Pledged Revenues) equal to at least 100% of the amounts required to (a) pay Annual Debt Service on any Outstanding Bonds, (b) make the required deposits to the Common Debt Service Reserve Account or any Series Debt Service Reserve Account, (c) reimburse amounts owed to any Credit Provider or Liquidity Provider, (d) pay the interest on and principal of any indebtedness of the Authority during such Fiscal Year, other than for Outstanding Bonds, but including Subordinate Obligations, and (e) fund any debt service reserve funds created in connection with any indebtedness of the Authority other than Outstanding Bonds, but including Subordinate Obligations; and

2. Net Revenues and any amounts available in the Coverage Account,* in an amount at least equal to (a) 1.25 times the Annual Debt Service on Outstanding Bonds for each Fiscal Year and 100% of the annual debt service with respect to all outstanding Subordinate Obligations.

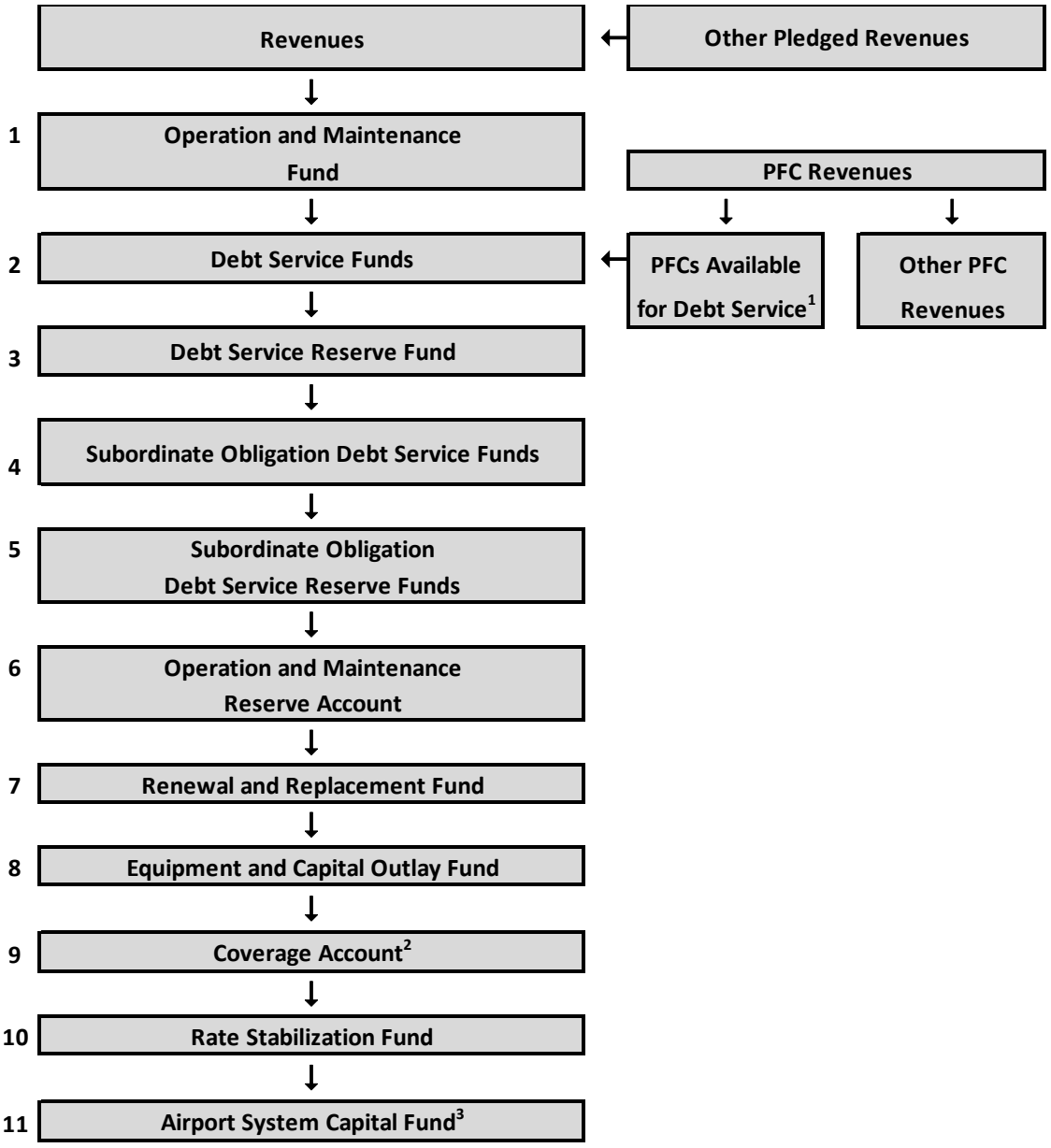
For purposes of demonstrating compliance with the Rate Covenant and the Additional Bonds Test, Debt Service is reduced by the amount of principal and/or interest paid with Capitalized Interest, and PFCs Available for Debt Service, if any, as defined in the Master Indenture. CFC revenues equal to annual debt service due on CFC-supported Bonds will be designated as Other Pledged Revenues and deposited to the Revenue Fund. In addition, Federal COVID-19 Grants received by the Authority to reimburse O&M Expenses will be designated as Other Pledged Revenues.

Flow of Funds. In Section 4.03 of the Master Indenture, the Authority covenants that all Revenues will be deposited into the Revenue Fund and, from the Revenue Fund, deposited into the various funds and accounts and in order of priority as illustrated in Figure 20. After all deposits that are required to be made into each of the Operation and Maintenance Fund, the Debt Service Funds, the Common Debt Service Reserve Account and series Debt Service Reserve Accounts, Subordinate Obligation Debt Service Funds, Subordinate Obligation Reserve Account, O&M Reserve Account, Renewal & Replacement Fund,

* The amount in the Coverage Account, which may be counted for purposes of the Rate Covenant or Additional Bonds Test, cannot exceed 25% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

Equipment and Capital Outlay Fund, Coverage Account, Rate Stabilization Fund, any remaining Revenues may be deposited into the Airport System Capital Fund.

Figure 20
FLOW OF FUNDS UNDER THE MASTER INDENTURE
Allegheny County Aviation Department



1. Only PFC Revenues eligible and designated to pay debt service.
2. An amount not to exceed 25% of annual Debt Service.
3. Can be used for any lawful purpose. At the Authority's discretion, such amounts maybe deposited into the Revenue Fund.

Source: Master Indenture.

Additional Bonds Test. Under Section 2.11 of the Master Indenture, certain conditions must be met before Additional Bonds may be issued to pay the Cost of Projects (the Additional Bonds Test). These conditions require, among other things, that estimates of Net Revenues together with funds available in the Coverage Account and any other legally available funds of the Authority plus Other Pledged Revenues shall equal at least 1.25 times Aggregate Annual Debt Service on (1) Outstanding Bonds, (2) the Additional Bonds, and (3) any future Series of Bonds which the Authority estimates will be required to complete payment of the estimated costs of construction of uncompleted portions of Airport Facilities, and (4) 100% of the annual debt service for each such Fiscal Year with respect to all outstanding Subordinate Obligations. The estimates of Net Revenues must satisfy these obligations for the later of (1) the fifth full Fiscal Year following the issuance of the proposed Bonds or (2) the third full Fiscal Year during which no interest on the proposed Bonds is expected to be paid from the proceeds. This provision of the Master Indenture is referred to as the Additional Bonds Test.

Subordinate Obligations

The Master Indenture permits the Authority to issue Subordinate Obligations secured by liens on the Authority's Revenues remaining after the deposits to the O&M Fund, Debt Service Funds, and Debt Service Reserve Fund that are subordinate to the liens provided to holders of the Authority's other Bonds, including the 2023 Bonds.

PNC Bank N.A. currently provides a revolving line of credit to the Authority in the maximum principal amount of $200 million, which amount is scheduled to step down to $50 million on May 1, 2025. Proceeds of the PNC LOC have been used to provide interim funding for costs of the TMP and ARP. The LOC is secured under the Master Indenture by a subordinate lien on Net Revenues. A portion of the proceeds of the 2025 Bonds will be applied to the repayment of all or a portion of the outstanding balance of the PNC LOC as of the date of issuance and delivery of the 2025 Bonds. The PNC LOC or successor LOC are also expected to be used to pre-fund TMP and ARP projects costs expected to be ultimately funded from FY 2025 and FY 2026 BIL AIG entitlement grants and remain available to the Authority to finance costs of the TMP and for any other available legal use through its maturity date of December 16, 2025.

Other Debt

The Authority incurred $7.86 million in indebtedness under two separate BIOS loans from the Commonwealth Finance Authority, which are not secured by the pledge of Net Revenues under the Master Indenture. The proceeds of the BIOS loan are being used for the development of infrastructure and related improvements for the approximately 195-acre N91 site. The BIOS loan is secured only by an Assignment of Rents and Leases from the site to be improved, which revenues are not part of Revenues under the Master Indenture.

Passenger Facility Charge Program

PFCs are fees imposed on enplaned passengers by airport sponsors to generate revenues for eligible airport projects that increase capacity, enhance competition among and between air carriers, enhance safety or security, or mitigate noise impacts. PFCs were authorized by Title 49 U.S.C. §40117. Airport sponsors are authorized to collect PFCs in the amount up to $4.50 per enplaning passenger.

As shown in Table 15, the Authority has approvals from the FAA under eight applications to collect and use PFCs for a total of $1.12 billion in collection authority at the $4.50 level. The most recent PFC application, approved in April 2022, authorized the Authority to collect and use $633.4 million in PFCs for $353.2 million in eligible TMP construction costs and $280.2 million in associated financing costs of the TMP. In April 2023, the Authority received FAA approval to amend PFC applications 04-04-C-02-PIT

(PFC #4) and 07-05-C-02-PIT (PFC #5), reducing PFC collection authority by $31.3 million and $46.0 million, respectively, reflecting actual expenditures and revisions to the plan of finance for projects. Once the Authority receives its final installment of TSA grants for the legacy September 11, 2001 inline baggage system improvements, it plans to amend and close out PFC 4 and PFC 5, which are expected to reduce the total PFC collection amount. At that time, the Authority would also amend PFC 7 for the TMP design to update the financing method, which would also reduce the PFC collection amount. Other than these amendments, no new PFC application submittals are anticipated through the horizon of the forecast period. The Authority's current PFC collection authority extends to August 1, 2061. The amendments are expected to reduce the collection period when accomplished.

Table 15
APPROVED PASSENGER FACILITY CHARGES
Pittsburgh International Airport
Through December 31, 2024

Application Number	Collection Level	Amount Approved for Collection/Use[1]	Disbursements through 12/31/2024
01-01-C-05-PIT (closed)	$4.50	$ 74,437,558	$ 74,437,558
03-02-U-03-PIT (closed)	$4.50	677,573	677,573
04-03-U-02-PIT (closed)	$4.50	2,135,005	2,135,005
04-04-C-02-PIT (open)	$4.50	220,132,145	210,899,107
07-05-C-02-PIT (open)	$4.50	88,916,711	35,692,230
07-06-C-00-PIT (open)	$4.50	40,370,883	3,426,432
20-07-C-00-PIT (open)	$4.50	61,868,032	27,264,787
22-08-C-00-PIT (open)	$4.50	633,407,668	47,810,103
Total Authority		**$ 1,121,945,575**	**$ 402,342,795**
Collections through 12/31/24		$ 403,087,571	
Interest Earnings		714,816	
Total Collections and Interest		$ 403,802,387	
Remaining Approved Collections		$ 718,143,188	

1. Includes all amendments as of March 2025. Application number is the second two-digit grouping.
Source: Allegheny County Aviation Authority.

Airline Operating Agreement and Terminal Building Lease (AOA)

In late 2020, the Authority entered into the AOA with passenger airlines relating to the use of the Airport, the rental of space, and the establishment of procedures for adjusting airline rentals, fees, and charges. The AOA replaced an agreement that had been in place since 1988 and was scheduled to expire in May 2018, but was extended with modest revisions through the end of 2019. The effective date of the new AOA was retroactive to January 1, 2020, and initially extended through December 31, 2021, but was amended and extended through December 31, 2028, with an option to extend for an additional three years upon mutual agreement, through the end of 2031.

The AOA requires Signatory Airline Majority-in-Interest (MII) approval to include the capital costs of improvements in Airline Fees and Charges. The AOA and three subsequent MII approvals provide for up to $1.7 billion in bond-financed improvements for the TMP and ARP. Amounts in excess of these

amounts would require additional MII approval to include in Airline Fees and Charges. The Authority believes that the total amount of bond financing approved by the Signatory Airlines combined with additional Federal grants and other funds will fully fund the revised TMP cost of $1.7 billion and ARP of $226.3 million. The AOA also provides certain project control procedures pertaining to the TMP and ARP.

As of the date of this report, the following airlines have signed the amended and extended AOA (the Signatory Airlines) – Air Canada, Alaska Airlines, Allegiant Air, American Airlines, British Airways, Delta Air Lines, Frontier Airlines, JetBlue Airways, Southwest Airlines, Spirit Airlines, and United Airlines. These airlines and their affiliates accounted for 97.8% of the passenger market share at the Airport in 2024.

Each AOA is substantially identical except for provisions relating to the Leased Premises and assigned aircraft parking positions for each Signatory Airline. The Signatory Airlines collectively lease 22 of the 53 active gates with jetways on a preferential use basis. The remaining gates are available on a common use basis, of which six are Authority-controlled international gates. Similar to many "spoke" airports in a "hub and spoke" system, there are far more remain overnight (RON) aircraft parked than leased gates. According to the Authority, typically approximately 45 aircraft are parked at contact gates overnight during weekdays.

The AOA provides for the rental of space and the use of certain facilities by the Signatory Airlines, the establishment of cost accounting centers, and the periodic adjustment of the rentals, fees, and charges to be paid by the Signatory Airlines as determined by the costs and expenses associated with the cost centers as defined in the agreements. The AOA also (1) grants certain rights and privileges to airlines, (2) provides for the timing and manner of required payments of rates and charges, and (3) sets forth other applicable operating conditions and requirements at the Airport.

Under the AOA, both Landing Fees and Terminal Rentals are each calculated according to "cost center residual cost" formulas, under which Non-Airline Revenues are credited against certain defined costs to determine the net cost to be paid by the Signatory Airlines in each cost center. The costs defined in the AOA include Operation and Maintenance Expenses, debt service, and other fund deposit requirements as required under the Indenture allocable to the respective Cost Centers, including the Coverage Requirement and O&M Reserve Requirement.

Signatory Airlines are also obligated to pay certain additional charges to recover costs associated with fit-outs to their ticket counters and aircraft parking (Ramp Fees) to the extent the costs exceed their allotted budgets for the TMP. In addition, prior to DBO of the TMP, O&M Expenses, debt service, and certain rents related to the baggage systems are allocated amongst its users. Airlines also pay Facility Fees for the use of the common use gates, ticket counters, and associated facilities.

Also under the new AOA, the number of cost centers used to derive airline rates and charges have been significantly streamlined into Airfield, Terminal, and ACAA cost centers for PIT, plus AGC. Airline-supported cost centers are the Airfield and Terminal. The new Airfield Cost Center includes the hangar and field support areas and military areas. The new Terminal Cost Center includes the passenger terminals, roadways, and all associated ground transportation facilities (including parking and rental car facilities). The new ACAA Cost Center encompasses all other areas at PIT, which generally comprise cargo and commercial development land and facilities. The first $600,000 per year (escalated with inflation since 2020) of surpluses or deficits from the AGC cost center will be credited to or included in the airline landing fee rate base. The remainder will be credited to the airline rate base or the responsibility of the Authority.

Signatory Airline rentals, fees, and charges are calculated to ensure that the Airport System generates sufficient Airport System Revenues in the airline-supported cost centers to operate on a break-even basis after paying all Costs of such cost centers (as defined below) plus produce annual discretionary funding for Airport System capital improvements or other lawful purposes from (1) a required deposit to the Airport System Capital Fund and (2) a Concession Incentive Fee equal to 6% of nonairline concession revenues, including news and gifts, retail, food, beverage, parking, rental car, ground transportation (such as taxis, limousines, and transportation network companies), advertising, ground handling, fuel sales, and other permits or licenses, but excluding CFC Revenues. In addition, pre-DBO rates will fund the required increase in the amount to be on deposit in the Coverage Account prior to the opening of the TMP (the Coverage Requirement).

Certain aspects of the residual ratemaking methodology differ during the pre-DBO and post-DBO periods as follows:

1. The annual required deposit into the Airport System Capital Fund equaled $10.7 million in 2023, which increases annually by the greater of 3% or the change in the Consumer Price Index. This deposit requirement is reset at $5 million per year in 2026 (the first full year after DBO), reflecting the opening of new facilities and the associated reduced repair and rehab of such facilities, which will increase annually after 2026 by the greater of 3% or the change in the Consumer Price Index. However, under the January 2025 MII, the Authority agreed to waive the $5 million per year deposit for 2026 through the end of the agreement, which extends through the end of 2028. According to the Authority, if the AOA is extended, this deposit requirement would be reinstated at the $5.0 million rate as escalated by 3.0% from 2026. Therefore, for purposes of the financial forecasts, it was assumed the deposit would be included in Airline Fees and Charges in 2029 and 2030.
2. Funding the incremental amount of the Coverage Requirement from pre-DBO terminal rentals net of amounts currently on deposit that total approximately $16.3 million.
3. Debt service can be included in pre-DBO rates and charges if there is a delay in opening the TMP, which was triggered for 2025.
4. $24.7 million of Authority funds applied to defease all Bonds that were outstanding as of the date of the prior indenture defeasance on December 18, 2019 (the ACAA Loan) is included in the Terminal Rent rate base to repay the Authority beginning in Fiscal Year 2021. The full amount of the loan was recovered as of December 31, 2023.
5. As part of the January 2025 MII vote, the Authority promised to commit no less than $8.8 million in 2025 and $11.575 million per year from 2026 through 2028 of its discretionary revenues to pay TMP debt service.

Costs are defined as:

1. Operation and Maintenance Expenses (or O&M Expenses)
2. O&M Reserve Requirement (after giving effect to amounts on deposit in the O&M Reserve Account)
3. Aggregate Annual Debt Service (including the ACAA Loan)

4. Coverage Requirement (if any, after giving effect to amounts on deposit in a Coverage Account), equal to the amount necessary to produce or maintain an amount in the Coverage Account pursuant to the Master Indenture

5. Expensed Equipment and Capital Outlays for individual equipment purchases and capital outlays to maintain or rehabilitate the Airport with an amount equal to the sum of: (i) $3 million as increased by the CPI for each Fiscal Year beginning in 2021; and (ii) an amount equal to the direct charges for such Fiscal Year for any capital outlay or equipment purchase for the Airport System approved by a MII

6. Capital Projects to be expensed as provided in the agreement equal to any expenditure made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, developing, preserving, or enhancing the Airport and having a net cost to Authority in excess of $1 million (as adjusted annually by the change in the CPI starting in 2021)

7. Fund Deposit Requirements, which are amounts necessary to deposit to accounts established in the Master Indenture to satisfy all requirements set forth in the Master Indenture

Prior to the start of each Fiscal Year, the Authority establishes rates to be in effect for the subsequent Fiscal Year. After the close of each Fiscal Year, there is an annual settlement, whereby the rates and charges are recalculated using audited financial statements to determine any airline under/over payment. There is also the ability to adjust rates mid-year in the event the current charges would result in an underpayment or overpayment of 5% or more of the estimated annual requirements.

The AOA establishes the signatory cargo landing fee rate to be equal to 110% of the Signatory Airline rate. Non-signatory passenger airlines and non-signatory cargo carriers pay a rate equal to 120% of the Signatory Airline rates.

Ticket counters, ticket kiosks, airline ticket offices, holdrooms, and aircraft apron are leased on a preferential use basis. Prior to DBO, inbound and outbound baggage space and facilities are leased on an exclusive and joint use basis. After DBO, baggage handling systems and space will be leased on a common use basis. All other space (including bag service offices, operations areas, club lounges, etc.) is leased on an exclusive use basis. With the assistance of the Signatory Airlines and the airline technical representative, space plans and leasehold premises for individual airlines were developed and included in the New AOA based on the TMP design as of the signature date. Such leased premises will be adjusted, if necessary, before DBO based on the final design and again after DBO to reflect as-builts. All common use facilities (ticket counters, holdrooms, loading bridges, aircraft aprons, and RON positions) may be used by any airline on a common use basis subject to a per-turn fee or other activity basis.

A discussion regarding airline input into TMP Project Governance can be found below under the discussion of the TMP.

Non-signatory passenger airlines are required to sign month-to-month non-signatory operating agreements with the Authority that provide for cancellation by either party upon 90 days' prior written notice.

Cargo Airfield Use Agreement

Cargo carriers can sign Cargo Airfield Use Agreements (AUAs) that provide for a one-year term which can be cancelled by either party upon 90 days' prior written notice. Non-signatory cargo carriers are required to sign month-to-month AUAs.

All four cargo carriers currently operating at PIT - FedEx, UPS, Sun Country (operated on behalf of Amazon), and Mountain Air (a contract carrier for FedEx) - are signatories to AUAs relating to the use of the airfield for cargo operations. The FedEx and UPS AUAs were last updated in 2000 and are under month-to-month holdover status. These older cargo agreements are inconsistent with the ratemaking prescribed under the passenger AOA with respect to the calculation of the signatory cargo carrier landing fee rate. The Authority has been charging these carriers the landing fee rate per the AOA. The Sun County and Mountain Air agreements have newer language that conforms with the passenger AOA for the landing fee rate and provide for cancellation by either party upon 30 days' prior written notice. The Authority is currently negotiating new AUAs with FedEx and UPS to conform with the AOAs; however, the timing for this is action is uncertain at this time.

Customer Facility Charge Program

The Authority has levied a rental car CFC since March 1, 2011, which is assessed on all customers renting a vehicle from the Airport. The initial amount of $3.00 per rental car transaction day, not to exceed seven transaction days, was increased to $5.50 per day on November 1, 2018, and to $6.00 per day on February 1, 2020. In April 2020, the Authority raised the cap on the number of days of collection from 7 days to 30 days. Effective January 1, 2025, the CFC rate increased to $8.00 per day. If the QTA is developed as described below, the CFC rate would increase to $10.50 per day.

Pursuant to the *Amended and Restated Regulation of the Allegheny County Airport Authority Authorizing the Collection of a Customer Facility Charge*, "CFCs may be used to pay, or reimburse the Authority for its direct and indirect costs and expenses of financing, designing, constructing, operating, and maintaining facilities utilized by rental companies, and facilities to be rehabilitated, modified, or improved to accommodate rental car-related facilities at the Airport, including capital costs and debt service associated with improvements to the rental car portion of the garage and related facilities, or for any lawful purpose."

Through 2016, CFC revenues were used for operating expenses, debt service, and depreciation of facilities and assets utilized in rental car operations net of amounts already being collected from the rental car operators. Beginning in 2017, CFCs Revenues were set aside to pay for the rental car-related costs associated with the TMP. Approximately $63 million in CFCs collected through late 2024 have been set aside for pay-as-you-go RAC-allocable TMP costs. Another $117 million in Bond-funded project costs will be payable from CFCs beginning in 2025. Starting in 2025, CFC revenues in excess of allocable debt service will be used to fund rolling debt service coverage on CFC-supported debt, a CFC renewal and replacement reserve, fund pay-as-you-go project costs for other rental car projects potentially including the QTA facility behind the MMC garage, and fund a CFC Deficiency Reserve as described below. All remaining CFCs will be deposited into the CFC Surplus Account to be available to fund other allocable operating expense and capital improvements and/or retire debt.

As noted earlier, CFCs are not included in Revenues except to the extent designated by the Authority as Other Pledged Revenues. The Authority intends to designate CFC revenues as Other Pledged Revenues in an amount sufficient to pay rental car allocable to debt service and debt service coverage each year during the forecast period.

Rental Car Agreements and CFC Flow of Funds

There are four companies representing eight brands of rental car companies that operate on Airport from the garage: (1) Avis Budget Group (Avis and Budget brands) (2) Enterprise Holdings (Enterprise, Alamo, and National brands), (3) The Hertz Corporation (Hertz and Dollar brands), and (4) SIXT (the On-Airport RACs). SIXT began operating at PIT in February of 2023.

The rental car companies operate under the terms of the (1) On-Airport Rental Car Concession Agreements (that were entered into in 2003 with amendments effective in 2013, 2018, 2020, and 2023 (Concession Agreements) with the exception of the SIXT agreement that was competitively awarded in 2022 for the space vacated by Thrifty and Payless, (2) Rental Car Service Facility, Quick Turn Around Facility, and Ready/Return Garage Lease Agreement that was entered into in 1992 and amended in 2020, and (3) Rental Car Staging Lot Agreements that were entered into in 2016 and terminated in 2020. The 2020 amendments to the Service Facility and the Concession Agreement include changes for which the terms related to the Quick Turn Around Facility, Ready/Return Garage Facility, and Rental Car Staging Lot were included the Concession Agreement.

The Concession Agreements provide that the companies pay the greater of the minimum annual guarantee (MAG) or a percentage fee of 10% of gross revenues plus space rentals (counter, office & garage spaces) and ground rentals (vehicle processing & maintenance) for their facilities in the terminal and garage. The MAG payments are waived or reduced if the number of passengers in a given month is less than 75% of the number in the same month of the prior year. Such MAG waivers or reductions applied from March 2020 through April 1, 2021 during the peak of the pandemic. Under the Concession Agreements, the rental car companies also lease approximately 800 rental car ready/return stalls located on level 1 of the existing garage and a Quick Turn Around (QTA) facility for Hertz from the Authority.

The companies collect and remit the CFCs to the Authority, which are not part of Revenues unless designated by the Authority as Other Pledged Revenues. CFC revenues are funding components of the TMP as described below. As shown in Figure 22 (CFC Flow of Funds), CFC revenues that have been set aside for TMP project funding since 2017 will be used to pay for rental car-related TMP project costs on a pay-as-you-go basis through December 31, 2024. Beginning in 2025, CFC revenues are expected to be used to pay rental car-related TMP debt service and all remaining amounts will be applied in the priority for applying any excess amounts as described earlier and illustrated in Figure 22.

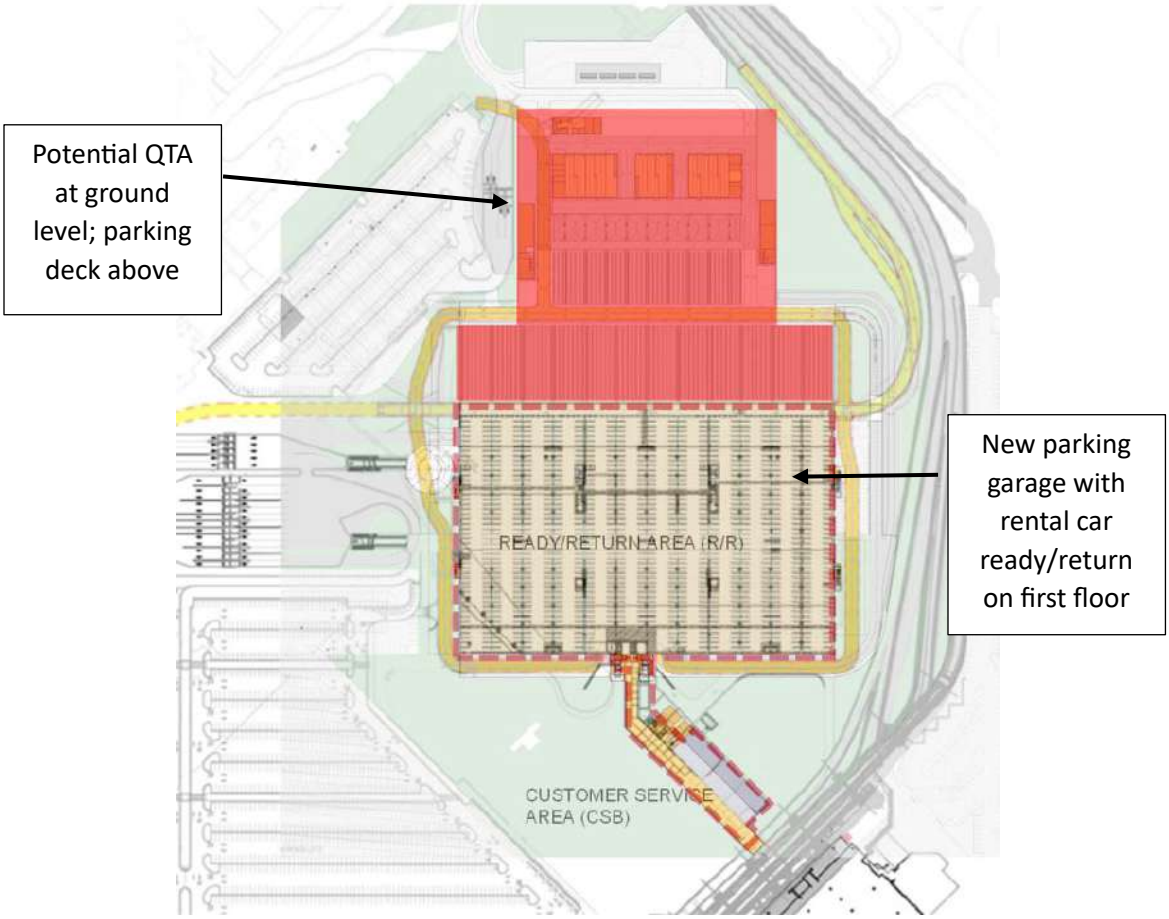
The Authority recently negotiated a new On-Airport Rental Car Concession and Lease Agreement with the current companies for the new rental car facilities being constructed under the TMP that will commence upon DBO simultaneous with the expiration of the existing agreements. The term of the new agreement is 10 years (Initial Term), commencing on the date that is six months after the date the On-Airport RACs are given access to the MMC to install their Tenant Improvements. If the On-Airport RACs and Authority agree, pursuant to a process set forth in the new agreement, to complete design and construction of a QTA with a public parking deck, the term of the agreement will be automatically extended to 20 years from the date on which the Authority issues debt to finance the QTA Project.

Under the new agreement, the Authority has the right to rebid the concession rights and/or substitute a new Exhibit C, which contains certain agreement provisions such as the defined term for “Gross Revenues”) two times. The first Concession Term is for the first 10 years. If the QTA/parking deck is constructed and the Agreement extended, there will be two additional Concession Terms of approximately five years each.

If the QTA is developed, public parking spaces would be constructed on the top level of the QTA comprising an estimated 1,200 spaces as illustrated on Figure 21. These public parking spaces would be connected to the MMC garage. The On-Airport RACs and Authority have the option to terminate the development of the QTA/parking deck at each of the 30%, 60%, and 90% design milestones, which are currently anticipated to be reached in August 2025, November 2025, and March 2026, respectively. If it is developed, the scope, cost, and method of developing and financing the QTA has not been determined at this time. The Authority is in the process of selecting a designer for the QTA and expects design to commence in June 2025 and extend through May 2026. The earliest construction of a QTA

could begin in July 2026 and it is expected to take roughly 24 months to build. It is expected that such debt issued for the QTA construction will be junior lien obligations of the Authority that is subordinate to the Bonds and Subordinate Obligations issued under the Indenture. If there are insufficient CFC revenues available to pay RAC-Allocable Debt Service and, if applicable, Subordinate Obligation debt service on a QTA/parking debt, the On-Airport RACs are responsible for paying a Contingent Rent Obligation to fund such deficiency after first applying funds in the CFC Deficiency Reserve as described below. Such Contingent Rent Obligation for Bonds would exclude the amount of RAC-Allocable Debt Service for the pro rata RAC share of public space in the TMP.

Figure 21
POTENTIAL RENTAL CAR QTA AND PUBLIC PARKING DECK
Pittsburgh International Airport
October 2024

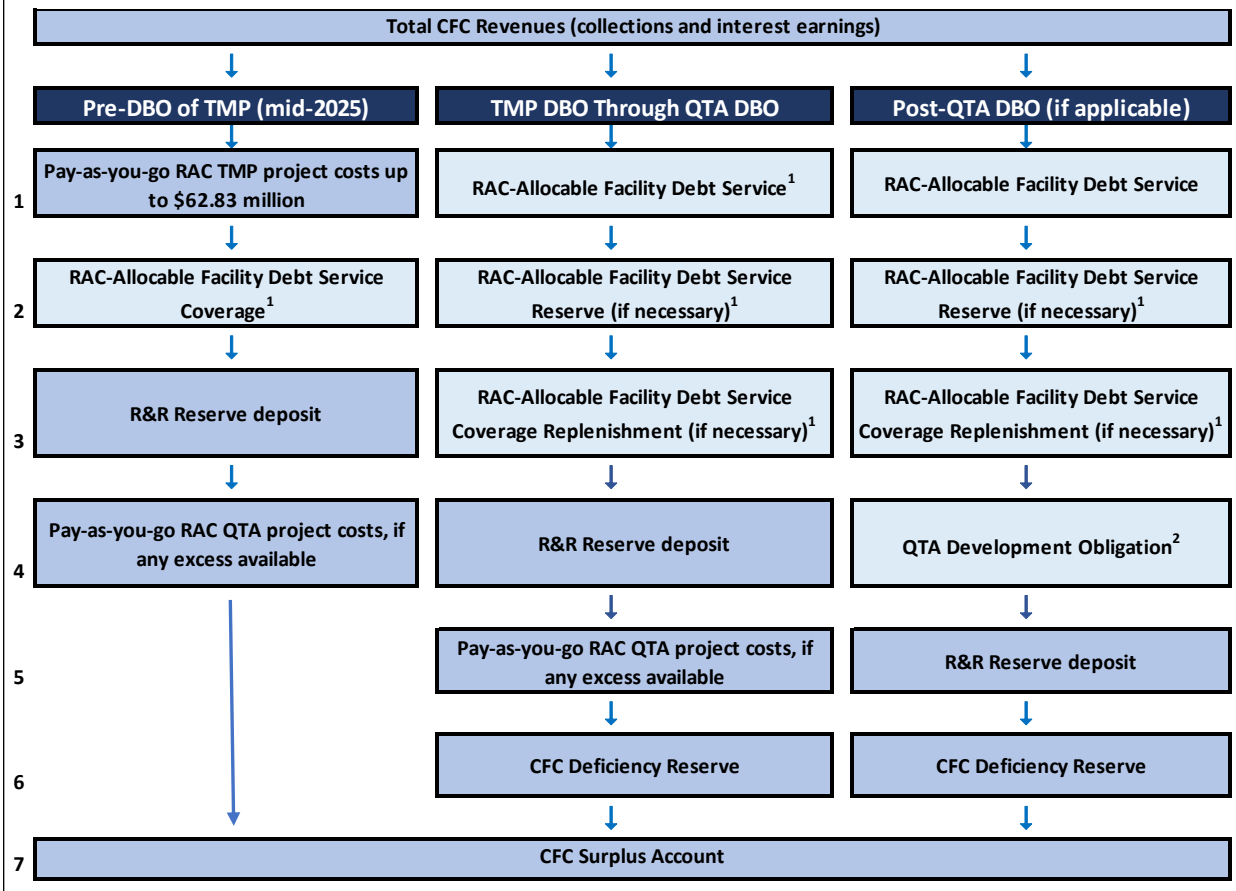


Source: DeMattei Wong Architecture.

Under the post-DBO agreements, the On-Airport RACs will pay the Authority (1) a privilege fee equal to the greater of a 10% of Gross Revenues or MAG, (2) ground rent of $2,132,000 per year for all On-Airport RACs as of DBO (escalated at 3.5% per year), (3) O&M fees for operating expenses incurred by the Authority for the RAC facilities, and (4) if necessary, a Contingent Fee Obligation as described below. The companies are responsible for operating and maintaining their leased premises and all of the QTA if

built. The annual MAG obligation will be no less than the MAG for 2024 for all companies. The amount of the MAG attributable to each company will be based their prorated share of leased premises in the MMC.

Figure 22
CFC FLOW OF FUNDS
Pittsburgh International Airport



1. Amounts to be designated as Other Pledged Revenues to pay Debt Service and Coverage on Bonds.
2. It is expected debt issued for the QTA construction will be junior lien obligations of the Authority that is subordinate to the Bonds and Subordinate Obligations issued under the Indenture.

Source: On-Airport Rental Car Concession and Lease Agreement, Allegheny County Airport Authority.

In addition, the On-Airport RACs are responsible for any CFC revenue shortfalls due on CFC-supported debt service up to $6.8 million plus 100% of any shortfall for the QTA Debt Obligation. After DBO, the first call on CFC revenues will be to pay rental car-related TMP debt service. The priority for applying any remaining amounts is shown in Figure 22 for the three phases of construction – pre-DBO of the TMP/MMC, post-DBO of the TMP/MMC, and post-DBO of the QTA.

During the pre-DBO period, CFC collections will be applied in the following order of priority (1) pay up to $62.8 million for rental car-related TMP pay-as-you-go (paygo) project costs, (2) fund debt service

coverage allocable to rental car facilities, (3) make a deposit up to $1 million into a CFC R&F reserve, and (4) remaining CFC revenues (if any) into a QTA paygo account.

Starting in 2025 and before the opening of the QTA, CFC revenues will be used in the following order of priority (1) pay rental car-allocable debt service, (2) replenish the rental car facilities share of required deposits to the Debt Service Reserve Fund, if any, (3) replenish the rental car share of required deposits to the debt service coverage allocable to rental car facilities, if any (4) make a deposit of $1 million per year to the R&R reserve until it is fully funded (at $5 million), (5) make a deposit to a QTA paygo account, including to pay for design of the QTA, (6) make a deposit to the CFC Deficiency Reserve account up to the amount of the annual rental car allocable debt service, and (7) all remaining CFCs deposited to the CFC Surplus Account for any lawful purpose for RAC-related expenses. Amounts on deposit in the CFC Deficiency Reserve would be used to pay for any debt service that is not covered by current year CFC revenues. To the extent CFC revenues and amounts on deposit in the CFC Deficiency Reserve are insufficient to pay rental car allocable debt service, the rental car companies will be required to pay a "Contingent Rent Obligation" to pay the annual debt service requirement. The On-Airport RAC share for the TMP/MMC debt is $6.8 million per year.

The flow of CFC funds once the QTA opens would be similar to the post-DBO of the TMP/MMC except that the annual obligations to a QTA developer (if this method is followed) would come before the deposit to the R&R reserve and there would no longer be CFCs set aside for QTA paygo. In the event the Authority finances the QTA, the flow of funds would be the same as under the post-DBO TMP/MMC period, except for the exclusion of the flow to the QTA paygo account.

Due to the uncertainty of the implementation of the QTA at this time, for purposes of this report it has been assumed the QTA is not developed in the base forecast.

Gaming Revenues

The Authority is a designated funding recipient under the Pennsylvania Race Horse Development and Gaming Act adopted by the Commonwealth in 2000 and amended in 2019 (the Gaming Act). The Gaming Act legalized slot machine parlors and table games in race tracks and standalone facilities. During the past five years, the Authority has received a total of $60.0 million in revenues from the Commonwealth under the Gaming Act (Gaming Revenues). The Gaming Act provides that the Gaming Revenues can be used for debt service, development, and economic development of the Airport.

Under the amended Gaming Act, $12.4 million per year is appropriated to the Authority by statute. There can be no assurance that the Gaming Act will not be amended in the future to reduce or eliminate payments of such revenues to the Authority.

In the past, the Authority has deposited a portion of the annual Gaming Revenues in the Revenue Fund as a credit to the airline rates and charges. The Authority has not credited Gaming Revenues to the airlines since 2019 and under the AOA is only obligated to credit an amount equal to 10% of baggage system fees starting at DBO. However, as part of the January 2025 MII vote, the Authority promised to commit no less than $8.8 million in 2025 and $11.575 million per year for 2026 through 2028 of discretionary revenues (which could include Gaming Revenues or Natural Gas Revenues) as Other Pledged Revenues to reduce airline rates and charges. Thereafter, the Authority reserves the right to adjust such amounts (other than its agreed upon 10% share of the baggage system fees) on an annual basis as set forth in AOA. Per the residual nature of the AOA, any reduction in the amount of Gaming Revenues and Natural Gas Revenues designated as Other Pledged Revenues would correspondingly increase Signatory Airline rentals, fees, and charges to ensure that the Airport System generates sufficient Airport System Revenues to operate on a break-even basis.

Natural Gas Revenues

On February 22, 2013, the Authority entered into an Oil & Gas Lease (the Gas Lease) granting CNX Gas Company LLC (CNX) the exclusive right to the drilling rights at PIT and AGC. In consideration of the award the Authority received an upfront payment of $46.1 million from CNX and receives ongoing payments over the term of the lease, which continues from year to year for so long as drilling continues. In addition to ground rent, the Authority earns ongoing royalties on the natural gas production. Net revenues from the Gas Lease have been used to reduce airline rates and charges and for capital expenditures, including economic development, at the Airport. During 2022, 2023, and 2024, gas revenues of $12.2 million, $9.2 million, and $11.3 million, respectively, were received. There can be no assurance that the Authority will continue to receive royalties under the Gas Lease or that such royalties will remain at current levels.

In May 2022, the Authority and CNX amended the terms of the Gas Lease to provide CNX with the right to take certain deductions off the gross revenues from drilling operations which commenced after the date of the amendment to the Gas Lease, and only as to those related to the Marcellus Shale formation. The effect of such deductions is the reduction of the total percentage of revenues received by the Authority. This amendment aligned the terms of the Gas Lease more closely to what drillers operating wells in Allegheny County and other surrounding counties pay to their lessors. In exchange for this adjustment, CNX made certain commitments to increase drilling operations and add more wells, the effect of which would be to increase total revenues payable to the Authority. CNX's drilling commitment for these additional wells extends seven years with certain penalties and recoupments assessed in the event CNX fails to meet its drilling commitment.

Also in May 2022, the Authority and CNX entered into a Marketing and Services Agreement whereby CNX was granted the exclusive right to sell "Fuel Alternatives" to the Authority. Fuel Alternatives is defined to include: (1) natural gas produced from the Utica Shale formation, (2) compressed natural gas (CNG), (3) liquified natural gas (LNG) and, (4) subject to the Authority's agreement certain other fuel products derived from CNX Technology. The Authority also agreed to promote development for Fuel Alternatives in exchange for a commission equal to 5% of the Gross Revenue received by CNX from the sale of such Fuel Alternatives. CNX also agrees to reimburse the Authority for identified marketing and administrative service costs, including consultant fees, up to $1,000,000.

CNX has partnered with Range Resources to further develop the Airport lease by adding laterals to their contiguous drilling pads. Range Resources began to frac these wells in April 2023 and started production in May of 2023. The Authority will receive the same royalties as if CNX drilled these acres.

Based on information provided by CNX, the Authority expects gas royalties to average approximately $14.3 million per year between 2025 and 2030. Gas revenues are available for investment in capital infrastructure.

Federal COVID-19 Grants

The Authority was allocated a total of $77.3 million for PIT, $362,000 for AGC, and $5.0 million for PIT concessions in the three tranches of Federal COVID-19 Grants – the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA Act); and the American Rescue Plan Act (ARPA). In addition, Allegheny County provided $2 million of its CARES allocation to the Authority to pay for a portion of police services expenses in 2020. The Authority has used such grants to pay operating expenses and debt service, including amounts on the PNC LOC. The Authority designated certain amounts used to pay operating expenses for 2021 and 2022 as Other Pledged Revenues as shown in Exhibit E. Exhibit E also shows the

amount of the CRSSA and ARPA concession relief grants. These amounts were allocated to the terminal concessionaires. The final grant closeouts for all three programs have been received.

Infrastructure Investment and Jobs Act or Bipartisan Infrastructure Law

Public Law 117-58 - Infrastructure Investment and Jobs Act, referred to as the Bipartisan Infrastructure Law (BIL), passed by Congress in November 2021, provides $5 billion in funding under the competitive Airport Terminals Program (ATP) and $15 billion under the entitlement Airport Infrastructure Grants (AIG) program for U.S. airports, which can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects, over a five year period.

The Authority applied for the first four years of the ATP competitive program. In July 2022, the Authority was awarded $20 million for the TMP under the initial year, Federal Fiscal Year (FFY) 2022 of the ATP. PIT was one of three medium hub airports to receive the highest award amount for medium airports in FFY 2022. This entire grant was applied to the TMP for structural steel and decking. In year 2 (FFY 2023) the Authority was awarded a BIL ATP grant of $3.5 million in February 2023, which was applied to the TMP for purchasing and installing escalators and elevators. In year 3 (FFY 2024) the Authority was awarded a BIL ATP grant of $5.3 million in February 2024, which is being applied to the TMP terraces. In year 4 (FFY 2025), the Authority was awarded $6.0 million in November 2024 for airside concourse improvements at PIT and $1.235 million for terminal rehabilitation at AGC (for FFY 2025), neither of which are part of the TMP or ARP but are included in the 5-year CIP. The Authority intends to apply for the ATP competitive grants in the final year of the program this summer (FFY 2026). For purposes of this report, no additional BIL ATP funding was assumed in the financial forecast.

The Authority is also entitled to a total estimated $53.8 million under the AIG program for PIT through 2026 and intends to apply these amounts to the TMP as well as the ARP. In addition, the Authority is entitled to an estimated $4.0 million in AIG grants over the 5-year life of the program for AGC and intends to use such amounts for eligible costs to upgrade the airport facilities.

RECONCILIATION OF HISTORICAL FINANCIAL RESULTS

The Authority accounts for the financial activities of the Airport System on the accrual basis of accounting according to generally accepted accounting principles (GAAP) for government entities.

Table 16 presents a summary and reconciliation of the historical operating results of the Airport System under both GAAP and accounting principles required by the prior indenture 2019 and for 2020 through 2023 under the new Indenture, as obtained from Allegheny County Airport Authority Financial Statements as reported by the Authority's auditor. Financial results for 2024 will not be available until April 2025.

Table 16
RECONCILIATION BETWEEN TWO BASIS OF ACCOUNTING
Allegheny County Airport Authority
For Fiscal Years ending December 31, 2019 through 2023

	Prior Indenture	New Indenture			
	2019	2020	2021	2022	2023
Revenues					
Revenues per the applicable Indenture	$ 145,003,528	$ 110,404,159	$139,751,924	$156,548,786	$175,873,564
Less - Interest Income	(1,788,581)	(332,278)	(135,005)	(378,507)	(2,705,335)
PFC Revenue applied to debt service	-	-	-	-	-
CFC Revenue applied to debt service	-	-	-	-	-
Other revenue applied to debt service	(6,065,000)	-	-	-	-
Grants to offset operating costs		(13,091,912)	(19,145,778)	(13,105,283)	(4,040,132)
Incentivized revenue		531,719	377,430	526,435	
GASB 87 lease revenue adjustment				(2,372,891)	(2,845,357)
Add - Revenue generated by the Excluded Cost Centers	3,430,427				
Other Revenue	3,982,121	3		-	468,097
Total operating revenue per the Financial Statement	$144,562,495	$97,511,691	$120,848,571	$141,218,540	$166,750,837
Expenditures					
O&M expenses per the applicable indenture	$ 106,311,147	$ 104,385,587	$109,275,790	$131,619,476	$143,100,612
Debt service requirements per the applicable indenture	15,589,570	-	-	-	-
Less - Debt service deposits	(15,160,890)	-	-	-	-
Fund deposit requirements	(428,680)	-	-	-	-
Add - Expenditures incurred by the Excluded Cost Centers	3,328,793	-	-	-	-
Add - Expenditures paid by Gaming Fund	-	1,338,552	760,731	2,144,358	1,530,399
Depreciation	56,981,022	60,417,786	59,119,359	52,943,562	39,147,510
Other (including pensions adjustments excluded)	13,170,119	14,683,017	20,391,798	19,478,416	34,069,599
Total operating expenses per the Financial Statement	$179,791,081	$180,824,942	$189,547,678	$206,185,812	$217,848,120

Source: Allegheny County Airport Authority Financial Statements for 2019 through 2023.

PLAN OF FINANCE

As described earlier, the costs of the TMP, ARP, and other CIP projects are expected to be funded by proceeds of Bonds, federal grants-in-aid (including AIP, BIL, and Federal COVID-19 Grants), Commonwealth and other grants, PFC revenues, CFC revenues, Gaming Revenues, Natural Gas Revenues, greater than expected interest earnings on bond funds, and internally generated Airport funds. According to the Authority, with the additional MII approval of $82 million in February 2025, it has the requisite MII approval for the full TMP and ARP to finance the 2025 Bonds.

Exhibit A shows the estimated sources and uses of funds for the TMP and ARP, which are being funded in part from bonds, including the 2025 Bonds based on assumptions as provided by the Municipal Advisor. The 2021 Bonds financed approximately $834 million of the costs of the TMP. The 2023 Bonds financed approximately $369 million of the costs of the TMP and ARP. The Authority's independent registered municipal advisor – PFM Financial Advisors LLC (the Municipal Advisor) - provided the estimated sources and uses of funds and estimated debt service requirements for the 2025 Bonds. Exhibit A also shows the associated sources of funding, including funding from the 2021 Bonds, the 2023 Bonds, the proposed 2025 Bonds, and interest expense on Subordinate Obligations as described below.

The 2025 Bonds are expected to provide proceeds to fund approximately $381 million in costs of the TMP and ARP, inclusive of amounts to repay draws on the PNC LOC and its associated interest expense. The Authority also plans to use its PNC LOC or successor LOC to advance $21.0 million in BIL AIG grants expected to be received in 2025 and 2026 for the TMP and may also elect to use the LOC from time to time prior to the issuance of Additional Bonds for any other available legal use. The financial forecast

shows Subordinate Obligation debt service on such amounts in each of 2025 and 2026 pending receipt of the AIG grants from the FAA. The interest rate on amounts drawn on the LOC is variable. For purposes of the financial analysis herein the Municipal Advisor has recommended assuming an interest rate of 6.0%.

The Municipal Advisor made the following assumptions regarding the issuance of the 2025 Bonds to fund portions of the TMP timed for cash flow needs all of which are assumed to be secured by a cash funded deposit to the Common Debt Service Reserve Account.*

2025 Bonds[1]	Revenue-Supported	PFC-Supported
Issuance Date	4/30/2025	4/30/2025
Bond-Funded Project Costs	$356,781,208	$23,753,420
Approx. Interest Rate Cushion Over Current Estimated Market Rates*	+75 bps.	+75 bps.
First Principal Payment	1/1/2028	1/1/2028
Final Principal Payment	1/1/2055	1/1/2055
Capitalized Interest	Through 10/1/2025	None
Debt Structure	Approximately $5.7 million in 2025, $22.9 million in 2026, and $29.2 million per year from 2027-2054	Approximately $982 thousand in 2025, $1.5 million in 2026, and $1.9 million per year from 2027-2054

The Municipal Advisor provided the sources and uses of bond funds in Exhibit A and the estimated Debt Service requirements in Exhibit C.

In the event the QTA is developed, the Authority will determine its proposed course of action to finance it.

PASSENGER FACILITY CHARGES

Exhibit B-1 presents historical and projected PFC collections, interest earnings, and the application of PFCs to pay debt service and pay-as-you-go project costs. It was assumed that the Authority's existing $4.50 per enplaned passenger PFC level would remain constant (at the $4.50 level) throughout the forecast period (through 2030). PFC use approval is reflected in the financial forecasts presented in Exhibit B-1, including the authorization to use PFC revenues to pay a portion of the Debt Service attributable to the 2021 Bonds, the 2023 Bonds, and 2025 Bonds for the TMP as well as for pay-as-you-go PFC expenditures. Exhibit A shows the amount of Bonds by issue as assumed to be PFC-supported Bonds. It is the Authority's expectation to designate amounts generated from PFC revenues to pay Debt Service accruing on such Bonds as PFCs Available for Debt Service during the forecast period. PFC revenues applied to TMP project costs on a pay-as-you-go basis totaled $76.9 million from 2019 through 2024. PFC-supported Bonds are estimated to fund approximately $289.9 million TMP project costs. In addition, the Authority expects to designate additional PFC revenues, if any, up to 90% of collections in

* Preliminary subject to change. Based on market rates as of March 28, 2025.

any given year as PFCs Available for Debt Service shown on Exhibit B-1 as Incremental PFCs Applied to Airline Rate Base.

As noted earlier, no new PFC application submittals are anticipated through the horizon of the forecast period other than amendments to PFC applications 4, 5, and 7, which will not impact the expected uses of PFC revenues forecast in this report.

CUSTOMER FACILITY CHARGES

Exhibit B-2 presents historical and projected CFC collections, interest earnings, and the application of CFCs to pay pay-as-you-go project costs, debt service, deposits to reserves, and estimated O&M Expenses for rental car areas. Due to the uncertainty of the implementation of the QTA at this time, for purposes of this report, it has been assumed the QTA is not developed and the CFC rate reverts back to $6.00 in 2027 as described later in this report.

DEBT SERVICE

Exhibit C shows historical and forecast Debt Service on the Authority's 2021 Bonds, 2023 Bonds and the proposed 2025 Bonds. Debt service is net of capitalized interest. Exhibit C also shows the historical debt service on the redeemed prior bonds.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents historical and forecast operating expenses of the Airport System for direct and indirect expenses and by cost center for 2019 through 2030. Certain operating expenses are not included in O&M Expenses under the Indenture and are separately identified. Historical O&M Expenses for 2019 through 2024 were obtained from the Authority's records. O&M Expenses for 2025 are based on the Authority's budget. Certain expenses in 2019 were not included in O&M Expenses because they were not considered O&M Expenses under the Prior Indenture. The Authority took a series of measures to control and reduce O&M Expenses during 2020 in reaction to the pandemic, including early retirements and staff reductions. O&M Expenses for 2021 increased 4.7% reflecting inflation. As traffic started to recover, O&M Expenses increased 20.4% in 2022, 8.7% in 2023, and 4.3% in 2024, reflecting the return of activity, high inflation, investments in revenue strategies (including direct Authority control over in-terminal concession operations as described later), and wage adjustments to provide competitive wages to retain employees in a tight labor market.

All eight union labor contracts expire on July 31, 2025. The Authority is negotiating new agreements. At this time, the results of such negotiations are unknown. For purposes of the financial forecast, the Authority's expected outcome of the negotiations was incorporated into forecasts of personnel expenses.

The Authority requested the Program Management Office (PMO) to analyze the potential estimated savings and cost increases in O&M expenses due to changes in operations and maintenance, energy and water usage, and asset management improvements driven by the TMP, with 2019 as the baseline year. The analysis determined cost savings and increases by evaluating changes in Authority operations and maintenance, based on the design of the new landside terminal and MMC. The PMO identified various categories of savings, which the Authority reviewed and approved as its planned approach. The incremental amounts for these O&M expenses are detailed as "Incremental O&M Expense for TMP" on Exhibit D and include:

- O&M efficiencies in time, fuel, and fleet maintenance from the closer proximity of landside and airside buildings

- Optimization of preventative maintenance processes
- Implementation of a predictive maintenance system with a condition-based maintenance program
- Introduction of a reliability-centered maintenance program, combining preventative and predictive models
- Reduced energy consumption from system efficiencies, including motors, insulation, and duct design, partially offset by additional equipment for the MMC garage and customer service building
- Use of lighting control systems to reduce energy consumption, alongside increased natural lighting during the daytime
- Efficiency gains from standardized consumable dispensers
- Redesign of restroom layouts to reduce the number of locations, improving custodial efficiency and reducing staffing needs
- An increase in parking costs due to the expanded garage (from 2,100 to 3,300 public spaces) and the maintenance contract for parking guidance systems, offset by savings from a new pre-cast structure
- A net reduction in energy consumption, maintenance contracts, and service costs from operating fewer moving walkways, offset by a net increase in escalators and elevators, which consume less energy
- Savings in baggage handling system costs from a consolidated operation, reduced conveyance equipment maintenance, and a newer, more efficient system
- Decommissioning of the APM, leading to reduced service contracts and utility expenses
- Increased operational costs for the new rental car customer service building
- Reduced airside ramp maintenance requirements

The incremental estimated savings and cost increases were increased by 2.5% annually from the 2019 base year to 2025. Additional savings since 2019 include those from the microgrid and from maintenance and energy reductions resulting from the replacement of Pre-Conditioned Air equipment for all jetways, which was completed in three phases between 2020 and 2022. As a result, these savings have already been realized and are not accounted for in the forecast savings at DBO.

The net savings were broken down into labor, contract, and lifecycle components. In collaboration with Authority operations management, a forecast of net savings by type and year was created. The full net savings are anticipated to be realized by 2030, with lower savings in the initial years due to the recognition of labor and lifecycle costs. The net savings outlined in Exhibit D reflect these phased savings in O&M expenses. The Authority plans to take steps to implement the TMP O&M savings and expects to achieve the annual dollar amounts shown in Exhibit D each year.

Incremental O&M Expenses also include maintenance on deicing-related infrastructure for stormwater mitigation as described earlier under the 2025 – 2030 CIP section.

The Signatory Airlines and the Authority agreed to postpone the demolition of the existing landside building to reduce project costs and associated debt. The Authority estimates that it will incur $2,047,000 per year in incremental O&M Expenses as a result of not demolishing the existing terminal, which costs were netted against TMP O&M savings in Exhibit D.

In addition to the incremental changes in O&M Expenses for the TMP, the Authority plans to rent office space effective January 1, 2026 (with a term through December 31, 2028, with an option to extend an additional year), and vacate its current offices on the mezzanine level of the existing landside terminal. The Authority believes the cost to rent space (approximately $1.3 million per year) is lower than remaining in the existing terminal.

The Authority has also identified a number of reductions in administrative personnel expenses and professional services attributable to digital transformation and other initiatives, which are above and beyond the TMP O&M savings and planned to begin in 2025. The Authority's senior leadership provided a summary of these reductions and the cadence of how they would come online, which is reflected in Exhibit D. In the aggregate, these reductions total approximately $8 million per year from the approved 2025 operating budget once fully implemented.

Other than these special planned adjustments to O&M Expenses, It was assumed that operating expenses would increase at a general rate of inflation of 3.25% per year.

O&M Expenses do not include the operating expenses associated with N91, which are estimated to total approximately $1 million per year over the forecast period. These amounts must be paid from ACAA discretionary revenues.

REVENUES

Exhibit E presents historical (2019 – 2023, unaudited 2024), and forecast (2025-2030) Revenues as defined in the Master Indenture and AOA by type of revenue. Similar to O&M Expenses, certain historical revenues in 2019 were not considered Revenues under the Prior Indenture. It was assumed that DBO will occur on October 1, 2025. As such, it is assumed that there will be a partial year for any post-DBO ratemaking and nonairline revenues.

Individual components of Revenues were forecast taking into account actual financial results for 2019 through 2023, unaudited results for 2024, budget estimates for 2025, allowances for inflation as appropriate, and the provisions of leases and agreements between the Authority and the various tenants and users of the Airports. Revenues by category on Exhibit E are shown prior to GASB 87 adjustments for comparability to historical results because GASB 87 results show certain operating revenues as non-operating interest income. The Authority began reporting under GASB 87 in 2022.

Revenues from sources related to passengers, such as concession revenues, are forecast to increase as a function of forecast passenger traffic as described in the "Airline Traffic Forecasts" section of this report and other factors described below.

Revenues from sources related to passengers, such as parking and terminal concessions, and from sources related to aircraft activity, such as landing fees, were forecast to change in part as a function of the passenger traffic forecasts. The specific assumptions underlying the individual components of Revenues are summarized in the following sections.

Table 17 presents a summary of Revenues by major category for 2023 and 2024.

Table 17
REVENUES BY SOURCE
Pittsburgh International Airport
(in thousands)

	Annual Revenues		Percent of Total	
	2023	2024	2023	2024
Airline Revenues	$ 57,197	$ 63,024	31.5%	32.0%
Non-Airline Revenues				
Other Airfield Revenues	1,209	1,441	0.7%	0.7%
Hangar and Field Fees	7,664	7,313	4.2%	3.7%
Other Terminal Rentals	2,863	2,601	1.6%	1.3%
Cargo Building and Ramp Charges	858	782	0.5%	0.4%
Employee Parking Lot Rental	1,027	1,325	0.6%	0.7%
Concession Fees				
Food, Beverage, Retail (AirMall)	11,076	12,122	6.1%	6.2%
Rental Car	11,752	13,195	6.5%	6.7%
Parking Management	54,528	61,061	30.0%	31.0%
Other	7,838	9,876	4.3%	5.0%
Rental Car Service Area Rentals	2,597	2,684	1.4%	1.4%
Utility and Maintenance Services	2,873	2,687	1.6%	1.4%
Baggage System Maintenance	3,542	3,967	2.0%	2.0%
Commercial Development	5,088	4,806	2.8%	2.4%
Investment Income	4,727	7,550	2.6%	3.8%
Other	2,678	2,360	1.5%	1.2%
Subtotal - Nonairline Revenues	$ 120,321	$ 133,769	97.8%	100.0%
Other Pledged Revenues				
CARES/CRRSA/ARPA (PIT)	$ 4,040	$ -	2.2%	0.0%
Discretionary (Gas) Revenues	-	-	0.0%	0.0%
Discretionary (Gaming) Revenues	-	-	0.0%	0.0%
Subtotal - Other Pledged Revenues	$ 4,040	$ -	2.2%	0.0%
Total Operating Revenues	$ 181,558	$ 196,793	100.0%	100.0%

Source: Allegheny County Airport Authority; 2024 figures represent preliminary, unaudited results.

Airline Revenues

Airline revenues represented 32.0% of Revenues in both of 2023 and unaudited 2024. In 2023, required Signatory Airline payments were reduced by Federal COVID 19 Grants for concession relief. The Authority has drawn down all of its Federal COVID 19 grants.

As a result of the 2025 MII ballot approval for an increase in the financing of TMP project costs, the Authority agreed to forgive the annual Airport System Capital Fund deposit requirement from 2026 through 2028. According to the Authority, this deposit would resume in 2029 through 2030. This requirement totals $5 million per year (escalated annually by the CPI starting in 2026). The Authority has the discretion in allocating this requirement between and Airfield and Terminal cost centers to cause the landing fee and terminal rentals rates to be as level as reasonably practical.

Under Section 9.04 of the AOA, the Authority has the discretion to include the costs of capital projects in the airline landing fee and terminal rate bases for projects that individually total less than $1 million net of grants and PFCs (as escalated with inflation since 2021). Due to more favorable unaudited 2024 results relative to the budgeted rates, the Authority intends to exercise this discretion (as shown in Exhibits E-1, E-2, and F) and include the costs of certain capital costs in the landing fee and terminal rental rate bases while still expecting to credit the Signatory Airlines approximately $700,000 for the year-end adjustment of Airline Fees and Charges.

In the event there is a shortfall in airline collections during 2025 relative to budgeted rates, the Authority will decide whether or not to credit additional discretionary revenues to cover the shortfall or recover the amount from the airlines as part of the reconciliation to actual results at the end of the year. For purposes of the financial forecasts, it was assumed that there would be an additional one-time credit for terminal rates in 2025 to approximately match the budgeted 2025 terminal rental rate.

Landing Fees. Under the AOA, landing fee rates are calculated according to a cost center residual methodology to recover all Airfield Area Costs net of Airfield Area revenues generated from users other than Signatory Airline landing fees.

As shown in Exhibit E-1, the Airfield Area Cost consists of allocable direct and indirect O&M Expenses, Debt Service (net of PFCs Available for Debt Service), the Coverage Requirement (if applicable), the O&M Reserve Requirement, expensed Equipment & Capital Outlays, allocable Capital Projects not subject to approval by an MII, the Airport System Capital Fund deposit requirement, and Discretionary Revenues or Other Pledged Revenues (if any).

The Airfield Area Cost is then credited with other revenues assigned to Airfield Area (including Non-signatory Airline Landing Fees) to yield the Net Airfield Area Cost. The Net Airfield Area Cost is divided by the landed weight of the Signatory Airlines to determine Signatory Airline Landing Fee Rate per 1,000-pound unit. The non-signatory airline rate is equal to the signatory rate times 120% and the cargo signatory rate is equal to 110% of the signatory rate. As noted earlier, both the FedEx and UPS Airfield Use Agreements provide for a different rate-setting calculation for the landing fee rate that is inconsistent with the AOA. The Authority is currently negotiating new AUAs with FedEx and UPS to conform with the ratemaking procedures set forth in the AOA. For purposes of this report, it was assumed that these carriers would continue to pay the rates set forth in the AOA.

Terminal Rentals. As shown in Exhibit E-2, terminal rental rates for pre-DBO and post-DBO differ as follows:

1. Pre-DBO airlines continue to pay for their baggage handling space based on exclusive and joint leased space. After DBO, all baggage space is leased on a common use basis, with the Authority agreeing to pay for 10% of the costs during the remaining term of the existing AOA from Discretionary Revenues.

2. For 2021-2024, the terminal rate base includes reimbursement to the Authority of the $24.9 million of cash required to defease the outstanding bonds net of reserves (the ACAA Loan).

3. In 2021 and 2022, $1.5 million was included in the rate base each year to increase the balance in the Renewal & Replacement Fund from $2 million to $5 million.

4. In 2024, the net amount needed to meet the Coverage Requirement for 2025 has been included in the terminal rate base. At the beginning of 2024, there was approximately $16.3 million in the Coverage Account pertaining to the prior revenue bonds.

5. Also in 2024, there was a one-time expensing of certain capital improvements not subject to approval by an MII as permitted under Section 9.04 of the AOA as noted earlier.

6. As noted above, the Authority agreed to waive the Airport System Capital Fund deposit requirement from 2026 through 2028. For 2029 and 2030, it was assumed the requirement would be reinstated and allocated 25% to the Airfield and 75% to the Terminal cost centers.

As shown in Exhibit E-2, the Terminal Rate is established under a residual methodology to (1) recover all Costs of the Terminal Area net of revenues generated from users in this cost center other than Signatory Airline terminal rentals and (2) pay the Concession Incentive Fee. This Net Terminal Area Cost is divided by Signatory Airline Rented Space to yield the Terminal Rental Rate (per square foot per year). The terminal rental rate for 2024 includes an allowance for the settlement of a legal dispute.

During the pre-DBO period, Signatory Airlines pay for their designated exclusive and preferential use areas based on the amount of space leased and the Terminal Buildings Rental Rate. All terminal space other than Exclusive or Preferential Use Premises that is not assigned for exclusive or preferential use is available on a common use basis and charged to the airlines on a per turn fee basis, with the exception of baggage handling space after DBO (see below) and Federal Inspection Service (FIS) on a per arriving passenger basis.

Because the rate base to determine the Terminal Rental Rate is the same in 2025 as 2024, and the AOA allows for the inclusion of TMP debt service in pre-DBO rates if the project is delayed (as it was), the 2025 terminal rates include TMP debt service for the full year. A portion of the annual TMP debt service was capitalized for 2025. The amount of space used for the terminal rental rate divisor has been prorated for the pre-DBO (January through September 2025) and post-DBO (October through December 2025) period to yield the rate for the full year. There is not a need to establish separate rates for pre-DBO and post-DBO.

At DBO all baggage handling space will be common use. The annual Common Use Baggage Charges equal the product of the amount of inbound and outbound baggage square footage and the terminal building rental rate per square foot. This amount will be allocated and charged to each airline using this space (1) 90% based upon the percentage share of the number of enplaned passengers of all airlines using the space and (2) 10% equally among all airlines using the space, provided that the Authority will rebate the 10% allocation using its Discretionary Revenues.

All holdrooms are charged the same amount, which is equal to the sum of the average square footage of a holdroom in the terminal (excluding the international gates) multiplied by the terminal rental rate.

Table 18 shows the number of aircraft gates assigned to the Signatory Airlines at the Airport as of February 2025. Two gates were temporarily brought back into service for the ARP holdroom renovations while two gates at a time are upgraded. It was assumed that these two gates would be decommissioned upon completion of the holdroom renovations and that the number of gates leased to the airlines would not change during the forecast period.

Table 18
NUMBER OF AIRCRAFT GATES BY AIRLINE
Pittsburgh International Airport
(as of March 2024)

Leased Preferential Use Gates	
American Airlines	6
Delta Air Lines	4
JetBlue	1
Southwest Airlines	4
Spirit Airlines	1
United Airlines	6
Total Preferential Use Gates	22
Authority Gates (Common Use)	31
Total Gates	53

Source: Allegheny County Airport Authority.

Common Use Fees. Airlines that use space in the Terminal that has not been leased to them for use on an exclusive or preferential use basis are charged a per turn fee, except for use of the FIS which is per arriving international passenger. Per turn fees are based upon rent associated with an average ticket counter, holdroom, bag makeup, and bag claim area (depending on what common use facilities are used) and assuming four turns per gate per day through DBO. Upon DBO associated rent will be charged based upon four turns per gate per day, excluding baggage space, which will be charged separately through the common use baggage fee. Common use facility fees are projected to increase based upon terminal rental rates and projected uses. Non-Signatory Airlines pay at a rate of 120% of the Signatory rate.

Terminal Ramp Fees. The Terminal Ramp Fee is equal to $40,000 per gate per year (escalated annually by the CPI) through DBO, then increases to $50,000 per gate at DBO (escalated annually by the CPI starting in 2021).

Other Terminal Fees. In 2019 airline fees and charges included "Additional Airline Charges" under the prior AOA. These amounts were cost recovery of debt service allocable to loading bridges, airline tenant finishes, baggage equipment, and aircraft support systems. From 2020 through DBO, American and Southwest will continue to pay a special fee for the automated baggage system equal to rent for the space in the airside core housing the baggage matrix and allocable O&M Expenses.

Regarding airline fit-out costs, if the estimated cost accepted by a Signatory Airline exceeds the Fit-Out Allowance, the Signatory Airline must pay the Authority the difference between the estimated cost of the Airline Office Space and the Fit-Out Allowance over a 12-month period, which will be applied to the cost of the Airline Office Space. If the cost of design and construction of the Airline Office Space exceeds the projected amount, the Airline must pay the difference to the Authority within 30 days of receipt of the reconciliation.

As noted earlier, airlines also pay for the use of common use gates per turn and pay for the use of the FIS on a per arriving passenger basis. Virtually all of the Signatory Airlines use common use gates for overflow activities in addition to the gates they lease on a preferential use basis.

Airline Payments per Enplaned Passenger. Exhibit E-3 presents historical and forecast airline payments per enplaned passenger from 2019 through 2030. The total amount charged to the airlines includes service provided under the Authority's Air Service Incentive Program (ASIP). The amount of the waivers under this program are deducted from the CPE by year to reflect the amounts paid by the airlines. These amounts must be funded through Authority discretionary revenues pursuant to the FAA's Air Carrier Incentive Program.

The Authority receives funding from the Commonwealth for air service incentives to encourage airline service enhancements, which is open to all passenger (and cargo) carriers. These grants are deposited into an account outside the Indenture and not classified as nor reflected in O&M Expenses or Other Pledged Revenues in the Authority's financial statements. Therefore, they are not reflected in the financial exhibits to this report. This program is outside of the Authority's ASIP. Other states also provide air service incentive programs.

Non-Airline Revenues

The principal sources of non-airline revenues include ground transportation (including public parking revenues, rental car revenues, transportation network companies or TNCs), terminal concession revenues, non-airline terminal space rents, other facility rentals, interest income, AGC rentals and fees, and miscellaneous other revenues. Forecasts of non-airline revenues are based on the provisions of existing agreements, Authority resolutions, and allowances for inflation, projected increases in enplaned passengers, and other factors.

Parking Revenues. Historically, public parking has represented the largest source of revenue at the Airport after airline fees and charges. Parking revenues accounted for $35.6 million (25.0% of Revenues) in 2019, $54.5 million (30.4% of Revenues) in 2023, and $61.1 million (31.0% of Revenues) in 2024. All of these are net of expenses to operate the parking facilities, including taxes, management fee, credit card processing fees, shuttle buses, labor, supplies, etc.

As shown in Figure 23, the Authority currently offers five parking products: (1) a three-level parking garage adjacent to the landside terminal, (2) a long-term lot, (3) an extended (shuttle) lot, (4) a walkable economy lot, and (5) a premium PIT Executive lot located on the first floor of the garage with spaces that are available for rent on a monthly basis or at a higher rate than the garage. Moving walkways link the long-term surface parking lot to the landside terminal while shuttle bus service is provided to the extended-term lot. The walkable economy lot does not have shuttle bus service but is typically less than a ten-minute walk to the terminal combined when using the moving walkway. The Authority also permits drivers to use the extended (shuttle) lot as a cell phone lot area for up to 60 minutes for free.

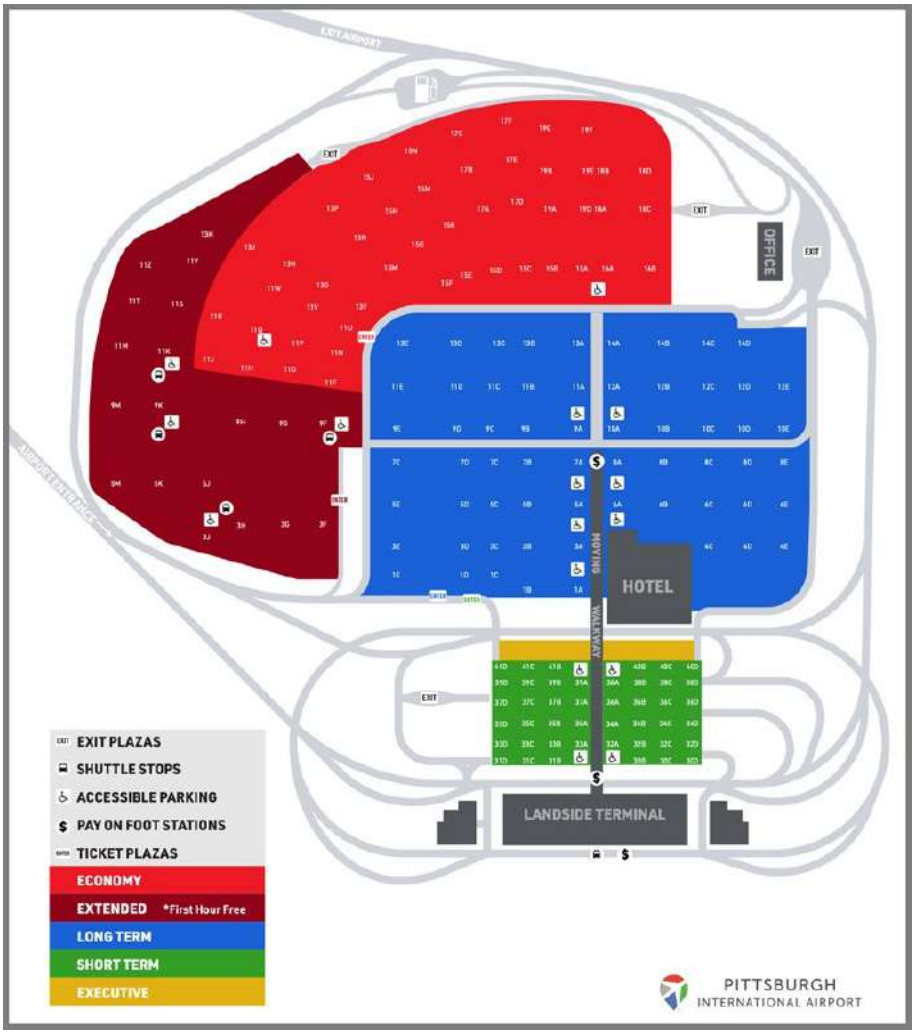
Five off-Airport private parking facilities (The Parking Spot, Charlie Brown's Airport Parking, Air Marino Airport Parking, Globe Airport Parking, and Fast Park & Relax) serve Airport passengers in facilities located between four to six miles from the Airport and provide between 5,000 and 7,000 public parking spaces. In addition to these competitors, several local hotels within close proximity to the Airport also offer Airport parking as an additional revenue stream to attract customers and maximize utilization of their courtesy shuttles. Both of these alternatives compete with the Authority for Airport parking patrons and provide spaces for price sensitive customers.

The off-Airport parking operators and nearby hotels mainly compete for price conscious patrons who would ideally use the Extended (Shuttle) Lot and the walkable Economy Lot that was created in June 2021 to address the off-Airport parking competition. Recognizing this increase in parking options, the Authority adjusted the boundaries for its walkable surface lots to optimize revenue opportunities between these lots. The Authority plans to continue to actively monitor the parking trends to further

maximize revenue opportunities for all its parking products, including eliminating certain discount programs to conform with industry standards.

Prior to October 1, 2023, the off-Airport parking operators paid the Authority based on trips. Currently, the Authority charges these operators 10% of gross revenues.

Figure 23
CURRENT PARKING LOT LOCATIONS
Pittsburgh International Airport
March 2025



Source: Allegheny County Airport Authority.

In addition to an improved parking management strategy, the Authority is updating its Parking Control and Revenue System (PARCS), replacing aged parking management assets, access controls, gates, payment devices, and back-of-house reporting systems. The Authority expects the new system will provide better agility and insights to real-time data, enabling improved and proactive responses in managing capacity and passenger experience more effectively.

The public parking facilities at the Airport are operated for the Authority under the Management and Operation of the Parking Shuttle Bus Concession agreement with LAZ Parking. Under the agreement, the Authority receives all revenues and pays all costs of operation and maintenance of the facilities plus a management fee of $500,000 per year. The budget for operating expenses (including the shuttle buses) is subject to review by the Authority, which can adjust staffing levels and related costs in response to parking demand and level of service standards. The Authority also retains control over the parking rate structure. LAZ Parking assumed operations of parking facilities on October 1, 2022. The contract extends to December 31, 2027.

The Authority collects and pays local parking taxes to Findlay Township and the West Allegheny School District totaling 9% of receipts for Findley Township and 2.5% for the West Allegheny School District.

Given the increased demand for on-Airport parking and high occupancy rates, the Authority increased rates over the last several years. The current daily rates are $36 for the garage, $20 for long term, $15 for extended shuttle, and $13 for economy. At DBO, the Authority intends to increase daily rates for the garage and walkable surface lot and reduce the economy lot rate, which changes have been incorporated into the financial forecasts.

The Authority is considering a number of new parking strategies that it believes will increase future parking revenues beyond those in the financial forecasts in this report, which have been factored into the parking revenue forecasts. Due to the competitive nature of such strategies, we are unable to state the specific rates, which the Authority's parking consultant believes are achievable.

As shown on Table 19, parking facilities located on the Airport currently provide approximately 16,000 public automobile parking spaces and at DBO are expected to provide approximately 20,500 spaces. Figure 24 shows the Authority's planned parking products after DBO.

Table 19
PUBLIC PARKING SPACES – PRE- AND POST-DBO
Pittsburgh International Airport
March 2025

Facility	Current	DBO
Garage	2,089	3,121
Executive lot	145	150
Long-term/walkable terminal	6,144	2,863
Shuttle garage*	--	2,089
Extended	2,671	--
Economy (shuttle after DBO)	5,184	8,505
Seasonal**	--	3,793
Total On-Airport	16,233	20,521

* Shuttle garage is the existing garage, which will open 3 months after DBO.

** Seasonal lot to be opened on an as-needed basis.

Source: Allegheny County Airport Authority.

Figure 24
PARKING LOT LOCATIONS AFTER TMP DBO
Pittsburgh International Airport



Source: Allegheny County Airport Authority.

Parking revenues were forecast based on recent trends in transactions per enplaned passenger, lot utilization and capacity, current and future daily rates, and enplaned passengers.

As noted earlier, the Authority recently concluded negotiations of a new rental car agreement for On-Airport RACs. If the QTA is constructed behind the MMC, it will provide an additional 1,200 parking spaces for public or employee parking, which would have a connection to the MMC garage. If the QTA is not constructed, the Authority believes it could pave this site to provide the 1,200 spaces on a surface lot or build another garage.

The Authority believes that with the planned number of parking spaces identified in Table 19, it will have adequate capacity to serve demand through the forecast period.

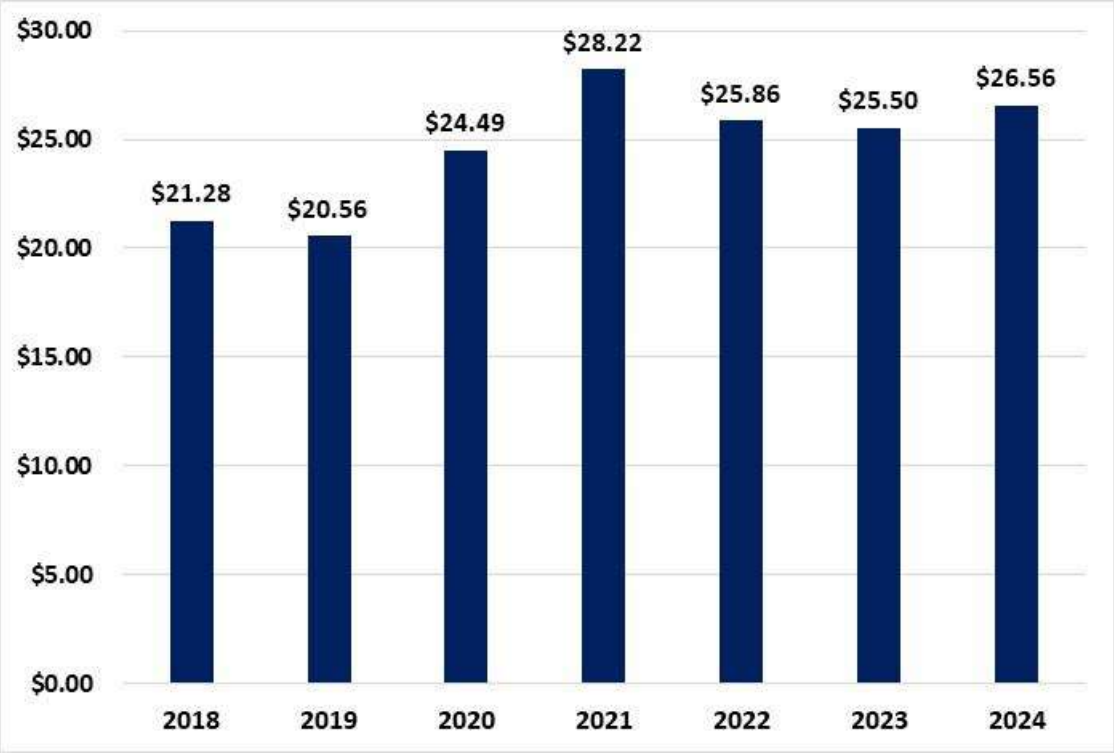
The forecasts include "contra revenue" amounts (netted against gross receipts) for costs to operate the parking facilities. These expenses include the parking taxes due to Findlay and Moon Townships, the parking contractor's management fee, shuttle bus expenses, credit card processing fees, and other staffing, maintenance, shuttle bus lease payments, software, insurance, supplies, and services provided by the parking operator. These parking expenses, which are netted against gross receipts, also include the Authority's estimates of increased parking shuttle bus operating expenses at DBO to service the remote lots. The current Economy lot does not have shuttle bus service, and with the opening of the new terminal, the existing lots will be a longer distance from the passenger terminal. The Authority estimates the cost to operate the parking shuttle buses will be approximately $13 million per year.

In addition to public parking revenues, the Authority generated $1.3 million in employee parking in 2024. The Authority budgeted $1.5 million for employee parking revenue in 2025. For the financial forecast, it was assumed employee parking revenue would increase 1.0% per year.

Rental Cars. Rental car revenues are the third largest source of Revenues after airline rates and charges and parking revenues, accounting for $13.2 million in revenues (excluding CFCs) in 2024 representing 6.7% of total Revenues.

Rental car concession revenues increased faster than passengers during the pandemic years given significant increases in rental car rates and started to normalize in late 2022 as shown in Figure 25. Gross revenue per enplaned passenger increased from $20.56 in 2019 to $26.56 in 2024.

Figure 25
HISTORICAL RENTAL CAR GROSS REVENUES PER ENPLANED PASSENGER
Pittsburgh International Airport
2018-2024

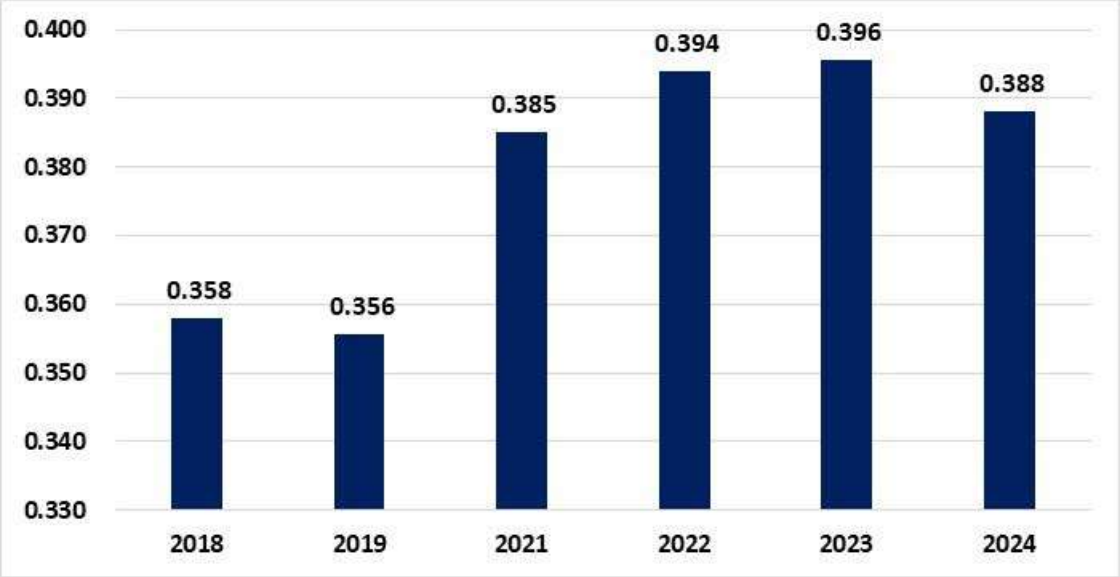


Source: Allegheny County Airport Authority.

Rental car concession fees are forecast to increase in proportion to enplaned passengers and price inflation. Rental car facility rentals are forecast to increase in accordance with the pre-DBO and post-DBO agreements.

In March 2020, the cap on the CFC levy increased from 7 days to 30 days. As shown in Figure 26, the number of rental car transactions days per enplaned passenger were flat in 2018 and 2019, increased in 2020 reflecting the increase in the cap on the numbers of days a CFC is collected and the shift in demand during the pandemic away from TNCs to parking and rental car transport to airports, and then leveled off in 2022, 2023, and 2024.

Figure 26
HISTORICAL CFC TRANSACTION DAYS PER ENPLANED PASSENGER
Pittsburgh International Airport
2018-2024 (excluding 2020)



1. CFC rate increased effective November 2018 from $3.50 to $5.50 per transaction day and to $6.00 effective February 2020.
2. The 7-day cap on the CFC levy per transaction was raised from 7 days to 30 days in April 2020.

Source: Allegheny County Airport Authority.

As noted earlier, the CFC rate per transaction day increased from $6.00 to $8.00 effective January 1, 2025, and would increase to $10.50 if the Authority and the On-Airport RACs agree to move forward with the construction of the QTA as set forth in the new rental car agreements. Due to the uncertainty of the implementation of the QTA at this time, for purposes of this report, it has been assumed the QTA is not developed and the CFC rate reverts back to $6.00 in 2027. As shown on Exhibit B-2, CFC revenues remaining after the payment of RAC-Allocable Debt Service would fund a pro rata portion of debt service coverage in 2025, pay for QTA design fees on a pay-as-you-go basis, fund the R&R Reserve Account (at $1 million per year up to $5 million cap), and any remaining amounts, if any, would fund a CFC Deficiency Reserve Account. CFC revenues are forecast to increase in proportion to enplaned passengers and the assumed CFC rate.

Transportation Network Companies and Other Ground Transportation. TNCs started serving the Airport in June 2015. The Authority entered into Non-Exclusive Operating Permits to Provide Transportation Network Company Services at the Airport with Lyft and Uber initially with only a pickup fee. The TNC permits that became effective March 1, 2019, introduced a new drop-off fee with both pickup and drop-off rates levied at $3.35. The TNC permits were renewed in February 2021 for two years, raising the rate for both pickup and drop-off to $4.00 effective March 1, 2020. In February 2023, the Authority again renewed the TNC permit under a 5-year term with a rate of $4.20 for pickups and drop-offs effective March 1 with annual CPI-U rate increases. The TNC rate as of February 2025 is $4.30 per trip (pickup or drop-off). Consistent with the increases in the TNC rates, the Authority increased the trip fee for taxis from $2.00 to $2.50 in 2019 and subsequently to $3.00 in 2020. In October 2023, the Authority added a drop-fee in addition to the pickup fee currently being charged to taxis. The fee is currently $4 per trip (pickup and drop-off). Similar to the TNC rates, taxi rates are also indexed to increase with inflation.

TNCs at PIT account for a relatively small share of the ground access and have not had the same type of impact on parking and rental car revenues as was experienced at many other U.S. airports. TNC revenues were forecast to increase with passengers and CPI rate increases per the TNC permits.

In April 2024, the Authority entered into an agreement with the carsharing company Turo which pays the Authority 10% of gross sales revenues in addition to an annual permit fee. Cars rented from Turo pay all applicable parking fees.

Terminal Concessions. Terminal concession revenues (food/beverage, news/gift, retail, advertising, and other) was the fourth largest source of Revenues in 2024 after airline rates and charges, parking revenues, and rental car revenues, accounting for $12.1 million and equating to 6.2% of Revenues.

PIT was one of the first airports in the country to adopt a shopping mall-type approach for its various retail activities, providing an atmosphere and selection of a shopping mall, including various brand-name outlets and “street pricing” based on local comparable prices. As of December 31, 2024, there were 50 locations in the Airside and Landside Terminals, including 26 food and beverage locations, 12 retail locations, 10 news and gift locations, 2 service locations, and various other services and amenities, such as ATMs, vending machines, luggage carts, and a common use lounge. Prior to the COVID-19 pandemic, as of December 31, 2019, there were 75 locations in the Airside and Landside Terminals, including 33 food and beverage locations, 23 retail locations, 13 news and gift locations, 6 service locations, and various other services and amenities located throughout the terminals. While fewer locations are open now versus 2019, the reasons are largely related to TMP impacts, lack of demand for certain concepts post-COVID (i.e., massage concepts), and locations at the far-end of concourses. However, despite reduced locations, along with the significant impact of construction barricades to passenger flow, both sales and revenue per enplanement for 2024 exceeded 2019 (+5.8% and +42%, respectively).

From the opening of the existing terminal in 1992 through June 15, 2022, the various retail activities in the Airport were managed pursuant to the terms of a Master Lease Development and Concession Agreement (Master Concession Agreement) between the Authority and a master concessionaire (Master Concessionaire) – Fraport Pittsburgh Inc. (Fraport). This agreement had been amended and extended four times and was scheduled to expire December 31, 2029. In June 2022, the Authority terminated the Fourth Amended and Restated Master Lease, Development, Concession Agreement (Master Lease). As a result of the termination and the Authority’s termination of the access rights of Fraport employees to the airside terminal, Fraport filed a motion for injunctive relief seeking to reinstate the Agreement and a separate action for breach of contract. On September 1, 2023, Fraport and the Authority reached a settlement of all disputes between them and entered into a Settlement Agreement

which provided for the Authority to pay Fraport $10.5 million in exchange for a full release of all claims Fraport may have against the Authority. The Settlement Agreement also provided for a full release of all claims the Authority may have against Fraport. (see "AIRPORT ACTIVITY INFORMATION – Concession Program" in the Preliminary Official Statement).

Under the Master Concession Agreement, the Master Concessionaire was responsible for managing and developing concession and retail activities at the terminal for the Authority with exclusive rights to all terminal concessions (except public pay telephones), including merchandising, retail, food and beverage services. The Authority received 77% of revenues received by the Master Concessionaire from the various subtenants with the remaining rents retained by the Master Concessionaire. Since the termination of the Master Concession Agreement, the Authority has retained 100% of the revenues received from both existing sublease agreements and newly negotiated license agreements with concessionaires, which generally obligate each concessionaire to pay the greater of a percentage of gross revenues (sales) or a minimum annual guarantee (MAG).

Most of the stores were temporarily closed beginning in late March 2020 due to the pandemic, and many have reopened. Several did not reopen. MAGs were not waived due to reduced concession sales during the pandemic, and as a result, the Authority decided to classify approximately $2.9 million of the uncollected MAGs as bad debt in its 2020 financial statements.

As noted earlier, the Authority executed two grants with the FAA for COVID-19 concession waiver programs – the first totaling $1,010,033 under CRRSA and the second totaling $4,040,132, which were drawn down and credits issued to the concessionaires for rents. Accordingly, the amount of in-terminal concession revenues shown on Exhibit E for 2022 and 2023 reflect these respective reductions while showing corresponding amounts of Other Pledged Revenues as designated by the Authority in 2022 and 2023.

Food, beverage, and retail revenues in Exhibit E for 2020 include MAG payments to the Master Concessionaire from its subtenants. However, the Authority classified approximately $2.9 million of these revenues as bad debt in 2020.

The Authority is in the process of revamping the terminal concessions program, which includes the replacement of certain operators with new ones. (The existing landside concessions will cease upon the opening of the new landside terminal.) Most of the new concession agreements provide that the concessionaire pay the greater of the annual MAG or percentage of sales. The financial forecasts are based on the Authority's forecast of revenue by tenant through 2027 along with certain other incremental increases. For example, the Authority recently partnered with Legends Sales and Marketing, LLC, a sports and hospitality specialist to begin a sponsorship program that allows for companies and organizations to utilize the Airport as a platform to promote their brand. This program will be based upon partnerships where Legends brokers relationships that allows for the sponsorship of assets or the display of the brand. This program allows the Authority to generate additional revenue that complements the media advertising program. The Authority is anticipating significant net revenue generation from the Legends partnership after paying expenses incurred by Legends, including $1.6 million in 2025, $2.9 million in 2026, and $3.0 million in 2027. For purposes of the financial projections in this report, it was assumed that 50% of such new revenues would be realized given the novel nature of this concept.

In addition to revenues earned under the concessions program under the Master Concession Agreement, the Authority receives 100% of revenues from advertising and electronic media, such as the Internet, flight information systems, and the wireless airport system. The Authority is currently in a

solicitation process for a media partner while the contract with the existing operator (JCDecaux) continues on a month-to-month basis.

The forecasts include "contra revenue" amounts (netted against gross receipts) to provide distribution services for the in-terminal concessions, which started in mid-July 2022 when the Authority took over management of the concessions.

After 2027, terminal concession revenues were forecast to increase with enplaned passengers.

Hangar and Field Fees. Hangar and field fees include ground rents and facility fees, including revenues from the aircraft fuel farm and distribution system and cargo facilities, which are managed by AFCO. These revenues were forecast to increase at half the rate of inflation and the terms of the agreements. The Cargo 1, 2, and 3 agreement with AFCO has rent increases every five years at 2% per annum. This agreement expires on July 31, 2028, but includes an option to extend for 10 years. The Cargo agreement with AFCO also has rent increases every five years that is tied to increases in the CPI with a not-to-exceed of 15%. This lease expires January 31, 2033, with an option to extend another 10 years. Revenues from new Cargo 4 have not been incorporated into the financial forecasts because the Authority does not have a tenant at the time of this report.

One of the four buildings leased by American Airlines was returned to the Authority in September 2023. At this time, the Authority utilizes a portion of the building in support of the TMP. Terms for the remaining American hangars were renegotiated in 2020 while agreements with Republic and Titan hangars were amended in 2023 and 2024, respectively. A new lease with LJ Aviation for Hangar 6 began in 2022, and terms for United States Steel Company (USS) hangar were completed in April 2022 to extend the term for 10 years with 6.5% annual rent increases. In 2023, the Authority re-negotiated new terms for the Republic hangar whereby Republic would make a capital investment and receive rent credits for the amount of the investment. Therefore, it was assumed that starting in 2024, the $497,000 per year rent from Republic would not be realized for the forecast period.

Utility and Maintenance Services Reimbursements. The Authority recovers utility and maintenance reimbursements from tenants throughout the Airport, which totaled $2.9 million in 2023 and $2.7 million in 2024. The Authority also provides baggage system maintenance service to the airlines, which totaled $3.5 million in 2023 and $4.0 million in 2024. The baggage system maintenance services revenues will end at DBO, replaced with the new common use baggage system rents. All other utility and maintenance services reimbursements were forecast to increase with inflation.

Allegheny County Airport. The Authority leases sites, buildings, and other facilities at Allegheny County Airport to various aviation and non-aviation tenants, including several large corporations headquartered in Pittsburgh. As noted earlier, AGC continued its strong post-pandemic performance in 2023, recording its busiest year in more than a decade. Hangars at the general aviation facility were near full occupancy by the end of 2024, and a large waiting list of tenants of all sizes has allowed the Authority to raise rental rates, increasing revenue.

Site and building rentals at Allegheny County Airport are governed by the terms of various leases, most of which include allowances for escalation. The Authority also collects landing fees and concession fees at Allegheny County Airport. Landing fees and concession fees are projected to remain constant while site and building rentals were forecast to increase with inflation except as otherwise provided by agreement.

Commercial/Industrial Area and Airport Development Area Revenues. The Authority derives ground rentals from the leasing of land in the ACAA Cost Center, which were forecast based on the

terms of the various leases and the scheduled expiration of Tax Increment Finance (TIF) payments. These revenues totaled $5.1 million in 2023 and $4.8 Million in 2024.

Interest Income. Interest income is a function of interest rates and available balances in operating funds and accounts held by the Authority and Trustee, including the Debt Service Funds, Debt Service Reserve Accounts, Operation and Maintenance Reserve Account, Renewal and Replacement Account, Coverage Account, and Airport System Capital Fund. Interest income does not include interest earnings on construction funds, the PFC Fund, the CFC Fund, or the Authority's discretionary funds (Natural Gas Fund and Gaming Fund). Interest income totaled $4.7 million in 2023 and $7.6 million in 2024, reflecting rising investment earnings rates and the Authority's proactive investment management. For the forecast, it was assumed that interest rates on the Debt Service Reserve Fund will average 3.0% per year and for all other funds and accounts will average 2.5% per year through 2030, and that balances would increase in the Debt Service and the Debt Service Reserve Accounts (reflecting the 2021 Bonds, 2023 Bonds, and 2025 Bonds).

APPLICATION OF REVENUES

Exhibit F presents the forecast application of Revenues as required under the Indenture. Under the Indenture, at the end of each Fiscal Year, after all deposits to the Operation & Maintenance Expense Fund, Debt Service Fund, Debt Service Reserve Fund, Subordinate Obligation Debt Service Fund, Subordinate Obligation Debt Service Reserve Fund, Operation and Maintenance Reserve Account, Renewal and Replacement Account, Equipment and Capital Outlay Fund, Coverage Account, and Rate Stabilization Fund have been made, remaining moneys not required to make up any deficiencies are to be transferred to the Airport System Capital Fund.

The $2.5 million deposit amount shown for the Coverage Account in 2024 reflects a deposit of $2.3 million from interest earnings and a charge under 2024 terminal rentals to bring the total up to the required amount after the issuance of the 2025 Bonds. The Coverage Account had a starting balance of $16.3 million at the end of 2023, which has been carried forward after defeasing the Prior Indenture and bonds at the end of 2019. The AOA provides for increased funding of the Coverage Amount in the year preceding DBO to minimize the impact on airline rates in the initial year of DBO. When annual debt service steps up in 2027, it is estimated that an additional $1.6 million will be required to be included in the terminal rate base and deposited to the Coverage Account.

Amounts for airline incentives must be funded from Authority discretionary revenues and are shown under the Airport System Capital Account. Payments to settle litigation pertain to the settlement for the prior master concessionaire for early termination of the contract. The full amount was paid in 2023 and included in airline rates and charges for 2023 and 2024 and are shown as reimbursements in those years.

DEBT SERVICE COVERAGE

As shown in Exhibit G, Net Revenues, together with Transfers, were forecast to be at least 125% of the Aggregate Annual Debt Service on the 2021 Bonds, 2023 Bonds, 2024 Bonds, and 2025 Bonds (net of offsetting PFC revenues). This forecast result indicates compliance with the Rate Covenant and Additional Bond Test of the Indenture during the forecast period.

As noted earlier, the Indenture permits the addition of Other Pledged Revenues and transfers to Net Revenues in computing the debt service coverage requirement for both the Rate Covenant and the Additional Bonds Test. With respect to the Rate Covenant, under the Indenture transfers are limited to no more than 25% of Aggregate Annual Debt Service payable in the Fiscal Year from amounts on deposit in the Coverage Account. For the Additional Bonds Test, transfers are limited to no more than 25% of

Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds from amounts projected to be on deposit in the Coverage Account.

FINANCIAL FORECASTS AND STRESS TEST PROJECTIONS

Exhibit H summarizes the financial results under the base case and a "Stress Test" regarding passenger growth, capital costs, and future Bond issues. The Stress Test is based on the same assumptions described in the sections above, except:

- It was assumed that growth in passenger traffic at the Airport is slower than in the base case as described under the AIRLINE TRAFFIC FORECASTS section of this report. Specifically, 2025 enplaned passengers would be 8% lower than the base case and 2030 enplaned passengers would be roughly 10% lower than the base case.
- Revenues related to passenger numbers, such as PFC Revenues, CFC Revenues, terminal concession revenues, parking revenues, and rental car revenues, were projected to be lower.

Other assumptions underlying the Stress Test projections are the same as those for the base case.

Under the Stress Test, Bond debt service coverage ratios are projected to exceed the 125% requirement of the Rate Covenant. As shown in Exhibit H, required airline payments per passenger at the Airports would be higher relative to those for the base passenger assumptions due to lower passenger-related revenues and fewer enplaned passengers.

In the event that any or all of these revised conditions occur, the Authority would have a range of options at its disposal to mitigate the impact of such an eventuality. Among them would be the ability to reduce O&M Expenses, apply more Gaming Revenues or Natural Gas Revenues to the extent available, and/or undertake a mid-year airline rate adjustment in the event that there is a significant decline in aviation activity at the Airport during the course of a fiscal year.

Exhibit A

TMP PLAN OF FINANCE / SOURCES AND USES OF FUNDS
Allegheny County Airport Authority

	PFC-Supported Bonds			GARBs			CFC-Supported Bonds		Total
	Issue 1 2021	Issue 2 2023	Issue 3 2025	Issue 1 2021	Issue 2 2023	Issue 3 2025	2021	2023	
PLAN OF FINANCE									
Sources of Funds									
Bond Proceeds and Premium	$ 216,878	$ 102,306	$ 25,827	$ 755,741	$ 232,711	$ 398,526	$ 47,701	$ 93,565	$ 1,873,255
Other Funding Sources									
AIP / PennDOT Grants (PCAir)	-	-	-	-	11,011	-	-	-	11,011
BIL ATP and AIG grants	-	-	-	-	82,586	-	-	-	82,586
State Grants	-	-	-	-	57	-	-	-	57
PFC paygo	15,545	61,362	-	-	-	-	-	-	76,907
CFC paygo	-	-	-	-	-	-	-	62,827	62,827
Federal Stimulus	-	-	-	20,412	-	-	-	-	20,412
ACAA Discretionary Revenues	-	-	-	11,473	49,868	-	-	-	61,341
Bond Interest Earnings / Other Grants					30,403	-	-	-	30,403
Construction Fund Interest Income	-	-	-	-	-	-	16	-	16
DSRF Interest Income during Cap-I	-	-	-	-	-	-	8	-	8
Cap. Interest Account Interest Income	-	-	-	-	-	133	13	-	145
Total Sources of Funds	$ 232,423	$ 163,669	$ 25,827	$ 787,626	$ 406,635	$ 398,659	$ 47,738	$ 156,392	$ 2,218,969
Uses of Funds									
Construction Fund/Project Costs									
Bond Funded (including paydown of LOC)	$ 177,500	$ 88,747	$ 23,753	$ 618,450	$ 200,473	$ 356,781	$ 37,941	$ 79,630	$ 1,583,275
Other Funding Sources	15,545	61,362	-	31,886	173,925	-	-	62,827	345,544
Total Project Costs	193,045	150,109	23,753	650,335	374,397	356,781	$ 37,941	$ 142,457	1,928,819
Bond Reserve Account	10,771	6,988	1,894	37,532	15,231	29,223	2,532	7,054	111,224
Capitalized Interest	27,763	5,845	-	96,788	15,417	9,609	6,600	6,142	168,164
PNC Line of Credit Interest	-	-	41	-	-	859	423	-	1,323
Issuance Costs	844	727	139	2,971	1,590	2,187	241	739	9,438
Total Uses of Funds	$ 232,423	$ 163,669	$ 25,827	$ 787,626	$ 406,635	$ 398,659	$ 47,738	$ 156,392	$ 2,218,969

1. Reimbursement of a portion of principal and interest on PNC LOC with Federal COVID-19 relief grants.
Sources: Allegheny County Airport Authority and PFM Financial Advisors LLC, April 2025.

Exhibit B-1

PASSENGER FACILITY CHARGES
Pittsburgh International Airport
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
PFC Collections												
Enplaned Passengers	4,875	1,812	3,166	4,051	4,595	4,964	5,064	5,140	5,217	5,295	5,374	5,455
Percent of PFC Eligible Passengers	93.1%	94.4%	85.8%	89.8%	88.4%	88.4%	88.4%	88.4%	88.4%	88.4%	88.4%	88.4%
PFC Eligible Enplaned Passengers	4,539	1,710	2,717	3,637	4,064	4,391	4,478	4,546	4,614	4,683	4,753	4,825
PFC Level	$4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
less: PFC Airline Collection Fee	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC Level	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
PFC Collections	$ 19,925	$ 7,508	$ 11,929	$ 15,966	$ 17,839	$ 18,876	$ 19,660	$ 19,955	$ 20,255	$ 20,558	$ 20,867	$ 21,180
Adjustments			7									
Interest Earnings	21	3	0	45	64	180	(2)	8	7	10	13	16
Total PFC Revenues	$ 19,946	$ 7,510	$ 11,936	$ 16,011	$ 17,903	$ 19,056	$ 19,658	$ 19,963	$ 20,261	$ 20,568	$ 20,879	$ 21,196
Application of PFC Revenue												
Reimbursement Authority Applied to CIP Project Costs	$ (15,544)		-	-	-	-	-	-	-	-	-	-
TMP Paygo (design and construction)	(4,402)	(7,510)	(5,666)	(20,506)	(17,557)	(19,435)	(1,832)	-	-	-	-	-
PFC Bond Debt Service	-	-	-	-	-	-	(18,024)	(19,182)	(19,595)	(19,599)	(19,598)	(19,600)
Total annual use of PFC revenues	$ (19,946)	$ (7,510)	$ (5,666)	$ (20,506)	$ (17,557)	$ (19,435)	$ (19,856)	$ (19,182)	$ (19,595)	$ (19,599)	$ (19,598)	$ (19,600)
PFC Cashflow												
PFC Fund Beginning Balance		$ -	$ -	$ 6,270	$ 1,775	$ 2,121	$ 1,743	$ 1,545	$ 1,623	$ 1,689	$ 1,786	$ 1,914
Annual Cash Flow		-	6,270	(4,495)	346	(379)	(198)	781	666	969	1,282	1,596
Incremental PFCs Applied to Airline Rate Base							-	(703)	(599)	(872)	(1,154)	(1,436)
Pay-as-you-go Other CIP	-	-	-	-	-	-	-	-	-	-	-	-
PFC Fund Ending Balance	$ -	$ -	$ 6,270	$ 1,775	$ 2,121	$ 1,743	$ 1,545	$ 1,623	$ 1,689	$ 1,786	$ 1,914	$ 2,074

Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit B-2

CUSTOMER FACILITY CHARGES
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Enplaned Passengers	4,875	1,812	3,166	4,051	4,595	4,964	5,064	5,140	5,217	5,295	5,374	5,455
Percent Change	1.4%	-62.8%	74.7%	28.0%	13.4%	8.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Rental Car Transactions	533	195	289	393	446	483						
Transactions per enplaned passenger	0.109	0.107	0.091	0.097	0.097	0.097						
Transaction Days[1]	1,734	773	1,219	1,567	1,817	1,927	1,928	1,957	1,986	2,016	2,046	2,077
Average days per transaction	3.3	4.0	4.2	4.0	4.1	4.0						
CFC Rate per Transaction Day	$ 5.69	$ 5.93	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 7.95	$ 8.00	$ 6.00	$ 6.00	$ 6.00	$ 6.00
CFC Collections	9,537	4,586	7,314	9,574	10,902	11,559	15,326	15,653	11,916	12,095	12,276	12,460
Underpayments for 2020	-	-	392	-	-	-	-	-	-	-	-	-
Interest Income	332	141	(18)	137	-	86	-	-	-	-	-	-
Total Annual CFC Revenues	$ 9,868	$ 4,727	$ 7,689	$ 9,711	$ 10,902	$ 11,645	$ 15,326	$ 15,653	$ 11,916	$ 12,095	$ 12,276	$ 12,460
Transaction Day Growth	0.7%	-55.4%	57.7%	28.5%	16.0%	6.0%	0.1%	1.5%	1.5%	1.5%	1.5%	1.5%
TDs per e.p.	0.356	0.427	0.385	0.387	0.395	0.388	0.381	0.381	0.381	0.381	0.381	0.381
Annual Uses of CFC Revenues												
CFC Fund Beginning Balance	$ -	$ 19,260	$ 10,981	$ 18,669	$ 7,583	$ 1,234	$ 3,128	$ (16)	$ -	$ -	$ -	$ -
Deposits												
Annual Revenues	9,868	4,727	7,689	9,711	10,902	11,645	15,326	15,653	11,916	12,095	12,276	12,460
Withdrawals												
CFCs to be Set Aside for TMP Garage												
CFC PAYGO for TMP	-	(13,007)	(392)	(20,639)	(17,252)	(9,752)	(1,786)	-	-	-	-	-
CFC PAYGO for QTA Design	-	-	-	-	-	-	(5,558)	(3,495)	-	-	-	-
R&R Account							(400)	(1,600)	(1,000)	(1,000)	(1,000)	-
CFC PAYGO for QTA	-	-	-	-	-	-	-	-				
CFCs Designated to Pay GARB Debt Service[2]	-	-	-	-	-	-	(8,580)	(8,717)	(8,725)	(8,722)	(8,726)	(8,723)
Coverage on QTA GARBs[2]							(2,145)		-	-		
CIP Projects/adjustments		-	-	(158)	-	-	-	-	-	-	-	-
CFC Defficiency Reserve - (deposit into) or drawn from		-	-	-	-	-	-	(1,825)	(2,191)	(2,373)	(2,550)	(3,737)
CFC Fund Ending Balance (Surplus Fund)	$ 19,260	$ 10,981	$ 18,669	$ 7,583	$ 1,234	$ 3,128	$ (16)	$ -	$ -	$ -	$ -	$ -
R&R Reserve		-	-	-	-	-	400	2,000	3,000	4,000	5,000	5,000
CFC Deficiency Reserve		-	-	-	-	-	-	1,825	4,016	6,388	8,938	12,676
CFCs as Other Pledged Revenues	-	-	-	-	$ -	$ -	$ 10,725	$ 8,717	$ 8,725	$ 8,722	$ 8,726	$ 8,723

1. The cap on the number of days subject to a CFC increased from 7 to 10 days effective April 1, 2020. One company remitted the April 2020 through June 2021 one-time catchup payment in September 2021.
2. Amounts designated as Other Pledged Revenues.
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit C

DEBT SERVICE REQUIREMENTS
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Prior Bonds[1]	$ 21,191	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Senior Bonds												
Revenue-Supported Bonds												
TMP 2021 Bonds	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,178	$ 37,531	$ 37,531	$ 37,529	$ 37,531	$ 37,529
TMP 2023 Bonds	-	-	-	-	-	-	9,495	16,216	16,221	16,220	16,218	16,216
TMP 2025 Bonds	-	-	-	-	-	-	5,727	22,909	29,234	29,227	29,233	29,231
PFC-Supported Bonds												
TMP 2021 Bonds	-	-	-	-	-	-	10,103	10,778	10,778	10,778	10,779	10,779
TMP 2023 Bonds	-	-	-	-	-	-	6,939	6,937	6,936	6,940	6,940	6,940
TMP 2025 Bonds	-	-	-	-	-	-	982	1,466	1,881	1,881	1,879	1,881
CFC-Supported Bonds												
TMP 2021 Bonds	-	-	-	-	-	-	2,150	2,295	2,295	2,294	2,295	2,294
TMP 2023 Bonds	-	-	-	-	-	-	6,429	6,422	6,430	6,428	6,431	6,429
Total Senior Debt Service	$ 21,191	$ -	$ -	$ -	$ -	$ -	$ 77,005	$ 104,555	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Subordinate Obligations												
LOC Interest (future BIL AIG)	$ -	$ -	$ -	$ -	$ -	$ -	$ 735	$ 630	$ -	$ -	$ -	$ -
Subordinate Obligations	-	-	-	-	-	-	735	630	-	-	-	-
Total Debt Service	$ 21,191	$ -	$ -	$ -	$ -	$ -	$ 77,740	$ 105,185	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Debt Service by Cost Center												
Airfield Area	$ 357	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Terminal Area	15,814	-	-	-	-	-	77,740	105,185	111,307	111,298	111,307	111,300
Terminal Ramp Area	516	-	-	-	-	-	-	-	-	-	-	-
Parking and Rental Car Area	3,146	-	-	-	-	-	-	-	-	-	-	-
Hangar and Field Support Area	1,358	-	-	-	-	-	-	-	-	-	-	-
ACAA Area	-	-	-	-	-	-	-	-	-	-	-	-
Allegheny County Airport	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	$ 21,191	$ -	$ -	$ -	$ -	$ -	$ 77,740	$ 105,185	$ 111,307	$ 111,298	$ 111,307	$ 111,300

1. Amount for 2019 defeased Prior Bonds.

Sources: Allegheny County Airport Authority and PFM Financial Advisors LLC, April 2025.

Exhibit D
OPERATION AND MAINTENANCE EXPENSES
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
TOTAL EXPENSES												
Pittsburgh International Airport												
Personnel	$ 44,771	$ 40,082	$ 42,908	$ 51,023	$ 56,208	$ 62,898	$ 63,880	$ 66,086	$ 64,781	$ 67,048	$ 69,395	$ 71,824
Utilities	10,602	9,086	10,888	11,394	11,025	11,491	12,179	12,575	12,984	13,406	13,841	14,291
Cleaning & Maintenance	18,500	18,171	16,871	17,037	17,804	19,724	21,374	22,069	22,786	23,526	24,291	25,080
Professional Services	22,935	24,660	28,876	34,667	41,436	39,828	$ 39,030	$ 38,824	$ 39,432	40,714	42,037	43,403
Other	10,238	9,882	7,237	13,249	12,791	11,693	14,657	15,133	15,625	16,133	16,657	17,198
Allegheny County Airport												
Personnel	1,736	1,904	1,855	2,297	2,228	2,400	2,581	2,665	2,751	2,841	2,933	3,028
Utilities	360	344	324	395	418	403	496	512	529	546	564	582
Cleaning & Maintenance	31	29	28	628	569	40	37	38	39	41	42	43
Professional Services	186	59	78	468	236	243	363	375	387	400	413	426
Other	282	169	211	461	385	478	407	420	434	448	462	478
Subtotal	$ 109,640	$104,386	$ 109,276	$ 131,619	$ 143,101	$ 149,196	$ 155,003	$ 158,697	$ 159,748	$ 165,102	$ 170,635	$ 176,354
Incremental O&M Expenses												
Incremental O&M and TMP Savings[1]	-	-	-	-	-	-	1,215	(6,714)	(9,549)	(12,247)	(13,569)	(14,311)
Deicing Mitigation[3]	-	-	-	-	-	-	-	1,919	1,981	2,046	2,112	2,181
Total Operation and Maintenance Expenses	$ 109,640	$104,386	$ 109,276	$ 131,619	$ 143,101	$ 149,196	$ 156,218	$ 153,902	$ 152,180	$ 154,900	$ 159,178	$ 164,224
Percent Change	-2.6%	-4.8%	4.7%	20.4%	8.7%	4.3%	4.7%	-1.5%	-1.1%	1.8%	2.8%	3.2%
O&M ALLOCATION BY COST CENTER												
Airfield Area	$ 23,839	$ 24,408	$ 27,178	$ 30,446	$ 29,918	$ 31,933	$ 33,815	$ 36,737	$ 36,792	$ 37,911	$ 39,245	$ 40,441
Terminal Area	70,500	74,115	75,903	93,286	105,660	107,728	112,546	107,429	105,530	106,830	109,376	112,901
Terminal Ramp Area	4,370	-	-	-	-	-	-	-	-	-	-	-
Parking and Rental Car Area	3,668	-	-	-	-	-	-	-	-	-	-	-
Hangar and Field Support Area	3,934	-	-	-	-	-	-	-	-	-	-	-
Total Airline Rate Based O&M Expenses	$ 106,311	$ 98,523	$ 103,080	$ 123,732	$ 135,578	$ 139,661	$ 146,361	$ 144,166	$ 142,323	$ 144,741	$ 148,621	$ 153,342
Cargo Area	735	-	-	-	-	-	-	-	-	-	-	-
ACAA Area	-	3,358	3,699	3,637	3,687	5,971	5,973	5,950	5,963	6,151	6,389	6,592
Allegheny County Airport	2,594	2,505	2,496	4,250	3,836	3,564	3,884	3,786	3,894	4,008	4,168	4,290
Total Expenses	$ 109,640	$104,386	$ 109,276	$ 131,619	$ 143,101	$ 149,196	$ 156,218	$ 153,902	$ 152,180	$ 154,900	$ 159,178	$ 164,224
Less Operating Expenses Excluded from Indenture[2]	(3,329)	(471)	(510)	(625)	(377)	(688)	(531)	(548)	(566)	(584)	(603)	(622)
OPERATION AND MAINTENANCE EXPENSES[2]	$ 106,311	$104,386	$ 109,276	$ 131,619	$ 143,101	$ 148,508	$ 155,688	$ 153,354	$ 151,614	$ 154,316	$ 158,575	$ 163,601
Percent Change	-2.5%	-1.8%	4.7%	20.4%	8.7%	3.8%	4.8%	-1.5%	-1.1%	1.8%	2.8%	3.2%

1. Incremental O&M Expenses as of DBO represent rent for Authority office space and expected savings from the TMP, excluding savings realized in prior years. See text for details.
2. Amounts exluded from O&M Expenses under Master Indenture. Amounts for 2019 were under the Prior Indenture.
3. Maintenance on deicing-related infrastructure for stormwater mitigation.
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit E

REVENUES
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Airline Rates and Charges												
Signatory Passenger Airline Landing Fees	$ 14,478	$ 9,644	$ 11,494	$ 15,717	$ 18,662	$ 22,165	$ 24,336	$ 23,539	$ 23,553	$ 24,273	$ 26,641	$ 27,690
Non-Signatory Passenger Landing Fees	1,261		478	483	604	794	866	838	838	864	948	986
Cargo Carrier Landing Fees	1,551	1,754	2,639	2,528	2,027	2,422	2,602	2,480	2,445	2,482	2,684	2,749
Terminal Space Rentals	27,161	24,420	23,667	22,093	26,866	27,194	46,358	66,865	69,719	68,457	73,527	75,424
Non-Signatory Terminal Space Rentals	300			270	253	123	230	-	-	-	-	-
Less: Airline Waivers[1]	(1,930)	(532)	(130)	(344)	(468)	(501)	(523)	-	-	-	-	-
Parking Fees	625	943	422	878	1,027	961	1,137	1,160	1,183	1,207	1,231	1,255
Gate & FIS Use Charges	4,730	2,276	2,542	3,046	4,505	5,917	6,562	5,562	5,752	5,721	6,059	6,214
Terminal Ramp Rentals	790	880	902	922	955	1,047	1,084	1,136	1,173	1,211	1,250	1,291
Total Airline Rates and Charges	$ 48,966	$ 39,386	$ 42,014	$ 45,594	$ 54,433	$ 60,123	$ 82,654	$ 101,579	$ 104,662	$ 104,215	$ 112,341	$ 115,609
Additional Airline Charges												
Aircraft Support Charges	$ 212	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tenant Equipment and Finish Charges	425	-	-	-	-	-	-	-	-	-	-	-
Special Automated Baggage Facilities Charges	2,718	2,773	2,511	2,609	2,765	2,901	2,214	-	-	-	-	-
Total Additional Charges	$ 3,356	$ 2,773	$ 2,511	$ 2,609	$ 2,765	$ 2,901	$ 2,214	$ -	$ -	$ -	$ -	$ -
Nonairline Revenues												
Other Airfield Revenues	$ 234	$ 650	$ 1,023	$ 1,288	$ 1,209	$ 1,441	$ 1,435	$ 1,435	$ 1,435	$ 1,435	$ 1,435	$ 1,435
Hangar and Field Fees	9,234	8,745	8,323	8,153	7,664	7,313	6,904	6,975	7,047	7,534	7,610	7,687
Other Terminal Rentals	2,022	2,372	2,398	2,510	2,863	2,601	1,761	1,856	1,885	1,914	1,944	1,974
Cargo Building and Ramp Charges	612	580	742	839	858	782	805	805	805	805	805	805
Employee Parking Lot Rental	1,646	928	903	1,102	1,027	1,325	1,485	1,500	1,515	1,530	1,546	1,561
Concession Fees												
Food, Beverage, Retail (AirMall)[2]	7,925	5,805	7,836	8,314	11,076	12,122	13,049	13,547	14,827	15,049	15,275	15,504
Other[3]	8,096	4,215	5,079	6,975	7,838	9,876	14,911	12,810	13,258	13,431	13,763	14,110
Rental Car	10,196	4,812	8,911	10,773	11,752	13,195	13,449	13,762	14,082	14,409	14,744	15,087
Parking Management	35,558	11,240	25,716	38,601	54,528	61,061	56,462	54,008	54,431	54,900	55,365	55,825
Rental Car Service Area Rentals	2,182	2,484	2,415	2,538	2,597	2,684	3,486	3,698	3,762	3,828	3,897	3,967
Utility and Maintenance Services	3,442	2,391	2,623	3,310	2,873	2,687	2,551	2,623	2,696	2,772	2,851	2,931
Baggage System Maintenance	4,056	3,598	2,909	3,658	3,542	3,967	3,071	-	-	-	-	-
Other	1,033	2,371	1,916	1,581	2,678	2,360	1,659	1,695	1,714	1,732	1,511	1,531
CFCs - Debt Service/Coverage	-	-	-	-	-	-	10,725	8,717	8,725	8,722	8,726	8,723
Commercial Development	1,916	4,541	5,046	4,360	5,088	4,806	4,895	4,945	5,269	5,576	5,615	5,783
CIA Revenues	559	-	-	-	-	-	-	-	-	-	-	-
Investment Income (ASCF)[4]	737	108	38	374	2,021	2,871						
Investment Income (prefund account)[4]						2,289						
Investment Income (credited to airlines)	1,789	332	135	379	2,705	2,389	4,789	6,440	6,701	6,703	6,718	6,737
Subtotal - Nonairline Revenues	$ 90,676	$ 55,171	$ 76,015	$ 94,756	$ 120,321	$ 133,769	$ 141,436	$ 134,815	$ 138,151	$ 140,341	$ 141,803	$ 143,660
Nonairline Revenues per Enplaned Passenger	$18.60	$30.44	$24.01	$23.39	$26.19	$26.95	$27.93	$26.23	$26.48	$26.50	$26.39	$26.34

Exhibit E

REVENUES
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Nonairline Revenues by Cost Center												
Airfield Area	$ 1,673	$ 10,852	$ 10,913	$ 10,740	$ 10,950	$ 10,293	$ 10,196	$ 10,292	$ 10,434	$ 10,994	$ 11,146	$ 11,298
Terminal Area	25,505	36,574	56,662	75,556	98,438	109,623	122,585	115,840	118,573	119,892	121,160	122,693
Terminal Ramp Area	632	-	-	-	-	-	-	-	-	-	-	-
Parking and Rental Car Area	56,090	-	-	-	-	-	-	-	-	-	-	-
Hangar and Field Support Area	10,080	-	-	-	-	-	-	-	-	-	-	-
Military Facilities	166	-	-	-	-	-	-	-	-	-	-	-
Cargo Area	619	-	-	-	-	-	-	-	-	-	-	-
Commercial/Industrial Area / ACAA Area	559	5,194	5,770	5,565	8,102	10,924	5,810	5,845	6,301	6,609	6,647	6,815
Airport Development Area	1,356	-	-	-	-	-	-	-	-	-	-	-
Allegheny County Airport	2,812	2,551	2,670	2,894	2,831	2,928	2,845	2,838	2,843	2,846	2,850	2,854
Total	$ 99,491	$ 55,171	$ 76,015	$ 94,756	$ 120,321	$ 133,769	$ 141,436	$ 134,815	$ 138,151	$ 140,341	$ 141,803	$ 143,660
Other Pledged Revenues												
PFC Application[3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CARES/CRRSA/ARPA (PIT)	-	10,496	18,183	11,947	-	-	-	-	-	-	-	-
CARES (BHS Credit)	-	-	905	-	-	-	-	-	-	-	-	-
CRRSA/ARPA Concession Grants	-	-	-	1,010	4,040	-	-	-	-	-	-	-
CARES/CRRSA/ARPA (AGC)	-	157	57	148	-	-	-	-	-	-	-	-
CARES (County)	-	2,000	-	-	-	-	-	-	-	-	-	-
FEMA Grant	-	439	-	-	-	-	-	-	-	-	-	-
Discretionary (Gas) Revenues	3,815	-	-	-	-	-	-	-	-	-	-	-
Supplemental Gaming Revenues for BHS	-	-	-	-	-	-	630	3,082	3,214	3,156	3,390	3,477
Discretionary (Gaming) Revenues	1,730	-	-	-	-	-	8,170	8,493	8,361	8,419	8,186	8,098
	$ 5,545	$ 13,092	$ 19,146	$ 13,105	$ 4,040	$ -	$ 8,800	$ 11,575	$ 11,575	$ 11,575	$ 11,575	$ 11,575
Total Nonairline/Discretionary Revenues	$ 96,221	$ 68,263	$ 95,161	$ 107,861	$ 124,361	$ 133,769	$ 150,236	$ 146,391	$ 149,726	$ 151,916	$ 153,378	$ 155,235
	-0.8%	-29.1%	39.4%	13.3%	15.3%	7.6%	12.3%	-2.6%	2.3%	1.5%	1.0%	1.2%
Total Operating Revenues												
Less: Excluded Cost Centers												
Cargo Area	(619)	-	-	-	-	-	-	-	-	-	-	-
Commercial/Industrial Area[5]	(559)	-	-	-	-	-	-	-	-	-	-	-
Airport Development Area[4]	(1,356)	-	-	-	-	-	-	-	-	-	-	-
Allegheny County Airport	(2,812)	-	-	-	-	-	-	-	-	-	-	-
Revenues	$ 143,197	$ 110,422	$ 139,686	$ 156,064	$ 181,558	$ 196,793	$ 235,105	$ 247,970	$ 254,389	$ 256,131	$ 265,719	$ 270,844

1. Air service incentives under the Authority's air service incentive program.
2. Amout for 2023 is net of ARPA concession grant reimbursement from FAA.
3. Includes TNC and other ground transportation trip fees.
4. In 2024, Coverage Account investment income retained in account to reduce amount recoverable through Terminal rate base.
5. Amounts shown for Commercial/Industrial Area and Airport Development Area cost centers are net of operating expenses and Tax Increment Financing (TIF).

Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit E-1

CALCULATION OF AIRLINE TERMINAL RENTAL RATE
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Terminal Area Cost												
O&M Expenses	$ 70,500	$ 74,115	$ 75,903	$ 93,286	$ 105,660	$ 107,728	$ 112,546	$ 107,429	$ 105,530	$ 106,830	$ 109,376	$ 112,901
Debt Service:												
Prior Bonds	15,814	-	-	-	-	-	-	-	-	-	-	-
Revenue-Supported Bonds												
TMP 2021 Bonds	-	-	-	-	-	-	35,178	37,531	37,531	37,529	37,531	37,529
TMP 2023 Bonds	-	-	-	-	-	-	9,495	16,216	16,221	16,220	16,218	16,216
TMP 2025 Bonds	-	-	-	-	-	-	5,727	22,909	29,234	29,227	29,233	29,231
TIFIA Loan	-	-	-	-	-	-	-	-	-	-	-	-
PFC-Supported Bonds		-	-	-	-	-	18,024	19,182	19,595	19,599	19,598	19,600
Less: PFCs Available for Debt Service[1]	-	-	-	-	-	-	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
CFC-Supported Bonds												
TMP 2021 Bonds	-	-	-	-	-	-	2,150	2,295	2,295	2,294	2,295	2,294
TMP 2023 Bonds	-	-	-	-	-	-	6,429	6,422	6,430	6,428	6,431	6,429
Subordinate LOC Interest							735	630	-	-	-	-
ACAA Loan Repayment	-	-	11,211	2,491	11,211	-	-	-	-	-	-	-
Payment to Settle Litigation[2]	-	-	-	-	1,011	9,489	-	-	-	-	-	-
Allocable Capital Projects not subject to approval by an MII[3]	-	-	-	-	-	6,366	-	-	-	-	-	-
Fund Deposit Requirements												
Equipment & Outlay Fund	663	1,135	1,152	1,190	1,284	2,637	2,647	2,648	2,717	2,790	2,870	2,964
O & M Reserve Fund	284	141	268	1,555	2,763	734	881	(272)	(201)	311	488	576
Renewal & Replacement Fund (Repayment to ACAA)	-	-	1,500	1,500	-	-	-	-	-	-	-	-
Coverage Requirement (net of interest earnings in 2024)	-	-	-	-	-	2,546	-	-	1,610	-	-	-
Airport System Capital Fund	3,333	-	7,303	8,553	10,859	11,408	8,231	-	-	-	4,098	4,221
Concession Incentive Fee[3]	3,818	1,713	2,997	4,032	5,267	5,936	6,081	5,870	6,022	6,097	6,183	6,270
Total Terminal Area Cost	$ 94,412	$ 77,104	$ 100,334	$ 112,607	$ 138,056	$ 146,845	$ 190,102	$ 200,975	$ 206,790	$ 206,854	$ 213,570	$ 217,195

Exhibit E-1

CALCULATION OF AIRLINE TERMINAL RENTAL RATE
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Add/(Less)												
Tenant Equipment and Finishes Charges	(425)	-	-	-	-	-	-	-	-	-	-	-
Special Automated Baggage Facilities Charges	(2,718)	(2,773)	(2,511)	(2,609)	(2,765)	(2,901)	(2,214)	-	-	-	-	-
Gate Usage Fees and FIS Fees	(5,271)	(2,276)	(2,542)	(3,046)	(4,505)	(5,917)	(6,562)	(5,562)	(5,752)	(5,721)	(6,059)	(6,214)
Incentivized Fees			(238)	(249)	(236)	(42)						
Terminal Ramp Fees	-	(880)	(902)	(922)	(955)	(1,047)	(1,084)	(1,136)	(1,173)	(1,211)	(1,250)	(1,291)
Non-Signatory Terminal Space Rentals				(270)	(253)	(123)						
Natural Gas Revenues	(450)	-	-	-	-	-	-	-	-	-	-	-
Gaming Revenues Allocable to Terminal Area	-	-	-	-	-	-	(8,170)	(8,493)	(8,361)	(8,419)	(8,186)	(8,098)
One-Time Additional Credit of Discretionary Revenues[4]	-	-	-	-	-	-	(2,500)	-	-	-	-	-
CARES, CRRSA, ARPA (PIT)	-	(7,954)	(12,908)	(6,855)	-	-	-	-	-	-	-	-
CARES (BHS Credit)	-	-	(905)	-	-	-	-	-	-	-		
CRRSA/ARPA Concession Grants	-	-	-	(1,010)	(4,040)	-						
CARES (County)	-	(1,827)	-	-	-	-	-	-	-	-		
FEMA Grant	-	(401)	-	-	-	-	-	-	-	-		
Other Terminal Area Non-Airline Revenues[5]	(16,640)	(36,574)	(56,662)	(75,556)	(98,438)	(109,623)	(122,585)	(115,840)	(118,573)	(119,892)	(121,160)	(122,693)
Net Cost (Revenues) of Parking & Rental Car Area	(41,749)	-	-	-	-	-	-	-	-	-	-	-
Net Cost of Terminal Area	$ 27,161	$ 24,420	$ 23,667	$ 22,093	$ 26,866	$ 27,194	$ 46,989	$ 69,947	$ 72,933	$ 71,613	$ 76,917	$ 78,901
Airline Rented Space (sq ft) excl. Rented Baggage Space												
Signatory	149	104	102	104	104	106	107	111	111	111	111	111
Non-Signatory with 20% premium added		1	2			-	1	1	1	1	1	1
Airline Rented Baggage Space (sq ft)	-	45	46	46	46	46	57	88	88	88	88	88
Total Airline Rented Space	149	151	149	149	151	152.093	164	200	200	200	200	200
Signatory Terminal Rental Rate per sq ft	**$ 182.62**	**$ 161.84**	**$ 158.76**	**$ 147.84**	**$ 178.33**	**$ 178.80**	**$ 285.86**	**$ 349.58**	**$ 364.50**	**$ 357.90**	**$ 384.41**	**$ 394.33**
Net Cost of Terminal Area	$ 27,161	$ 24,420	$ 23,667	$ 22,093	$ 26,866	$ 27,194	$ 46,989	$ 69,947	$ 72,933	$ 71,613	$ 76,917	$ 78,901
Less: ACAA Supplemental Gaming Revenue for Fixed BHS	-	-	-	-	-	-	(630)	(3,082)	(3,214)	(3,156)	(3,390)	(3,477)
Signatory Airline Terminal Rentals	$ 27,161	$ 24,420	$ 23,667	$ 22,093	$ 26,866	$ 27,194	$ 46,358	$ 66,865	$ 69,719	$ 68,457	$ 73,527	$ 75,424
Non-signatory Rate at 120%	$ 219.14	$ 194.21	$ 190.52	$ 177.41	$ 214.00	$ 214.56	$ 343.03	$ 419.49	$ 437.40	$ 429.48	$ 461.29	$ 473.19

1. PFCs Available for Debt Service include the expected allocation equal to 90% of the PFCs in excess of PFC-supported debt service (see Exhibit B).
2. One-time lump sum payment to settle litigation allocated over two years.
3. Recovery of capital expenses paid by ACAA discretionary revenues in 2024 due to more favorable results (see text for further information).
4. Potential additonal credit of ACAA discretionary revenues in 2025 subject to actual results vs. budget (see text for further information).
5. Starting in 2020 under the New AOA, includes parking, rental car revenues, and other ground transportation revenues.

Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit E-2

CALCULATION OF LANDING FEE RATE
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except for rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Airfield Costs												
O&M Expenses	$ 23,839	$ 24,408	$ 27,178	$ 30,446	$ 29,918	$ 31,933	$ 33,815	$ 36,737	$ 36,792	$ 37,911	$ 39,245	$ 40,441
Debt Service:												
Prior Bonds	357	-	-	-	-	-	-	-	-	-	-	-
Allocable Capital Projects not subject to approval by an MII[1]						3,180						
MII Approved Net Capital Improvement Cost	-	-	-	543	-	-	-	-	-	-	-	-
Fund Deposit Requirements												
Equipment & Outlay Fund	1,730	1,723	1,748	1,861	2,008	782	795	906	947	990	1,030	1,062
O & M Reserve Fund	96	46	96	507	760	217	265	(93)	(70)	110	175	206
Renewal & Replacement Fund	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost (Revenues) of Allegheny County Airport (incl CARES)	-	(198)	(221)	629	679	592	735	759	783	809	835	862
Coverage Requirement	-	-	-	-	-	-	-	-	-	-	-	-
Airport System Capital Fund	3,333	-	2,434	1,509	-	-	3,528	-	-	-	1,366	1,407
Total Airfield Operating Requirement	$ 29,354	$ 25,980	$ 31,234	$ 35,496	$ 33,366	$ 36,704	$ 39,138	$ 38,309	$ 38,453	$ 39,820	$ 42,650	$ 43,978
PFC Revenues Allocable to Airfield Area	-	-	-	-	-	-	-	-	-	-	-	-
CARES, CRRSA, ARPA (PIT)	-	(2,542)	(5,276)	(5,092)	-	-	-	-	-	-	-	-
CARES (County)	-	(173)	-	-	-	-	-	-	-	-	-	-
FEMA	-	(38)	-	-	-	-	-	-	-	-	-	-
Incentivized Fees			(13)	(60)	(95)	(67)						
Natural Gas Revenues	(3,365)	-	-	-	-	-	-	-	-	-	-	-
Gaming Revenues	(1,730)	-	-	-	-	-	-	-	-	-	-	-
Parking Fees		(943)	(422)	(875)	(1,027)	(961)	(1,137)	(1,160)	(1,183)	(1,207)	(1,231)	(1,255)
Cargo and Non-Signagtory Landing Fees				(3,011)	(2,632)	(3,217)						
Non-Airline Revenues Allocable to Airfield Area[2]	(2,934)	(10,852)	(10,913)	(10,740)	(10,950)	(10,293)	(10,196)	(10,292)	(10,434)	(10,994)	(11,146)	(11,298)
Airfield Requirement	$ 21,325	$ 11,432	$ 14,611	$ 15,717	$ 18,662	$ 22,165	$ 27,805	$ 26,857	$ 26,836	$ 27,620	$ 30,274	$ 31,425
Adjustments												
Net Cost (Revenues) of Hangar and Field Support Area	$ (4,628)											
Net Cost (Revenues) of Military Facilities	(166)											
50% of Net Cost (Revenues) of Cargo Area	58											
50% of Net Cost (Revenues) of Airport Development Area	(559)											
	$ (5,296)											
Net Airfield Cost	$ 16,029	$ 11,432	$ 14,611	$ 15,717	$ 18,662	$ 22,165	$ 27,805	$ 26,857	$ 26,836	$ 27,620	$ 30,274	$ 31,425
Landed Weight of Signatory Passenger Airlines	5,557	3,100	3,750	4,619	5,357	5,729	5,844	5,932	6,021	6,111	6,203	6,296
Landed Weight of Signatory Cargo Carriers	541	526	783	676	529	568	568	568	568	568	568	568
Adjusted Cargo Carrier Weight Premium @ 10%	54	53	78	68	53	57	57	57	57	57	57	57
Landed Weight of Non-Signatory Cargo Carriers		11	17	-	-	-	-	-	-	-	-	-
Landed Weight of Non-signatory Passenger Airlines		67	113	118	145	170	173	176	179	181	184	187
Adjusted Non-signatory Weight Premium @ 20%		13	26	24	29	34	35	35	36	36	37	37
Weighted Average Landed Weight for Residual Calculation	6,152	3,769	4,767	5,504	6,113	6,558	6,677	6,768	6,860	6,953	7,048	7,145
Landed Weight of Signatory Passenger Airlines				4,619	5,357	5,729	5,844					
Signatory Passenger Airline Landing Fee Rate	**$2.61**	**$3.03**	**$3.07**	**$3.40**	**$3.48**	**$3.87**	**$4.16**	**$3.97**	**$3.91**	**$3.97**	**$4.30**	**$4.40**
Cargo Carrier Landing Fee Rate at 110%	$2.87	$3.34	$3.37	$3.74	$3.83	$4.26	$4.58	$4.37	$4.30	$4.37	$4.72	$4.84
Non-signatory Rate at 120%	$3.13	$3.64	$3.68	$4.08	$4.18	$4.64	$5.00	$4.76	$4.69	$4.77	$5.15	$5.28
Landing Fees												
Signatory Passenger Airlines	$ 14,478	$ 9,401	$ 11,494	$ 15,717	$ 18,662	$ 22,165	$ 24,336	$ 23,539	$ 23,553	$ 24,273	$ 26,641	$ 27,690
Non-Signatory Passenger Airlines	-	243	478	483	604	794	866	838	838	864	948	986
Total Passenger Airlines	$ 14,478	$ 9,644	$ 11,972	$ 16,200	$ 19,266	$ 22,960	$ 25,202	$ 24,377	$ 24,391	$ 25,137	$ 27,590	$ 28,676
Signatory Cargo Carriers	1,551	1,754	2,639	2,528	2,027	2,422	2,602	2,480	2,445	2,482	2,684	2,749
Total Landing Fees	$ 16,029	$ 11,398	$ 14,611	$ 18,728	$ 21,294	$ 25,382	$ 27,805	$ 26,857	$ 26,836	$ 27,620	$ 30,274	$ 31,425

1. Recovery of capital expenses paid by ACAA discretionary revenues in 2024 due to more favorable results (see text for further information).
2. Reflects changed definition of Airfield cost center in 2020.
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit E-3

PASSENGER AIRLINE COST PER ENPLANED PASSENGER
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except for rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Passenger Signatory Airline Landing Fees	$ 14,478	$ 9,644	$ 11,972	$ 16,200	$ 19,266	$ 22,960	$ 25,202	$ 24,377	$ 24,391	$ 25,137	$ 27,590	$ 28,676
Non-Signatory Passenger Landing Fees	674											
Terminal Space Rentals	27,161	24,420	23,667	22,093	26,866	27,194	46,989	69,947	72,933	71,613	76,917	78,901
Less: ACAA Supplemental Discretionary Revenue[1]	-	-	-	-	-	-	(630)	(3,082)	(3,214)	(3,156)	(3,390)	(3,477)
Less: Republic Airlines Rent[2]		(358)	(271)	(252)	(304)	(305)	(524)	(774)	(807)	(792)	(851)	(873)
Non-signatory Space Rent	300	-	-	270	253	123	230	-	-	-	-	-
Ramp Rent	790	880	902	922	955	1,047	1,084	1,136	1,173	1,211	1,250	1,291
Less: Airline Waivers	(1,435)	(524)	(130)	(344)	(468)	(501)	(523)	-	-	-	-	-
Aircraft Parking Fees	625	943	422	878	1,027	961	1,137	1,160	1,183	1,207	1,231	1,255
Gate & FIS Use Charges	4,730	2,276	2,542	3,046	4,505	5,917	6,562	5,562	5,752	5,721	6,059	6,214
Total Payments	$ 47,323	$ 37,281	$ 39,105	$ 42,814	$ 52,101	$ 57,396	$ 79,528	$ 98,325	$ 101,410	$ 100,941	$ 108,806	$ 111,987
Enplaned Passengers	4,875	1,812	3,166	4,051	4,595	4,964	5,064	5,140	5,217	5,295	5,374	5,455
Cost per Enplaned Passenger	$ 9.71	$ 20.57	$ 12.35	$ 10.57	$ 11.34	$ 11.56	$ 15.71	$ 19.13	$ 19.44	$ 19.06	$ 20.25	$ 20.53
Additional Passenger Airline Payments												
Tenant Finishes	$ 425	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Aircraft Support Charges	212	-	-	-	-	-	-	-	-	-	-	-
Special Automated Baggage System	2,718	2,773	2,511	2,609	2,765	2,901	2,214	-	-	-	-	-
Additional Passenger Airline Payments	$ 3,356	$ 2,773	$ 2,511	$ 2,609	$ 2,765	$ 2,901	$ 2,214	$ -	$ -	$ -	$ -	$ -
Enplaned Passengers	4,875	1,812	3,166	4,051	4,595	4,964	5,064	5,140	5,217	5,295	5,374	5,455
Cost per Enplaned Passenger	$ 0.69	$ 1.53	$ 0.79	$ 0.64	$ 0.60	$ 0.58	$ 0.44	$ -	$ -	$ -	$ -	$ -
Total Airline Payments with Tenant Finishes	$ 50,679	$ 40,055	$ 41,616	$ 45,423	$ 54,866	$ 60,297	$ 81,743	$ 98,325	$ 101,410	$ 100,941	$ 108,806	$ 111,987
CPE w/ Additional Payments	$ 10.40	$ 22.10	$ 13.15	$ 11.21	$ 11.94	$ 12.15	$ 16.14	$ 19.13	$ 19.44	$ 19.06	$ 20.25	$ 20.53

1. Additional ACAA Discretionary Revenue commitment for fixed portion of baggage handling fees.
2. Republic operates as an affilate carrier for a number of airlines. It is no longer a Signatory Airline under the New AOA.
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit F

APPLICATION OF REVENUES
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Airline Rates and Charges	$ 52,322	$ 42,160	$ 44,525	$ 48,203	$ 57,197	$ 63,024	$ 84,869	$ 101,579	$ 104,662	$ 104,215	$ 112,341	$ 115,609
Nonairline Revenues	90,676	55,171	76,015	94,756	120,321	133,769	141,436	134,815	138,151	140,341	141,803	143,660
Other Pledged Revenues												
CARES/CRRSA/ARPA (PIT/AGC)	-	10,653	19,146	12,095	-	-	-	-	-	-	-	-
CRRSA/ARPA Concession Grants		-	-	1,010	4,040	-	-	-	-	-	-	-
CARES (County)		2,000	-	-	-	-	-	-	-	-	-	-
FEMA Grant		439	-	-	-	-	-	-	-	-	-	-
Discretionary (Gas) Revenues	3,815	-	-	-	-	-	-	-	-	-	-	-
Discretionary (Gaming) Revenues	1,730	-	-	-	-	-	8,170	8,493	8,361	8,419	8,186	8,098
Supplemental Gaming Revenues for BHS		-	-	-	-	-	630	3,082	3,214	3,156	3,390	3,477
Total Revenues, including Other Pledged Revenues	$ 143,197	$ 110,422	$ 139,686	$ 156,064	$ 181,558	$ 196,793	$ 235,105	$ 247,970	$ 254,389	$ 256,131	$ 265,719	$ 270,844
Application of Revenues												
(1) O&M Expenses	$ 106,311	$ 104,386	$ 109,276	$ 131,619	$ 143,101	$ 148,508	$ 155,688	$ 153,354	$ 151,614	$ 154,316	$ 158,575	$ 163,601
(2) Senior Debt Service Fund	21,191	-	-	-	-	-	77,005	104,555	111,307	111,298	111,307	111,300
Less: PFCs Available for Debt Service		-	-	-	-	-	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
(3) Operation and Maintenance Reserve Fund	429	198	385	2,193	3,698	1,016	1,223	(389)	(290)	450	710	838
(4) Senior Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-
(5) Renewal and Replacement Fund	-	-	1,500	1,500	-	-	-	-	-	-	-	-
(6) Subordinate Obligation Bond Fund	-	-	-	-	-	-	735	630	-	-	-	-
(7) Equipment and Capital Outlay Fund	2,883	3,000	3,043	3,144	3,393	3,565	3,675	3,794	3,917	4,045	4,176	4,312
(8) Airport System Capital Fund												
Coverage Account	-	-	-	-	-	4,836	-	-	1,610	-	-	-
ASCF Deposit Requirement	3,333	-	9,738	10,062	10,859	11,408	11,759	-	-	-	5,464	5,628
ASCF / Concession Incentive Fee	3,837	1,713	2,997	4,032	5,267	5,936	6,081	5,870	6,022	6,097	6,183	6,270
Reclassified Capital Projects[1]	-	-	-	-	-	9,546	-	-	-	-	-	-
One-Time Additional Credit of Discretionary Revenues[2]	-	-	-	-	-	-	(2,500)	-	-	-	-	-
Repayment of ACAA Loan		-	11,211	2,491	11,211	-	-	-	-	-	-	-
Airline Incentive Waivers Absorbed by ACAA		-	(251)	(309)	(330)	(110)	-	-	-	-	-	-
Payment to Settle Litigation		-	-	-	1,011	9,489	-	-	-	-	-	-
ACAA Area Net Remaining Revenues	(1,803)	1,125	1,787	1,330	3,348	2,598	(536)	41	403	396	56	(67)
Total Application of Revenues	$ 143,197	$ 110,422	$ 139,686	$ 156,064	$ 181,558	$ 196,793	$ 235,105	$ 247,970	$ 254,389	$ 256,131	$ 265,719	$ 270,844

1. Recovery of capital expenses paid by ACAA discretionary revenues in 2024 due to more favorable results (see text for further information).
2. Potential additonal credit of ACAA discretionary revenues in 2025 subject to actual results vs. budget (see text for further information).
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit G

DEBT SERVICE COVERAGE
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except for rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Authority management. 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 forecasts, and the variations could be material.

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Unaudited 2024	Oct. DBO 2025	2026	2027	2028	2029	2030
Revenues, including Other Pledged Revenues	$ 143,197	$ 110,422	$ 139,686	$ 156,064	$ 181,558	$ 196,793	$ 235,105	$ 247,970	$ 254,389	$ 256,131	$ 265,719	$ 270,844
Operation & Maintenance Expenses	(106,311)	(104,386)	(109,276)	(131,619)	(143,101)	(148,508)	(155,688)	(153,354)	(151,614)	(154,316)	(158,575)	(163,601)
Net Revenues	$ 36,885	$ 6,037	$ 30,410	$ 24,444	$ 38,458	$ 48,285	$ 79,417	$ 94,616	$ 102,774	$ 101,815	$ 107,144	$ 107,243
Coverage Amount	5,298	-	-	-	-	-	14,745	21,168	21,168	22,707	22,639	22,566
Total Available	$ 42,183	$ 6,037	$ 30,410	$ 24,444	$ 38,458	$ 48,285	$ 94,162	$ 115,783	$ 123,942	$ 124,522	$ 129,783	$ 129,809
Debt Service												
Senior Bonds	$ 21,191	-	-	-	-	-	$ 77,005	$ 104,555	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Less: PFCs Available for Debt Service		-	-	-	-	-	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
Aggregate Annual Debt Service		-	-	-	-	-	$ 58,980	$ 84,670	$ 91,112	$ 90,827	$ 90,556	$ 90,264
Subordinate Obligation Debt Service[1]	-	-	-	-	-	-	$ 735	$ 630	-	-	-	-
Total Debt Service	21,191	-	-	-	-	-	59,715	85,300	91,112	90,827	90,556	90,264
RATE COVENANT												
Section 5.04(a)												
Net Revenues		$ 6,037	$ 30,410	$ 24,444	$ 38,458	$ 48,285	$ 79,417	$ 94,616	$ 102,774	$ 101,815	$ 107,144	$ 107,243
Aggregate Annual Debt Service		-	-	-	-	-	(58,980)	(84,670)	(91,112)	(90,827)	(90,556)	(90,264)
Deposits to Debt Service Reserve Fund		-	-	-	-	-	-	-	-	-	-	-
Subordinate Obligation Debt Service		-	-	-	-	-	(735)	(630)	-	-	-	-
Subordinate Obligation reserve funds		-	-	-	-	-	-	-	-	-	-	-
Total (must be no less than $0)		$ 6,037	$ 30,410	$ 24,444	$ 38,458	$ 48,285	$ 19,702	$ 9,315	$ 11,662	$ 10,988	$ 16,589	$ 16,979
Section 5.04(b)												
Senior Bonds (must be greater than 1.25)	1.99	-	-	-	-	-	1.60	1.37	1.36	1.37	1.43	1.44
Coverage Requirement / Senior Bonds	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Senior Bonds and Subordinate Obligations	1.99	-	-	-	-	-	1.58	1.36	1.36	1.37	1.43	1.44

1. Interest expense on the revolving Line of Credit that is not refunded with Bonds. In 2025 and 2026, includes interest on amounts outstanding for reimbursement of BIL AIG grants.
Sources: Historical: Allegheny County Airport Authority; Forecast: LeighFisher, April 2025.

Exhibit H

Summary of Results of Base Case and Stress Test Passengers
Allegheny County Airport Authority
(for the 12 months ending December 31; numbers in thousands except for rates)

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

	Oct. DBO 2025	2026	2027	2028	2029	2030
Base Passenger Forecast						
Enplaned Passengers	5,064	5,140	5,217	5,295	5,374	5,455
Passenger Airline Revenues	$ 79,528	$ 98,325	$ 101,410	$ 100,941	$ 108,806	$ 111,987
Nonairline Revenues	141,436	134,815	138,151	140,341	141,803	143,660
Other Revenues, including Cargo Landing Fees	5,340	3,254	3,252	3,275	3,535	3,622
Other Pledged Revenues	8,800	11,575	11,575	11,575	11,575	11,575
Revenues	$ 235,105	$ 247,970	$ 254,389	$ 256,131	$ 265,719	$ 270,844
Less: O&M Expenses	(155,688)	(153,354)	(151,614)	(154,316)	(158,575)	(163,601)
Net Revenues	$ 79,417	$ 94,616	$ 102,774	$ 101,815	$ 107,144	$ 107,243
Coverage Amount	14,745	21,168	21,168	22,707	22,639	22,566
Total Available	$ 94,162	$ 115,783	$ 123,942	$ 124,522	$ 129,783	$ 129,809
Senior Bonds Debt Service	$ 77,005	$ 104,555	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Less: PFCs Available for Debt Service	(18,024)	(19,885)	(20,195)	(20,471)	(20,751)	(21,036)
Aggregate Annual Debt Service	$ 58,980	$ 84,670	$ 91,112	$ 90,827	$ 90,556	$ 90,264
Subordinated Bonds Debt Service	735	630	-	-	-	-
Total Debt Service	$ 59,715	$ 85,300	$ 91,112	$ 90,827	$ 90,556	$ 90,264
Senior Bonds Coverage	1.60	1.37	1.36	1.37	1.43	1.44
Debt Service Coverage Senior & Subordinated Bonds	1.58	1.36	1.36	1.37	1.43	1.44
Total Indebtedness Coverage/PFCs in Numerator	1.25	1.09	1.10	1.10	1.15	1.15
Cost per Enplaned Passenger for All Airlines	$15.71	$19.13	$19.44	$19.06	$20.25	$20.53
Stress Test Passenger Projection						
Enplaned Passengers	4,567	4,636	4,705	4,776	4,847	4,920
Passenger Airline Revenues	$ 88,939	$ 107,978	$ 111,243	$ 110,941	$ 118,968	$ 122,328
Nonairline Revenues	132,947	125,582	128,743	130,750	132,028	133,697
Other Revenues, including Cargo Landing Fees	5,705	3,618	3,626	3,664	3,956	4,059
Other Pledged Revenues	8,934	12,015	12,024	12,032	12,040	12,049
Revenues	$ 236,525	$ 249,193	$ 255,635	$ 257,387	$ 266,992	$ 272,133
Less: O&M Expenses	(155,688)	(153,354)	(151,614)	(154,316)	(158,575)	(163,601)
Net Revenues	$ 80,837	$ 95,839	$ 104,021	$ 103,071	$ 108,417	$ 108,532
Coverage Amount	15,228	21,612	21,612	23,165	23,104	23,038
Total Available	$ 96,065	$ 117,451	$ 125,633	$ 126,236	$ 131,520	$ 131,570
Senior Bonds Debt Service	$ 77,005	$ 104,555	$ 111,307	$ 111,298	$ 111,307	$ 111,300
Less: PFCs Available for Debt Service	(16,094)	(18,107)	(18,390)	(18,639)	(18,892)	(19,149)
Aggregate Annual Debt Service	$ 60,911	$ 86,449	$ 92,917	$ 92,659	$ 92,415	$ 92,151
Subordinated Bonds Debt Service	735	630	-	-	-	-
Senior Bonds Coverage	1.58	1.36	1.35	1.36	1.42	1.43
Debt Service Coverage Senior & Subordinated Bonds	1.56	1.35	1.35	1.36	1.42	1.43
Total Indebtedness Coverage/PFCs in Numerator	1.25	1.08	1.10	1.09	1.14	1.15
Cost per Enplaned Passenger for All Airlines	$19.47	$23.29	$23.64	$23.23	$24.54	$24.86

Source: LeighFisher, April 2025.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF MASTER INDENTURE, AS AMENDED

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE[1]

by and between

THE ALLEGHENY COUNTY AIRPORT AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of December 1, 2019

[1] Provisions that are underlined in this Master Trust Indenture reflect amendments to the Master Trust Indenture pursuant to the Second Supplemental Trust Indenture, dated as of August 1, 2021.

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS; INTERPRETATION

ARTICLE II
FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01. Issuance of Bonds; Form; Dating 22
Section 2.02. Terms, Medium and Place of Payment 22
Section 2.03. Execution and Authentication 23
Section 2.04. Bond Register 23
Section 2.05. Mutilated, Lost, Stolen or Destroyed Bonds 23
Section 2.06. Book-Entry Bonds 24
Section 2.07. Registration and Transfer or Exchange of Bonds; Persons Treated as Owners 26
Section 2.08. Destruction of Bonds 27
Section 2.09. Issuance of Series of Bonds; Supplemental Indenture; Application of Bond Proceeds 27
Section 2.10. Refunding Bonds 28
Section 2.11. Additional Bonds Test 28
Section 2.12. Repayment Obligations Afforded Status of Bonds 33
Section 2.13. Obligations Under Qualified Swap 34

ARTICLE III
REDEMPTION OF BONDS

ARTICLE IV
REVENUES; FUNDS and accounts

Section 4.01. Bonds Secured by a Pledge and Lien on Net Revenues 35
Section 4.02. Perfection of Security Interest 35
Section 4.03. Receipt, Deposit and Use of Revenues — Revenue Fund 36
Section 4.04. Operation and Maintenance Fund 38
Section 4.05. Debt Service Funds 39
Section 4.06. Debt Service Reserve Fund 41
Section 4.07. Operation and Maintenance Reserve Account 44
Section 4.08. Renewal and Replacement Fund 45
Section 4.09. Equipment and Capital Outlay Fund 45

TABLE OF CONTENTS
(continued)

Page

Section 4.10. Coverage Account 45
Section 4.11. Rate Stabilization Fund 45
Section 4.12. Airport System Capital Fund 46
Section 4.13. Construction Funds 46
Section 4.14. Additional Funds, Accounts and Subaccounts 46
Section 4.15. Moneys Held in Trust for Matured Bonds; Unclaimed Moneys 46
Section 4.16. Additional Security 46
Section 4.17. PFCs Available for Debt Service 46
Section 4.18. Other Pledged Revenues 47

ARTICLE V
COVENANTS OF THE Authority

Section 5.01. Payment of Principal and Interest 47
Section 5.02. Performance of Covenants by Authority; Due Execution 48
Section 5.03. Senior Lien Obligations Prohibited 48
Section 5.04. Rate Covenant 48
Section 5.05. No Inconsistent Contract Provisions 50
Section 5.06. Subordinate Obligations 50
Section 5.07. Special Facilities and Special Facility Obligations 50
Section 5.08. Maintenance of Powers 52
Section 5.09. Operation and Maintenance of Airport System 52
Section 5.10. Insurance; Application of Insurance Proceeds 52
Section 5.11. Accounts 53
Section 5.12. Transfer of Airport Facility or Airport Facilities 53
Section 5.13. Eminent Domain 54
Section 5.14. Covenants of Authority Binding on Authority and Successors 55
Section 5.15. Instruments of Further Assurance 55
Section 5.16. Indenture To Constitute a Contract 55
Section 5.17. Annual Reporting of Audited Financial Statements 55
Section 5.18. Tax Covenants 56
Section 5.19. Covenant Against Competing Facilities 56

TABLE OF CONTENTS
(continued)

Page

ARTICLE VI
INVESTMENT OF MONEYS; PERMITTED INVESTMENTS

Section 6.01. Investment of Moneys in Funds, Accounts and Subaccounts 56

ARTICLE VII
DEFEASANCE

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.01. Events of Default 58
Section 8.02. Remedies 59
Section 8.03. Restoration to Former Position 60
Section 8.04. Bondholders' Right To Direct Proceedings 60
Section 8.05. Limitation on Right To Institute Proceedings 60
Section 8.06. No Impairment of Right To Enforce Payment 61
Section 8.07. Proceedings by Trustee Without Possession of Bonds 61
Section 8.08. No Remedy Exclusive 61
Section 8.09. No Waiver of Remedies 61
Section 8.10. Application of Moneys 61
Section 8.11. Severability of Remedies 62
Section 8.12. Additional Events of Default and Remedies 62

ARTICLE IX
TRUSTEE, PAYING AGENT AND CO-PAYING AGENTS; REGISTRAR

Section 9.01. Acceptance of Trusts 62
Section 9.02. Duties of Trustee 62
Section 9.03. Rights of Trustee 63
Section 9.04. Individual Rights of Trustee 65
Section 9.05. Trustee's Disclaimer 65
Section 9.06. Notice of Defaults 65
Section 9.07. Compensation of Trustee 65
Section 9.08. Eligibility of Trustee 66
Section 9.09. Replacement of Trustee 66
Section 9.10. Successor Trustee or Agent by Merger 66

TABLE OF CONTENTS
(continued)

Page

Section 9.11. Paying Agent 66
Section 9.12. Registrar 67
Section 9.13. Other Agents 67
Section 9.14. Several Capacities 67
Section 9.15. Accounting Records and Reports of the Trustee 67

ARTICLE X
MODIFICATION OF THIS INDENTURE

Section 10.01. Limitations 68
Section 10.02. Supplemental Indentures Not Requiring Consent of Bondholders 68
Section 10.03. Supplemental Indenture Requiring Consent of Bondholders 69
Section 10.04. Effect of Supplemental Indenture 72
Section 10.05. Supplemental Indentures to be Part of this Indenture 72

ARTICLE XI
CREDIT PROVIDERS

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.01. Parties in Interest 73
Section 12.02. Severability 73
Section 12.03. No Personal Liability of Authority Members and Officials; Limited Liability of Authority to Bondholders 73
Section 12.04. Execution of Instruments; Proof of Ownership 73
Section 12.05. Governing Law 74
Section 12.06. Notices 74
Section 12.07. Holidays 74
Section 12.08. Counterparts 74
Section 12.09. Representation Regarding Ethical Standards for Authority Officers and Employees and Former Authority Officers and Employees 74

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE (this "***Indenture***"), dated as of December 1, 2019, is by and between **ALLEGHENY COUNTY AIRPORT AUTHORITY,** (the "***Authority***"), a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania, having its principal office in the County of Allegheny, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association duly formed, existing and qualified to accept and administer trusts of the character herein set out under and by virtue of the laws of the United States of America, as Trustee under this Indenture (said trustee and any successor trustee under this Indenture being hereinafter called the "***Trustee***").

RECITALS

WHEREAS, the Authority is a body corporate and politic under the laws of the Commonwealth of Pennsylvania, organized by the County of Allegheny pursuant to the Municipality Authorities Act, approved June 19, 2001, P.L. 287, Act 22, as amended, 53 Pa.C.S. Section 5601 *et seq*. (the "***Act***").

WHEREAS, the Authority and Wells Fargo, N.A. (as successor to National City Bank of Pennsylvania) entered into a Trust Indenture dated as of January 1, 1999, as amended and supplemented by the First Supplemental Indenture dated as of July 1, 2001, the Second Supplemental Indenture dated as of July 15, 2001, the Amended and Restated Third Supplemental and Amending Indenture dated as of November 1, 2006, the Fourth Supplemental Indenture dated as of October 1, 2007, the Fifth Supplemental Indenture dated as of September 1, 2010, the Sixth Supplemental Indenture dated as of May 1, 2012, and the Seventh Supplemental Indenture dated as of January 1, 2019 (collectively the "***Prior Indenture***").

WHEREAS the Authority pursuant to the Prior Indenture issued airport system revenue bonds in several series (the "***Prior Bonds***") to pay the costs and expenses of designing and constructing certain capital projects within the Airport System (as such term is herein defined);

WHEREAS, pursuant to the Prior Indenture, the Authority has taken all steps to provide for the defeasance of all of the Prior Bonds, and all rights, title and interest of the trustee under the Prior Indenture for such defeased Bonds have ceased;

WHEREAS, the Authority desires to pledge Net Revenues pursuant to this Indenture to finance or refinance the Costs of certain Airport Facilities located within the Airport System (as such terms are herein defined); and the Trustee agrees to accept and administer the trust created hereby;

NOW, THEREFORE, the Authority and the Trustee agree as follows, each for the benefit of the other and/or the benefit of Holders of the Bonds secured by this Indenture:

GRANTING CLAUSE

To secure the payment of the principal of, premium, if any, and interest on the Bonds and the performance and observance by the Authority of all the covenants, agreements and conditions expressed or implied herein or contained in the Bonds, the Authority hereby pledges and assigns to the Trustee and grants to the Trustee a lien on and security interest in all right, title and interest of the Authority in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the Authority in the following: (a) the Net Revenues, (b) except as otherwise provided in this Indenture and any Supplemental Indenture, all moneys and securities (excluding moneys and securities on deposit in any Rebate Fund) held from time to time by the Trustee under this Indenture, and to the extent provided in any Supplemental Indenture moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in clauses (a) and (b) of this Granting Clause (except to the extent excluded from the definition of "Revenues"), and (d) any and all other funds, assets, rights, property or interests therein, of every kind or description which may from time to time hereafter, by delivery or by writing of any kind, be sold, transferred, conveyed, assigned, pledged, irrevocably committed, granted or delivered to or deposited with the Trustee as additional security hereunder, for the equal and proportionate benefit and security of all Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds.

The Debt Service Reserve Fund, which may contain a Common Debt Service Reserve Account and one or more Series Debt Service Reserve Accounts therein, and any Debt Service Reserve Fund Surety Policy, as hereinafter defined, provided at any time in satisfaction of all or a portion of the Reserve Requirement and any other security, Liquidity Facility or Credit Facility provided for specific Bonds, a specific Series of Bonds or one or more Series of Bonds may, as provided by a Supplemental Indenture, secure only such specific Bonds, Series of Bonds or one or more Series of Bonds and, therefore, shall not be included as security for all Bonds under this Indenture unless otherwise provided by a Supplemental Indenture and moneys and securities held in trust as provided in Section 4.15 hereof exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under Article VII hereof shall be held solely for the payment of such specific Bonds.

ARTICLE I

DEFINITIONS; INTERPRETATION

The capitalized terms used in this Indenture and in any Supplemental Indenture shall, for all purposes of this Indenture, have the meanings specified in this Article I, unless a different definition is given such term in said Supplemental Indenture or unless the context clearly requires otherwise.

"*Account*" shall mean any account established pursuant to this Indenture or any Supplemental Indenture.

"*Accreted Value*" shall mean with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Capital Appreciation Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date; provided the Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bond. All references herein to "principal" shall include Accreted Value, as applicable.

"*Act*" shall mean the Municipality Authorities Act, approved June 19, 2001, P.L. 287, Act 22, as amended, 53 Pa.C.S. Section 5601 *et seq*., and all laws amendatory thereof or supplemental thereto.

"*Aggregate Annual Debt Service*" shall mean, for any Fiscal Year or other applicable period, the aggregate amount of Annual Debt Service on all Outstanding Bonds calculated as described in Section 2.11(c) hereof.

"*Aggregate Annual Debt Service For Reserve Requirement*" shall mean the computation of Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Common Debt Service Reserve Account contained in the Debt Service Reserve Fund in current or any future Fiscal Year, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Aggregate Annual Debt Service For Reserve Requirement, the annual debt service with respect to any Series of Balloon Indebtedness, Tender Indebtedness or Variable Rate Indebtedness shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in clauses (ii), (iii), (iv), or (v) of Section 2.11(c) hereof, respectively, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series.

"*Airline Operating Agreements*" shall mean, collectively, each Airline Operating Agreement for Pittsburgh International Airport, between the Authority and each airline named therein, as from time to time amended and supplemented, and any substitute agreement or any other document, ordinance or resolution governing the use of the Airport System by the airlines.

"*Airport Facilities*" or "*Airport Facility*" shall mean a facility or group of facilities or category of facilities which constitute or are part of the Airport System.

"*Airport System*" shall mean all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce now or hereafter under the jurisdiction and control of the Authority, including Pittsburgh International Airport located in the Townships of Findlay and Moon, Pennsylvania, and the Allegheny County Airport located in West Mifflin Township, Pennsylvania, and any successor entities thereto (including the County), including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Authority or in which the Authority has other rights or from which the Authority derives revenues at such location, whether or not directly related to the air transportation of people and goods; and including or excluding, as the case may be, such property as the Authority may either acquire or which shall be placed under its control, or divest or have removed from its control.

"*Airport System Capital Fund*" shall mean the "Airport System Capital Fund" created, held and maintained by the Authority for the purpose described in Section 4.12 hereof.

"*Annual Debt Service*" shall mean, with respect to any Bond, the aggregate amount required to be on deposit in the respective Debt Service Fund or such other Fund or Account during the Fiscal Year to satisfy the funding requirements for the payment of principal and interest with respect to the Bonds, plus any amount payable by the Authority (or the Trustee) under a Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from a Qualified Swap Provider pursuant to a Qualified Swap. For purposes of clarity, principal and interest payments made on January 1 shall be considered part of the Annual Debt Service in the prior Fiscal Year.

"*Authority*" shall mean Allegheny County Airport Authority, a body corporate and politic under the Act, and any successor to its function as operator of the Airport System. Any action required or authorized to be taken by the Authority in this Indenture may be taken by an Authorized Authority Representative with such formal approvals by the Authority as are required by the policies and practices of the Authority and applicable laws; provided, however, that any action taken by an Authorized Authority Representative in accordance with the provisions of this Indenture shall conclusively be deemed by the Trustee and the Owners, as applicable, to be the act of the Authority without further evidence of the authorization thereof by the Authority.

"*Authority Attorney*" shall mean the Authority's Solicitor or designee, or such other person authorized to perform the duties of the Authority Attorney.

"*Authorized Authority Representative*" shall mean the Chief Executive Officer, the Chief Financial Officer, the Chairman of the Authority, the Secretary of the Authority or such other officer or employee of the Authority or other person which other officer, employee or person has been designated by the Chief Executive Officer or Chief Financial Officer as an Authorized Authority Representative by written notice delivered by the Chief Executive Officer or Chief Financial Officer to the Trustee.

"*Authority Secretary*" shall mean the Secretary of the Authority or such other title as the Authority may from time to time assign for such position, or in the event of his or her disability or absence, an assistant secretary of the Authority or other person duly authorized to perform the duties of the Authority Secretary.

"*Balloon Indebtedness*" shall mean, with respect to any Series of Bonds 25% 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; provided, however, that to constitute Balloon Indebtedness (a) the Authority must designate that portion of such Series of Bonds as Balloon Indebtedness, and (b) the amount of Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any other 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 shall not be considered to be Balloon Indebtedness.

"*Board* " shall mean Board of Directors of the Authority, or any other governing body of the Authority hereafter provided the Act.

"*Bond*" or "*Bonds*" shall mean any debt obligation of the Authority issued under and in accordance with the provisions of Article II hereof, including, but not limited to, bonds, notes, bond anticipation notes, Commercial Paper, revolving lines of credit and other instruments creating an indebtedness of the Authority, obligations incurred pursuant to an any interest rate swap agreement entered into in connection with Bonds, obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein, and Repayment Obligations to the extent provided in Section 2.13 hereof. The term "Bond" or "Bonds" does not include any Subordinate Obligation; provided, however, the Authority may provide in a Supplemental Indenture that Subordinate Obligations may be thenceforth issued pursuant to this Indenture having the terms applicable to the Bonds, except that such Subordinate Obligations shall be secured by a pledge of and lien on and payable from Revenues remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) hereof.

"*Bond Counsel*" shall mean a firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under this Indenture and which are acceptable to the Authority.

"*Bondholder*," "*Holder*," "*holder*," "*Owner*," "*owner*" or "*registered owner*" shall mean the person in whose name any Bond or Bonds are registered on the books maintained by the Registrar and shall include any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be a Bond under the provisions of Section 2.12 hereof.

"*Book-Entry Bonds*" means those Bonds held by DTC (or its nominee) as the Bondholder thereof pursuant to the terms and provisions of Section 2.06 hereof.

"*Business Day*" shall mean a day on which banks located in New York, New York, in Pittsburgh, Pennsylvania, and in the city in which the principal corporate trust office of the Trustee is located are open, provided that such term may have a different meaning for any specified Series of Bonds if so provided by a Supplemental Indenture. For purposes of payments and other actions relating to security or liquidity enhanced Bonds, "*Business Day*" shall mean a day upon which any Credit Provider or Liquidity Provider at which demands for payment under the Credit Facility or Liquidity Facility are to be presented is authorized to be open.

"*Capital Appreciation Bonds*" shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"*Capitalized Interest*" shall mean proceeds of Bonds or other monies not included in Revenues that are deposited with the Trustee in a capitalized interest account or the Debt Service Fund as shall be described in a Supplemental Indenture upon issuance of such Bonds that are to be used to pay interest on Bonds.

"*Cede & Co*." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

"*Chief Executive Officer*" shall mean the Chief Executive Officer of the Authority or such other title as the Authority may from time to time assign for such position or such other person duly authorized to perform the duties of the Chief Executive Officer.

"*Chief Financial Officer*" shall mean the Chief Financial Officer of the Authority or such other title as the Authority may from time to time assign for such position or such other person duly authorized to perform the duties of the Chief Financial Officer.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

"*Commercial Paper*" shall mean debt obligations of the Authority authorized by the Authority to be incurred through the issuance, from time to time, of taxable or tax-exempt notes of the Authority under and in accordance with the provisions of Article II hereof, with maturities of not to exceed 270 days. The term "Commercial Paper" does not include any notes issued as Subordinate Obligations.

"*Common Debt Service Reserve Account*" shall mean an Account contained in the Debt Service Reserve Fund (other than the Series Debt Service Reserve Account or Accounts) created by the Authority pursuant to a Supplemental Indenture in connection with the issuance of any Series of Bonds and that is required to be funded for the purpose of providing security for such Series of Bonds and under certain circumstances to provide additional security for such other designated Series of Bonds issued pursuant to the terms of this Indenture and as specified in any Supplemental Indenture.

"*Commonwealth*" shall mean the Commonwealth of Pennsylvania.

"*Completion Bonds*" shall mean Bonds issued to pay costs of completing a Project for which Bonds have previously been issued provided that the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and the proceeds of such Completion Bonds are reasonably allocable to the Project to be completed.

"*Construction Fund*" shall mean any Construction Fund created in accordance with Section 4.13 hereof.

"*Consultant*" shall mean any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, financial advisory or investment banking firm, experts in the area of air traffic and airport financial analysis, or other

expert recognized to be well-qualified for work of the character required and retained by the Authority to perform acts and carry out the duties provided for such consultant in this Indenture.

"*Costs*" or "*Costs of the Project*" shall mean all costs of planning, designing, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the Authority or a Consultant; (d) costs of the Authority properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (e) financing expenses, including costs related to issuance of and securing of Bonds, costs of Credit Facilities or Liquidity Facilities, payment of interest on Bonds, deposits to any Common Debt Service Reserve Account or Series Debt Service Reserve Account, if any, Trustee's fees and expenses; (f) any Swap Termination Payments due in connection with a Series of Bonds or the failure to issue such Series of Bonds, (g) any other cost permitted under the Act, and (h) such other costs and expenses, including Capitalized Interest, that can be capitalized under Generally Accepted Accounting Principles in effect at the time the cost is incurred by the Authority.

"*County*" Allegheny County, Pennsylvania.

"*Coverage Account*" shall mean the "Coverage Account" created, held and maintained within the Revenue Fund pursuant to Section 4.10 hereof.

"*Coverage Amount*" shall mean the amount which may, in the Authority's discretion, be deposited in the Coverage Account in order for the Authority to have on deposit therein with respect to any Annual Debt Service due and payable in the current Fiscal Year on Outstanding Bonds, an amount not to exceed twenty-five percent (25%) of such Annual Debt Service.

"*Credit Facility*" shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Debt Service Reserve Fund Surety Policy or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

"*Credit Provider*" shall mean the party obligated to make payment of principal of and/or interest on the Bonds under a Credit Facility.

"*Customer Facility Charges*" or "*CFC*" shall mean the charge imposed by the Authority from time to time on customers of rental car companies operating at the Airport, and any interest, profits or other income derived from the investment thereof net of amounts that collecting entities are entitled to retain for collecting, handling, and remitting such CFC revenues (if any), all or a portion of which may be treated as Other Pledged Revenues as specified by the Authority.

"*Debt Service Fund*" or "*Debt Service Funds*" shall mean any Debt Service Fund or Debt Service Funds created by the Authority and held and maintained by the Trustee pursuant to Section 4.05 hereof.

"*Debt Service Reserve Fund*" shall mean the "Debt Service Reserve Fund" created by the Authority and held and maintained by the Trustee pursuant to Section 4.06 hereof; provided that the Debt Service Reserve Fund may contain a Common Debt Service Reserve Account and one or more Series Debt Service Reserve Accounts.

"*Debt Service Reserve Fund Surety Policy*" shall mean an insurance policy or surety bond, or a letter of credit, deposited with the Trustee for credit to the , Common Debt Service Reserve Account or a Series Debt Service Reserve Account contained in the Debt Service Reserve Fund, in lieu of or partial substitution for cash or securities on deposit therein. Except as otherwise provided in a Supplemental Indenture, the entity providing such Debt Service Reserve Fund Surety Policy shall be rated, at the time such instrument is provided, in one of the three highest long-term Rating Categories by one or more Rating Agencies.

"*Designated Debt*" shall mean a specific indebtedness, designated by the Authority, in which such debt shall be offset with a Swap, such specific indebtedness to include all or any part of a Series of Bonds.

"*DTC*" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"*Event of Default*" shall mean any occurrence or event specified in Section 8.01 hereof.

"*FAA*" shall mean the Federal Aviation Administration.

"*Federal Direct Payments*" shall mean amounts payable by the federal government to the Authority pursuant to Sections 54AA and 6431 of the Code, and any amendments thereto or any new or similar federal program providing payments or credits to the Authority, in connection with the Authority's issuance of Bonds or Subordinate Obligations, in lieu of any credit otherwise available to the bondholders of such Bonds or Subordinate Obligations.

"*Fiscal Year*" shall mean the fiscal year of the Authority ending as of December 31 of each year or such other date as the Authority designates as its fiscal year.

"*Fitch*" shall mean Fitch Ratings, Inc. and its successors and assigns, and, if Fitch Ratings Inc. shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, "Fitch" shall be deemed to refer to any nationally recognized statistical rating organization designated by the Authority.

"*Force Majeure Event*" shall mean an occurrence that is beyond the control of the Authority or the Trustee and could not have been avoided by exercising due care and shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

"*Fund*" shall mean any fund established pursuant to this Indenture or any Supplemental Indenture.

"*Gaming Revenues*" shall mean funds received by the Authority from the Commonwealth under the Pennsylvania Race Horse Development and Gaming Act, as amended and supplemented from time to time, all or a portion of which may be designated as Other Pledged Revenues as specified by the Authority.

"*Generally Accepted Accounting Principles*" or "*GAAP*" shall mean the accounting principles generally accepted in the United States applied on a consistent basis that are applicable to the circumstances as of the date of determination as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants applicable to a government-owned airport applying all statements and interpretations issued by the Governmental Accounting Standards Board and, to the extent adopted by the Authority from time to time: (a) the statements and pronouncements of the Financial Accounting Standards Board; and (b) the statements and pronouncements of such other entity or entities as may be approved by a significant segment of the accounting profession.

"*Government Obligations*" shall mean (i) United States Obligations (including obligations issued or held in book-entry form), (ii) pre-refunded municipal obligations meeting the following conditions: (A) 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; (B) 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; (C) 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; (D) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (E) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (F) the municipal obligations are rated in their highest rating category by one or more of the Rating Agencies; and (iii) 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.

"*Indenture*" shall mean this Master Trust Indenture, dated as of December 1, 2019, by and between the Authority and the Trustee, as amended from time to time.

"*Independent*" shall mean, when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the Authority, other than the payment to be

received under a contract for services to be performed, and (b) is not connected with the Authority as an official, officer or employee.

"*Initial Bonds*" shall mean, collectively, (a) the Allegheny County Airport Authority Airport Revenue Bonds, Series 2021A (AMT), and (b) the Allegheny County Airport Authority Airport Revenue Bonds, Series 2021B (Non-AMT).

"*Investment Agreement*" shall mean an investment agreement or guaranteed investment contract (i) 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 (ii) which investment agreement or guaranteed investment contract is fully secured by obligations described in clause (ii) or (iii) of the definition of Permitted Investments which are (A) 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, (B) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (C) subject to a perfected first lien on behalf of the Trustee, and (D) free and clear from all third-party liens.

"*Kroll*" shall mean Kroll Bond Rating Agency, Inc. and its successors and assigns, and, if Kroll Bond Rating Agency, Inc. shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, "Kroll" shall be deemed to refer to any nationally recognized statistical rating organization designated by the Authority.

"*Liquidity Facility*" shall mean a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Bonds.

"*Liquidity Provider*" shall mean the entity which is obligated to provide funds to purchase Bonds under the terms of a Liquidity Facility.

"*Mail*" shall mean by first-class United States mail, postage prepaid.

"*Maximum Aggregate Annual Debt Service*" shall mean the maximum amount of Aggregate Annual Debt Service on all Outstanding Bonds in the current or any future Fiscal Year.

"*Maximum Aggregate Annual Debt Service For Reserve Requirement*" shall mean the computation of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Common Debt Service Reserve Account in the then current or any future Fiscal Year, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Maximum Aggregate Annual Debt Service For Reserve Requirement, the annual debt service with respect to any Series of Balloon Indebtedness, Tender Indebtedness or Variable Rate Indebtedness shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in clauses (ii), (iii), (iv) or (v) of Section 2.11(c) hereof,

respectively, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series.

"*Moody's*" shall mean Moody's Investors Service, Inc. and its successors and assigns, and, if Moody's Investors Service, Inc. shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, "Moody's" shall be deemed to refer to any nationally recognized statistical rating organization designated by the Authority.

"Natural Gas Revenues" shall mean all royalties, bonus payments, land rents and other payments made to the Authority by any lessee of mineral estates on lands in the Airport System, all or a portion of which may be designated as Other Pledged Revenues as specified by the Authority.

"*Net Revenues*" shall mean, for any given period, the Revenues for such period, less the Operation and Maintenance Expenses for such period.

"*Net Proceeds*" shall mean insurance proceeds received as a result of damage to or destruction of Airport Facilities or any condemnation award or amounts received by the Authority from the sale of Airport Facilities under the threat of condemnation less expenses (including attorneys' fees and expenses and any fees and expenses of the Trustee) incurred in the collection of such proceeds or award.

"*Notes*" shall mean Bonds issued under the provisions of Article II hereof which have a maturity of one year or less from their date of original issuance and which are not Commercial Paper.

"*Operation and Maintenance Expenses*" or "*O&M Expenses"* shall mean, for any given period, the reasonable and necessary costs paid by the Authority for maintaining and operating the Airport System as determined in accordance with Generally Accepted Accounting Principles as in effect from time to time; including any costs of Credit Facilities and Liquidity Facilities; but excluding depreciation expense, any principal or interest payment in respect of capital leases or indebtedness including the Bonds, any costs of issuance relating to any capital leases or indebtedness including the Bonds, amortization or intangibles, any non-cash pension and other postemployment benefits (OPEB) obligations or liabilities (except to the extent required to be cash funded by the Commonwealth or the County), any Swap Termination Payments, and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues (including, but not limited to, any non-cash items that are required to be treated as operation and maintenance expenses of the Airport System in accordance with Generally Accepted Accounting Principles). Operation and Maintenance Expenses shall not include any operation and maintenance costs and expenses pertaining to Special Facilities or expenses incurred by any lessee under a Special Facility Agreement.

"*Operation and Maintenance Reserve Account*" shall mean the "Operation and Maintenance Reserve Account" created, held and maintained within the Operation and Maintenance Fund pursuant to Section 4.07 hereof.

"*Operation and Maintenance Reserve Account Requirement*" or "*O&M Reserve Requirement"* shall mean, as of any date of calculation, an amount equal to at least one-sixth

(1/6) of the current annual budget of the Authority for Operation and Maintenance Expenses or such other greater amount that the Authority determines, in its sole discretion, to be the requirement hereunder, provided that such amount does not violate the provisions of this Indenture, or the provisions of any other contracts or agreements of the Authority or any legal requirements otherwise applicable to this provision.

"*Operation and Maintenance Fund*" shall mean the "Operation and Maintenance Fund" created, held and maintained by the Authority pursuant to Section 4.04 hereof.

"*Other Pledged Revenues*" shall mean moneys, not constituting Revenues, that are designated, for any period, as "Other Pledged Revenues" pursuant to Section 4.18 hereof. Other Pledged Revenues may include, but are not limited to, moneys transferred from the Rate Stabilization Fund pursuant to Section 4.11 hereof, all or a portion of gifts, grants, Customer Facility Charges, Gaming Revenues, and Natural Gas Revenues; however, PFCs Available for Debt Service may not be designated as or constitute "Other Pledged Revenues."

"*Outstanding*" when used with respect to Bonds shall mean all Bonds which have been authenticated and delivered under this Indenture, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Bonds deemed to be paid in accordance with Article VII hereof;

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.05 or 2.07 hereof;

(d) Bonds that have become due (at maturity or on redemption or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee, a Paying Agent or such other fiduciary or agent;

(e) Bonds which, under the terms of the Supplemental Indenture pursuant to which they were issued, are deemed to be no longer Outstanding;

(f) Repayment Obligations deemed to be Bonds under Section 2.13 hereof to the extent such Repayment Obligation arose under the terms of a Credit Facility or a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Credit Provider or the Liquidity Provider; and

(g) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under this Indenture, Bonds held by or for the account of the Authority or by any person controlling, controlled by or under common control with the Authority, unless such Bonds are pledged to secure a debt to an unrelated party.

"*Participants*" means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

"*Passenger Facility Charges*" or "*PFCs*" shall mean charges collected by the Authority pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 (49 U.S.C. Section 40117), and 14 CFR 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.

"*PFCs Available for Debt Service*" shall mean Passenger Facility Charges made available to pay debt service on one or more Series of Bonds during any period pursuant to Section 4.17 hereof.

"*Paying Agent*" or "*Paying Agents*" shall mean, with respect to the Bonds or any Series of Bonds, the banks, trust companies, other financial institutions or other entities designated in a Supplemental Indenture or a resolution of the Authority as the place where such Bonds shall be payable and which bank, trust company, other financial institution or other entity has accepted the position in accordance with Section 9.11 hereof.

"*Payment Date*" shall mean, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

"*Permitted Investments*" shall mean any of the following, but only to the extent permitted by the laws of the Commonwealth and the Authority's investment policy:

(i) United States Obligations;

(ii) 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; Government National Mortgage Association; Federal National Mortgage Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration;

(iii) Direct and general long-term obligations of any state, which obligations are rated at all times in one of the two highest Rating Categories by one or more of the Rating Agencies;

(iv) Direct and general short-term obligations of any state which obligations are rated at all times in the highest Rating Category by one or more of the Rating Agencies;

(v) 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 (A) continuously and fully insured by FDIC and with banks that are rated at all times at least in the highest short-term Rating Category by one or more of the

Rating Agencies or is rated at all times in one of the two highest long-term Rating Categories by one or more of the Rating Agencies; or (B) fully secured by obligations described in clause (ii) or (iii) of this definition of Permitted Investments (1) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to the principal amount of the investment, (2) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (3) subject to a perfected first lien in favor of the Trustee, and (4) free and clear from all third-party liens;

(vi) Long-term or medium-term corporate debt guaranteed by any corporation that is rated at all times in one of the two highest Rating Categories by one or more of the Rating Agencies;

(vii) Repurchase agreements which are (A) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has at all times an investment grade rating from one or more of the Rating Agencies and (B) fully secured by obligations specified in clauses (ii) or (iii) of this definition of Permitted Investments (1) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (2) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (3) subject to a perfected first lien in favor of the Trustee and (4) free and clear from all third-party liens;

(viii) Prime commercial paper of a United States corporation, finance company or banking institution rated at all times in the highest short-term Rating Category of one or more of the Rating Agencies;

(ix) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (A) a money market fund that is rated at all times in one of the two highest Rating Categories by one or more of the Rating Agencies or (B) a money market fund or account of the Trustee or its affiliates or any state or federal bank that is rated at all times at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated at all times in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or whose own bank holding company parent is rated at all times at least in the highest short-term Rating Category by one or more of the Rating Agencies or is rated at all times in one of the two highest long-term Rating Categories by one or more of the Rating Agencies, or that has a combined capital and surplus of not less than $50,000,000

(all investments included in this clause (x) may include funds which the Trustee or its affiliates provide investment advisory or other management services);

(x) 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 rated at all times in the highest Rating Category by one or more of the Rating Agencies;

(xi) 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 at all times in the highest Rating Category by one or more of the Rating Agencies;

(xii) Obligations issued or guaranteed by the Private Export Funding Corporation, the Resolution Funding Corporation and any other instrumentality or agency of the United States of America;

(xiii) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, (a) that are fully insured by the Federal Deposit Insurance Corporation or (b) held by a bank (including the Trustee and its affiliates) rated not less than AA by S&P or Aa by Moody's (in each case, without regard to ratings modifiers); and

(xiv) Investment Agreements.

"*Principal Amount*" or "*principal amount*" shall mean, as of any date of calculation, (a) with respect to any Capital Appreciation Bond, the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest, and (b) with respect to any other Bonds, the principal amount of such Bond payable at maturity.

"*Project*" shall mean any and all facilities, improvements and other expenditures related to the Airport System financed in whole or in part with proceeds of a Series of Bonds.

"*Qualified Self-Insurance*" has the meaning set forth in Section 5.10 hereof.

"*Qualified Swap*" shall mean any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Bonds.

"*Qualified Swap Provider*" shall mean a financial institution whose senior long-term debt obligations, or whose obligations under any Qualified Swap 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 S&P, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in clauses (i) or (ii) of the definition of Permitted Investments which are (w) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (x) 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, (y) subject to a perfected first lien on behalf of the Trustee, and (z) free and clear from all third-party liens.

"*Rate Stabilization Fund*" shall mean the "Rate Stabilization Fund" created, held and maintained by the Authority pursuant to Section 4.11 hereof.

"*Rating Agency*" and "*Rating Agencies*" shall mean any of Fitch, Kroll, Moody's or S&P, or any other nationally recognized statistical rating organization.

"*Rating Category*" and "*Rating Categories*" shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term 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*" shall mean any Fund created by the Authority or the Trustee pursuant to a Supplemental Indenture in connection with the issuance of any Series of Bonds for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

"*Record Date*" shall mean, with respect to any Series of Bonds, the record date as specified in the Supplemental Indenture which provides for the issuance of such Series.

"*Refunding Bonds*" shall mean any Bonds issued pursuant to Section 2.10 hereof to refund and/or defease all or a portion of any Series of Outstanding Bonds.

"*Registrar*" shall mean the bank, trust company, other financial institution or other entity designated in a Supplemental Indenture to perform the function of Registrar under this Indenture or any Supplemental Indenture, and which bank, trust company, other financial institution or other entity has accepted the position in accordance with Section 9.12 hereof.

"*Regularly Scheduled Swap Payments*" shall mean the regularly scheduled payments under the terms of a Swap which are due absent any termination, default or dispute in connection with such Swap.

"*Released Revenues"* shall mean Revenues of the Authority in respect of which the Trustee has received the following:

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

(b) either (i) a Consultant's certificate showing that, based upon reasonable assumptions, projected Net Revenues after the Revenues covered by the Authorized Authority Representative's request are excluded, calculated in accordance with the additional Bonds test in Section 2.11 hereof 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 Debt Service Funds, the Debt Service Reserve Fund, including any Common Debt Service Reserve Account or Series Debt Service Reserve Account contained therein, the Subordinate Obligation Debt Service Funds, the Subordinate Obligation Debt Service Reserve Funds, and the Renewal and Replacement 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 Authority Representative's request are excluded, were not less than the larger of (A) the amounts needed for making the required deposits to the Debt Service Funds, the Debt Service Reserve Fund, including any Common Debt Service Reserve Account or Series Debt Service Reserve Account contained therein, the Subordinate Obligation Debt Service Funds, the Subordinate Obligation Debt Service Reserve Funds, and the Renewal and Replacement 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 herein to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the pledge and lien of this Indenture 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 then rating the Bonds to the effect that the exclusion of such Revenues from the pledge and lien of this Indenture will not cause a withdrawal of or reduction in any unenhanced rating or outlook 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 30 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 Authority Representative's request shall be excluded from the pledge and lien of this Indenture, and the Trustee shall take all reasonable steps requested by the Authorized Authority

Representative to evidence or confirm the release of such pledge and lien on the Released Revenues.

"*Renewal and Replacement Fund*" shall mean the "Renewal and Replacement Fund" created, held and maintained by the Authority pursuant to Section 4.08 hereof.

"*Renewal and Replacement Fund Requirement*" shall mean, as of any date of calculation, an amount not less than $5 million, or such other amount as shall be established by the Authority from time to time.

"*Repayment Obligations*" shall mean an obligation arising under a written agreement of the Authority and a Credit Provider pursuant to which the Authority agrees to reimburse the Credit Provider for amounts paid through a Credit Facility used to pay debt service on any Bonds, or an obligation arising under a written agreement of the Authority and a Liquidity Provider pursuant to which the Authority agrees to reimburse the Liquidity Provider for amounts paid through a Liquidity Facility used to purchase Bonds.

"*Representation Letter*" means the Blanket Issuer Letter of Representations from the Authority to DTC with respect to the issuance of Bonds in book-entry form.

"*Reserve Requirement*" shall mean, with respect to the Common Debt Service Reserve Account, except as otherwise set forth in a Supplemental Indenture, an amount equal to the lesser of (a) as of the date of each calculation, the Maximum Aggregate Annual Debt Service For Reserve Requirement for all Outstanding Bonds participating in the Common Debt Service Reserve Account, (b) 10% of the original principal amount of all Outstanding Bonds participating in the Common Debt Service Reserve Account, less the amount of original issue discount with respect to such Bonds if such original issue discount exceeded 2% of such Bonds at the time of their original issuance, and (c) as of the date of each calculation, 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Outstanding Bonds participating in the Common Debt Service Reserve Account. The Reserve Requirement with respect to any Series Debt Service Reserve Account shall be set forth in the Supplemental Indenture establishing such Series Debt Service Reserve Account.

"*Responsible Officer*" shall mean an officer or assistant officer of the Trustee assigned by the Trustee to administer this Indenture.

"*Revenue Fund*" shall mean the "Revenue Fund" created, held and maintained by the Authority for the purpose of depositing all Revenues and other moneys and funds not included in Revenues pursuant to Section 4.03(a) hereof.

"*Revenues*" shall mean, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by or accrued to the Authority from the operation of the Airport System for a given period, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals (including ground rents from Special Facilities), charges and other payments made to or owed to the Authority for the use or availability of the Airport System, (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption

insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto, and (c) Other Pledged Revenues. Additionally, "Revenues" shall also include all income, receipts and earnings from the investment of amounts held in the Revenue Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund, and any Common Debt Service Reserve Account or Series Debt Service Reserve Account therein and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Indenture.

The term Revenues, including any investment earnings thereon, shall not include: (i) gifts, grants, reimbursements or payments received for the Airport System's benefit unless designated as and included in "Other Pledged Revenues", (ii) any income otherwise included in this definition of "Revenues" which is restricted by its terms to purposes inconsistent with the payment of debt service on the Bonds, (iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Operation and Maintenance Expenses), (iv) Special Facilities Revenues, (v) Passenger Facility Charges (including PFCs Available for Debt Service), (vi) the proceeds of the sale of Bonds or other obligations issued for Airport System purposes, (vii) rents or other payments of any nature received now or in the future attributable to any ground leases, facility leases or other developments which are identified as the Pittsburgh International Airport Innovation Campus and/or Neighborhood 91 as well as moneys received that are pledged to the payment of any debt instrument that will generate new and/or enhanced revenues for the Authority, (viii) any Swap Termination Payments paid to the Authority pursuant to a Qualified Swap, (ix) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, (x) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code, (xi) Capitalized Interest, (xii) Customer Facility Charges, Gaming Revenues and Natural Gas Revenues unless designated as and included in "Other Pledged Revenues", (xiii) Federal Direct Payments, (xiv) excess Revenues from a prior Fiscal Year deposited in the Airport System Capital Fund, (xv) any Released Revenues in respect of which the Authority has filed with the Trustee the request of the Authorized Authority Representative, a 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," (xvi) amounts on deposit in the Coverage Account, and (xvii) interest earnings or other investment earnings on any Construction Fund established by any Supplemental Indenture are specifically excluded from "Revenues," unless otherwise provided for in a Supplemental Indenture.

Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Indenture are specifically excluded from "Revenues," unless otherwise provided for in a Supplemental Indenture.

"*Series*" shall mean Bonds designated as a separate Series by a Supplemental Indenture.

"*Series Debt Service Reserve Account*" shall mean an Account or Accounts (other than the Common Debt Service Reserve Account) created by the Authority pursuant to a Supplemental Indenture in connection with the issuance of any Series of Bonds and that is required to be funded for the purpose of providing additional security for such Series of Bonds.

"*Significant Portion*" shall mean any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the Authority at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition would have resulted in a reduction in Net Revenues for such annual period of more than 5% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Authority directly attributable to such Airport Facilities.

"*S&P*" shall mean S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and its successors and assigns, and if S&P Global Ratings shall for any reason no longer perform the functions of a nationally recognized statistical rating organization, "S&P" shall be deemed to refer to any nationally recognized statistical rating organization designated by the Authority.

"*Special Facilities*" or "*Special Facility*" shall mean a facility or group of facilities or category of facilities which are designated as a Special Facility pursuant to the provisions of Section 5.07 hereof.

"*Special Facility Agreement*" shall mean a Special Facility lease, loan or other agreement entered into between the Authority and the user or occupier of such Special Facility.

"*Special Facilities Revenues*" shall mean the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the Authority from a Special Facility which are pledged to secure Special Facility Obligations.

"*Special Facility Obligations*" shall mean bonds or other debt instruments issued pursuant to an indenture other than this Indenture to finance Special Facilities and which are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

"*Subaccount*" shall mean any subaccount established pursuant to this Indenture or any Supplemental Indenture.

"*Subordinate Obligation*" shall mean any bond, note or other debt instrument issued or otherwise entered into by the Authority which is secured by a pledge of and lien on and payable from Revenues remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) hereof. "Subordinate Obligations" are not Bonds for purposes of this Indenture; provided, however, the Authority may henceforth by Supplemental Indenture elect to have the provisions of this Indenture applicable to the Bonds apply to the Subordinate Obligations issued thereunder, except that such Subordinate Obligations shall be secured by a pledge of and lien on Revenues remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) hereof. No bond, note or other instrument of indebtedness shall be deemed to be a "Subordinate Obligation" for purposes of this

Indenture and payable from Revenues remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) hereof unless specifically designated by the Authority as a "Subordinate Obligation" in a Supplemental Indenture or other written instrument. In connection with any Subordinate Obligation with respect to which a Swap is in effect or proposes to be in effect, the term "Subordinate Obligation" includes, collectively, both such Subordinate Obligation and either such Swap or the obligations of the Authority under each such Swap, as the context requires. The term "Subordinate Obligations" also includes a Swap or the obligations of the Authority under such Swap which has been entered into in connection with a Subordinate Obligation, as the context requires, although none of the Subordinate Obligations with respect to which such Swap was entered into remain outstanding. In connection with any Bonds with respect to which a Qualified Swap is in effect or proposed to be in effect, the term "Subordinate Obligation" includes any Swap Termination Payment if designated as a Subordinate Obligation in a Supplemental Indenture.

"*Supplemental Indenture*" shall mean any document supplementing and/or amending this Indenture or providing for the issuance of Bonds and entered into as provided in Article X hereof.

"*Swap*" shall mean any financial arrangement between the Authority and a Swap Provider which provides that (a) each of the parties shall pay to the other an amount or amounts calculated as if such amount were interest accruing during the term of the arrangement at a specified rate (whether fixed or a variable rate or measured against some other rate) on a Designated Debt, and payable from time to time or at a designated time or times (whether before, during or after the term of the arrangement); (b) if such amount is to be paid before it is deemed to have accrued, the amount paid shall reflect the present value of such future amount (i.e., an upfront premium), while an amount to be paid after it is deemed to have accrued shall reflect the time value of such funds; and (c) payment dates and calculated accrual rates need not be the same for each payor, but to the extent payment dates coincide, the arrangement may (but need not) provide that one shall pay to the other any net amount due under such arrangement.

"*Swap Provider*" shall mean a party to a Swap with the Authority.

"*Swap Termination Payment*" shall mean an amount payable by the Authority or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

"*Synthetic Fixed Rate Debt*" shall mean indebtedness issued by the Authority which is combined, as Designated Debt, with a Qualified Swap and creates, in the opinion of a Consultant, a substantially fixed-rate maturity or maturities for a term not exceeding such maturity or maturities.

"*Tender Indebtedness*" shall mean any Bonds or portions of Bonds a feature of which is an obligation on the part of the Bondholders, under the terms of such Bonds, to tender all or a portion of such Bonds to the Authority, the Trustee, the Paying Agent or other fiduciary or agent

or Credit Provider or Liquidity Provider for payment or purchase and requiring that such Bonds or portions of Bonds be purchased if properly presented.

"*Term Bonds*" shall mean Bonds of a Series which are payable on or before their specified maturity dates from sinking fund installment payments established pursuant to the Supplemental Indenture for such Series for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

"*Trustee*" shall mean the entity named as such in the introductory paragraph of this Indenture until a successor replaces it in accordance with Article IX hereof and, thereafter, shall mean such successor.

"*United States Bankruptcy Code*" shall mean Title 11 U.S.C., Section 101 *et seq.*, as amended or supplemented from time to time, or any successor federal act.

"*United States Obligations*" shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein: (i) a bank or trust company acts as custodian and holds the underlying United States Obligations; (ii) 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 (iii) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated. "United States Obligations" shall include any stripped interest or principal portion of United States Treasury securities and any stripped interest portion of Resolution Funding Corporation securities.

"*Variable Rate Indebtedness*" shall mean any Bond or Bonds the interest rate on which is not, at the time in question, fixed to maturity, excluding any Commercial Paper.

Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Indenture.

ARTICLE II

FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01. Issuance of Bonds; Form; Dating. Either taxable or tax-exempt Bonds may be issued by the Authority under the terms of this Indenture for any purpose for which the Authority, at the time of such issuance, may incur debt. Bonds may be issued under this Indenture only if the provisions of Section 2.09 hereof are satisfied. The total principal amount of Bonds of each Series Outstanding may not exceed the amount specified in the Supplemental Indenture providing for the issuance of such Bonds, except as provided in Section 2.05 hereof with respect to replacement of mutilated, lost, stolen or destroyed Bonds. The Bonds may be in certificated or uncertificated form, and Bonds which are issued in certificated form may be freely

transferable or may be immobilized and held by a custodian for the beneficial owners, all as shall be set forth or permitted in the Supplemental Indenture providing for the issuance of such Bonds. The Bonds may have notations, legends or endorsements required by law or usage.

Bonds will be numbered and dated as provided in the applicable Supplemental Indenture.

All Bonds shall contain a statement to the following effect:

The principal of, interest on and premium, if any, on the Bonds are payable by the Authority only out of Net Revenues and from such other moneys as may be available for such purpose as described in the Indenture. Neither the general credit of the Authority nor the credit or taxing power of the County of Allegheny, the Commonwealth of Pennsylvania or any political subdivision thereof is pledged for the payment of the Bonds. The Bonds shall not be or be deemed a general obligation of the Authority or an obligation of the County, the Commonwealth of Pennsylvania or any political subdivision thereof. The Authority has no taxing power.

Section 2.02. Terms, Medium and Place of Payment. The Bonds shall be issued in the principal amount, shall bear interest at a rate or rates, including a rate of 0% and including variable or adjustable rates, or by such other methods as the Authority may from time to time determine, and such interest may be payable periodically, in whole or in part, or may be accumulated and paid at maturity or at such other time or times as the Authority shall determine. Bonds shall mature and shall be subject to redemption prior to their respective maturities, all as shall be set forth in a Supplemental Indenture and permitted under the Act. The Bonds of each Series shall state that they are issued under and are secured by this Indenture and the pledge of Net Revenues and state that regardless of the form thereof, they are "Bonds" issued hereunder and within the meaning of this Indenture.

Payments with respect to the Bonds shall be made as provided in the Supplemental Indenture providing for the issuance of such Bonds or as provided in the Bonds, which provisions shall include the designation of the currency in which such payments shall be made.

Section 2.03. Execution and Authentication. The Bonds, if in certificated form, will be signed for the Authority as provided in the Supplemental Indenture or in the resolution authorizing such Bonds. In case any officer whose signature or whose facsimile signature shall appear on any Bonds shall cease to be such officer before the authentication of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Indenture, such person was not such officer.

Except as otherwise provided in a Supplemental Indenture, a Bond in certificated form will not be valid until the Trustee or its agent or an authenticating agent designated by the Authority manually signs the certificate of authentication on the Bond. Such signature will be conclusive evidence that the Bond has been authenticated under this Indenture.

The Authority may appoint an authenticating agent or the Trustee may appoint an authenticating agent acceptable to the Authority to authenticate Bonds or different authenticating

agents may be appointed for different Series of Bonds. An authenticating agent may authenticate Bonds whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent.

Bonds issued under this Indenture may be issued in uncertificated form, in which case the procedures for issuance and delivery and evidence of validity, ownership, transfer and exchange shall be as provided in a Supplemental Indenture, and neither the provisions of this Section 2.03 nor any other provision of this Indenture shall be deemed to prohibit or restrict the issuance of uncertificated Bonds.

Section 2.04. Bond Register. Bonds of each Series may be presented at the principal corporate trust office of the Trustee or such other Registrar, unless a different office has been designated for such purpose, for registration, transfer and exchange. The Trustee or a Registrar will keep a register of each Series of Bonds and of their transfer and exchange.

Section 2.05. Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated or defaced but identifiable by number and description, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, date, maturity and denomination as such Bond, upon surrender thereof to the Trustee; provided that there shall first be furnished to the Trustee and the Authority clear and unequivocal proof satisfactory to the Trustee that the Bond is mutilated or defaced. The Bondholder shall accompany the above with a deposit of money required by the Trustee for the cost of preparing the substitute Bond and all other expenses connected with the issuance of such substitute. The Trustee shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Bond is lost, stolen or destroyed, the Authority may execute and the Trustee may authenticate and deliver a new Bond of like Series, date, maturity and denomination as that Bond lost, stolen or destroyed, provided that there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it and the Authority.

(c) Except as limited by any Supplemental Indenture, the Trustee may charge the holder of any such Bond all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in this connection. All substitute Bonds issued and authenticated pursuant to this Section 2.05 shall be issued as a substitute and numbered, if numbering is provided for by the Supplemental Indenture or the Trustee, as determined by the Trustee. In the event any such Bond has matured or been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Trustee.

Section 2.06. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section or a Supplemental Indenture, the Bondholder of all of the Bonds shall be DTC and the Bonds shall be

registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the record date or special record date for Cede & Co. in the registration books of the Registrar.

(b) The Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity and interest rate for each Series of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture or a Supplemental Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal and redemption price of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture of a Supplemental Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; any consent given or other action taken by DTC as Bondholder; or any other purpose. Except as provided in subparagraph (c) of this Section or a Supplemental Indenture, the Trustee shall pay all principal and redemption price of and interest on the Bonds, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal and redemption price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in subparagraph (c) of this Section or a Supplemental Indenture, no person other than DTC shall receive an authenticated Bond evidencing the obligation of the Authority to make payments of principal, redemption price and interest pursuant to this Indenture or a Supplemental Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Indenture and any Supplemental Indenture shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the beneficial owners that they be able to obtain bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange bond certificates as requested

by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver bond certificates as described in this Indenture. In the event bond certificates are issued, the provisions of this Indenture or a Supplemental Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Indenture or a Supplemental Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or a Supplemental Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC TO ANY PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, OR ANY PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER OF THE BONDS.

Section 2.07. Registration and Transfer or Exchange of Bonds; Persons Treated as Owners. Unless otherwise provided by a Supplemental Indenture, all Bonds shall be issued in fully registered form.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee or Registrar, the Trustee or Registrar shall deliver in the name of the transferee or transferees a new fully authenticated and registered Bond or Bonds of authorized denominations of the same Series and same maturity for the same aggregate principal amount.

Bondholders may present Bonds at the principal corporate trust office of the Registrar, or such other place as designated by the Registrar, for exchange for Bonds of different authorized denominations and, upon such presentation, the Trustee or Registrar shall deliver to the Bondholder a new fully authenticated and registered Bond or Bonds of the same Series and same maturity for the same aggregate principal amount.

All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee or Registrar, duly executed by the Bondholder or by his duly authorized attorney.

Except as limited by any Supplemental Indenture, the Trustee or Registrar also may require payment from the Bondholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered.

Supplemental Indentures may designate certain limited periods during which Bonds will not be exchanged or transferred.

Bonds delivered upon any exchange or transfer as provided herein, or as provided in Section 2.05 hereof, shall be valid limited obligations of the Authority, evidencing the same debt as the Bond or Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond or Bonds surrendered.

The Authority, the Trustee, the Registrar and the Paying Agent shall treat the Bondholder of a Bond, as shown on the registration books kept by the Registrar, as the person exclusively entitled to payment of principal, premium, if any, and interest on such Bond and as the party entitled to the exercise of all other rights and powers of the Bondholder, except that all interest payments will be made to the party who, as of the Record Date, is the Bondholder.

Section 2.08. Destruction of Bonds. Whenever any Bonds shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 2.05 hereof or exchange or transfer pursuant to Section 2.07 hereof, such Bond shall be cancelled and destroyed by the Trustee or the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Authority.

Section 2.09. Issuance of Series of Bonds; Supplemental Indenture; Application of Bond Proceeds. Bonds may be issued, from time to time, subject to the conditions of this Section 2.09.

Bonds shall be dated, shall mature, shall bear interest, shall be subject to redemption and shall be amortized and shall be issued and reissued from time to time, all as authorized under the Act and provided for in the Supplemental Indenture relating to such Series of Bonds. In addition, each such Supplemental Indenture may provide for the appointment of a Registrar or Registrars and a Paying Agent or Paying Agents and such other agents as the Authority shall determine to be necessary in addition to or in place of the Trustee.

Each Series of the Bonds, upon execution by the Authority, shall be deposited with the Trustee or an agent for authentication and delivery, but prior to or simultaneously with the original delivery of such Series of Bonds, there shall be filed with the Trustee the following:

(a) an original executed copy, certified by the Authority Secretary, of this Indenture;

(b) an original executed copy, certified by the Authority Secretary, of the Supplemental Indenture or Supplemental Indentures providing for the issuance of such Series of Bonds and setting forth the terms of such Series of Bonds;

(c) except with respect to the issuance of any Refunding Bonds, a certificate of an Authorized Authority Representative listing those Projects or undertakings which the Authority expects to finance with proceeds of the sale of such Series of Bonds or providing a list from which the Authority expects to select those Projects which will be financed with proceeds of the sale of such Series of Bonds and such certificate shall, with respect to each item on the list include an estimated cost of such Projects or undertaking;

(d) except with respect to the issuance of the Initial Bonds, the certificate of the Authorized Authority Representative or the Consultant or Consultants, as the case may be, required by Section 2.11(a) and/or (b) hereof;

(e) a certificate of an Authorized Authority Representative stating that (i)(A) none of the Events of Default set forth in Sections 8.01 hereof have occurred and remain uncured or (B) upon issuance of such Series of Bonds, all Events of Default set forth in Section 8.01 hereof that have occurred and are continuing, shall be cured, and (ii) that the Authority is in full compliance with the terms of Section 5.04 hereof;

(f) an opinion of Bond Counsel to the effect that the issuance of such Bonds has been duly authorized, that all legal conditions precedent to the delivery of such Bonds have been fulfilled, and that the Bonds are valid and binding obligations of the Authority in accordance with their terms; and

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

When the documents mentioned in clauses (a) through (g), inclusive, of the immediately preceding paragraph shall have been filed with the Trustee and when such Bonds shall have been executed and authenticated (if applicable), the Trustee or authenticating agent shall deliver such Bonds to or upon the order of the purchasers thereof, but only upon payment by the purchasers of the purchase price of such Bonds.

Section 2.10. Refunding Bonds. Refunding Bonds may be issued under and secured by this Indenture. Such Refunding Bonds shall be issued in accordance with the provisions of Sections 2.09 and 2.11(b)(i) hereof.

Section 2.11. Additional Bonds Test.

(a) Subject to the provisions of Section 2.11(b) hereof and excepting the Initial Bonds, as a condition to the issuance of additional Series of Bonds, there shall be delivered to the Trustee either:

(i) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last audited Fiscal Year or any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any funds available in the Coverage Account for the same time period, were at least equal to (A) 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds were then Outstanding, and (B) 100% of the maximum aggregate annual debt service with respect to all outstanding Subordinate Obligations; or

(ii) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by a Consultant, nationally recognized as an expert in the area of air traffic and airport financial analysis, showing that:

(A) the Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any funds available in the Coverage Account for the same time period, were at least equal to (1) 125% of the sum of the Annual Debt Service due and payable with respect to all Outstanding Bonds, and (2) 100% of the annual debt service with respect to all outstanding Subordinate Obligations for such applicable period; and

(B) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Bonds during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof through and including the later of: (1) the fifth full Fiscal Year following the issuance of such Series of Bonds, or (2) the third full Fiscal Year during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues, together with amounts projected to be available in the Coverage Account and any other legally available funds that the Authority expects to use to pay debt service on the Bonds that are in addition to Other Pledged Revenues, for each such Fiscal Year, will be at least equal to (1) 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and calculated as if (y) the proposed Series of Bonds were then Outstanding, and (z) any future Series of Bonds which the Authority estimates will be required to complete payment of the estimated

costs of construction of uncompleted portions of Airport Facilities, and (2) 100% of the annual debt service with respect to all outstanding Subordinate Obligations for each such Fiscal Year.

For purposes of subsections (ii)(B) above, in estimating Net Revenues, the Consultant may take into account (1) Revenues from other Airport Facilities reasonably expected to become available during the period for which the estimates are provided and (2) any increase in fees, rates, charges, rentals or other sources of Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (x) historical Operation and Maintenance Expenses, (y) Operation and Maintenance Expenses associated with any other new Airport Facilities, and (z) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report the calculations and assumptions made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, the Consultant or the Authorized Authority Representative may rely upon financial information provided by the Authority.

(b) Neither of the certificates described above under subsection (a) shall be required if:

(i) the Bonds being issued are for the purpose of refunding then Outstanding Bonds and there is delivered to the Trustee, instead, a certificate of an Authorized Authority Representative or a Consultant showing that Maximum Aggregate Annual Debt Service after the issuance of such Refunding Bonds will not exceed Maximum Aggregate Annual Debt Service prior to the issuance of such Refunding Bonds; or

(ii) the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Authority Representative or a Consultant showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes, accompanied by a certificate of an Authorized Authority Representative or a Consultant setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with Section 5.04 hereof; or

(iii) the Bonds being issued are Completion Bonds and the following written certificates are delivered to the Trustee: (A) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed, and (B) a certificate of an Authorized Authority Representative to the effect that (1) all of the proceeds (including investment earnings on amounts in the Construction Fund established for the Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project, (2) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose), and (3) the proceeds to be received from the issuance of such Completion Bonds plus moneys available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

(c) For purposes of calculating Aggregate Annual Debt Service pursuant to this Section, the following components of debt service shall be computed as follows:

(i) in determining the amount of principal to be funded in each Fiscal Year, payment shall (unless a different clause of this subsection (c) 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 applicable Supplemental Indenture 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 Fiscal Year; in determining the amount of interest to be funded in each Fiscal Year, interest payable at a fixed rate shall (except to the extent clause (ii) or (iii) of this subsection (c) applies) be assumed to be made at such fixed rate and on the required funding dates as provided in the applicable Supplemental Indenture; provided, however, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(ii) if all or any portion or portions of an Outstanding Bonds or any Bonds which are then proposed to be issued constitute Balloon Indebtedness, then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness will, unless clause (iii) of this subsection (c) then applies, be treated as if it were to be amortized over a term of not more than 30 years with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was, or is to be, issued; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; and with respect to any Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion will be treated as

described in clause (i) of this subsection (c) or such other provision of this subsection (c) as will be applicable and;

(iii) any maturity of Outstanding Bonds or any Bonds which are proposed to be issued that constitutes Balloon Indebtedness and for which the stated maturity date occurs within 12 months from the date such calculation of Aggregate Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date unless there is delivered to the entity making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Authority Representative stating that the Authority intends to refinance such maturity and stating the probable terms of such refinancing, including the anticipated interest rate (which shall be a rate determined by a Consultant equal to the then current market rate assuming that such maturity were being refinanced on the date of such certificate) and the final maturity date of such refinancing (provided that such refinanced maturity shall be amortized over a term of not more than 30 years from the date of refinancing), and that all necessary approvals of the Authority have been provided to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness 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 Aggregate Annual Debt Service;

(iv) if any Outstanding Bonds or any Bonds which are then proposed to be issued constitute Tender Indebtedness (but excluding Bonds as to which a Qualified Swap is in effect and to which clause (vi) of this subsection (c) applies), then, for purposes of determining Aggregate Annual Debt Service, Tender Indebtedness shall be treated as if the principal amount of such Bonds were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Annual Debt Service payments and extending not later than 30 years from the date such Tender Indebtedness was originally issued; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; and with respect to all funding requirements of principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in clause (i) of this subsection (c) unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in clause (iv) of this subsection (c);

(v) if any Outstanding Bonds or any Bonds which are then proposed to be issued constitute Variable Rate Indebtedness, including obligations described in clause (vi)(B) of this subsection (c) to the extent it applies (except to the extent clause (ii) of this subsection (c) relating to Balloon Indebtedness or clause (iii) of

this subsection (c) relating to Tender Indebtedness or clause (vi)(A) of this subsection (c) relating to Synthetic Fixed Rate Debt applies), the interest rate on such Bonds shall be that rate determined by a Consultant to be a reasonable market rate for variable rate Bonds of a corresponding term and structure issued under this Indenture on the date of such calculation, with credit enhancement (taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes), plus the costs of the credit enhancement;

(vi) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under Section 2.13 hereof, shall be calculated as provided in Section 2.13 hereof;

(vii) (A) for purposes of computing the Aggregate Annual Debt Service of Bonds which constitute Synthetic Fixed Rate Debt, the interest rate on such Bonds shall be that rate as provided for by the terms of the Swap;

(B) for purposes of computing the Aggregate Annual Debt Service of Bonds with respect to which a Swap has been entered into whereby the Authority has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Bonds to which such Swap pertains shall be included in the calculation of Aggregate Annual Debt Service, and the interest rate with respect to such Bonds shall be the sum of that rate as determined in accordance with clause (iv) of this subsection (c) relating to Variable Rate Indebtedness plus the difference between the interest rate on the Designated Debt and the rate received from the Swap Provider; and

(viii) with respect to Commercial Paper, the principal and interest thereon shall be calculated as if the entire maximum principal amount of such Commercial Paper authorized by a resolution or a Supplemental Indenture were to be amortized over a term of 30 years commencing in the year in which such program authorizing Commercial Paper is implemented and with substantially level Annual Debt Service payments; the interest rate used for such computation shall be that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes.

When calculating Aggregate Annual Debt Service for purposes of this Section 2.11, Aggregate Annual Debt Service shall be reduced by the amount of principal and/or interest paid or to be paid with Capitalized Interest and PFCs Available for Debt Service.

Section 2.12. Repayment Obligations Afforded Status of Bonds. If a Credit Provider or Liquidity Provider makes payment of principal of and interest on a Bond or advances funds to

purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Authority, but is not reimbursed, the Authority's Repayment Obligation, or portion thereof, under such written agreement may, if so provided in the written agreement, be afforded the status of a Bond issued under this Article II, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 2.09 through 2.11 hereof; provided, however, for purposes of Section 2.11(c)(vi) hereof, notwithstanding the stated terms of the Repayment Obligation, the payment terms of the Bond held by the Credit Provider or Liquidity Provider hereunder shall be as follows (unless otherwise provided in the written agreement with the Authority or a Supplemental Indenture pursuant to which the Bonds are issued): (a) interest shall be due and payable semiannually and (b) principal shall be due and payable not less frequently than annually and in such annual amounts as to amortize the principal amount thereof in (i) 30 years or, if shorter, (ii)(A) a term extending to the maturity date of the enhanced Bonds or (B) if longer, the final maturity of the Repayment Obligation under the written agreement, and providing substantially level Annual Debt Service payments. The principal amortized as described in the prior sentence shall bear interest in accordance with the terms of the Repayment Obligation. The Authority may provide that any amount which comes due on the Repayment Obligation by its terms and which is in excess of the amount treated as principal of and interest on a Bond may be treated as a Subordinate Obligation of the Authority or payable from amounts on deposit in the Coverage Account. This provision shall not defeat or alter the rights of subrogation which any Credit Provider or Liquidity Provider may have under law or under the terms of any Supplemental Indenture. The Trustee may conclusively rely on a written certification by the Credit Provider or Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under this Indenture.

Section 2.13. Obligations Under Qualified Swap.

(a) The obligation of the Authority to make Regularly Scheduled Swap Payments under a Qualified Swap with respect to a Series of Bonds may be on a parity with the obligation of the Authority to make payments with respect to such Series of Bonds and other Bonds under this Indenture, except as otherwise provided herein or in a Supplemental Indenture. The Authority may provide in any Supplemental Indenture that Regularly Scheduled Swap Payments under a Qualified Swap shall be secured by a pledge of or lien on Net Revenues on a parity with the Bonds of such Series and all other Bonds, regardless of the principal amount, if any, of the Bonds of such Series remaining Outstanding. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by the Qualified Swap Provider necessary to preserve and protect such pledge, lien and assignment and to enforce the obligations of the Authority with respect thereto. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted in this Indenture or to institute any action, suit or proceeding in its own name, the Qualified Swap Provider shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(b) In the event that a Swap Termination Payment or any other amounts other than as described in clause (a) above are due and payable by the Authority under a Qualified Swap, such Swap Termination Payment and any such other amounts shall constitute a Subordinate Obligation hereunder.

ARTICLE III

REDEMPTION OF BONDS

Bonds may be subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Indenture providing for the issuance of such Bonds. The Authority may provide for the redemption of Bonds from any funds available to the Authority and not obligated for other purposes.

In connection with the partial early redemption of any Term Bonds of a Series, the Authority may, in any Supplemental Indenture, provide that the principal amount of Bonds of such Series being redeemed shall be allocated against its scheduled sinking fund redemption and modify its scheduled sinking fund installments payable thereafter as to the Outstanding Term Bonds of such Series in any manner the Authority may determine. The Authority may provide in any Supplemental Indenture that, prior to notice of redemption for any Bonds of a Series, moneys in the Debt Service Fund, any Common Debt Service Reserve Account, and any Series Debt Service Reserve Account relating to such Series of Bonds may be applied at the direction of the Authority to the purchase of Bonds of such Series and, if any such purchased Bonds are Term Bonds, the Authority may allocate the principal amount of Bonds of such Series being redeemed against its scheduled sinking fund redemption for such Bonds and may modify its scheduled sinking fund installment payments thereafter payable with respect to Bonds of such Series in any manner the Authority may determine.

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

ARTICLE IV

REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Bonds Secured by a Pledge and Lien on Net Revenues. Bonds authorized and issued under the provisions of this Indenture shall be secured as provided in the Granting Clauses of this Indenture and the granting clause(s) set forth in any Supplemental Indenture. The Authority hereby represents and states that it has not previously created any charge or lien on or any security interest in the Revenues or the Net Revenues and the Authority covenants that, until all the Bonds authorized and issued under the provisions of this Indenture

and the interest thereon shall have been paid or are deemed to have been paid, it will not, except as otherwise provided under this Indenture, grant any prior or parity pledge of or any security interest in the Net Revenues or any other security which is pledged pursuant to the Granting Clauses of this Indenture, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under this Indenture. The Authority may, as provided in and as limited by Section 5.06 hereof, grant a lien on or security interest in the Revenues remaining after the deposits to the Funds, Accounts and Subaccounts set forth in Section 4.03(b)(i) through (iii) hereof to secure Subordinate Obligations.

Section 4.02. Perfection of Security Interest.

(a) This Indenture creates a valid and binding pledge and assignment of and security interest in all of the Net Revenues pledged under this Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the Commonwealth, such pledge and assignment and security interest is automatically perfected by 13 Pa.C.S. Section 9308 *et seq*., as amended, on and as of the effective date of this Indenture, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise against the Authority with respect to the Net Revenues.

Section 4.03. Receipt, Deposit and Use of Revenues — Revenue Fund

(a) The Authority hereby covenants and agrees to establish, hold and maintain the Revenue Fund. The Authority hereby further covenants and agrees that, as long as there are any Bonds Outstanding, all Revenues, when and as received, shall be deposited by the Authority in the Revenue Fund.

(b) All Revenues in the Revenue Fund shall be set aside for the payment of the following amounts or deposited or transferred to the following Funds, Accounts and Subaccounts in the following order of priority:

(i) *First - Operation and Maintenance Fund*. On or prior to the tenth (10^{th}) Business Day of each month, the Authority shall deposit Revenues to the Operation and Maintenance Fund in an amount projected to be required to pay Operation and Maintenance Expenses for that month as set forth in the budget of the Authority for such Fiscal Year as finally approved by the Authority. In the event that the balance in the Operation and Maintenance Fund at any time is insufficient to make any required payments therefrom due and payable, additional Revenues at least sufficient to make such payments shall immediately be transferred to the Operation and Maintenance Fund from the Revenue Fund or Operation and Maintenance Reserve Account.

(ii) *Second - Debt Service Funds*. On or prior to the tenth (10^{th}) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority, without priority and on an equal basis, except as to timing of

payment, to the Trustee for deposit to the Debt Service Funds in the amounts, at the times and in the manner provided in Section 4.05 hereof to provide for the payment of principal and interest to become due on the Outstanding Bonds. In addition to the deposit of Revenues to the Debt Service Funds, the Authority shall deposit any applicable PFCs Available for Debt Service with the Trustee for deposit to the applicable Debt Service Fund(s) in accordance with the provisions of the applicable Supplemental Indenture and/or the applicable certificate described in Section 4.17 hereof.

(iii) *Third - Debt Service Reserve Fund.* On or prior to the tenth (10^{th}) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority, without priority and on an equal basis, to the Trustee for deposit to the Debt Service Reserve Fund at the times and in the amounts provided in Sections 4.06 hereof, and immediately thereafter transferred to the Common Debt Service Reserve Account and any Series Debt Service Reserve Account, as applicable, at the times and in the amounts set forth in any Supplemental Indenture.

(iv) *Fourth - Subordinate Obligation Debt Service Funds*. On or prior to the tenth (10^{th}) Business Day of each month, a sufficient amount of Revenues shall be transferred by the Authority to the Trustee, in such amounts and at such times (as specified by the Authority), as shall be necessary to make all payments and deposits required to be made during the following month on all Subordinate Obligations.

(v) *Fifth - Subordinate Obligation Debt Service Reserve Funds*. On or prior to the tenth (10^{th}) Business Day of each month, a sufficient amount of Revenues shall be transferred or caused to be transferred by the Authority to the Trustee (in such amounts and at such times as specified in a Supplemental Indenture or other written instrument authorizing the issuance of any Subordinate Obligations) to fund any deficiency in any debt service reserve fund established by or for the benefit of the Authority in connection with any Subordinate Obligations issued, provided, however, no Revenues shall be transferred by the Authority to the Trustee for deposit to any debt service reserve fund established by or for the benefit of the Authority in connection with any Subordinate Obligations if amounts (including any Debt Service Reserve Fund Surety Policy) in the Common Debt Service Reserve Account are not sufficient to meet the Reserve Requirement for such Common Debt Service Reserve Account or amounts (including any Debt Service Reserve Fund Surety Policy) in any Series Debt Service Reserve Account are not sufficient to meet the applicable Reserve Requirement for such Series Debt Service Reserve Account.

(vi) *Sixth - Operation and Maintenance Reserve Account*. On or prior to the tenth (10^{th}) Business Day of each month, sufficient Revenues shall be deposited to the Operation and Maintenance Reserve Account to fund any deficiency in the Operation and Maintenance Reserve Account in accordance with Section 4.07 hereof.

(vii) *Seventh - Renewal and Replacement Fund*. On or prior to the tenth (10^{th}) Business Day of each month, sufficient Revenues shall be deposited to the Renewal and Replacement Fund to fund any deficiency in the Renewal and Replacement Fund in accordance with Section 4.08 hereof.

(viii) *Eighth – Equipment and Capital Outlay Fund*. On or prior to the tenth (10^{th}) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Equipment and Capital Outlay Fund in an amount determined by the Authority to fund the Equipment and Capital Outlay Fund in accordance with Section 4.09 hereof.

(ix) *Ninth - Coverage Account*. On or prior to the tenth (10^{th}) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Coverage Account in an amount determined by the Authority to fund the Coverage Account in accordance with Section 4.10 hereof.

(x) *Tenth – Rate Stabilization Fund*. On or prior to the tenth (10^{th}) Business Day of each month, at the discretion of the Authority, Revenues may be deposited to the Rate Stabilization Fund in an amount determined by the Authority to fund the Rate Stabilization Fund in accordance with Section 4.11 hereof.

(xi) *Eleventh – Airport System Capital Fund*. After all deposits and payments have been made as described in clauses (i) through (vii) above, the Authority, may from time to time, at its discretion, deposit all or a portion of the remaining Revenues in the Revenue Fund to the Airport System Capital Fund and apply such Revenues to the purposes set forth in Section 4.12 hereof.

(c) The Authority reserves the right to amend, without Bondholder consent, the application of the funds as provided in subsections (b)(vi) through (b)(xi) above and to create additional funds and accounts to be inserted below subsection (b)(v) above. The Authority covenants that no such modifications will violate the provisions and order of payment set forth in subsections (b)(i) through (b)(v) above or the provisions of any other contracts or agreements of the Authority or any legal requirements otherwise applicable to the use of such moneys.

Section 4.04. Operation and Maintenance Fund. The Authority shall establish, hold and maintain a special Fund to be designated as the "Operation and Maintenance Fund." All amounts in the Operation and Maintenance Fund shall be used and applied by the Authority to pay Operation and Maintenance Expenses as the same may become due. Moneys in the Operation and Maintenance Fund do not constitute Net Revenues and are not pledged to the payment of, nor shall they be applied to pay, the principal of and/or interest on the Bonds. Amounts on deposit in the Operation and Maintenance Fund may be invested in Permitted Investments and earnings on such amounts shall be retained in the Operation and Maintenance Fund and used to pay Operation and Maintenance Expenses.

Section 4.05. Debt Service Funds. At the time of issuance of each Series of Bonds, the Authority shall create or shall cause to be created a Debt Service Fund for such Series, which Debt Service Fund shall be held and maintained by the Trustee or any agent of the Trustee, and amounts to be used to pay the principal and redemption price, if any, of and interest on such Series, as received by the Trustee or its agent, shall be deposited therein and used for such purpose. Accounts and Subaccounts shall be created in the various Debt Service Funds and shall be held and maintained by the Trustee or such agents as shall be provided in a Supplemental Indenture.

The moneys in the Debt Service Funds shall be held in trust and applied as provided in the Supplemental Indenture with regard to each such Fund, and pending such application on the applicable Payment Date, such amounts shall be subject to a lien on and security interest in favor of the holders of the Bonds issued and Outstanding under this Indenture.

The Trustee shall, at least five (5) Business Days prior to each Payment Date on any Bond, give the Authority notice by telephone, promptly confirmed in writing, of the amount, if any, (after taking into account any Capitalized Interest, PFCs Available for Debt Service, and other amounts on deposit in the Debt Service Fund) required to be deposited with the Trustee to make each required payment of principal and interest due on such Payment Date. With respect to any Series of Bonds, the Supplemental Indenture under which such Bonds are issued may provide for different times and methods of notifying the Authority of Payment Dates and amounts to accommodate the specific provisions of such Series and, in such event, the terms of such Supplemental Indenture shall control.

Except as otherwise provided in a Supplemental Indenture, so long as any Bonds are Outstanding, not later than the tenth (10th) Business Day of each month, the Authority shall pay to the Trustee (a) Revenues to be withdrawn from the Revenue Fund, and (b) PFCs Available for Debt Service (excluding any interest and earnings from the account maintaining such PFCs Available for Debt Service) in an aggregate amount equal to: (i) one-sixth (1/6) of the full amount required to pay the interest on each Series of Outstanding Bonds, as it becomes due, so that at least the full amount of interest on each such Series of Outstanding Bonds shall be set aside in the applicable Debt Service Fund by not later than the fifteenth (15^{th}) day of the month prior to the date each installment of interest becomes due; (ii) one-twelfth (1/12) of the full amount required to pay the Principal Amount of each Series of Outstanding Bonds due on the next principal payment date so that at least the full amount of the Principal Amount of each such Series of Outstanding Bonds shall be set aside in the applicable Debt Service Fund by not later than the fifteenth (15^{th}) day of the month prior to the date such Principal Amount becomes due; and (iii) one-twelfth (1/12) of the full amount required to pay, as it becomes due, the sinking fund installment payment, if any, due with respect each Series of Outstanding Term Bonds, so that at least the full amount of the sinking fund installment payment of each such Series of Outstanding Term Bonds shall be set aside in the applicable Debt Service Fund by not later than the fifteenth (15^{th}) day of the month prior to the date such sinking fund installment payment becomes due.

No such transfer need be made in respect of any Series of Outstanding Bonds prior to the actual delivery of that Series of Outstanding Bonds to the purchasers thereof; provided, however, that notwithstanding the previous paragraph, if the first interest payment date for a Series of

Bonds occurs less than six months after the issuance of such Series of Bonds, the Authority shall pay to the Trustee (a) Revenues to be withdrawn from the Revenue Fund, and (b) PFCs Available for Debt Service, if any, for deposit in the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the tenth (10th) Business Day of the month immediately succeeding the issuance of such Series of Bonds, so that interest due on such Series of Bonds on the first interest payment date to occur after the issuance of such Series Bonds shall be fully funded when the first installment of interest is due on such Series of Bonds, and, if the first principal payment or sinking fund installment of such Series of Bonds is due less than twelve months after the issuance of such Series of Bonds, the Authority shall pay to the Trustee (a) Revenues to be withdrawn from the Revenue Fund, and (b) PFCs Available for Debt Service, if any, for deposit in the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the tenth (10th) Business Day of the month immediately succeeding the issuance of such Series of Bonds, so that principal or sinking fund installments of such Series of Bonds due on the first principal payment date to occur after the issuance of such Series of Bonds shall be fully funded when the first principal payment or sinking fund installment is due on such Series of Bonds.

Notwithstanding any of the foregoing provisions of the previous two paragraphs, the Authority shall not be required to pay to the Trustee, for deposit to the Debt Service Fund(s) for each Series of Outstanding Bonds (a) Revenues from the Revenue Fund, and (b) PFCs Available for Debt Service, if any, for the payment of principal or sinking fund installments or interest, respectively, if the amount already on deposit in such Debt Service Fund(s) and available for such purpose is sufficient to pay in full the amount of principal or sinking fund installment and/or interest, respectively, coming due on such Bonds on the next succeeding Payment Date.

On any day on which the Trustee receives funds from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made and any excess shall be applied to pay all amounts of principal and interest becoming due on any subsequent Payment Dates. If, on any Payment Date, the Trustee does not have sufficient amounts in the Debt Service Funds (without regard to any amounts which may be available from the Common Debt Service Reserve Account or any Series Debt Service Reserve Account, as applicable) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account, as applicable) as follows: first to the payment of interest then due on the Bonds and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then pro rata among the Series according to the amount of interest then due, and second to the payment of principal then due on the Bonds and, if the amount available shall not be sufficient to pay in full all principal on the Bonds then due, then pro rata among the Series according to the Principal Amount then due on the Bonds.

Notwithstanding the foregoing, the Authority may, in the Supplemental Indenture authorizing such Series of Bonds, provide for different provisions and timing of deposits with the

Trustee and different methods of paying principal of or interest on such Bonds depending upon the terms of such Bonds and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the respective Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided. The Authority may provide in any Supplemental Indenture that, as to any Series of Bonds Outstanding, any amounts required to be transferred to and paid into a Debt Service Fund may be prepaid, in whole or in part, by being earlier transferred to and paid into that Debt Service Fund, and in that event any subsequently scheduled monthly transfer, or any part thereof, which has been so prepaid need not be made at the time appointed therefor.

On each Payment Date for any Outstanding Bonds, the Trustee shall pay to the Owners of the Bonds of a given Series from the appropriate Debt Service Fund or Debt Service Funds, an amount equal to the principal and/or interest becoming due on such Series of Bonds.

The payments made by the Trustee in this Section shall be made solely to the extent that moneys are on deposit in the appropriate Debt Service Fund.

If Revenues, and PFCs Available for Debt Service, if any, are at any time insufficient to make the required deposits to the Debt Service Funds to make payments on the Bonds, the Authority may, at its election, pay to the Trustee funds from any available sources with the direction that such funds be deposited into the Debt Service Funds or into a specified Account or Accounts or Subaccount or Subaccounts therein.

Section 4.06. Debt Service Reserve Fund.

(a) The Authority shall create or shall cause to be created the Debt Service Reserve Fund, which Debt Service Reserve Fund shall be held and maintained by the Trustee or any agent of the Trustee. The Debt Service Fund may contain a Common Debt Service Reserve Account and one or more Series Debt Service Reserve Accounts. The Common Debt Service Reserve Account shall secure each Series of Bonds that the Authority elects, pursuant to a Supplemental Indenture, to have participate in the Common Debt Service Reserve Account. The Authority reserves the right, in its discretion, (i) to allow any Series of Bonds to participate in the Common Debt Service Reserve Account, or (ii) to create, pursuant to Supplemental Indentures, separate Series Debt Service Reserve Accounts and allow one or more Series of Bonds to participate in such Series Debt Service Reserve Accounts, or (iii) to provide that a Series of Bonds not participate in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account. Any Series Debt Service Reserve Account established under a Supplemental Indenture shall be funded in an amount equal to the applicable Reserve Requirement set forth in such Supplemental Indenture. Additionally, such Supplemental Indenture shall provide for the manner of funding and replenishing of such Series Debt Service Reserve Account and establish such other terms with respect to such Series Debt Service Reserve Account as the Authority may deem to be appropriate, including providing a Debt Service Reserve Fund Surety Policy in lieu thereof.

(b) (i) Except as otherwise provided herein, with respect to Bonds participating in the Common Debt Service Reserve Account, each Supplemental

Indenture providing for the issuance such Bonds shall require as a condition of issuance that at the time of issuance of such Bonds an amount be deposited in the Common Debt Service Reserve Account so that, together with any Debt Service Reserve Fund Surety Policy provided pursuant to clause (c) below, the amount on deposit in the Common Debt Service Reserve Account will be equal to the Reserve Requirement for the Common Debt Service Reserve Account. Any cash to be deposited in the Common Debt Service Reserve Account may be derived from proceeds of Bonds or any other legally available source of funds. In the event that federal tax law in the opinion of Bond Counsel would prohibit the Reserve Requirement with respect to the Common Debt Service Reserve Account or any portion thereof from being satisfied with proceeds of any issue of tax-exempt Bonds, the Authority shall be permitted to satisfy the portion of the Reserve Requirement for the Common Debt Service Reserve Account not permitted to be funded with tax-exempt Bond proceeds with Revenues as described in Section 4.03(b)(iii) hereof, to the extent permissible under federal tax laws, in equal monthly installments within sixty (60) months from the date of issuance of said Series of Bonds.

(ii) Moneys held in the Common Debt Service Reserve Account shall be used for the purpose of paying principal of and interest on the Bonds participating in the Common Debt Service Reserve Account on a basis *pari passu* with all Bonds then participating in the Common Debt Service Reserve Account. If, on any Payment Date for Bonds participating in the Common Debt Service Reserve Account, the amounts in the Debt Service Funds for such Bonds are insufficient to pay in full the amount then due on such Bonds, moneys held in the Common Debt Service Reserve Account shall be used for the payment of the principal of and/or interest thereon as provided in Section 4.05 hereof. If amounts in the Common Debt Service Reserve Account consist of both cash and one or more Debt Service Reserve Fund Surety Policies, the Trustee shall make any required payments of amounts in the Common Debt Service Reserve Account first from any cash on deposit in the Common Debt Service Reserve Account, prior to making a draw upon any Debt Service Reserve Fund Surety Policy. Moneys held in the Common Debt Service Reserve Account also may be used to make any deposit required to be made to the Rebate Fund created for the Bonds participating in the Common Debt Service Reserve Account at the written direction of the Authority if the Authority does not have other funds available from which such deposit can be made.

(iii) Subject to the provisions of subsection (b)(i) above, the Trustee shall annually, prior to January 1 of each year and at such other times as the Authority shall request, value the Common Debt Service Reserve Account on the basis of the cost thereof, plus accrued interest, adjusted for any amortization of premium or discount on the investment thereof. For purposes of determining the amount on deposit in the Common Debt Service Reserve Account, any Debt Service Reserve Fund Surety Policy held by, or the benefit of which is available to, the Trustee as security for the Bonds participating in the Common Debt Service Reserve Account shall be deemed to be a deposit in the face amount of such Debt Service Reserve Fund Surety Policy or the stated amount of such Debt Service Reserve Fund Surety Policy provided, except that, if the amount available

under a Debt Service Reserve Fund Surety Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Debt Service Reserve Fund Surety Policy and not reinstated or another Debt Service Reserve Fund Surety Policy provided, then, in valuing the Common Debt Service Reserve Account, the value of such Debt Service Reserve Fund Surety Policy shall be reduced accordingly. Upon each such valuation, the Trustee shall prepare a written certificate setting forth the Reserve Requirement with respect to the Common Debt Service Reserve Account as of such valuation date and the value of the Common Debt Service Reserve Account and deliver a copy thereof to the Chief Financial Officer. If, upon any valuation of the Common Debt Service Reserve Account, the value of the Common Debt Service Reserve Account exceeds the Reserve Requirement with respect to the Common Debt Service Reserve Account, the excess amount may be withdrawn and paid to the Authority to be used for any lawful purpose; provided that, if such amounts are used for a purpose other than payment of the principal of Bonds participating in the Common Debt Service Reserve Account, there shall be delivered to the Trustee with the request for such funds an Opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used by the Authority and that such use shall not result in the inclusion of interest on any tax-exempt Bonds in gross income of the recipient thereof for federal income tax purposes. If, upon any valuation of the Common Debt Service Reserve Account, the value is less than the Reserve Requirement with respect to the Common Debt Service Reserve Account, the Authority shall replenish such amounts within thirty-six (36) months after the date of such valuation, in accordance with subsection (f) below.

(c) A Debt Service Reserve Fund Surety Policy shall be acceptable in lieu of a deposit of cash or securities into the Common Debt Service Reserve Account, or may be substituted for amounts on deposit in the Common Debt Service Reserve Account, only if at the time of such deposit the face amount of the Debt Service Reserve Fund Surety Policy, together with amounts on deposit in the Common Debt Service Reserve Account is at least equal to the Reserve Requirement with respect to the Common Debt Service Reserve Account.

(d) Moneys in the Common Debt Service Reserve Account shall be invested and reinvested by the Trustee at the written direction of the Authorized Authority Representative in Permitted Investments. Investments in the Common Debt Service Reserve Account shall not have maturities which extend beyond five years. Earnings on the Common Debt Service Reserve Account shall be paid pro rata to the Debt Service Funds for the Bonds participating in the Common Debt Service Reserve Account to be applied as a credit against the Authority's obligation to make its next interest payments unless an amount has been withdrawn from the Common Debt Service Reserve Account as a result of a deficiency in the Debt Service Funds and such withdrawal has not been repaid or, as of the most recent valuation of the Common Debt Service Reserve Account, the amount therein was valued at less than the Reserve Requirement with respect to the Common Debt Service Reserve Account and the deficiency has not yet been restored, in

either of which events the earnings shall be retained in the Common Debt Service Reserve Account until the deficiency therein has been eliminated.

(e) All money remaining in the Common Debt Service Reserve Account on the final Payment Date of the Bonds participating in the Common Debt Service Reserve Account in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of the Bonds of all Outstanding Series participating in the Common Debt Service Reserve Account shall be transferred to the Authority for deposit in the Revenue Fund.

(f) If the Common Debt Service Reserve Account or a separately created Series Debt Service Reserve Account (or Debt Service Reserve Fund Surety Policy provided in lieu thereof) have been used to make payments on Bonds secured thereby, then the Authority may be required to replenish the Common Debt Service Reserve Account and such Series Debt Service Reserve Account or reimburse the Credit Provider from Net Revenues as provided in Section 4.03(b)(iii) hereof, the full amount so withdrawn, together with interest, if any, required under the terms of the Debt Service Reserve Fund Surety Policy, or so much as shall be required to restore the Common Debt Service Reserve Account or any Series Debt Service Reserve Account to the Reserve Requirement with respect to the Common Debt Service Reserve Account or such Series Debt Service Reserve Account and to pay such interest, if any provided that (i) no amount from Revenues may be used for such purpose until all payments of principal of and/or interest on all Bonds which have become due and payable shall have been paid in full, (ii) the required payments to replenish the Common Debt Service Reserve Account or any such Series Debt Service Reserve Account or reimburse the Credit Provider shall be due in no more than thirty-six (36) substantially equal monthly installments commencing in the month following any such withdrawal, and (iii) if the aggregate amount of payments due on any date to replenish the Common Debt Service Reserve Account or any Series Debt Service Reserve Account exceeds the amount available for such purpose, the payments made to the Trustee for such purpose shall be allocated among the Common Debt Service Reserve Account and any Series Debt Service Reserve Account pro rata on the basis of the Outstanding Principal Amount of Bonds secured thereby. If such repayment is with respect to a draw under a Debt Service Reserve Fund Surety Policy, the Trustee shall pay to the provider of such Debt Service Reserve Fund Surety Policy the amount received by the Trustee from the Authority which is designated to be used to reimburse the provider of such Debt Service Reserve Fund Surety Policy. The Trustee shall immediately notify the paying agent for the Debt Service Reserve Fund Surety Policy, if any, of such reimbursement, and the amount available to be drawn under the Debt Service Reserve Fund Surety Policy shall increase by the amount of such reimbursement.

Section 4.07. Operation and Maintenance Reserve Account. The Authority shall create, hold and maintain, within the Operation and Maintenance Fund, a special Account to be designated as the "Operation and Maintenance Reserve Account." Upon adoption of the annual budget of the Authority for Operation and Maintenance Expenses, the Authority shall calculate the Operation and Maintenance Reserve Account Requirement. To the extent amounts on deposit in the Operation and Maintenance Reserve Account exceed the Operation and

Maintenance Reserve Account Requirement on the date of any such calculation, the Authority may transfer such excess to the Revenue Fund. Except in the case of a Force Majeure Event, to the extent amounts on deposit in the Operation and Maintenance Reserve Account on the date of any such calculation are less than the Operation and Maintenance Reserve Account Requirement, the Authority shall deposit monthly in the Operation and Maintenance Reserve Account an amount equal to one-twelfth ($1/12^{th}$) of the difference between the amount on deposit in the Operation and Maintenance Reserve Account and the Operation and Maintenance Reserve Account Requirement. The Authority shall deposit such additional amount monthly into the Operation and Maintenance Reserve Account until the balance in the Account is at least equal to the Operation and Maintenance Reserve Account Requirement.

In the event of any withdrawal from the Operation and Maintenance Reserve Account, other than a withdrawal of excess deposits as permitted pursuant to the immediately preceding paragraph and except in the case of a Force Majeure Event, the Authority shall deposit monthly in the Operation and Maintenance Reserve Account an amount equal to one-twelfth ($1/12^{th}$) of the aggregate amount of such withdrawal until the balance in the Operation and Maintenance Reserve Account is at least equal to the Operation and Maintenance Reserve Account Requirement. In the event of any withdrawal from the Operation and Maintenance Reserve Account in the case of a Force Majeure Event, the Authority shall deposit monthly in the Operation and Maintenance Reserve Account an amount equal to one-thirty sixth ($1/36^{th}$) of the aggregate amount of such withdrawal until the balance in the Operation and Maintenance Reserve Account is at least equal to the Operation and Maintenance Reserve Account Requirement.

All amounts in the Operation and Maintenance Reserve Account shall be used and applied by the Authority (a) to pay Operation and Maintenance Expenses, (b) to make any required payments or deposits to pay or secure the payment of the principal of and/or interest on the Bonds, and (c) to pay the costs of any additions, improvements, repairs, renewals or replacements to the Airport System, in each case only if and to the extent that moneys otherwise available to make such payments or deposits are insufficient.

Section 4.08. Renewal and Replacement Fund. The Authority shall create, hold and maintain a special Fund to be designated as the "Renewal and Replacement Fund." The Authority shall fund the Renewal and Replacement Fund in an amount equal to the Renewal and Replacement Fund Requirement. To the extent amounts on deposit in the Renewal and Replacement Fund on the date of any calculation are less than the Renewal and Replacement Fund Requirement, the Authority shall deposit monthly in the Renewal and Replacement Fund an amount equal to one-twelfth ($1/12^{th}$) of the aggregate amount of any such deficiency until the balance in the Renewal and Replacement Fund is at least equal to the Renewal and Replacement Fund Requirement.

All amounts in the Renewal and Replacement Fund shall be used and applied by the Authority (a) to pay the costs of any extraordinary repairs, renewals or replacements to the Airport System, and (b) to make any required payments or deposits to pay or secure the payment of the principal of and/or interest on the Bonds, in each case only if and to the extent that moneys otherwise available to make such payments or deposits are insufficient.

Section 4.09. Equipment and Capital Outlay Fund. The Authority may create, hold and maintain a special Fund to be designated the "Equipment and Capital Outlay Fund." Moneys deposited to the Equipment and Capital Outlay Fund shall be used for any lawful purpose of the Authority, but only to the extent any such purposes are provided for in the Airline Operating Agreements.

Section 4.10. Coverage Account. The Authority may create, hold and maintain, within the Revenue Fund, a special Account to be designated as the "Coverage Account." If such Account is created, the Authority may fund the Coverage Account in an amount to be determined by the Authority but not in excess of the limitations set forth in the definition of Coverage Amount. Moneys deposited in the Coverage Account shall be applied upon the direction of an Authorized Authority Representative to (a) pay Operation and Maintenance Expenses, (b) make any required payments or deposits to pay or secure the payment of the principal and/or interest on the Bonds and Subordinate Obligations, and (c) pay the cost of any additions, improvements, repairs, renewals or replacements to the Airport System, in each case only if and to the extent that moneys otherwise available to make such payments or deposits are insufficient therefor.

Section 4.11. Rate Stabilization Fund. The Authority hereby covenants and agrees to, create, hold and maintain the "Rate Stabilization Fund." Moneys deposited to the Rate Stabilization Fund that are designated by the Authority to be Other Pledged Revenues shall be transferred to the Revenue Fund. Otherwise the Authority shall not be restricted in using the moneys in the Rate Stabilization Fund for any lawful purpose of the Airport System.

Section 4.12. Airport System Capital Fund. The Authority hereby covenants and agrees to, create, hold and maintain the "Airport System Capital Fund." Moneys deposited to the Airport System Capital Fund shall be used for any lawful purpose of the Authority, but only to the extent any such purposes relate to the Airport System

Section 4.13. Construction Funds. Proceeds of each Series of Bonds which are to be used to pay the Costs of a Project shall be deposited into a Fund (each, respectively, a "***Construction Fund***") to be created by the Authority for such Series of Bonds and held and maintained by the Authority, all as provided by this Indenture or a Supplemental Indenture. All moneys in each Construction Fund shall be held and disbursed as provided in the Supplemental Indenture under which such Fund was created. Notwithstanding this provision, no Construction Fund shall be required for a given Series of Bonds if all of the proceeds thereof (except those deposited into the Common Debt Service Reserve Account or a Series Debt Service Reserve Account or a Debt Service Fund) are spent at the time of issuance of such Series or are used to refund and/or defease Bonds or otherwise the Authority determines that there is no need to create a Construction Fund for such Series.

Section 4.14. Additional Funds, Accounts and Subaccounts. In addition to the Funds, Accounts and Subaccounts described in this Article, the Authority may, pursuant to a Supplemental Indenture, create additional Funds, Accounts and Subaccounts for such purposes as the Authority deems appropriate, including separate Funds, Accounts and Subaccounts available only for specified Bonds or Series of Bonds.

Section 4.15. Moneys Held in Trust for Matured Bonds; Unclaimed Moneys. All moneys which shall have been withdrawn from a Debt Service Fund and set aside or deposited with a Paying Agent for the purpose of paying any of the Bonds, either at the maturity thereof or upon call for redemption, or which are set aside by the Trustee for such purposes and for which Bonds the maturity date or redemption date shall have occurred, shall be held in trust for the respective holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the holders of such Bonds for a period of five (5) years after the date on which such Bonds shall have become due and payable (or such longer period as shall be required by Commonwealth law) shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment and the Authority shall be obligated to make such payment, but only to the extent of the amounts so received without any interest thereon, and neither the Trustee nor any Paying Agent shall have any responsibility with respect to any of such moneys. The Authority hereby recognizes that while any Bonds are Outstanding in book-entry only form there should be no unclaimed moneys.

Section 4.16. Additional Security. The pledge of Net Revenues and the other security provided in the Granting Clauses hereof, secures all Bonds issued under the terms of this Indenture on an equal and ratable basis, except as to the timing of such payments. The Authority may, however, in its discretion, provide additional security or credit enhancement for specified Bonds or Series of Bonds with no obligation to provide such additional security or credit enhancement to other Bonds.

Section 4.17. PFCs Available for Debt Service. The Authority may for any period elect to designate any available Passenger Facility Charges as "PFCs Available for Debt Service" by filing with the Trustee a certificate signed by an Authorized Authority Representative that includes (a) a representation by the Authority that such Passenger Facility Charges, when received by the Authority, may be validly designated as and included in "PFCs Available for Debt Service" under this Indenture and are legally available to pay the principal of, premium, if any, and interest on all or a portion of the Bonds, (b) the amount of Passenger Facility Charges that are being designated as and included in "PFCs Available for Debt Service," (c) the Debt Service Fund(s) such PFCs Available for Debt Service are to be deposited to, and (d) the time period during which such Passenger Facility Charges will be designated as and included in "PFCs Available for Debt Service." After the filing of such certificate with the Trustee, the Authority shall cause the PFCs Available for Debt Service designated therein to be deposited to the applicable Debt Service Fund(s) and used to pay debt service on the applicable Series of Bonds. Notwithstanding any other provision hereof, if such PFCs Available for Debt Service are subject to any prior pledge or lien or irrevocable commitment, the application thereof to the payment of debt service on the Bonds shall be subordinate to the terms of such pledge or lien or irrevocable commitment and the certificate of the Authorized Authority Representative designating the PFCs Available for Debt Service shall indicate the amount of the obligation payable in such Fiscal Year from the PFCs Available for Debt Service pursuant to such pledge or lien or irrevocable commitment.

Section 4.18. Other Pledged Revenues. The Authority may for any period elect to designate any legally available funds, including but not limited to, all or a portion of gifts, grants, Customer Facility Charges, Gaming Revenues and Natural Gas Revenues, as well as moneys transferred from the Rate Stabilization Fund pursuant to Section 4.11 hereof, as "Other Pledged

Revenues" by filing with the Trustee a certificate signed by an Authorized Authority Representative that includes (a) a representation by the Authority that such funds, when received by the Authority, may be validly designated as and included in "Other Pledged Revenues" under this Indenture and are legally available to pay expenses of the Authority and/or the principal of, premium, if any, and interest on all or a portion of the Bonds, (b) the amount of funds that are being designated as and included in "Other Pledged Revenues," and (c) the time period during which such funds will be designated as and included in "Other Pledged Revenues." After the filing of such certificate with the Trustee, the Authority shall cause the Other Pledged Revenues designated therein to be deposited into the Revenue Fund. The Authority may, at any time, amend such certification regarding Other Pledged Revenues that has been filed with the Trustee.

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.01. Payment of Principal and Interest. The Authority hereby covenants and agrees that it will duly and punctually pay or cause to be paid from the Net Revenues and to the extent thereof the principal of, premium, if any, and interest on every Bond at the place and on the dates and in the manner herein, in the Supplemental Indentures and in the Bonds specified, according to the true intent and meaning thereof, and that it will faithfully do and perform all covenants and agreements herein and in the Bonds contained, provided that the Authority's obligation to make payment of the principal of, premium, if any, and interest on the Bonds shall be limited to payment from the Net Revenues, the funds and accounts pledged therefor in the Granting Clauses of this Indenture and any other source which the Authority may specifically provide for such purpose and no Bondholder shall have any right to enforce payment from any other funds of the Authority.

Section 5.02. Performance of Covenants by Authority; Due Execution. The Authority hereby covenants that it will faithfully perform at all times any and all covenants and agreements contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority hereby represents that it is duly authorized under the Constitution and laws of the Commonwealth, and the Act to issue Bonds and pledge and grant a security interest in the Net Revenues, and Net Revenues are not currently subject to any existing pledge.

Section 5.03. Senior Lien Obligations Prohibited. The Authority hereby covenants and agrees that so long as any Bonds are Outstanding under this Indenture, it will not issue any bonds or other obligations with a lien on or security interest in nor grant any lien or security interest in Net Revenues which is senior to the Bonds.

Section 5.04. Rate Covenant.

(a) The Authority hereby covenants and agrees that, while any of the Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the Authority as of the date of execution of this Indenture setting forth restrictions relating thereto), it shall establish, fix, prescribe and collect rates, tolls, fees, rentals and charges

in connection with the Airport System and for services rendered in connection therewith so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Annual Debt Service on any Outstanding Bonds required to be funded by the Authority in such Fiscal Year as required by this Indenture or any Supplemental Indenture with respect to the Outstanding Bonds as reduced by the amount of principal and/or interest paid with Capitalized Interest and PFCs Available for Debt Service, if any;

(ii) the required deposits to the Common Debt Service Reserve Account or any Series Debt Service Reserve Account which may be established by a Supplemental Indenture;

(iii) the reimbursement owed to any Credit Provider or Liquidity Provider as required by a Supplemental Indenture;

(iv) the interest on and principal of any indebtedness of the Authority with respect to the Airport System required to be funded during such Fiscal Year, other than for Outstanding Bonds, but including Subordinate Obligations; and

(v) funding of any debt service reserve funds created in connection with any indebtedness of the Authority with respect to the Airport System, other than Outstanding Bonds, but including Subordinate Obligations.

(b) In addition to the covenants in subparagraph (a) above, the Authority hereby further covenants and agrees that it shall establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, and any amounts available in the Coverage Account, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds for such Fiscal Year, and 100% of the annual debt service with respect to all outstanding Subordinate Obligations. For purposes of this subsection (b), the amount of any transfer from the Coverage Account shall not exceed the Coverage Amount.

(c) When calculating Annual Debt Service on the Outstanding Bonds for purposes of the rate covenants set forth in subsections (a) and (b) above, Annual Debt Service on the Outstanding Bonds shall be reduced by the amount of principal and/or interest paid with Capitalized Interest, and PFCs Available for Debt Service, if any.

(d) The Authority covenants that if, upon the receipt of the audited financial statements for a Fiscal Year, the Net Revenues, together with any amounts available in the Coverage Account, in such Fiscal Year are less than the amounts specified in subsections (a) and (b) above, the Authority will retain and direct a Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rates, tolls, fees, rentals and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority shall take all lawful measures to revise the

schedule of rates, tolls, fees, rentals and charges as may be necessary to produce Net Revenues, together with any amounts available in the Coverage Account, in the amounts specified in subsections (a) and (b) above in the next succeeding Fiscal Year.

(e) In the event that Net Revenues, together with any amounts available in the Coverage Account, for any Fiscal Year are less than the amounts specified in subsections (a) or (b) above, but the Authority has, prior to or during the next succeeding Fiscal Year, promptly taken all lawful measures to revise the schedule of rates, tolls, fees, rentals and charges as required by subsection (d) above, such deficiency in Net Revenues, together with any amounts available in the Coverage Account, shall not constitute an Event of Default under the provisions of Section 8.01(d) hereof. Nevertheless, if after taking the measures required by subsection (d) above to revise the schedule of rates, tolls, fees, rentals and charges, Net Revenues, together with any amounts available in the Coverage Account, in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Authority for such Fiscal Year) are less than the amounts specified in subsections (a) or (b) above, such deficiency in Net Revenues, together with any amounts available in the Coverage Account, shall constitute an Event of Default under the provisions of Section 8.01(d) hereof.

Section 5.05. No Inconsistent Contract Provisions. The Authority hereby covenants that no contract or contracts will be entered into or any action taken by the Authority which shall be inconsistent with the provisions of this Indenture. The Authority hereby further covenants that it will not take any action which, in the Authority's judgment at the time of such action, will substantially impair or materially adversely affect the Net Revenues, or will substantially impair or materially adversely affect in any manner the pledge of, lien on or security interest granted in the Net Revenues herein or the rights of the holders of the Bonds. The Authority shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to pay from the Net Revenues the principal of and interest on the Bonds and to make the other payments provided for herein.

Section 5.06. Subordinate Obligations. The Authority may, from time to time, incur indebtedness which is subordinate to the Bonds and which indebtedness is, in this Indenture, referred to as Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Indenture or other written instrument authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Revenues and the Net Revenues is junior and subordinate to the lien on and security interest in such Revenues and Net Revenues and other assets granted to secure the Bonds; and

(b) payment of principal of and interest on such Subordinate Obligations shall be permitted, provided that all deposits required to be made pursuant to Sections 4.03(b)(i) through (iii) hereof, if any, are then current in accordance with Section 4.03(b) hereof.

Section 5.07. Special Facilities and Special Facility Obligations.

(a) Anything in this Indenture to the contrary notwithstanding, the Authority may issue Special Facility Obligations for the purpose of acquiring, constructing, renovating, remodeling or rehabilitating a Special Facility for use, lease or sublease thereof pursuant to the provisions of this Section or for refunding other Special Facility Obligations. Such Special Facility Obligations (i) shall be payable solely from amounts payable by the user, lessee or sublessee under a Special Facility Agreement entered into with respect to the Special Facility to be financed from such Special Facility Obligations; (ii) shall not be a charge or claim against or payable from or secured by the Net Revenues or any other monies held hereunder; (iii) will not result in a reduction of Net Revenues; and (iv) shall mature within the term of the Special Facility Agreement entered into with respect to such Special Facility.

(b) A Special Facility Agreement shall be entered into between the Authority and the user or occupier of such Special Facility pursuant to which the user, lessee or sublessee shall agree to pay or otherwise provide for payment of (i) installment amounts which will be sufficient to pay during such term as the same respectively becomes due the principal of and interest on all Special Facility Obligations to be issued pursuant to this section to pay the cost of construction or acquisition of the Special Facility; (ii) amounts necessary or required to provide or maintain all reserves required for such Special Facility Obligations and to pay all trustees', fiscal agents' and paying agents' fees and expenses in connection therewith; (iii) installment amounts equal to a properly allocable share of the administrative costs of the Authority arising out of such Special Facility Agreement and the issuance and servicing of such Special Facility Obligations or, if the land on which the Special Facility is to be constructed constitutes a part of the Airport System, a ground rental for the ground upon which such Special Facility is or is to be located payable in periodic installments in amounts not less than shall be required pursuant to the Authority's policy for rental of ground space in the Airport System as fixed from time to time by the Authority; provided that any amount payable pursuant to this clause (iii) shall be free and clear of all charges under said Special Facility Agreement, shall be in addition to the amounts required by clauses (i), (ii) and (iv), and shall constitute Revenues and be paid into the Revenue Fund; and (iv) all costs connected with the ownership, operation, maintenance, repair, renewals and rehabilitation of the Special Facility (including, without limitation, insurance, utilities, taxes or payments in lieu of taxes and assessments).

(c) Special Facility Obligations issued pursuant to the provisions of this Section may also be refunded by the issuance of Bonds if (i) all such Special Facility Obligations then Outstanding and unpaid pertaining to the particular Special Facility are refunded at one time from such issuance of Bonds or are then otherwise retired; and (ii) the conditions contained in Section 2.09 of this Indenture are complied with upon such refunding, and, for the purposes of any such refunding, such refunding shall be considered as though the Authority were acquiring such Special Facility by the issuance of Bonds pursuant to Section 2.11(a) hereof.

(d) If a Special Facility is located on land included in the Airport System, upon the retirement of the indebtedness evidenced by the Special Facility Obligations issued therefor all rentals and other income thereafter received by the Authority from the Special Facility for which Special Facility Obligations were issued shall, to the extent permitted by law, constitute Revenues and be paid into the Revenue Fund, to be used and applied as are other monies deposited therein, and if such rentals and other income shall then constitute Revenues, such Special Facility shall, unless contrary to law, then constitute part of the Airport System for all purposes of this Indenture.

Section 5.08. Maintenance of Powers. The Authority hereby covenants that it will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to the Act, the Constitution of the Commonwealth and all other laws and that it will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to delay either the payment of the indebtedness evidenced by any of the Bonds or the performance or observance of any of the covenants herein contained.

Section 5.09. Operation and Maintenance of Airport System. Subject to the transfer of any Airport Facilities pursuant to Section 5.12 hereof, the Authority hereby covenants that the Airport System shall at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with (provided the Authority shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary to construct or operate any part of the Airport System shall be obtained and maintained and that all necessary repairs, improvements and replacements of the Airport System shall be made, subject to sound business judgment. Subject to the transfer of any Airport Facilities pursuant to Section 5.12 hereof, the Authority shall, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Authority, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Airport System or upon any part thereof, or upon the Revenues or Net Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Revenues or Net Revenues or the Airport System or any part thereof constituting part of the Airport System.

Section 5.10. Insurance; Application of Insurance Proceeds.

(a) The Authority shall:

(i) procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the Airport System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports; and

(ii) place on file with the Trustee, annually within 120 days after the close of each Fiscal Year a certificate of an Authorized Authority Representative containing a summary of all insurance policies and self-insured programs then in effect with respect to the Airport System and the operations of the Authority related to the Airport System. The Trustee may conclusively rely upon such certificate and shall not be responsible for the sufficiency or adequacy of any insurance required herein or obtained by the Authority.

(b) "***Qualified Self Insurance***" shall mean insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Authority may have a material interest and of which the Authority may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Authority determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance, and such self-insurance program shall be reviewed at least once every 12 months by a Consultant who shall deliver to the Authority a report on the adequacy of the reserves established thereunder. If the Consultant determines that such reserves are inadequate, they shall make a recommendation as to the amount of reserves that should be established and maintained, and the Authority shall comply with such recommendation unless it can establish to the satisfaction of and receive a certification from a Consultant that a lower amount is reasonable to provide adequate protection to the Authority.

(c) If, as a result of any event, any part of the Airport System is destroyed or Account and shall credit the Net Proceeds received as a result of such event of damage or destruction to such Account and such Net Proceeds shall, within a reasonable period of time taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, be used to: (i) repair or replace the Airport System, or portion thereof, which were damaged or destroyed, (ii) provide additional revenue-producing Airport Facilities, (iii) redeem Bonds, or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article VII hereof.

Section 5.11. Accounts. The Authority hereby covenants that it will keep and provide accurate books and records of account showing all Revenues received and all expenditures of the Authority relating to the Airport System and that it will keep or cause to be kept accurate books and records of account showing all moneys, Revenues, accounts and funds (including the Revenue Fund and all Funds, Accounts and Subaccounts provided for in this Indenture) which are or shall be in the control or custody of the Authority; and that all such books and records pertaining to the Airport System shall be open upon reasonable notice during business hours to the Trustee and to the Owners of not less than 10% of the Principal Amount of Bonds then Outstanding, or their representatives duly authorized in writing.

Section 5.12. Transfer of Airport Facility or Airport Facilities. The Authority shall not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or

Airport Facilities. For purposes of this Section 5.12, any transfer of an asset over which the Authority retains substantial control in accordance with the terms of such transfer, shall not, for so long as the Authority has such control, be deemed a disposition of an Airport Facility or Airport Facilities. Long term ground or facility leases shall not be deemed to constitute a transfer. The Authority may transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) the property being disposed of is inadequate, obsolete or worn out; or

(b) the property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are first paid to the FAA to the extent required under applicable regulations and the balance deposited into the Airport System Capital Fund to be used as described below and the Authority believes that such disposal will not prevent it from fulfilling its obligations under this Indenture; or

(c) if the property being transferred, sold or disposed of does not constitute all of the Airport Facilities that comprise the Pittsburgh International Airport, the Authority receives fair market value for the property, the proceeds are first paid to the FAA to the extent required under applicable regulations and the balance are deposited in the Airport System Capital Fund to be used as described below, and prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Authority as evidenced by a certificate of an Authorized Authority Representative, the Consultant estimates that the Authority will be in compliance with Section 5.04(a) and (b) hereof during each of the first five (5) Fiscal Years immediately following such disposition; or

(d) if the property being transferred, sold or disposed of constitutes all of the Airport Facilities that comprise the Pittsburgh International Airport, the proceeds received by the Authority from such transfer, sale or disposition shall be sufficient (along with any other available moneys of the Authority) to cause all Bonds and Subordinate Obligations then Outstanding to be deemed to be paid as provided in Article VII hereof and the proceeds (along with any other available moneys of the Authority) shall be deposited to an escrow fund pledged to the payment of all Bonds then Outstanding.

Proceeds of the transfer, sale or disposition of assets under clauses (b) or (c) above shall be deposited into the Airport System Capital Fund. Airport Facilities which were financed with the proceeds of obligations the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of, except under the terms of clause (a) above, unless the Authority has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition shall be made which would cause the Authority to be in default of any other covenant contained in this Indenture or any applicable FAA regulation or grant assurance.

Section 5.13. Eminent Domain. If a Significant Portion of any Airport Facility or Airport Facilities are taken by eminent domain proceedings or conveyance in lieu thereof, the Authority shall create within the Revenue Fund a special Account and credit the Net Proceeds received as a result of such taking or conveyance to such Account and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds, subject to any applicable provisions of the Code, to (a) replace the Airport Facility or Airport Facilities which were taken or conveyed, (b) provide an additional revenue-producing Airport Facility or Airport Facilities, (c) redeem Bonds, or (d) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article VII hereof. The Authority shall notify each of the Rating Agencies that the Authority has requested ratings from and who are then maintaining a rating on any of the Bonds if a Significant Portion of any Airport Facilities is taken or threatened to be taken.

Section 5.14. Covenants of Authority Binding on Authority and Successors. All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law. If the powers or duties of the Authority shall hereafter be transferred by amendment of the Act or a new Act or any provision of the Constitution of the Commonwealth or any other law of the Commonwealth or in any other manner there shall be a successor to the Authority, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Authority, then the entity that shall succeed to such powers or duties of the Authority shall act and be obligated in the place and stead of the Authority as in this Indenture provided, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law.

Except as otherwise provided in this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provisions of this Indenture shall be exercised or performed by the Authority or by such officers, board, body or commission as may be permitted by law to exercise such powers or to perform such duties.

Section 5.15. Instruments of Further Assurance. The Authority covenants that it shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures, and such further acts, instruments and transfers as the Trustee may reasonably request for the better assuring and confirming to the Trustee all and singular the rights and obligations of the Authority under and pursuant to this Indenture and the security intended to be conferred hereby to secure the Bonds.

Section 5.16. Indenture To Constitute a Contract. This Indenture, including all Supplemental Indentures, is executed by the Authority for the benefit of the Bondholders and constitutes a contract with the Trustee for the benefit of the Bondholders.

Section 5.17. Annual Reporting of Audited Financial Statements. Within 210 days after the close of each Fiscal Year, so long as any Bonds are Outstanding, the Authority shall prepare audited financial statements including a statement of the income and expenses for such Fiscal Year and a balance sheet prepared as of the close of such Fiscal Year for the Authority with respect to the Airport System all accompanied by a certificate or opinion in writing of an Independent certified public accountant of recognized standing, selected by the Authority, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the Authority with respect to the Airport System and are prepared in accordance with Generally Accepted Accounting Principles.

Section 5.18. Tax Covenants. Except to the extent modified with respect to any Series of Bonds in the applicable Supplemental Indenture, the Authority covenants as follows:

(a) The Authority will make no use of the proceeds of any Series of Bonds, or permit any use of a Project, or take any action or permit any other action to be taken with respect to a Project, that would affect adversely the exclusion from gross income of interest on such Series of Bonds for federal income tax purposes and, if applicable, the non-tax preference status of such interest for federal alternative minimum income tax purposes.

(b) The Authority shall comply with covenants with respect to the use of proceeds of Bonds and the use of the Project as provided in the applicable Supplemental Indenture.

Section 5.19. 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 Section 5.04 hereof unless the amounts derived from operating such facilities are included as Revenues under this Indenture.

ARTICLE VI

INVESTMENT OF MONEYS; PERMITTED INVESTMENTS

Section 6.01. Investment of Moneys in Funds, Accounts and Subaccounts. Moneys held by the Authority and/or the Trustee in the Funds, Accounts and Subaccounts created herein and under any Supplemental Indenture shall be invested and reinvested as directed by the Authority, in Permitted Investments subject to the restrictions set forth in this Indenture and any Supplemental Indenture and subject to the investment restrictions imposed upon the Authority by the laws of the Commonwealth and the Authority's investment policy. The Authority shall direct such investments by written certificate (which certificate shall include a certification that such directions comply with the Authority's investment policy and upon which the Trustee may conclusively rely) of an Authorized Authority Representative. In the absence of any such instructions, the Trustee shall hold such moneys uninvested.

Investments in any and all Funds, Accounts and Subaccounts established and held by the Trustee pursuant to this Indenture or any Supplemental Indenture may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular Fund, Account or Subaccount amounts received or held by the Trustee hereunder or under a Supplemental Indenture, provided that the Trustee shall at all times account for such investments strictly in accordance with the particular Fund, Account or Subaccount to which they are credited and otherwise as provided in this Indenture or a Supplemental Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. To the extent Permitted Investments are registerable, such investments shall be registered in the name of the Trustee. The Trustee may sell or present for redemption any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Fund, Account or Subaccount to which such securities are credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. The Trustee shall have no investment discretion.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

The Authority acknowledges that to the extent regulations of an applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee shall furnish to the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder or under any Supplemental Indenture. Upon the Authority's election, such statements shall be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

The Trustee shall not be liable for any loss resulting from following the written directions of the Authority or as a result of liquidating investments to provide funds for any required payment, transfer, withdrawal or disbursement from any Fund, Account or Subaccount in which such Permitted Investment is held.

In the absence of direction from the Authority, the Trustee may buy or sell any Permitted Investment through its own (or any of its affiliates) investment department in compliance with federal tax law pertaining to arbitrage.

ARTICLE VII

DEFEASANCE

Bonds or portions thereof (such portions to be in integral multiples of the authorized denominations set forth in the applicable Supplemental Indenture) which have been paid in full or which are deemed to have been paid in full shall no longer be secured by or entitled to the

benefits of this Indenture except for the purposes of payment from moneys and/or Government Obligations held by the Trustee or a Paying Agent for such purpose. When all Bonds which have been issued under this Indenture have been paid in full or are deemed to have been paid in full, and all other sums payable hereunder by the Authority, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar and the Paying Agent, have been paid or are duly provided for, then the right, title and interest of the Trustee in and to the pledge of Net Revenues and the other assets pledged to secure the Bonds hereunder shall thereupon cease, terminate and become void, and thereupon the Trustee shall cancel, discharge and release this Indenture, shall execute, acknowledge and deliver to the Authority such instruments as shall be required to evidence such cancellation, discharge and release and shall assign and deliver to the Authority any property and revenues at the time subject to this Indenture which may then be in the Trustee's possession, except funds or securities in which such funds are invested and are held by the Trustee or the Paying Agent for the payment of the principal of, premium, if any, and interest on the Bonds.

A Bond shall be deemed to be paid within the meaning of this Article VII and for all purposes of this Indenture when payment of the principal, interest and premium, if any, either (a) shall have been made or caused to be made in accordance with the terms of the Bonds and this Indenture or (b) shall have been provided for, as confirmed to the Trustee in a report prepared by a nationally recognized accounting firm, by irrevocably depositing with the Trustee in trust and setting aside exclusively for such payment, (i) moneys sufficient to make such payment and/or (ii) noncallable Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (c) the Trustee is in receipt of an opinion Bond Counsel stating that all conditions precedent to the satisfaction and discharge of the lien hereof have been satisfied with respect to the Bonds. At such times as Bonds shall be deemed to be paid hereunder, such Bonds shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of payment from such moneys and/or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (b) of the immediately preceding paragraph shall be deemed a payment of such Bonds until (x) proper notice of redemption of such Bonds shall have been given in accordance with the terms of the Supplemental Indenture under which such Bonds were issued or, in the event, under the terms of such Supplemental Indenture, the date for giving such notice of redemption has not yet arrived, until the Authority shall have given the Trustee irrevocable instructions to give such notice of redemption when appropriate and to notify all holders of the affected Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal, interest and premium, if any, on such Bonds; or (y) the maturity of such Bonds.

In connection with the redemption or defeasance, or partial redemption or defeasance of Bonds, the Authority may permit, or cause to be assigned to Bonds of a single maturity, multiple CUSIP numbers.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Indenture;

(d) a failure by the Authority to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b) and (c) of this Section 8.01) that are to be observed or performed by the Authority and which are contained in this Indenture or a Supplemental Indenture, which failure, except for a violation under Section 5.04 hereof which shall be controlled by the provisions set forth therein, shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of 25% or more of the Principal Amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and the holders of Bonds in a Principal Amount not less than the Principal Amount of Bonds the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Authority within such period and is being diligently pursued until such failure is corrected;

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the Authority and, if instituted against the Authority, said proceedings are consented to or are not dismissed within 60 days after such institution; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Indenture.

Section 8.02. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the

Principal Amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Authority to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act, the Constitution of the Commonwealth or any other law to which it is subject and this Indenture;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders;

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(v) take such other action as are provided for in the Supplemental Indenture.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

(c) In no event, upon the occurrence and continuation of an Event of Default, shall the Trustee, Bondholders, a Credit Provider, a Liquidity Provider or any other party have the right to accelerate the payment of principal of or interest on the Bonds Outstanding.

Section 8.03. Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 8.04. Bondholders' Right To Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, holders of 51% or more in aggregate Principal Amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and this Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Section 8.05. Limitation on Right To Institute Proceedings. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of 25% or more of the Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under Section 8.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders.

Section 8.06. No Impairment of Right To Enforce Payment. Notwithstanding any other provision in this Indenture, the right of any Bondholder to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Net Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Section 8.07. Proceedings by Trustee Without Possession of Bonds. All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of this Indenture.

Section 8.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Indenture or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 8.08.

Section 8.09. No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee and to the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 8.10. Application of Moneys. If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article VIII (which shall not include moneys provided through a Liquidity Facility or a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by the Trustee or by any receiver and of the expenses, liabilities and advances incurred or made by the Trustee in connection with its performance of its powers and duties under this Indenture and any Supplemental Indenture (including attorneys' fees and disbursements), shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Indenture, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Indenture from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 8.10, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail (or such other approved delivery method) to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.11. Severability of Remedies. It is the purpose and intention of this Article VIII to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture or by applicable law.

Section 8.12. Additional Events of Default and Remedies. So long as any particular Series of Bonds is Outstanding, the remedies as set forth in this Article VIII may be supplemented with additional remedies as set forth in a Supplemental Indenture under which such Series of Bonds is issued.

ARTICLE IX

TRUSTEE, PAYING AGENT AND CO-PAYING AGENTS; REGISTRAR

Section 9.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Indenture, but only upon the additional terms set forth in this Article IX, to all of which the Authority agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds.

Section 9.02. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee shall perform the duties set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee.

(c) Except during the continuance of an Event of Default, in the absence of any negligence on its part or any knowledge to the contrary, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts; and

(ii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from Bondholders or the Authority in the manner provided in this Indenture.

(e) The Trustee shall not, by any provision of this Indenture, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders of the Bonds or any Credit Provider or Liquidity Provider, unless such holders, Credit Providers and Liquidity Providers, as applicable, shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) Every provision of this Indenture that in any way relates to the Trustee is subject to the provisions of this Section 9.02.

Section 9.03. Rights of Trustee. Subject to the Section 9.02 hereof, the Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, facsimile, request, consent, waiver, certificate, direction, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by an Authorized Authority Representative or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may rely upon the calculations provided by the entity preparing the calculation of Aggregate Annual Debt Service in connection with its responsibility to ensure there exists in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account, the required amounts.

The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever in the administration of the trusts or duties imposed upon it by this Indenture the Trustee shall deem it necessary that a matter be proved or established prior to taking or not taking any action hereunder, such matter may be deemed to be conclusively proved and established by a certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or not taken by it in good faith under the provisions of this Indenture in reliance on such certificate.

The Trustee makes no representation as to the sufficiency or validity of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it under this Indenture, except for its own negligence or willful misconduct. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

In the performance of its duties hereunder, the Trustee may employ attorneys, agents and receivers and shall not be liable for any actions of such attorneys, agents and receivers to the extent selected by it with reasonable care.

The Trustee shall have no responsibility with respect to any information, statement or recital whatsoever in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be considered in breach of or in default in its obligations hereunder in the event of enforced delay or unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Force Majeure Events.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any Bondholder pursuant to the provisions of this Indenture unless such Bondholder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such directions and containing specimen signatures of such Authorized Authority Representative, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the incumbency certificate provided to the Trustee have been sent by such an Authorized Authority Representative. The Authority shall be responsible for ensuring that only authorized officers transmit such directions to the Trustee and that all Authorized Authority Representatives treat applicable user and authorization codes, passwords and/or authentication keys with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Authority each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various Means of transmitting directions to the Trustee and that there may be more secure Means of transmitting directions than the method(s) selected by the Authority (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to

notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

.

Section 9.04. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Authority with the same rights it would have if it were not Trustee. Any Paying Agent or other agent may do the same with like rights.

Section 9.05. Trustee's Disclaimer. The Trustee shall not be accountable for the Authority's use of the proceeds from the Bonds paid to the Authority and it shall not be responsible for any statement in the Bonds other than its certificate of authentication.

Section 9.06. Notice of Defaults. If (a) an Event of Default has occurred or (b) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Authority is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (b) of the first sentence of this Section 9.06, give notice thereof to each Bondholder. Except in the case of a default in payment or purchase of any Bonds, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Bondholders.

Section 9.07. Compensation of Trustee. For acting under this Indenture, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under this Indenture, in accordance with a separate fee schedule, setting forth such terms and conditions, which has been approved by the Authority. To the extent permitted by law, the Authority agrees to indemnify and hold the Trustee and its officers, agents and directors harmless against any liabilities, costs, claims or expense, including fees, costs and expenses of counsel not arising from the Trustee's own negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder including the enforcement of any remedies and the defense of any suit. Such obligation shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

Section 9.08. Eligibility of Trustee. This Indenture shall always have a Trustee that is a trust company, banking association or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the Commonwealth, is subject to supervision or examination by United States, Commonwealth or District of Columbia

authority and has (together with its corporate parent) a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Section 9.09. Replacement of Trustee. The Trustee may resign by notifying the Authority in writing prior to the proposed effective date of the resignation. The holders of 51% or more of the aggregate Principal Amount of the Bonds may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the Authority's consent. The Authority may remove the Trustee, by notice in writing delivered to the Trustee at least sixty (60) days prior to the proposed removal date; provided, however, that the Authority shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section 9.09 shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Authority. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Indenture, the Authority shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within sixty (60) days after the retiring Trustee delivers notice of resignation or the Authority delivers notice of removal, the retiring Trustee, the Authority or the holders of 51% or more of the aggregate Principal Amount of the Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 9.10. Successor Trustee or Agent by Merger. If the Trustee, any Paying Agent or Registrar consolidates with, merges or converts into, or sells to or transfers all or substantially all its assets (or, in the case of a bank, national banking association or trust company, its corporate trust assets) to, another corporation and meets the qualifications set forth in this Indenture, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee, Paying Agent or Registrar.

Section 9.11. Paying Agent. The Authority may upon notice to the Trustee at any time or from time to time appoint a Paying Agent or Paying Agents for the Bonds or for any Series of Bonds, and each Paying Agent, if other than the Trustee, shall designate to the Authority and the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which each such Paying Agent will agree, particularly:

(a) to hold all sums held by it for the payment of the principal of, premium or interest on Bonds in trust for the benefit of the Bondholders until such sums shall be paid to such Bondholders or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Authority and the Trustee on each Business Day during reasonable business hours; and

(c) upon the request of the Trustee, to forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

Section 9.12. Registrar. The Authority shall appoint the Registrar for the Bonds or a Registrar or Registrars for any Series of Bonds and may from time to time remove a Registrar and name a replacement. Each Registrar, if other than the Trustee, shall designate to the Trustee, the Paying Agent, and the Authority its principal office and signify its acceptance of the duties imposed upon it hereunder or under a Supplemental Indenture by a written instrument of acceptance delivered to the Authority and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent corporate trust industry practice and to make such books and records available for inspection by the Authority, the Trustee, and the Paying Agent on each Business Day during reasonable business hours.

Section 9.13. Other Agents. The Authority, or the Trustee with the consent of the Authority, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Indenture or under a Supplemental Indenture all as provided by a Supplemental Indenture or resolution of the Authority.

Section 9.14. Several Capacities. Anything in this Indenture to the contrary notwithstanding, with the consent of the Authority, the same entity may serve hereunder as the Trustee, Paying Agent, Registrar and any other agent as appointed to perform duties or obligations under this Indenture, under a Supplemental Indenture or an escrow agreement, or in any combination of such capacities, to the extent permitted by law. The Paying Agent and the Registrar shall be entitled to the same protections, limitations from liability and indemnities afforded to the Trustee under this Indenture.

Section 9.15. Accounting Records and Reports of the Trustee.

(a) The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established by it pursuant to this Indenture. Such records shall be available for inspection with reasonable prior notice by the Authority on each Business Day during reasonable business hours and by any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours, with reasonable notice and under reasonable circumstances.

(b) The Trustee shall provide to the Authority each month a report of any Bond proceeds received during that month, if any, and the amounts deposited into each Fund, Account and Subaccount held by it under this Indenture and the amount disbursed from such Funds, Accounts and Subaccounts, the earnings thereon, the ending balance in each of such Funds, Accounts and Subaccounts and the investments of each such Fund, Account and Subaccount.

ARTICLE X

MODIFICATION OF THIS INDENTURE

Section 10.01. Limitations. This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X.

Section 10.02. Supplemental Indentures Not Requiring Consent of Bondholders. The Authority may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Indentures supplementing and/or amending this Indenture or any Supplemental Indenture as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds under the provisions of Section 2.09 hereof and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the Authority in this Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Authority, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(d) to confirm, as further assurance, any interest of the Trustee in and to the pledge of Net Revenues or in and to the Funds, Accounts and Subaccounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to this Indenture or to otherwise add additional security for the Bondholders;

(e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Indenture at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(g) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Bondholders;

(h) to qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(i) to accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, swaps, variable rate or

adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Authority from time to time deems appropriate to incur;

(j) to make modifications or adjustments necessary, appropriate or desirable to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds;

(k) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertified registered public obligations pursuant to the provisions of 13 Pa.C.S. Section 8407, as amended, or any successor provision of the law;

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Bonds, including, without limitation, the segregation of Revenues into different funds;

(m) for purposes of modifying and/or creating additional funds and accounts to be inserted below Section 4.03(b)(v) hereof; and

(n) for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

Before the Authority shall, pursuant to this Section 10.02, execute any Supplemental Indenture, there shall have been delivered to the Authority and Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture: (y) is authorized or permitted by this Indenture and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and (z) will not cause interest on any of the Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes. The opinion of Bond Counsel required pursuant to clause (z) in the preceding sentence shall not be required for a Supplemental Indenture executed and delivered in accordance with Section 10.02(a) hereof.

Section 10.03. Supplemental Indenture Requiring Consent of Bondholders.

(a) Except for any Supplemental Indenture entered into pursuant to Section 10.02 hereof and any Supplemental Indenture entered into pursuant to Section 10.03(b) below, subject to the terms and provisions contained in this Section 10.03 and Article XI hereof and not otherwise, the holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in this Indenture or in a Supplemental Indenture; provided, however, that, unless approved in writing except as otherwise provided herein, by the holders of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and the following subsection (b) is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds, or (ii) a reduction in the principal

amount or redemption price of any Outstanding Bonds or the rate of interest thereon, or (iii) provided that nothing herein contained, including the provisions of subsection (b) below, shall, unless approved in writing by the holders of all the Bonds then Outstanding, permit or be construed as permitting the creation of a lien (except as expressly permitted by this Indenture) upon or pledge of the Net Revenues created by this Indenture, ranking prior to or on a parity with the claim created by this Indenture, or (iv) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds with respect to the security granted therefor under the Granting Clauses hereof, or (v) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any Supplemental Indenture as authorized in Section 10.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(b) The Authority may, from time to time and at any time, execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture under which a Series or multiple Series of Bonds were issued. If such Supplemental Indenture is executed for one of the purposes set forth in Section 10.02 hereof, no notice to or consent of the Bondholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Bonds Outstanding and Section 10.02 hereof is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this subsection (b) and Article XI hereof and not otherwise, the holders of not less than 51% in aggregate Principal Amount of the Bonds of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in such Supplemental Indenture and affecting only the Bonds of such Series; provided, however, that, unless approved in writing except as otherwise provided herein, by the holders of all the Bonds of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Indenture as authorized in Section 10.02 hereof, including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(c) If at any time the Authority shall desire to enter into any Supplemental Indenture for any of the purposes of this Section 10.03, the Authority shall cause notice of the proposed execution of the Supplemental Indenture to be given by Mail (or such other approved delivery method) to all Bondholders or, under subsection (b), all Bondholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office

of the Authority for inspection by all Bondholders and it shall not be required that the Bondholders approve the final form of such Supplemental Indenture but it shall be sufficient if such Bondholders approve the substance thereof.

(d) The Authority may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Authority (i) the required consents, in writing, of Bondholders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 10.02 hereof.

(e) If Bondholders of not less than the percentage of Bonds required by this Section 10.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Bondholders shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

(f) Notwithstanding subsections (c) through (e) above, the Authority may, at its discretion, execute and deliver such Supplemental Indenture which contains such modifications, alterations, amendments or supplements prior to receipt of the required consents in writing, of the Bondholders; provided, that such Supplemental Indenture or the applicable provisions of such Supplemental Indenture subject to the consents of the Holders shall not become effective until such time as there has been delivered to the Authority (i) the required consents, in writing, of Bondholders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 10.02 hereof. In the event the Authority decides to execute and deliver a Supplemental Indenture in accordance with this subsection (f), the notice required in subsection (c) shall make reference to a final and executed Supplemental Indenture as opposed to a proposed Supplemental Indenture.

(g) For the purposes of this Section 10.03 the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Authority, may consent to a modification or amendment permitted by this Section 10.03 in the manner provided herein and with the same effect as a consent given by the Owner of such Bonds, except that no proof of ownership shall be required; provided, that this provision of Section 10.03 shall be disclosed prominently in the offering document, if any, for each Series of Bonds issued pursuant to this Indenture, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

Section 10.04. Effect of Supplemental Indenture. Upon execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article X, this Indenture or the Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture and the Supplemental Indenture of the Authority, the Trustee, the Paying Agent, the Registrar and all Bondholders and beneficial owners shall thereafter be determined, exercised and enforced under

this Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

No Supplemental Indenture shall modify the duties, rights or obligations of the Trustee, Paying Agent or Registrar without the consent of such party thereto.

Section 10.05. Supplemental Indentures to be Part of this Indenture. Any Supplemental Indenture entered into accordance with the provisions of this Article X shall thereafter form a part of this Indenture or the Supplemental Indenture which they supplement or amend, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture or the Supplemental Indenture which they supplement or amend for any and all purposes.

ARTICLE XI

CREDIT PROVIDERS

If a Credit Facility is provided for a Series of Bonds or for specific Bonds, the Authority may in the Supplemental Indenture under which such Bonds are issued, provide any or all of the following rights to the Credit Provider as the Authority shall deem to be appropriate:

(a) the right to make requests of, direct or consent to the actions of the Trustee or to otherwise direct proceedings all as provided in Article VIII hereof to the same extent and in place of the Owners of the Bonds which are secured by the Credit Facility and for such purposes the Credit Provider shall be deemed to be the Holder of such Bonds;

(b) the right to act in place of the Owners of the Bonds which are secured by the Credit Facility for purposes of removing a Trustee or appointing a Trustee under Article IX hereof; and

(c) the right to consent to Supplemental Indentures to the same extent and in place of the Holders of the Bonds, which require the consent of the Holders of not less than 51% of the aggregate Principal Amount of the Bonds, entered into pursuant to Section 10.03 hereof, except with respect to any amendments described in Sections 10.03(a)(i) through (v) and 10.03(b)(i) or (ii) hereof which consent of the actual Holders shall still be required, of this Indenture to the same extent and in place of the Holders of the Bonds which are secured by the Credit Facility and for such purposes the Credit Provider shall be deemed to be the Holder of such Bonds.

The rights granted to any such Credit Provider, with respect to the provisions of Articles VIII and XI hereof shall be disregarded and be of no effect if the Credit Provider is in default of its payment obligations under its Credit Facility or fails to maintain its rating at a level higher than the underlying rating on the Bonds.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01. Parties in Interest. Except as otherwise specifically provided herein, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Authority, the Trustee, the Paying Agent, other agents from time to time hereunder, the Bondholders and, to the limited extent provided by Supplemental Indenture, the Credit Providers any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent, such other agents, the Bondholders and, to the limited extent provided in the applicable Supplemental Indenture, the Credit Providers.

Section 12.02. Severability. In case any one or more of the provisions of this Indenture, or of any Bonds issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture or of Bonds, and this Indenture and any Bonds issued hereunder shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 12.03. No Personal Liability of Authority Members and Officials; Limited Liability of Authority to Bondholders. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any present or future Board member, official, officer, agent or employee of the Authority, or the Airport System, in their individual capacity, and neither the members of the Board, the officers and employees of the Authority, nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 12.04. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.04 hereof.

Nothing contained in this Section 12.04 shall be construed as limiting the Trustee to such proof. The Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Bondholder shall bind every future Bondholder of the same Bonds or any Bonds issued in lieu thereof in respect of anything done by the Trustee or the Authority in pursuance of such request or consent.

Section 12.05. Governing Law. The laws of the Commonwealth shall govern the construction and enforcement of this Indenture and of all Bonds issued hereunder.

Section 12.06. Notices. Except as otherwise provided in this Indenture, all notices, certificates, requests, requisitions or other communications by the Authority, the Trustee, the Paying Agent, the Registrar, other agents or a Credit Provider, pursuant to this Indenture shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, to Allegheny County Airport Authority, Attention: Chief Financial Officer, by delivery or by mail, Landside Terminal, 4th Floor Mezzanine P.O. Box 12370, Pittsburgh, Pennsylvania, 15231-0370, with a copy to the Authority Attorney, Attention Jeffrey W. Letwin, Saul Ewing Arnstein & Lehr LLP, One PPG Place, Suite 3010 Pittsburgh, Pennsylvania 15222; if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., Attention: Corporate Trust Department, by delivery or by mail, 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262; if to a Paying Agent, or another agent, to such address as is designated in writing by it to the Trustee and the Authority. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Section 12.07. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may, unless otherwise provided in this Indenture or, with respect to any Series of Bonds or portion of Series of Bonds, provided in the Supplemental Indenture under which such Bonds are issued, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture; provided that no interest shall accrue between the scheduled date of payment and the actual date of payment.

Section 12.08. Counterparts. This Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 12.09. Representation Regarding Ethical Standards for Authority Officers and Employees and Former Authority Officers and Employees. The Trustee represents that it has not: (a) provided an illegal gift or payoff to a Authority officer or employee or former Authority officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure the Trustee's appointment under this Indenture upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the Authority's conflict of interest policy; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, an

Authority officer or employee or former Authority officer or employee to breach any of the ethical standards set forth in the Authority's conflict of interest policy.

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Indenture to be duly executed, all as of the date first above written.

ALLEGHENY COUNTY AIRPORT AUTHORITY

By: _____
Name: Christina A. Cassotis
Title: Chief Executive Officer

Attest:

By: _____
Name: Ashley Henry Shook
Title: Secretary of the Board

Approved as to form:

By: _____
Name: Jeffrey Letwin
Title: Authority Attorney

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Name: Rhonda J. Brannon
Title: Authorized Representative

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF AIRLINE OPERATING AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

PITTSBURGH INTERNATIONAL AIRPORT

Airline Operating Agreement and Terminal Building Lease

as amended by First Amendment dated as of June 16, 2021

This version of the Airline Operating Agreement and Terminal Building Lease ("AOA") includes the provisions of the First Amendment to the AOA for ease of administration, but is not an official, executed agreement.

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS....2

Section 1.01 Definitions....2
Section 1.02 Interpretation....12
Section 1.03 Incorporation of Exhibits....13

ARTICLE 2 USES, RIGHTS AND PRIVILEGES....14

Section 2.01 Use of the Airport....14
Section 2.02 Exercise of Rights by and for Third Parties....17
Section 2.03 Restrictions....17
Section 2.04 Handling Agreements....19
Section 2.05 Airline Requirements....20

ARTICLE 3 LEASE OF PREMISES; ASSIGNMENT OF AIRCRAFT PARKING POSITIONS....21

Section 3.01 Premises in the Terminal....21
Section 3.02 Adjustment of Dimensions After DBO....22
Section 3.03 Addition and Deletion of Space, Rights, Licenses or Privileges....22
Section 3.04 Americans with Disabilities Act and Air Carrier Access Act....23
Section 3.05 Signage Release....23

ARTICLE 4 AIRPORT ACCESS AND AIRLINE ACCOMMODATION....24

Section 4.01 Policy of Open Access....24
Section 4.02 Accommodation Through Use of Common Use Facilities....24
Section 4.03 Accommodation at Preferential Use Premises....24
Section 4.04 Reassignment of Leased Premises....26
Section 4.05 Relocation....28

ARTICLE 5 TERM....28

Section 5.01 Term of Agreement....28
Section 5.02 Option to Extend Initial Term....29
Section 5.03 Holding Over....29
Section 5.04 Airline Property....30

ARTICLE 6 PAYMENT OF RENTALS, FEES AND CHARGES....31

Section 6.01 Information on Airline Operations....31
Section 6.02 Landing Fees....33

Section 6.03 Terminal Rentals. 33
Section 6.04 Payment of Airline Fees and Charges. 36
Section 6.05 Passenger Facility Charges. 37
Section 6.06 Place of Payment; Late Payments. 37
Section 6.07 Other Fees and Charges. 38
Section 6.08 Charges to Non-Signatory Airlines. 39
Section 6.09 Security Deposits. 39
Section 6.10 Right to Contest; No Abatement or Set-off. 40
Section 6.11 No Other Fees and Charges. 41

ARTICLE 7 CALCULATION OF RENTALS, FEES AND CHARGES 41

Section 7.01 Cost Centers. 41
Section 7.02 Airport Budget. 41
Section 7.03 Adjustment of Airline Fees and Charges. 42
Section 7.04 Year-End Adjustment of Airline Fees and Charges. 43
Section 7.05 Deposits into Funds 43
Section 7.06 Adjustments to Fund Deposit Requirements and Other Dollar Amounts. 43

ARTICLE 8 ENVIRONMENTAL 44

Section 8.01 Compliance with Environmental Laws and Authority Rules and Regulations. 44
Section 8.02 Environmental Documents 44
Section 8.03 Access for Environmental Inspection. 44
Section 8.04 Duty to Notify Authority. 44
Section 8.05 Hazardous Materials. 45
Section 8.06 Storm Water Compliance 45
Section 8.07 Wastewater Compliance. 46
Section 8.08 Regulated Storage Tanks. 46
Section 8.09 Environmental Remediation. 46
Section 8.10 Environmental Indemnification. 47

ARTICLE 9 APPROVAL OF AIRPORT IMPROVEMENTS 47

Section 9.01 Approval of the Project. 47
Section 9.02 Issuance of Bonds for the Airport. 48
Section 9.03 Majority-in-Interest Approval for Additional Projects. 48
Section 9.04 Capital Projects Not Subject To MII Consideration. 49
Section 9.05 Other Capital Projects and Obligations; Special Facilities. 51
Section 9.06 Exhibit I Prevails 51

ARTICLE 10 OBLIGATIONS OF THE AUTHORITY 51

Section 10.01 Operation and Maintenance. 51
Section 10.02 Security Services 52
Section 10.03 Compliance by Other Tenants. 52

Section 10.04 No Warranty of Condition or Suitability. 53

ARTICLE 11 OBLIGATIONS OF AIRLINE....53

Section 11.01 Maintenance, Replacement and Repair....53
Section 11.02 Alterations, Additions and Improvements. 53
Section 11.03 Security Provided by Airline. 55
Section 11.04 Conduct. 55
Section 11.05 Performance by the Authority upon Failure by Airline. 55
Section 11.06 Affiliates. 55

ARTICLE 12 RULES AND REGULATIONS; COMPLIANCE WITH LAWS 56

Section 12.01 Rules and Regulations....56
Section 12.02 Observance and Compliance with Laws. 57
Section 12.03 SEC Rule 15c2-12....57

ARTICLE 13 DAMAGE TO, DESTRUCTION, CONDEMNATION OR DISPOSITION OF AIRPORT 57

Section 13.01 Damage to, Destruction or Condemnation of Airport. 57
Section 13.02 Untenantable Conditions. 58
Section 13.03 Proceeds of Award or Settlement. 59

ARTICLE 14 INDEMNIFICATION AND INSURANCE 59

Section 14.01 Indemnification. 59
Section 14.02 Insurance. 60

ARTICLE 15 TERMINATION AND DEFAULT UNDER AGREEMENT....63

Section 15.01 Termination by the Authority. 63
Section 15.02 Termination by Airline. 67
Section 15.03 No Waiver. 68
Section 15.04 Agreement to Pay Attorneys' Fees and Expenses. 68

ARTICLE 16 ASSIGNMENT OR SUBLEASE 68

Section 16.01 Assignment and Sublease by Airline. 68
Section 16.02 Assignment by the Authority. 69

ARTICLE 17 GENERAL PROVISIONS 70

Section 17.01 Authority's Right of Entry; Temporary Relocation. 70
Section 17.02 Quiet Enjoyment. 71
Section 17.03 Surrender. 71
Section 17.04 Force Majeure. 71
Section 17.05 FAA Requirements. 71

Section 17.06 No Partnership or Agency. 71
Section 17.07 Conflict of Interest. 72
Section 17.08 No Personal Liability. 72
Section 17.09 Authority Books and Records. 72
Section 17.10 Notices. 72
Section 17.11 Entire Agreement. 73
Section 17.12 Applicable Law. 73
Section 17.13 Covenant Not to Grant More Favorable Terms. 73
Section 17.14 Airline Mergers and Consolidations. 73
Section 17.15 Minority Business Enterprise Provisions. 74
Section 17.16 Severability. 74
Section 17.17 Prohibition Against Grant of Exclusive Rights. 74
Section 17.18 Agreements with the United States. 74
Section 17.19 Subordination to Indenture. 75
Section 17.20 Approvals. 75
Section 17.21 Representatives. 76
Section 17.22 Scope of Actions. 76
Section 17.23 Successors and Assigns. 76
Section 17.24 No Third Party Beneficiaries. 76
Section 17.25 Counterparts. 76
Section 17.26 Authority Authorization. 76

EXHIBITS

Exhibit A	Airport
Exhibit B-1	Cost Centers Prior to DBO
Exhibit B-2	Cost Centers After DBO
Exhibit C-1	Airline's Leased Premises Prior to DBO
Exhibit C-2	Airline's Leased Premises After DBO (revised per 1st Amendment)
Exhibit C-3	Common Areas After DBO (revised per 1st Amendment)
Exhibit D	Preferential Aircraft Parking Positions
Exhibit E	Calculation of Signatory Airline Fees and Charges
Exhibit F	Storm Water Best Management Practices
Exhibit G-1	Operation and Maintenance Responsibilities Prior to DBO
Exhibit G-2	Operation and Maintenance Responsibilities After DBO
Exhibit H	Federal Aviation Administration Required Provisions
Exhibit I	Terminal Modernization Project
Exhibit I-1	Terminal Modernization Program Supplemental Package (revised per 1st Amendment)
Exhibit I-2	Terminal Modernization Program Scaled PDF Drawings (revised per 1st Amendment)
Exhibit I-3	Fit-Out Allowance
Exhibit I-4	Use of Project Contingency (added per 1st Amendment)
Exhibit J	NPDES Permit
Exhibit K	1994 Consent Order
Exhibit L	Reserved
Exhibit M	Facility Fee

EXECUTION COPY

AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE

This Airline Operating Agreement and Terminal Building Lease (this "***Agreement***"), dated _____, 2020, entered into by and between the Allegheny County Airport Authority, a body politic organized under the Municipal Authorities Act of 1945 (the "***Authority***" or "***ACAA***") and _____, a _____ corporation (the "***Airline***").

WITNESSETH:

WHEREAS, the Authority is successor-in-interest to Allegheny County (the "***County***") pursuant to the Airport Operation, Management and Transfer Agreement and Lease (the "***Lease Agreement***") dated September 16, 1999 entered into by and between the County and the Authority and the Authority operates, pursuant to the Lease Agreement, an airport known as the Pittsburgh International Airport as shown on **Exhibit A** (the "***Airport***" or "***PIT***") and has the power to grant rights and privileges with respect thereto;

WHEREAS, the Authority has the right to lease premises at and facilities of the Airport and to grant rights, licenses, and privileges on and in connection therewith and has full power and authority to enter into this Agreement;

WHEREAS, Airline is engaged in operating an Air Transportation Business at the Airport;

WHEREAS, the Authority plans to design, finance, and construct a new landside terminal facility to replace the existing landside terminal that will be integrated with the existing airside terminal at the Airport, as well as appurtenant parking, rental car, and roadway facilities as described in **Exhibit I** and known as the Terminal Modernization Program (the "***Project***" or "***TMP***");

WHEREAS, the Authority and Airline have been operating under the Airline Operating Agreement and Terminal Building Lease terminating by its terms as of May 8, 2018, as modified and extended by the Master Extension and Amendment Agreement to the Airline Operating Agreement and Terminal Building Lease (the "***Prior Agreement***");

WHEREAS, the Authority and Airline desire to set forth their agreement regarding the design, financing, and construction of the TMP, the leasing by Airline of certain premises and facilities in the existing terminal facilities until the Date of Beneficial Occupancy ("***DBO***") of the Project, the leasing of certain premises and facilities in the new terminal facilities on and after DBO of the Project, the granting by the Authority and acquiring by Airline of certain rights, licenses, and privileges with respect to the existing and the new facilities, and the respective rights and obligations of the Authority and Airline regarding the use and operation of the Airport;

WHEREAS, the Prior Agreement terminates as of the Effective Date and Airline and the Authority agree as follows relating to the use and lease of the Terminal and airside facilities at

the Airport and enter into this Agreement setting forth the rights and obligations of the Authority and Airline with respect to the operation of the Airport and the use and occupancy of the Airport;

NOW, THEREFORE, in consideration of the mutual covenants, terms, privileges, and obligations set forth herein, the Authority and Airline hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 Definitions.

Except as otherwise clearly indicated by the context, the words and phrases defined in this Section shall have the following meanings when used elsewhere in this Agreement.

"***ACAA Area***" means all land and facilities at the Airport, other than the land and facilities included in the Airfield Area and the Terminal Area, as depicted on **Exhibits B-1** and **B-2**.

"***ACAA Loan***" means the funds advanced by the Authority from its discretionary revenues and other legally available sources to defease the Authority's debt outstanding as of December 18, 2019 that shall be repaid through Airline Fees and Charges as set forth in **Exhibit E** beginning in Fiscal Year 2021 in an amount intended to cause total Airline Fees and Charges to be, in the Authority's judgment, substantially as level as possible.

"***Affiliate***" means any Air Carrier that flies in and out of the Airport on behalf of a Signatory Airline and (i) is providing transportation of property or passengers for the Signatory Airline (a) under essentially the same trade name of such Signatory Airline or the trade name of the parent company or wholly-owned subsidiary of the Signatory Airline, or (b) using essentially the same livery as a Signatory Airline, (ii) if flying under its own name at the Airport, is not selling any seats in its own name and all seats are being sold in the name of the Signatory Airline, or (iii) is the parent company or wholly owned subsidiary of the designating Signatory Airline.

"***AGC Cap***" means a deficit or surplus in net operating revenues at AGC of no more than Six Hundred Thousand Dollars ($600,000); provided, however that the AGC Cap shall be increased each year by the increase in CPI between the Effective Date and the date of calculation, as provided in Section 7.06.

"***Agreement***" means, as the context may require, (i) this Airline Operating Agreement and Terminal Building Lease, as it may hereafter be supplemented or amended as provided herein, between the Authority and the Airline and (ii) each other airport use and lease agreement, with respect to the Airport, that is substantially the same as this Agreement (except with respect to the location, size, and identity of the Leased Premises) entered into between the Authority and a Signatory Airline.

"***Air Carrier***" means any air carrier or foreign air carrier, as defined in 49 U.S.C. §40102, as amended, operating an Air Transportation Business from time to time at the Airport.

"***Air Transportation Business***" means the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of cargo or mail, by aircraft, in air commerce, as defined in 49 U.S.C. §40102, as amended.

"***Airfield***" or "***Airfield Area***" means those portions of the Airport depicted on **Exhibits B-1** and **B-2** providing for (i) the landing, taking off, and taxiing of aircraft, excluding the Terminal Ramp but including, among other assets, approach and turning zones, runway protection zones, safety areas, infield areas, landing and navigational aids, airfield service roads, fencing, buffer areas, non-terminal deicing facilities, deicing reclamation facilities, clear zones, avigation or other easements, air operations area access and perimeter roads, runways, the taxiway system, runway and taxiway lights, the fire and crash rescue support facilities, and other appurtenances related to the aeronautical use of the Airport, including property purchased for noise mitigation purposes and not included in the ACAA Area; (ii) hangars for scheduled airlines and other tenants, including related special purpose taxiway and ramp areas; access roads and lighting; in-flight kitchen areas; aircraft fuel farm, fuel distribution system, and automotive fuel storage; the airmail facility; and the industrial waste treatment facility and containment pond; and (iii) United States Air Force and Pennsylvania Air National Guard Installations and the Pennsylvania Air National Guard Alert Hangar, as such area may be designated from time to time by the Authority in its reasonable discretion. Costs allocable to the Airfield shall also include any Costs incurred by the Authority for noise mitigation purposes.

"***Airline Fees and Charges***" means, for any period, the aggregate of the rates, fees, and charges that the Signatory Airlines are charged pursuant to this Agreement to operate at the Airport; provided, however, that when used with reference to an individual Signatory Airline, "Airline Fees and Charges" shall mean only those rates, fees, and charges payable by such Signatory Airline.

"***Airline Parties***" means, collectively, Airline, and any of its Affiliates, officers, volunteers, representatives, agents, employees, contractors, subcontractors, licensees, subtenants, invitees, or suppliers.

"***Airline Technical Representative***" or "***ATR***" shall mean the person serving as the technical representative of the Signatory Airlines with respect to the design, development and construction of the Project or, if such person resigns or is not available, the Chair of the PIT Airport Affairs Committee.

"***Airport***" or "***PIT***" means the Pittsburgh International Airport, as it now exists and is shown on **Exhibit A** and as it may hereafter be changed, modified or expanded in accordance with the terms hereof.

"***Airport System***" means the Airport and Allegheny County Airport.

"***Airport System Capital Fund***" means the fund of such name created pursuant to the Indenture for the funding of capital expenditures and any other lawful Airport System purpose.

"***Airport System Capital Fund Deposit Requirement***" means an amount equal to (i) Nine Million Seven Hundred Thirty-Seven Thousand Five Hundred Dollars ($9,737,500) for Fiscal Year 2021, adjusted annually starting in Fiscal Year 2022 and continuing until the first full Fiscal

Year after DBO, by the greater of three percent (3%) or the increase in CPI as provided in Section 7.06 and (ii) Five Million Dollars ($5,000,000) for the first full Fiscal Year after DBO, adjusted annually for each Fiscal Year thereafter by the greater of three percent (3%) or the increase in CPI as provided in Section 7.06. The annual amount required in the Fiscal Year in which DBO occurs shall be proportioned based upon the number of months in the respective pre-DBO and post-DBO periods.

"***All Cargo Air Carrier***" means an Air Carrier engaged in the carriage by aircraft of property, but not persons, as a common carrier for compensation or hire, or the carriage of mail, by aircraft, in air commerce, as defined in 49 U.S.C. §40102, as amended.

"***Allegheny County Airport***" or "***AGC***" means the airport operated by the Authority and located in West Mifflin, Pennsylvania, that serves as the general aviation reliever airport to PIT (as designated by the FAA), together with any additions thereto or enlargements thereof, as long as such airport is a part of the Airport System.

"***Applicable Law***" means all laws, statutes, ordinances, rules, and regulations (including without limitation Environmental Laws) issued or promulgated by any Governmental Authority governing or otherwise applicable to Airline or the Airport, as any of the same may now exist or may hereafter be adopted or amended, modified, extended, re-enacted, re-designated, or replaced from time to time, and judicial interpretations thereof.

"***Automated Baggage System***" means, prior to DBO, the automated inbound/outbound north baggage system which conveys baggage to and from the landside building to the airside building in the Terminal via mechanized conveyor systems and an underground tunnel to a baggage makeup facility located in the airside terminal and concourse arms.

"***Baggage System***" means that portion of the Terminal, other Airport space, and all facilities and equipment used to process outbound and inbound passenger bags, including in-line baggage handling system, bag claim, and bag drop off facilities.

"***Bonds***" means all notes, bonds or other obligations or indebtedness issued pursuant to and secured by a pledge of revenues or net revenues of the Airport System, on either a senior or subordinate basis, under the Indenture. The term "Bonds" does not include other bonds, such as special facility revenue bonds, that are not secured by general Airport System revenues and are issued pursuant to a separate indenture, which may be issued to finance Capital Projects at or related to the Airport System.

"***Capital Project***" means any expenditure made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, developing, preserving, or enhancing the Airport System and having a net cost to Authority in excess of One Million Dollars ($1,000,000) and a useful life in excess of one (1) year; provided, that the One Million Dollars ($1,000,000) amount shall be adjusted annually beginning the first day of the next Fiscal Year beginning after the Effective Date and for each succeeding Fiscal Year by the increase in CPI as provided in Section 7.06.

"***CARES Act Funds***" means grant funds received by the Authority from the Federal government pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 for the reimbursement of operating expenses, debt service or capital expenditures.

"***CEO***" means the Chief Executive Officer of the Authority or any successor or successors to the duties of such official or her or his duly authorized designee.

"***Commencement Date***" means the Effective Date or, if Airline executes this Agreement after the Grace Period (as defined in Section 5.01), the first day of the first month after the date Airline executes this Agreement.

"***Common Use Baggage Charges***" means charges payable by the Air Carriers on and after DBO for use of the Baggage System, which shall be calculated using the sum total of square feet of Common Use Baggage Premises multiplied by the Terminal Rental Rate per square foot, plus Costs allocable to the Baggage System.

"***Common Use Baggage Premises***" means those non-exclusive and non-preferential areas of the Airport for the Baggage System that are used in common by Airline and other authorized users of the Airport, along with all facilities, improvements, equipment, and services available and paid by Common Use Baggage Charges in areas designated as Common Use Baggage Premises, as shown in **Exhibit C-1** (pre-DBO) or **Exhibit C-3** (after DBO), as applicable, attached hereto, as such areas may be amended from time to time.

"***Common Use Facilities***" means airline space not leased to an Air Carrier, other than Preferential Use Premises, Exclusive Use Premises, Shared Use Premises and Joint Use Premises or Common Use Baggage Premises, that is assigned by the Authority from time to time for use and occupancy by an Air Carrier and paid for on a per Turn basis, and shall include, for example, ticket counters, holdrooms, Terminal Ramp and Loading Bridges. Common Use Facilities may be designated as such from time to time in the Rules and Regulations.

"***Commonwealth***" means the Commonwealth of Pennsylvania.

"***Concession Incentive Fee***" means an amount equal to six percent (6%) of the gross revenues received by the Authority from the Terminal Area, Airfield Area, or AGC cost centers derived from concessions, including, but not limited to, news and gifts, retail, food, beverage, parking, rental car, ground transportation (such as taxis, limousines, and transportation network companies), advertising, ground handling, non-aeronautical leases, fuel sales, and other permits or licenses, but excluding CFC Revenues, during any given Fiscal Year.

"Consumer Price Index" or "CPI" means the consumer price index for all urban consumers (or "CPI-U") published by the U.S. Bureau of Labor Statistics for the most current 12-month period such data is available at the time of the applicable measurement or adjustment under this Agreement. If CPI is no longer calculated by the Bureau of Labor Statistics, the CEO shall, in her or his reasonable judgement, select such other index as may be generally published that measures the increase in consumer costs, which index shall be substituted for CPI.

"***Cost Centers***" means those distinct areas or functional activities of the Airport as shown on **Exhibit B-1** (before DBO) and **Exhibit B-2** (after DBO), plus AGC, as established by the

Authority from time to time, and as used for the purposes of accounting for Airport revenues, O&M Expenses, Debt Service, Coverage Requirement, Fund Deposit Requirements, and other expenses provided herein, and for calculating Airline Fees and Charges. The Cost Centers consist of the following:

(1) Airfield Area Cost Center,

(2) Terminal Area Cost Center,

(3) ACAA Cost Center, and

(4) Allegheny County Airport (or AGC) Cost Center.

"***Costs***" mean, for any period, direct and indirect O&M Expenses; any revenues when more than 90 days past due and deemed by the Authority to be uncollectable (after the Authority uses commercially reasonable efforts to collect the same) (bad debt expense); the O&M Reserve Requirement (after giving effect to amounts on deposit in the O&M Reserve Fund); Debt Service; Coverage Requirement; Capital Projects approved under Section 9.03; Fund Deposit Requirements; the estimated amount of defending, settling, or satisfying any threatened litigation, litigation, assessment, judgment, settlement, or charge net of estimated insurance proceeds to become payable to Authority relating directly to the Airport System or its operation reduced by all amounts, if any, received by the Authority of any judgments or settlements arising as a result of the Authority's ownership, operation, and maintenance of the Airport System payable during said period; and any and all other sums, amounts, charges, or requirements of the Authority required to be recovered, charged, set aside, expensed, or accounted for, from the Signatory Airlines, during such period by either this Agreement or the Indenture; provided, however, Costs shall not include any amounts described above related to any Special Facility in any Cost Center except as such may be provided for in a supplemental indenture**.**

"***Coverage Requirement***" means, for any Fiscal Year (i) such amount as may be established by the Indenture or another financing agreement with respect to other indebtedness as the minimum amount required to be collected in any Fiscal Year in order to meet the rate covenant of the Indenture, less (ii) the amount available to be used for the Coverage Requirement on deposit in the fund(s) or account(s) established by the Indenture to hold funds used to satisfy the Coverage Requirement on the last day of the previous Fiscal Year after the satisfaction of all Fund Deposit Requirements for such Fiscal Year and after satisfaction of any reimbursement obligations of the Authority to the Signatory Airlines pursuant to Section 7.04.

"***Customer Facility Charge***" or "***CFC***" means a charge imposed by the Authority from time to time on customers of rental car companies operating at the Airport, and interest, profits and other income derived from the investment thereof.

"***Date of Beneficial Occupancy***" or "***DBO***" means the date on which the Authority and Signatory Airlines relocate operations from the existing landside terminal to the new landside terminal.

"***Debt Service***" means, for any period, the amounts required to be deposited within the fund or funds created by the Indenture, for the payment of principal of, interest on, and other fees and amounts associated with Bonds, the ACAA Loan or other indebtedness.

"***Debt Service Reserve Fund***" means one or more funds created pursuant to the Indenture to provide financial reserves to pay Debt Service in the event of a shortfall.

"***Deplaned Passengers***" means all passengers disembarking an aircraft from a flight operated by an Air Carrier or its Affiliates, including all connecting passengers.

"***Effective Date***" means January 1, 2020.

"***Enplaned Passengers***" means all passengers boarding an aircraft for a flight operated by an Air Carrier or its Affiliates, including connecting passengers that depart from the Airport.

"***Environmental Laws***" shall mean and include all applicable Federal, Commonwealth, and local statutes, ordinances, regulations, and rules relating to environmental quality, health, safety, contamination and clean-up, as they currently exist or may exist in the future, including, without limitation, the Clean Air Act, 42 U.S.C. §7401 *et seq.*; the Clean Water Act, 33 U.S.C. §1251 *et seq.*, and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("***FIFRA***"), 7 U.S.C. §136 *et seq.*; the Noise Control Act, 42 U.S.C. §4901 *et seq.*; the Resource Conservation and Recovery Act ("***RCRA***"), 42 U.S.C. §6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act ("***CERCLA***"), 42 U.S.C. §9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right to Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act, 49 U.S.C. §9601 *et seq.*; the Toxic Substance Control Act ("**TSCA**"), 15 U.S.C. §2601 *et seq.*; all Commonwealth environmental protection, superlien, and environmental clean-up statutes, with implementing regulations and guidelines, and all local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials, and judicial interpretations of each of the foregoing.

"***Equipment and Capital Outlay Fund***" means the fund of the same name.

"***Equipment and Capital Outlay Fund Deposit Requirement***" means, for any Fiscal Year commencing on and after January 1, 2020, an amount equal to the sum of: (i) Three Million Dollars ($3,000,000) as such amount is increased by CPI for each subsequent Fiscal Year pursuant to Section 7.06; and (ii) an amount equal to the direct charges for such Fiscal Year for any capital outlay or equipment purchase for the Airport System approved by a Majority-in-Interest pursuant to Section 9.03.

"***Event of Default***" means any event described in Paragraphs A, C or D of Section 15.01.

"***Exclusive Use Premises***" means those premises leased to Airline in which Airline has a power, privilege, or other right authorized under this Agreement to exclude another person from enjoying or exercising a like power, privilege, or right pursuant to Section 3.01(A) or 3.01(B), as applicable, including offices, clubs, special services premises, and breakrooms, as applicable.

"***Expiration Date***" means the Scheduled Expiration Date or an earlier date if this Agreement is terminated sooner pursuant to the provisions herein.

"***Facility Fee***" means the per Turn fee for use of the Common Use Facilities, as determined by the Authority; provided, however, that Facility Fees for Non-Signatory Airlines shall include a premium of no less than 20% above the Facility Fees charged to Signatory Airlines.

"***Federal Aviation Administration***" or "***FAA***" means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

"***First Amendment Effective Date***" means June 16, 2021.

"***FIS Facilities***" means the Federal Inspection Services (FIS) facilities provided from time to time for the United States Customs Service, the United States Immigration and Naturalization Service, the United States Department of Health and Human Services and the United States Department of Agriculture, and any successor departments or services thereto, for the processing of arriving international passengers at the Airport.

"***FIS Fee***" means the per passenger fee charged to the Air Carriers using the FIS Facilities as defined and provided in Section 6.03(B)(11).

"***Fiscal Year***" means January 1 through December 31 of any calendar year, or such other fiscal year as the Authority may adopt for the Airport System, provided that such adoption has no material adverse effect on Airline.

"***Fit-Out Allowance***" shall have the meaning set forth in **Exhibit I**.

"***Fund Deposit Requirements***" means, for any Fiscal Year, the O&M Reserve Fund Requirement, the Airport System Capital Fund Deposit Requirement, the Renewal and Replacement Fund requirement (as defined and required in the Indenture), the Debt Service Reserve Fund requirement, the Equipment and Capital Outlay Fund Deposit Requirement and any other deposits to funds defined in this Agreement, held under the Indenture, or required under the Indenture for such Fiscal Year.

"*Gate*" means that portion of the Terminal consisting of a holdroom and all appurtenant space plus the associated Terminal ramp area and the associated Loading Bridge, if any.

"*Governmental Authority*" means any federal, Commonwealth, County, or other governmental entity, or any subdivision thereof, including the Authority, with authority over the Airport, Air Carriers or the Airline.

"***Handling Agreement***" has the meaning set forth in Section 2.04 of this Agreement.

"***Hazardous Materials***" shall mean and include any materials, substances, chemicals, or elements in any physical state (liquid, solid, gaseous/vapor) that are prohibited, limited, or

regulated by the Environmental Laws, or any other substances, chemicals, materials, or elements that are defined as "hazardous" or "toxic," under the Environmental Laws.

"***Indemnified Party***" or "***Indemnified Parties***" means the Authority, its successors, and assigns, and each of its officers, officials, employees, agents, and volunteers.

"***Indenture***" means the trust indenture authorizing and providing for the issuance of revenue bonds and other indebtedness by the Authority secured by a pledge of revenues or net revenues of the Airport System, on either a senior or subordinate basis, as such indenture may be supplemented, amended, replaced, or restated from time to time.

"***Initial Term***" has the meaning set forth in Section 5.01.

"***Joint Use Premises***" means the areas in the Terminal leased to Airline prior to DBO for Airline's nonexclusive use, jointly with other Signatory Airlines similarly so designated, in which the Automated Baggage System is located, as shown and described in **Exhibit C-1**. Airline shall have the right to use the baggage claim areas jointly leased to it and other Signatory Airlines on a shared use basis with such other Signatory Airlines and Airline's obligations hereunder with respect to such premises, including its obligation to pay Terminal Rentals in accordance with Section 6.03(B)(5), shall also be shared with such other Signatory Airlines. For purposes of clarity, nothing in the preceding sentence shall be deemed to mean that Airline is jointly and severally liable hereunder with any other Signatory Airlines.

"***Landing Fee Rate***" means the Landing Fee Rate established pursuant to Section 6.02.

"***Landing Fees***" means the Landing Fees calculated pursuant to Section 6.02.

"***Leased Premises***" means, at any time, for each Signatory Airline, those areas and facilities in the Terminal Area which, pursuant to Article 3, are leased to such Signatory Airline as its Exclusive Use Premises, its Preferential Use Premises, its Joint Use Premises (if any), its Shared Use Premises, and its Common Use Baggage Premises.

"***Loading Bridges***" means loading bridges, pre-conditioned air, ground power/400Hz, potable water, fire bottles, and related equipment used to transport passengers between the Terminal and an aircraft and other devices, if any, to assist with passengers embarking onto and disembarking from aircraft.

"***Majority-in-Interest***" or ("***MII***") means such group of Signatory Airlines representing at least fifty percent (50%) in number, plus one additional Signatory Airline, and carrying greater than fifty percent (50%) of the total Enplaned Passengers reported by Signatory Airlines for the most recent six-month period for which information is available. In all cases, the Affiliates of Signatory Airlines shall not be deemed to be a separate Signatory Airline for purposes of determining the number of Signatory Airlines, but the Enplaned Passengers of Affiliates shall be added to and included as part of those of its sponsoring Signatory Airline. Solely for the purpose of determining a Majority-in-Interest, no Air Carrier shall be deemed to be a Signatory Airline so long as (i) any Event of Default with respect to such Signatory Airline has occurred and is continuing or (ii) the Signatory Airline is not conducting scheduled aircraft operations at the Airport at the time of the vote.

"***Maximum Gross Landed Weight***" means, for any aircraft operated by Airline or an Affiliate of Airline, the maximum landing weight of such aircraft as set forth in Airline's FAA-approved operating manual.

"***Non-Airline Revenues***" means, for any period, except to the extent hereinafter excluded, all "Revenues," as defined in the Indenture, excluding any transfers from the Coverage Account (or such other name) established by the Indenture; provided, however, the following shall not be included in Non-Airline Revenues but shall instead be allocated in accordance with the provisions of the Indenture and **Exhibit E**:

1. Airline Fees and Charges (other than Airline Fees and Charges which had been determined unpaid when due for purposes of inclusion in the calculation of Airline Fees and Charges pursuant to Section 6.04(C) and which are later collected, in whole or in part, by the Authority, together with any interest paid thereon pursuant to Section 6.04(B));

2. Other Authority Revenues;

3. the investment income on, and the income and gains realized upon the maturity or sale of, securities held in the Airport System Capital Fund; and

4. the investment income on, and the income and gains realized upon the maturity or sale of, securities held in any fund held under the Indenture at any time when the balance in such fund is below that required pursuant to the Indenture.

"***Non-Signatory Airline***" means any Air Carrier using the Airport that has not executed an agreement with the Authority substantially similar to this Agreement.

"***Operation and Maintenance Expenses***" or "***O&M Expenses***" means, for any period, the total expenses of the Authority for such period to operate, maintain, and administer the Airport System, as set forth in the Indenture, including, without limitation, the performance by the Authority of any of its obligations related thereto as set forth in this Agreement.

"***Operation and Maintenance Reserve Fund***" or "***O&M Reserve Fund***" means the fund created pursuant to the Indenture for the provision of financial reserves for the payment of O&M Expenses.

"***O&M Reserve Fund Requirement***" means the amount necessary to maintain a balance in the O&M Reserve Fund equal to two (2) months' of budgeted O&M Expenses for the current Fiscal Year or, if different, the amount required pursuant to the Indenture.

"***Other Authority Revenues***" all Revenues of the Authority that are not derived from the Airfield, Terminal, or AGC cost centers, including, but not limited to, gas drilling royalties, gas drilling bonus payments, donations from third parties, and funds allocated to the Authority for economic development purposes from the Commonwealth pursuant to the Pennsylvania Gaming

Economic Development and Tourism Fund (as the same may be amended from time to time), and includes interest or investment income on the related fund balances.

"***Passenger Facility Charges***" or "***PFCs***" means those charges authorized under 49 U.S.C. §40117, or any predecessor or successor law, and as approved by the FAA for collection by Air Carriers on behalf of the Authority from eligible enplaned passengers in accordance with a record of decision or final agency decision issued by the FAA, and interest, profits and other income derived from the investment thereof.

"***PIT Airport Affairs Committee***" means the committee of the same name consisting of representatives of the Signatory Airlines or any successor to its rights and duties hereunder.

"***Preferential Aircraft Parking Position***" means the Terminal ramp area that is a portion of Airline's Preferential Use Premises, or portion thereof, at the Airport for Airline's nonexclusive use for the parking of aircraft by Airline, to which Airline has priority over all other Air Carriers, subject to the terms and conditions of this Agreement.

"***Preferential Use Premises***" means those premises leased to Airline, including the ticketing and queueing area(s), sky cap, holdroom(s), airside operations area(s), and Preferential Aircraft Parking Positions shown on **Exhibit D**, and those portions of the Terminal in which Airline has a right to use with priority, but not exclusivity, over use by other Air Carriers pursuant to Article 3.01.

"***Prior Agreement***" has the meaning set forth in the Recitals of this Agreement.

"***Project***" means the Terminal Modernization Program ("***TMP***") at the Airport described in **Exhibit I**, as the same may be amended from time to time in accordance with the terms of this Agreement as provided in **Exhibit I**.

"***Revenue Aircraft Arrival***" means each arrival of an aircraft at the Airport, other than testing and training arrivals and an arrival of an aircraft which departs from the Airport and which returns for meteorological, mechanical, safety or any other emergency purpose.

"***Revenues***" means for any period all "Revenues" as defined in the Indenture, other than any transfers from the account or fund established under the Indenture to hold moneys and investments to meet the Coverage Requirement.

"***Rules and Regulations***" means the lawful rules and regulations governing the conduct at and operation of the Airport promulgated by the Authority from time to time pursuant to Section 12.01, as the same may be amended from time to time.

"***Scheduled Expiration Date***" means December 31, 2028, unless extended pursuant to Section 5.02 of this Agreement.

"***Security Deposit***" means a contract bond, irrevocable letter of credit or other security provided by a third party that is not a Signatory Airline acceptable to the Authority provided pursuant to Section 6.09.

"***Shared Use Premises***" means space in the Terminal appurtenant to the Exclusive Use Premises leased by Airline and used in common with one or more Air Carriers, as shown on **Exhibits C-1 and C-2** attached hereto, including, for example, shared hallways.

"***Signatory Airline***" means an Air Carrier that has entered into an agreement with the Authority substantially similar to this Agreement while such agreement remains in effect. In order to become a Signatory Airline, an Air Carrier must serve the Airport with scheduled passenger service and agree to lease at least five hundred square feet (500 sf of space in the Terminal at the Terminal Rental Rate for no less than the Initial Term of this Agreement.

"***Special Facility***" means a building or facility at the Airport, or an improvement to such building or facility, or portion thereof, constructed, installed, equipped, or acquired with: (i) the proceeds of the sale of obligations (other than Bonds) issued by the Authority pursuant to Section 9.05(A); (ii) other funds provided by the user or developer thereof or by any other person; or (iii) a combination of the foregoing items (i) and (ii).

"***Term***" has the meaning set forth in Section 5.02.

"***Terminal***" or "***Terminal Area***" means the passenger terminal buildings, including all landside and airside terminal facilities, and to the extent appurtenant to or necessary for the operation of such facilities, access roadways, tunnels, sidewalks, moving walkways, and people-mover systems, and all land, equipment, fixtures, appurtenances, and infrastructure associated with the Terminal, including the Terminal Ramp, terminal access roads, public parking facilities, and rental car facilities as described and depicted in **Exhibits B-1** and **B-2**, as such facilities may be modified in the future and as such may be designated from time to time by the Authority. For the sake of clarity, "Terminal" shall include the newly-constructed facilities resulting from the Terminal Modernization Program.

"***Terminal Ramp***" means the aircraft parking positions adjacent and appurtenant to the Terminal.

"***Terminal Rental Rate***" means the Terminal Rental Rate established pursuant to Section 6.03.

"***Terminal Rentals***" means the Terminal Rentals calculated pursuant to Section 6.03.

"***Transportation Security Administration***" or "***TSA***" means the Transportation Security Administration created under the Aviation and Transportation Security Act ("***ATSA***"), Public Law 107-71 of 2001, as amended, or any successor agency thereto.

"***Turn***" means an inbound and outbound flight operation, as specified by the Authority for determining Facility Fees, for which an Air Carrier uses Common Use Facilities.

Section 1.02 Interpretation.

A. References in the text of this Agreement to articles, sections, or exhibits pertain to articles, sections or exhibits of this Agreement and to the same articles, sections, and exhibits of each other Signatory Airline's Agreement, unless otherwise specified.

B. The terms "hereby," "herein," "hereof," "hereto," "hereunder," and any similar terms used in this Agreement refer to this Agreement.

C. Words importing persons shall include firms, associations, partnerships, limited liability companies, trusts, corporations, and other legal entities, including Governmental Authorities, as well as natural persons.

D. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

E. Words importing the singular shall include the plural and vice versa.

F. Where the approval of the Authority or the CEO is required under this Agreement, the written approval of the CEO or such person acting at the direction of the Authority's Board of Directors ("***Board***") in such position, or her or his duly authorized designee, shall be required to evidence such approval.

Section 1.03 Incorporation of Exhibits.

The following Exhibits are hereby made a part of this Agreement:

Exhibit A	Airport
Exhibit B-1	Cost Centers Prior to DBO
Exhibit B-2	Cost Centers After DBO
Exhibit C-1	Airline's Leased Premises Prior to DBO
Exhibit C-2	Airline's Leased Premises After DBO (revised per 1st Amendment)
Exhibit C-3	Common Areas After DBO (revised per 1st Amendment)
Exhibit D	Preferential Aircraft Parking Positions
Exhibit E	Calculation of Signatory Airline Fees and Charges
Exhibit F	Storm Water Best Management Practices
Exhibit G-1	Operation and Maintenance Responsibilities Prior to DBO
Exhibit G-2	Operation and Maintenance Responsibilities After DBO
Exhibit H	Federal Aviation Administration Required Provisions
Exhibit I	The Terminal Modernization Program
Exhibit I-1	Terminal Modernization Program Supplemental Package (revised per 1st Amendment)
Exhibit I-2	Terminal Modernization Program Scaled PDF Drawings (revised per 1st Amendment)
Exhibit I-3	Fit-Out Allowance
Exhibit I-4	Use of Project Contingency (added per 1st Amendment)
Exhibit J	NPDES Permit
Exhibit K	1994 Consent Order
Exhibit L	Reserved
Exhibit M	Facility Fee

ARTICLE 2
USES, RIGHTS AND PRIVILEGES

Section 2.01 Use of the Airport.

Subject to the terms of this Agreement, including but not limited to the restrictions contained in Section 2.03 and the requirements set forth in Section 2.05, and to the Rules and Regulations, Airline shall have the right to conduct its Air Transportation Business at the Airport; to use, in common with others so authorized, the common and public areas of the Airport (including the portion of the Airfield Cost Center described in clause (i) of the definition of Airfield and the public areas of the Terminal), in addition to Airline's Leased Premises; and to perform all operations and functions as are connected, incidental or necessary to Airline's Air Transportation Business at the Airport; including but not limited to the following rights:

A. To land, take off, fly over, taxi, tow, park, repair, maintain, service, test, deice, store, load, and unload Airline's aircraft and other equipment of Airline used in the operation of Airline's Air Transportation Business, including, but not limited to, the right to load and unload Airline's aircraft through the Loading Bridges at Airline's Leased Premises or, in accordance with Authority direction and subject to the rights of Airline under this Agreement, at Common Use Facilities or Airline's Preferential Aircraft Parking Positions or other assigned Terminal Ramp area as approved by the Authority; provided, however, that major maintenance of aircraft and routine servicing or maintenance of ground equipment on the Terminal Ramp is not permitted, unless specifically authorized by the Authority, and Airline shall not use the Terminal Ramp to load or unload all-cargo aircraft unless otherwise authorized in writing by the Authority.

B. To sell air transportation tickets and services; process passengers and their baggage for air travel; and to sell, handle, and provide mail, freight, cargo, and express services, and reasonable and customary airline activities.

C. Of ingress to and egress from the Airport including, without limitation, Airline's Leased Premises, and such right shall extend to Airline's Airline Parties and Airline's customers and invitees, and its or their equipment, vehicles, machinery and other property, subject to 49 CFR Part 1542, the Airport's airport security plan, Applicable Law and the Rules and Regulations relating to: (i) the general public, including passengers; (ii) access to non-public areas at the Airport by Airline Parties; or (iii) safety and security.

D. To train employees or prospective employees of Airline, other Air Carriers, and Governmental Authorities, and to test aircraft and other equipment being utilized at the Airport in areas designated or approved by the Authority; provided, however, such training and testing must be incidental to the use of the Airport in the operation by Airline of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others. The Authority may restrict or prohibit any such training and testing operations that it deems to interfere with the use of the Airport.

E. To sell, lease, transfer, dispose of, or exchange Airline's aircraft, engines, accessories, parts, gasoline, oil, grease, lubricants, fuel, propellants, and all other materials, equipment, supplies, and articles or goods used by, acquired in connection with, or incidental to

Airline's Air Transportation Business at the Airport; provided, however, that if Airline sells or seeks to sell goods to any entity (other than to Airline's parent or any Affiliate of Airline), Airline shall be required to obtain a license from the Authority to engage in such sales, which may include fees and taxes; and provided, further, Airline may not, and shall cause its agents not to, sell or permit to be sold, aviation fuels or propellants except (i) to any Air Carrier that is a successor company to Airline; (ii) for use in aircraft of others that are being used solely in the operation of Airline's Air Transportation Business, including, but not limited to, such Airline's Affiliates; (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from Airline; or (iv) in accordance with sales of fuel through the Airport's fuel hydrant system, to the extent the Authority has authorized by an agreement one or more Air Carriers or an entity owned or controlled by one or more Air Carriers to operate the fuel flowage, storage, and distribution system at the Airport.

F. To purchase or otherwise obtain services and personal property of any nature, including, but not limited to, aircraft, engines, accessories, parts, gasoline, oil, grease, lubricants, fuel, propellants, food, beverages, including food and beverages for consumption aloft, passenger supplies and all other materials, equipment, supplies, and articles or goods used by, acquired in connection with, or incidental to, Airline's Air Transportation Business at the Airport, from any person it may choose, wherever such person may be located, subject to the Rules and Regulations; and subject to the Authority's right to require that each provider of services and/or supplies secures a permit from the Authority to conduct such activity at the Airport, pays required fees, and abides by the Rules and Regulations.

G. Subject to the prior approval of the CEO and the Federal Communications Commission and subject to the Authority Tenant Request Process, to install, maintain, and operate, alone or in conjunction with any other Air Carrier, or through a nominee, such radio (including radio frequency identification ("***RFID***") devices and beacons), communications, flight information display systems, meteorological and aerial navigation equipment, and associated wiring, as may be necessary or convenient for Airline's Air Transportation Business at the Airport, in or on Airline's Leased Premises, and at other locations at the Airport; provided, however, that Airline shall provide to the Authority, if requested, electronic flight arrival and departure information through Airline systems and shall cooperate with the Authority's installation of centralized and remote flight information displays; and provided, further, that if the spectrum frequencies of such devices interfere with those of the Authority, other Air Carriers or other parties operating at the Airport, the CEO shall have the sole right to allocate the use of such frequencies in her or his sole discretion; and provided, further, that (i) such installations and the subsequent use of such equipment shall be subject to Applicable Law and the Rules and Regulations; and (ii) the location of all such equipment and facilities shall be determined by the Authority in its exclusive but reasonable discretion taking into account the operations of all Air Carriers at the Airport. Subject to the Rules and Regulations, Airline may install in the holdroom of any Preferential Use Premises and, with the Authority's consent, Airline's Gate Information Display System (GIDS). The Authority shall have unrestricted access to all communication equipment owned or used by an Airline and located on its Leased Premises if any of the Authority equipment or systems interface with such equipment. Prior to any such installation, Airline shall provide the Authority with all necessary supporting documentation related to such installations. All Air Carriers are required to use the Authority's compatible multi-user flight information display systems.

H. To use water, sewer, electric power, telephone, data, preconditioned air systems, and other utilities supplied by the Authority from time to time at or adjacent to Airline's Leased Premises.

I. To use the areas designated as passenger Air Carrier employee parking facilities for the parking of its employees' vehicles pursuant to an operating agreement, lease, or other arrangement containing such reasonable terms and conditions as the Authority and Airline shall mutually agree upon and the payment of any reasonable fees required pursuant to such arrangement.

J. To purchase, keep, and install, and in any event to use and maintain, at the areas designated by the Authority as Airline's ground service equipment ("***GSE***") parking facilities (which may include Airline's Preferential Aircraft Parking Positions), mobile devices for the loading, unloading and general servicing of Airline's aircraft, air start systems, and other miscellaneous aircraft and aircraft-related support equipment, pursuant to an operating agreement, lease, or other arrangement containing such reasonable terms and conditions as the Authority and Airline shall mutually agree upon and the payment of any reasonable fees required pursuant to such arrangement.

K. To use the Airport fuel system for the purpose of storing and dispensing fuel contingent upon entering into a fuel system lease with the Authority or an agreement with a consortium that operates the Airport fuel system containing such reasonable terms and conditions as the Authority or such consortium and Airline shall mutually agree upon. Fuel tanker trucks are prohibited from receiving fuel (refilling) from the fuel hydrant system.

L. Subject to the Authority's design standards for the Airport as the same may from time to time be adopted, amended, or altered, to install, maintain and use signs in Airline's Leased Premises, including installation of Airline's logo on the walls behind ticket counters and check-in counters in holdrooms at Airline's Preferential Use Premises. Notwithstanding the foregoing, in Airline's Exclusive Use Premises not visible from public or common areas, Airline shall be permitted, without the need to obtain the Authority's consent, to install such signs as it desires so long as Airline complies with Applicable Law, the Rules and Regulations and the Authority's design standards for the Airport, as in effect from time to time.

M. To operate and maintain in Airline's Exclusive Leased Premises, passenger clubs and lounges; provided, however, that if Airline shall engage in the sale of goods or services or charge an entrance fee at such club or lounge, Airline shall pay to the Authority, in addition to all other fees and charges payable hereunder, a concession fee equal to the amount of gross sales at such club or lounge multiplied by the rate equivalent to the highest concession fee rate (including any incremental percentage fees) being paid to the Authority or its third party concession manager by any concessionaire for similar sales at the Airport.

N. To install, maintain and operate, in Airline's Leased Premises only in areas not accessible to the general public, vending machines dispensing food and beverages and other merchandise for consumption by Airline's employees; provided, however, that if such machines or equipment require electrical power not serving the Leased Premises on the Commencement

Date, Airline shall be responsible for any electrical upgrades necessary to service such machines or equipment.

O. To install, maintain, and operate, in Airline's Leased Premises, customer relations, security, waiting room, baggage, cargo, mail handling, and storage facilities and equipment; reservations, administrative, and operations offices; and lockers, restrooms and related facilities for its employees; provided, however, that if such machines, equipment, or facilities require electrical power not serving the Leased Premises on the Commencement Date, Airline shall be responsible for any electrical upgrades necessary to service such machines, equipment, or facilities.

P. To provide, either alone or in conjunction with others, or through a nominee, porter/sky cap service for the convenience of the public.

Q. The Air Carriers operating at the Airport may form a terminal consortium to procure and/or operate airport services, equipment and systems on terms and conditions mutually agreed by the Authority and the Air Carriers; provided, however, that the allocation of the costs of such consortium among the Air Carriers shall be acceptable to the Authority and shall be reasonable and not unjustly discriminatory.

Section 2.02 Exercise of Rights by and for Third Parties.

A. Only in accordance with Section 2.04 and Section 16.01 with respect to Handling Agreements, and subject to the provisions of Section 2.02(B), the rights and privileges granted to Airline pursuant to this Article 2 may be exercised on behalf of Airline by other Air Carriers or Ground Handlers, and Airline may exercise on behalf of any other Air Carrier providing air transportation to and from the Airport, any of the rights granted Airline herein.

B. If at any time, the CEO shall reasonably determine that the Air Carriers or Ground Handlers exercising the rights and privileges granted to Airline pursuant to this Article 2 are exercising such rights and privileges (i) in a manner which interferes with the operation or maintenance of the Airport; (ii) which adversely affects the health or safety of the public or other users of the Airport; or (iii) which fails to comply with the Rules and Regulations or terms of this Agreement, the CEO shall notify Airline of such determination which notice shall include such information as may be necessary for Airline to verify such determination. Airline shall promptly commence and diligently pursue action necessary to correct the conditions or actions specified in such notice. If such conditions or actions are not corrected within thirty (30) calendar days (or immediately, if the Authority determines that such conditions or actions adversely affect health or safety) after receipt of such notice or if such conditions or actions cannot be corrected within such period and Airline has not promptly commenced and diligently pursued all such corrective action which could be taken within such period, then upon the request of the CEO, Airline shall terminate its arrangement or agreement with such Air Carrier or Ground Handler.

Section 2.03 Restrictions.

A. The grant of such rights and privileges hereunder does not authorize Airline to conduct a separate business at the Airport, but permits Airline to conduct such activities only insofar as they are reasonably necessary or incidental to or connected with the conduct of

Airline's Air Transportation Business at the Airport and to the conduct of Handling Agreements approved pursuant to Section 2.04.

B. All of Airline's passenger terminal facilities and amenities related thereto must be located within the Terminal unless approved by CEO; provided, however, that ancillary ticketing of passengers and handling of their baggage may be conducted by Airline at remote locations at the Airport where such activities are incidental to Airline's servicing of such passengers at the Terminal with the prior written approval of the CEO.

C. Except as to rights specifically granted in Section 2.01, nothing contained herein is intended or shall be construed to authorize or permit Airline to compete with any of the Authority's authorized concessionaires, Airport parking facilities, or rental car companies operating at the Airport.

D. The CEO may, from time to time, temporarily or permanently close roadways, taxiways, taxi lanes, runways, apron areas, doorways and any other area at the Airport as necessary to maintain, improve, construct, or repair such facilities; provided, however, that, unless an emergency situation exists, the Authority shall use diligent efforts to minimize and schedule closings in order to minimize the disruption of services being provided and operations of Airline, and it shall use commercially reasonable efforts to provide alternative means of ingress and egress and other facilities necessary for Airline's operations.

E. The Authority has the right to act as the exclusive provider of telecommunications and data networking infrastructure at the Airport; provided, however, that Airline may provide and install its proprietary security equipment as long as such equipment does not interfere with the use of such telecommunications and data networking infrastructure by others at the Airport.

F. The Authority has the right to restrict the use by Airline of Terminal ramp area space not leased to Airline for aircraft parking or otherwise. The Authority has the right to charge a reasonable fee for aircraft parking on such unleased Terminal ramp area.

G. The Authority may require the execution of a separate agreement between the Authority and Airline for the lease and use of space and/or ground area outside the Airline's Leased Premises.

H. Airline may not conduct or permit the sale or other distribution of food or beverages to passengers in the Terminal, except as expressly provided in this Agreement, without the approval of the CEO; provided, however, that in the event of irregular operations causing flight delays, Airline may provide snacks and nonalcoholic beverages to its customers without cost; provided, however, that if such privilege is abused, in the sole judgment of the CEO, such privilege may be withdrawn.

I. Airline shall not knowingly interfere or permit interference by its Airline Parties, customers or invitees with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewage, water, communications, fire protection, utility, electrical, or other systems installed or located from time to time at the Airport; and Airline shall not engage in any activity prohibited by the Authority's noise abatement procedures.

J. As soon as reasonably possible after Airline's disabled aircraft is released from the control or jurisdiction of all applicable Governmental Authorities, Airline shall remove (or cause the lessor of an aircraft to remove) any such disabled aircraft from the Airfield and Terminal Ramp, and shall place and store any such disabled aircraft only in such storage areas and upon terms and conditions as may be reasonably approved by the Authority. In the event a disabled aircraft is not removed as expeditiously as is reasonably possible, the Authority may, following reasonable notice to Airline, but shall not be obligated to, cause the removal of such disabled aircraft. In such case, the Airline shall pay to the Authority, upon receipt of an invoice therefor, the costs incurred for such removal plus ten percent (10%).

K. [Reserved].

L. Parking or storage of aircraft or GSE at an aircraft apron that in any way interferes with Airport operations, including the movement of passengers, cargo, or other aircraft, is prohibited. Airline must remove aircraft or GSE within forty-five (45) minutes of notification by the Authority of its determination that: (i) an emergency exists requiring removal of said aircraft or ground support equipment; (ii) said aircraft or ground support equipment is interfering with Airport operations or the movement of passengers, cargo, or other aircraft; or (iii) the aircraft apron is required for temporary access by another Air Carrier, provided that the Authority has first determined that other suitable aircraft apron space is not available. Airline may park and store GSE owned by Airline, its Affiliate(s), or any subcontractor to Airline which holds a valid operating permit from the Authority and with whom Airline contracts to provide airside services. Airline acknowledges the need for vehicular access to the Terminal. Tenants of Terminal space shall have the non-exclusive right to park vehicles immediately adjacent to their leased premises on Preferential Aircraft Parking Positions so long as they do not impact aircraft uses.

M. All rights not otherwise expressly granted to Airline pursuant to Section 2.01 are hereby reserved to the Authority.

Section 2.04 Handling Agreements.

A. Subject to the terms and provisions set forth in Section 16.01(A), and for so long as Airline conducts an Air Transportation Business at the Airport, subject to the Authority's prior written approval, which may be granted or withheld in the Authority's sole discretion, Airline may enter into one or more agreements (each a "***Handling Agreement***") to use all public areas of the Airport which Airline has a right to use in common with others for the handling by Airline's personnel of the Air Transportation Business of any other Air Carrier using the Airport to the same extent as they may be used for the Air Transportation Business of Airline, or handling by the personnel of any third party service provider (a "***Ground Handler***") holding a valid permit or other agreement with or issued by the Authority to provide the services requested by Airline; provided, however, that Airline shall remain liable for all of its and the handled Air Carrier's obligations under this Section 2.04.

B. In the event Airline has been approved to handle any other Air Carrier and such Air Carrier is neither (i) an Affiliate of the Airline; or (ii) another Signatory Airline, Airline must collect, on behalf of the Authority, and submit to Authority, all applicable rents, fees, and charges as determined by the Authority and, as consideration for the privilege of being allowed to handle

such Air Carrier, Airline will pay to the Authority a monthly privilege fee established by the Authority from time to time.

C. In the event a Ground Handler has been approved to handle an Air Carrier and such Air Carrier is a Signatory Airline, or an Affiliate of a Signatory Airline, Ground Handler is not required to collect, on behalf of the Authority, and submit to Authority, a monthly privilege fee established by the Authority from time to time.

Section 2.05 Airline Requirements.

A. Airline shall obtain and hold all certificates, permits, licenses, insurance, or other entitlements required by Applicable Law in order to enable it to conduct its operations and engage in the Air Transportation Business at the Airport, and said certificates, permits, licenses, or other entitlements shall be kept current, valid, and complete throughout the duration of Airline's operations at the Airport.

B. Except as otherwise provided herein or in the Rules and Regulations, Airline shall have the right to obtain supplies or services from suppliers, vendors, or contractors of its own choice for its operations at the Airport; provided that the Authority may license and regulate all persons or companies doing business at the Airport and impose reasonable charges for the privilege of conducting any such business and prohibit persons from engaging in aeronautical activities, the provision of ground transportation services, or any commercial activities at the Airport, except in accordance with agreements, concession contracts, permits, or operating agreements entered into between the Authority and such persons.

C. Airline shall comply with Applicable Law and the Rules and Regulations relating to Airport security and shall control its Leased Premises, including Airline’s use of its Common Use Premises, so as to prevent or deter unauthorized persons from obtaining access to the air operations area or any other secure area of the Airport. Airline shall also take such security precautions, with respect to its Leased Premises and Airline’s operations and service personnel related thereto, as the Authority may, from time to time, reasonably require pursuant to the Rules and Regulations. Airline shall reimburse the Authority for all fines or charges imposed by any applicable Governmental Authority against the Authority as a result of Airline’s violation of any Applicable Law or the Rules and Regulations.

D. Airline acknowledges that a portion of its Leased Premises is to be used by the traveling public. Airline shall make available such space to its passengers and to the traveling public on a nondiscriminatory basis, including ensuring accessible paths of travel for disabled persons as and to the extent within Airline’s control and required under Applicable Law, and shall make reasonable efforts to coordinate its activities and operations with abutting tenants and the Authority, so as to maximize efficient use of available space.

E. Airline may not injure, deface, or otherwise harm its Leased Premises in any manner that will constitute waste, and shall not cause or permit any unlawful conduct, unreasonable annoyance, or nuisance to exist on the Leased Premises, nor permit any activity or omission which constitutes or results in unlawful conduct, unreasonable annoyance, or nuisance, nor permit the emission of any objectionable noise, vibration, or odor, nor overload the floor of

the Leased Premises, nor permit any use of the Leased Premises which will invalidate or increase the premiums on any of the Authority's insurance; provided that the conduct of Airline's Air Transportation Business in accordance with Applicable Law and the Rules and Regulations shall not be deemed a nuisance or an unreasonable annoyance.

F. Airline shall participate in any lawful Airport-wide programs or initiatives of general applicability as the Authority may require upon notice to Airline, provided such program or initiative shall not result in any material cost or expense or result in any undue burden to Airline.

ARTICLE 3
LEASE OF PREMISES; ASSIGNMENT OF AIRCRAFT PARKING POSITIONS

Section 3.01 Premises in the Terminal.

A. The Authority hereby leases to Airline from the Commencement Date until DBO, the areas in the Terminal as described and shown in **Exhibit C-1**, including the following: (i) for Airline's exclusive use, the Exclusive Use Premises in the Terminal; (ii) for Airline's preferential use, the Preferential Use Premises in the Terminal; and (iii) for Airline's joint use, the Joint Use Premises and Shared Use Premises in the Terminal. Airline shall have priority in using the Preferential Use Premises, subject to the provisions of this Agreement. The Exclusive Use Premises, Preferential Use Premises, Joint Use Premises and Shared Use Premises described in this Section may be modified from time to time by mutual agreement of the Authority and Airline. **Exhibit C-1** shall be amended to reflect such modifications.

B. **Exhibit I-2** describes space by category of space in the Terminal after DBO estimated as of November 1, 2019 on the basis of preliminary TMP plans. **Exhibit C-2** sets forth Airline's indicative Leased Premises in the Terminal after DBO by category of space estimated as of November 1, 2019; provided, however, that Airline may designate by written notice to the Authority delivered at least one year before DBO up to ten percent (10%) of the space designated as Airline's Leased Premises in **Exhibit C-2** and being constructed as part of the TMP for deletion from Airline's Leased Premises at DBO. Subject to the foregoing sentence, Authority hereby leases to Airline, on and subsequent to DBO as described and shown on **Exhibit C-2** (as it may be modified in accordance with Section 3.02), the following: (i) for Airline's exclusive use, the Exclusive Use Premises in the Terminal; (ii) for Airline's preferential use, the Preferential Use Premises in the Terminal; (iii) for Airline's Shared Use, the Shared Use Premises; and (iv) for Airline's common use in common with other Air Carriers operating at the Airport, the Common Use Baggage Premises in the Terminal. Such space may be adjusted pursuant to Section 3.02. Airline shall have priority in using the Preferential Use Premises, subject to the provisions of this Agreement. The Exclusive Use Premises, Shared Use Premises, Preferential Use Premises, and Common Use Baggage Premises described in this Section may be modified from time to time pursuant to Section 3.02 or by mutual agreement of the Authority and Airline subject to Section 3.03. **Exhibit C-2** shall be amended to reflect such modifications.

C. The Authority hereby leases to Airline, for Airline's preferential use the area on the Terminal Ramp described on **Exhibit D** as Airline's Preferential Aircraft Parking Positions.

Airline shall have priority in using such premises in accordance with the provisions of this Agreement.

Section 3.02 Adjustment of Dimensions After DBO.

A. The dimensions of the areas to be occupied by Airline subsequent to DBO shown in **Exhibits C-2** and **C-3**, as the same may be amended approximately one year prior to DBO, are approximate only. Upon completion of construction of these areas, actual measurements of the Leased Premises in the form of As-Built Drawings shall be provided by Authority. The As-Built Drawings shall incorporate all of Airline's Leased Premises, including airside space, apron space and new space constructed as part of the Project. When such Leased Premises consist of enclosed space, the As-Built Drawings shall be used to calculate the interior space from the center line of interior walls to the inside face of exterior walls. For the avoidance of doubt, any amendments to the dimensions shall be those that customarily arise from as-built drawings and not resulting from material changes to the Leased Premises.

B. Actual square footage of Airline's Leased Premises shall be incorporated in a replacement **Exhibit C-2** to be prepared approximately one year prior to DBO, when Airline submits its final specifications for its Airline Office Space pursuant to **Exhibit I**, and as soon as possible after DBO when the As-Built Drawings are completed, and shall be the basis for determining the amount of Terminal Rentals payable pursuant to this Agreement; provided, however, that until the As-Built Drawings are available, Airline's Terminal Rentals shall be based on the approximations in **Exhibit C-2**, as such exhibit may have been amended from time to time prior to DBO. Subsequent to the receipt of the As-Built Drawings, the Airline Fees and Charges previously paid by Airline shall be retroactively adjusted to reflect the actual amount of Airline Fees and Charges which should have been paid by Airline if Airline Fees and Charges had been calculated on DBO using the As-Built Drawings to identify and calculate the square footage leased to Airline. Any amounts due from Airline to Authority pursuant to this Section 3.02 shall be paid with Airline's next payment of Terminal Rentals and any amounts due from Authority to Airline pursuant to this Section 3.02 shall be credited to Airline or paid to Airline within thirty (30) days after such retroactive adjustment.

Section 3.03 Addition and Deletion of Space, Rights, Licenses or Privileges.

The Authority and Airline may, from time to time, by mutual agreement, add additional space or spaces to or delete space or spaces from the various Leased Premises of Airline or may, subject to Section 17.13, add rights, licenses or privileges, or delete rights, licenses, or privileges, granted to Airline hereunder, or any two Air Carriers may exchange space in the following manner: Airline shall submit to the CEO a written request for the addition or deletion of rights, licenses, privileges, or space, which shall describe with particularity (i) the rights, licenses, privileges, or space which Airline wishes to add or delete; (ii) the Terminal Rentals, if applicable; and (iii) the date on which Airline wishes such addition or deletion to be effective. If the CEO approves such addition or deletion in her or his reasonable discretion, she or he shall so notify Airline in writing, and the addition or deletion shall be effective on the date specified in the CEO's written approval. **Exhibit C-1** or **Exhibit C-2**, as applicable, shall be revised accordingly to reflect an addition or deletion; provided, however, that the CEO shall have the right to withhold approval of the deletion of any space from any Signatory Airline's Leased

Premises unless and until another Air Carrier has consented to lease such space on substantially the same terms and conditions as such Signatory Airline; and, provided, further, that Airline shall not remain obligated with respect to payment of Airline Fees and Charges with respect to such deleted space (including in case of such deletion of space resulting from a relocation of Airline pursuant to Sections 4.04, 4.05, or 13.01). All space added to the Leased Premises or rights, licenses, or privileges added pursuant to this Section 3.03 shall be subject to all the terms, conditions, and other provisions of this Agreement and Airline shall pay to the Authority all sums, fees, and charges applicable to such additional space, rights, licenses, or privileges in accordance with the provisions of this Agreement.

Section 3.04 Americans with Disabilities Act and Air Carrier Access Act.

A. Airline shall be solely and fully responsible for ensuring that Airline's operations, wherever they may occur at the Airport, and any improvements made by Airline pursuant to Section 11.02, shall comply with the applicable provisions of the Americans with Disabilities Act, 42 U.S.C. §§12101, *et seq*., as amended from time to time ("***ADA***"), and the Air Carrier Access Act, 49 U.S.C. §41705, as amended from time to time ("***Access Act***"), including the regulations promulgated under the ADA and the Access Act and the Rules and Regulations. If found to be in violation of or non-compliance with the ADA or the Access Act by a Governmental Authority with jurisdiction, Airline shall develop a work plan to correct any violations or non-compliance with the ADA or the Access Act. Airline shall deliver to the Authority, upon Authority's request, a copy of each such report and work plan. Authority's approval of or acceptance of any aspect of Airline's activities under this Agreement shall not be deemed or construed in any way as a representation that such item, activity, or practice complies with the ADA or the Access Act. Airline agrees to indemnify, defend, and hold the Authority harmless from any and all costs incurred by Authority with respect to Airline's failure to comply with the ADA or the Access Act for Airline's operations or any improvements made by Airline at the Airport.

B. Airline shall comply, at its own expense, with all Applicable Laws and Rules and Regulations concerning the general area of civil rights, minorities, and accessibility, and the topics dealt with in subparagraph (A) above now in force or hereafter prescribed or promulgated by any Governmental Authority, whether foreseen or unforeseen or ordinary or extraordinary.

Section 3.05 Signage Release.

Airline hereby grants to the Authority a revocable, non-exclusive license and authorizes the Authority to display the Airline's name, logo, and service marks without any modification, solely in connection with the operation of the Airport, including electronic display screens (i) installed at the Airport as part of the Authority's Multi-Use Flight Information Display System; or (ii) installed at any remote facility which receives an electronic, telephonic, or other type of input or feed from the Authority. This authorization shall continue as long as Airline operates at the Airport until revoked in writing by the Airline, plus a reasonable time period to remove Airline's name, logo, and service marks. The Airline will indemnify and hold harmless the Authority from any loss, damage, cost, or expense (including reasonable attorneys' fees) arising out of or resulting from any claims during or after the term of this Agreement as a result of any such authorized use of the displays, including but not limited to claims for trademark or service

mark infringements. Subject to the foregoing license, Airline's name, logos, and service marks shall remain the property of the Airline. The Authority acknowledges that it has no interest in the Airline's name, logo, and service marks except as provided herein and will not take any action or fail to take any action which could impair the Airline's rights in the same.

ARTICLE 4
AIRPORT ACCESS AND AIRLINE ACCOMMODATION

Section 4.01 Policy of Open Access.

The Authority intends to maintain a policy of providing open access to the Airport and achieving balanced utilization of Airport facilities. To achieve that goal, the Authority shall maintain a minimum number of Gates within the Common Use Facilities, and the Authority reserves the right to require sharing and temporary use of Airline's Leased Premises and Preferential Aircraft Parking Positions in accordance with this Article 4. Common Use Facilities shall be assigned by the Authority in accordance with its gate scheduling protocols, as they may be amended from time to time by the Authority. Any facilities and aircraft parking positions preferentially leased and assigned to Signatory Airlines shall be utilized in accordance with Section 4.03. Subject to this Article 4, Airline shall have scheduling priority over other users for its Preferential Use Premises.

Section 4.02 Accommodation Through Use of Common Use Facilities.

The Authority shall retain under its exclusive control and possession the Common Use Facilities. Common Use Facilities shall be assigned by the Authority in accordance with its gate scheduling protocols, as they may be amended from time to time by the Authority.

Section 4.03 Accommodation at Preferential Use Premises.

A. If an Air Carrier, including any Air Carrier seeking to expand its service or an Air Carrier seeking entry into the Airport ("***Requesting Air Carrier***"), is in need of space or facilities at the Airport which cannot be met by use of then unleased premises in proximate location to its existing Leased Premises, if any, the Authority shall direct Requesting Air Carrier to request the use of space or facilities of Signatory Airlines on a voluntary basis. The Signatory Airlines shall make reasonable efforts to accommodate such requests in a timely manner.

B. In the event that (i) the CEO receives a written request from a Requesting Air Carrier requesting space or facilities of a type leased to Signatory Airlines as Preferential Use Premises; (ii) the Requesting Air Carrier demonstrates to the CEO that it has contacted all Signatory Airlines at a corporate level above that of the local station management, and has exhausted all reasonable efforts to find reasonable accommodation for its proposed operations and the space or facilities it needs; and (iii) the CEO determines that such Requesting Air Carrier needs the requested space or facilities to accommodate passengers or aircraft, then, subject to the provisions below, the CEO may grant such Requesting Air Carrier the right of temporary or shared use of all or a designated portion of Airline's Preferential Use Premises, including the use of related Loading Bridges as may be required.

C. If a Requesting Air Carrier only requires use of space or facilities on a temporary basis or for limited service, the CEO may, in accordance with this Article 4, assign to an Air Carrier the right to use or occupy a portion of Airline's Preferential Use Premises, but only if such Preferential Use Premises is not scheduled for use by Airline.

D. In the event the CEO determines that a Requesting Air Carrier's needs require granting such Requesting Air Carrier the right to share the Preferential Use Premises of one or more Signatory Airlines other than as provided in subparagraph (C) above, the CEO shall serve written notice to all Signatory Airlines of that determination and notice of the Authority's intention to make a further determination, in not less than fifteen (15) calendar days, as to how the Requesting Air Carrier will be accommodated. In the event the CEO makes a determination that a Requesting Air Carrier shall have the right to share the Preferential Use Premises of one or more Signatory Airlines, the CEO shall serve written notice to such Signatory Airlines of that determination no less than forty-five (45) calendar days prior to the implementation of such shared usage.

E. In accordance with the conditions set forth in subparagraph (F) below, the CEO may grant the Requesting Air Carrier the right of shared or temporary use of all or a designated portion of the Airline's Preferential Use Premises, as well as rights of ingress and egress, the right to use the Preferential Aircraft Parking Positions that are a part thereof, and the right to use related Loading Bridges and other appurtenant equipment which are necessary for the effective use of such premises, provided that:

1. Requesting Air Carrier provides Airline and Authority with indemnification and proof of insurance reasonably satisfactory to Airline and Authority; provided, however, that Airline may not require any indemnification or insurance more favorable to it than that which it provides to the Authority hereunder, unless otherwise agreed to by the CEO.

2. Requesting Air Carrier agrees to pay to the Authority a Facility Fee for each such use of such premises.

3. Requesting Air Carrier enters into a written agreement with Airline therefor, which agreement shall be submitted to the CEO for written approval prior to the effective date thereof.

4. Airline shall not be required, pursuant to the terms and conditions of this Section 4.03, to lease or otherwise authorize the use of Airline's equipment or other personal property at the Airport or make any modifications to its Leased Premises.

Airline agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the Requesting Air Carrier's scheduled operations, including the use of assigned passenger Loading Bridges and other portions of the Preferential Use Premises as may be reasonably necessary to accommodate the Requesting Air Carrier. In the event that the Requesting Air Carrier and Airline are not able to agree to a form of written agreement pursuant to (3) above after reasonable efforts by both parties, the CEO shall have the right, after consultation with both parties, to set the final terms of such written agreement, which shall

provide no less protection of Airline's interests than Airline provides for the Authority, and be binding on both the Requesting Air Carrier and Airline.

F. In the event that, pursuant to subparagraphs (B) or (C), above, the CEO determines that a Requesting Air Carrier is in need of facilities to accommodate passengers or aircraft, the CEO will consider the following factors in designating the specific Preferential Use Premises for temporary or shared use by the Requesting Air Carrier:

1. the average number of flight arrivals and departures per aircraft parking position per day;

2. flight scheduling considerations;

3. potential labor conflicts;

4. aircraft parking position locations; and

5. other operational considerations.

In the event Airline is required to share its Preferential Use Premises, Airline shall be given priority in all aspects of usage of such shared Premises, including for any schedule changes or irregular operations, over all other Air Carriers, including the Requesting Air Carrier.

G. Notwithstanding the foregoing, the Authority may, by adoption of Rules and Regulations, establish priorities for use of Preferential Use Premises during periods of irregular operations as long as such irregular operations do not unreasonably interfere with Airline's operations at the Preferential Use Premises, including the Airline's irregular short-term use, provided the Airline gives adequate notice to the Authority.

Section 4.04 Reassignment of Leased Premises.

A. Authority's Right to Reassign Leased Premises. The Authority may reassign to another Air Carrier one or more of Airline's Gates and Related Terminal Area assigned as Leased Premises if: (i) Airline's Gate Utilization (as defined below) for such preferentially assigned Gate(s) over the most recent one hundred eighty (180) day period is less than the Utilization Threshold (as defined below); (ii) the CEO determines that there is a reasonable need for the preferential use of such Gate(s) by another Air Carrier; and (iii) such other Air Carrier meets or exceeds the required Utilization Threshold through its current or proposed schedule. Upon such determination, the CEO will provide Airline with a notice ("***Initial Recapture Notice***") of the Authority's intent to recapture such Gate(s). Prior to such reassignment becoming effective, Airline shall have a ninety (90) calendar day period after the date of the Initial Recapture Notice to adjust its schedule to equal or exceed the Utilization Threshold so as not to be subject to such reassignment. If Airline does not meet or exceed the Utilization Threshold within one hundred eighty (180) days after the date of the Initial Recapture Notice, and Airline does not maintain such service that meets or exceeds the Utilization Threshold for one hundred eighty (180) days thereafter, the CEO will send Airline a notice (the "***Final Recapture Notice***") terminating Airline's lease of the portion of the Leased Premises subject to reassignment as of the date specified in the Final Recapture Notice. When determining specific Leased Premises subject to

reassignment, the Authority will use reasonable efforts to not reassign facilities that will disrupt the continuity and staffing of Airline's operations. The number of Gates within the Leased Premises subject to reassignment by the Authority will be the lesser of: (x) the requirement of the requesting Air Carrier, and (y) the difference between the number of Gates then leased to such Signatory Airline and the number of Gates which would have caused such Airline's Gate Utilization for the Leased Premises, measured for the last one hundred twenty (120) days prior to the delivery of the Final Recapture Notice, to exceed one hundred percent (100%) of the Airport Utilization Threshold for such period.

Any reassigned portion of the Leased Premises will consist of the applicable Gate(s) and any Related Terminal Area. In the case of the reassignment of less than all of the Gates within the Leased Premises, the Authority shall designate which Gate(s) shall be subject to such reassignment after consulting with Airline. Promptly after the reassignment, Airline will submit a revised airport parking plan to reflect such reassignment, which plan will be in form and substance reasonably acceptable to the Authority. Unless the CEO determines, in her or his sole discretion, that reassignment of such Leased Premises is necessary for the proper functioning of the Airport, in which case the cost of relocating the Airline shall be a cost of the Authority recovered from all Signatory Airlines as part of Terminal Rentals, the Signatory Airline(s) that will occupy such reassigned Gate(s) and Related Terminal Area shall pay the costs of relocating the Signatory Airline whose Gate(s) are so reassigned.

The Authority and Airline acknowledge and agree that due to the reduction in passengers traveling to and from the Airport due to the COVID-19 pandemic, many Signatory Airlines are not meeting the Utilization Threshold for Gate use set forth in Section 4.04(B). In order to avoid disruption in Airline's operations during the period that passenger traffic at the Airport remains depressed due to the effects of the COVID-19 pandemic, the Authority agrees to waive the Authority's right to reassign any of Airline's Gates and Related Terminal Area pursuant to Section 4.04 for the period commencing on the First Amendment Effective Date and ending on the first day of the month following the month that total Enplaned Passengers at the Airport are greater than or equal to eighty-five percent (85%) of the Enplaned Passengers for the same month in calendar year 2019.

B. Definitions. For the purposes of this Section 4.04, the following terms shall have the following meanings:

The "***Utilization Threshold***" shall be an average of four (4) arrivals and four (4) departures (i.e., four Turns) per Gate per day; provided, however, that, after consultation with the Signatory Airlines, the Authority may adjust such Utilization Threshold at DBO to reflect then-current operations at the Airport.

"***Airline's Gate Utilization***" shall be the average of Airline's and its Affiliates' daily Turns per Gate (taking into account all Gates located at the Leased Premises other than any Gates subleased to another Air Carrier) and shall include Airline's flights and flights of any Affiliate operating at the Leased Premises on behalf of Airline, but shall not include any operations by subtenants or operations by Air Carriers pursuant to Handling Agreements (other than those of Affiliates operating at the Leased Premises).

The "***Related Terminal Area***" shall mean that portion of the Leased Premises reasonably necessary to conduct airline operations at the Gate and shall include, without limitation, upper level and lower level Terminal access for persons, Loading Bridges, passenger hold rooms, gate check-in counters, a portion of the Common Use Baggage Premises, ticket counters, queuing space, operations space, airport ticket office facilities, and rights of access to terminal passenger facilities, in each case associated with such Gate and representing, to the extent practicable, approximately a pro rata portion of the space devoted to each such use prior to any reassignment by the Authority.

Section 4.05 Relocation.

In addition to the rights granted under Section 4.04 of this Agreement, the Authority reserves the right to relocate part or all of the Airline's Leased Premises to another location within the Terminal and associated Terminal Ramp area when necessitated by Terminal expansion, rehabilitation, or repair; compliance with federal regulation; or Airport operating considerations. The Authority will give Airline ninety (90) days advance written notice of its intent to relocate the Leased Premises and will do all things reasonably necessary, as determined by Authority, to minimize the disruption to Airline's operations. The relocation will be completed within one hundred twenty (120) days from date of written notice to Airline unless both parties agree to an alternate relocation date. Such agreement shall not be unreasonably withheld by the Authority or Airline.

Airline shall not be required to incur any expense to relocate its operations to other premises that it does not agree to incur, and the Authority shall reimburse Airline for such relocation expenses that Airline does not agree to incur together with the unamortized value of any improvements made by Airline to the vacated Leased Premises (calculated on a straight-line basis over a period of seven (7) years from the completion of such improvements), provided that the Airline shall provide the Authority with reasonable evidence of the cost of such relocation and the cost of such amortizable improvements, except that Airline shall be responsible for any and all expenses associated with the physical movement of Airline computer equipment; provided, however, Airline will not be paid or reimbursed for overhead costs or costs in any way associated with self-performance of any relocation work by Airline employees.

Notwithstanding anything to the contrary in this Section 4.05, the provisions of **Exhibit I** shall prevail over any conflicting provisions of this Section 4.05 with respect to the Project.

ARTICLE 5
TERM

Section 5.01 Term of Agreement.

Provided that this Agreement has been executed by Air Carriers operating at the Airport (i) representing greater than thirty-three percent (33%) in number of the Signatory Airlines under the Prior Agreement and (ii) carrying greater than fifty percent (50%) of the total Enplaned Passengers reported by Signatory Airlines for Fiscal Year 2019 (the "***Minimum Effective Threshold***"), this Agreement shall become effective retroactive to the Effective Date. [Note: The Agreement was executed by the Minimum Effective Threshold and became effective as of the

Effective Date.] An Air Carrier operating a passenger Air Transportation Business at the Airport may execute this Agreement at any time, but if such Air Carrier does not execute this Agreement either before or within four (4) weeks after the date that the Minimum Effective Threshold is achieved (the "***Grace Period***"), such Air Carrier shall be a Non-Signatory Airline from the end of the Grace Period until the Commencement Date. The Authority and Airline agree that the Initial Term of the Original Agreement shall be extended for an additional period of seven (7) years. Unless sooner terminated pursuant to the provisions of this Agreement, this Agreement shall terminate on the Scheduled Expiration Date, December 31, 2028 (such period, the "***Initial Term***").

On the Effective Date, the Prior Agreement between the Authority and Airline shall terminate without further action by either the Authority or Airline, provided that the termination of such Prior Agreement shall not be construed as a waiver, relinquishment, or release of any claims, damages, liability, rights of action, or causes of action that either of the parties hereto may have against the other under such Prior Agreement and that have accrued before the Commencement Date. Airline's liability thereunder that survives the termination of the Prior Agreement shall not be terminated by the execution of this Agreement.

Section 5.02 Option to Extend Initial Term.

If, not less than one hundred twenty (120) days prior to the Scheduled Expiration Date, not less than thirty-three percent (33%) of the Signatory Airlines and Signatory Airlines accounting for at least fifty percent (50%) of the Enplaned Passengers in the prior Fiscal Year execute and deliver to the Authority an instrument agreeing to extend the term of the Agreement (the "***Extension Agreement***"), and the Authority countersigns the Extension Agreement within sixty (60) days of delivery of such instrument by the Signatory Airlines, then the term of this Agreement shall be extended for an additional three (3) years, ending December 31, 2031, on all of the same terms and conditions set forth herein, including without limitation the assignment of the Leased Premises to each Signatory Airline, unless sooner terminated pursuant to the provisions of this Agreement (the additional period, the "***Extended Term***" and, with the Initial Term, the "***Term***"). If the Term of the Agreement is so extended, any Signatory Airline that fails to sign an Extension Agreement on or before the date that is one hundred twenty (120) days before the Scheduled Expiration Date shall become a Non-Signatory Airline, effective on the Scheduled Expiration Date until such time as such Signatory Airline signs the Extension Agreement (if applicable).

Section 5.03 Holding Over.

A. In the event that Airline, at the request of or without objection by Authority, shall continue to occupy the Leased Premises and conduct its Airline operations beyond the term of this Agreement, such holding over shall not constitute a renewal of the Agreement, but shall be considered a month-to-month tenancy only, with or without the consent of the Authority. The month-to-month tenancy shall be subject to all terms and conditions of this Agreement. No such holding over shall be deemed to operate as a renewal or extension of the Term. Such month-to-month tenancy may be terminated by Authority or Airline by giving thirty (30) days prior written notice of said termination to the other party at any time.

B If Airline shall hold over in any portion of the Leased Premises after the termination of this Agreement and the Authority objects or does not consent to such holdover, Airline shall occupy such portion of the Leased Premises as a tenant at will. The Authority may relocate Airline in such case without compliance with the provisions of Article 4 hereof. During such tenancy, Airline shall pay to Authority Non-Signatory rates for Airline Fees and Charges. If Airline fails to vacate the Leased Premises within sixty (60) days after written notice of termination from the Authority, Airline shall pay the Authority one hundred fifty percent (150%) of Airline Fees and Charges for each period beginning more than sixty (60) days after such notice, and the Authority reserves the right to determine Airline Fees and Charges according to any methodology permitted under Applicable Law.

Section 5.04 Airline Property.

The personal property placed or installed by Airline at the Airport including, but not limited to, trade fixtures and trade equipment, shall remain the property of Airline and must be removed on or before the Expiration Date or earlier termination of Airline's occupancy of some or all of its Leased Premises at Airline's sole risk and expense. Except as a direct result of a force majeure event, Airline shall not abandon any of its property on the Leased Premises or any other portion of the Airport without the written consent of the CEO. Any damage to the Airport or any portion thereof resulting from such removal shall be paid for by Airline. In the event of termination of this Agreement, Airline shall have thirty (30) days after such termination during which to remove such property. However, the Authority shall have the right to assert such lien or liens against said property (excluding aircraft and aircraft parts) as the Authority may by Applicable Law be permitted. So long as any such property remains in the Leased Premises, Airline's obligation to pay Airline Fees and Charges shall continue with respect to such Leased Premises.

At the end of the Term of this Agreement, if Airline applied all or a portion of its Fit-Out Allowance to the cost of proprietary ticket counters and/or finishes, and if Airline does not enter into a new or extended agreement, Airline shall either (x) repay the portion of the Fit-Out Allowance applied to such proprietary ticket counters or finishes with interest thereon at the average rate borne by the Bonds accruing from DBO until the date of such repayment, or (y) restore its ticket counters and finishes to the standards set forth in the Authority's design standards, as then in effect.

If Airline's property is not removed as herein provided, the Authority may, at its option, after written notice to Airline and at Airline's sole risk and expense, remove such property to a public warehouse for storage, or retain the same in the Authority's possession, and after the expiration of thirty (30) days sell the same, with notice and in accordance with Applicable Law, the proceeds of which shall be applied, first, to the expenses of such removal and sale, second to any sum owed by Airline to the Authority, and any balance remaining shall be paid to Airline.

ARTICLE 6
PAYMENT OF RENTALS, FEES AND CHARGES

Section 6.01 Information on Airline Operations.

A. Not later than ninety (90) days prior to the end of each Fiscal Year, Airline shall furnish the Authority with an estimate of (i) the total Maximum Gross Landed Weight of all aircraft to be landed at the Airport by Airline during the next ensuing Fiscal Year; and (ii) the number of Airline's Enplaned Passengers during the next ensuing Fiscal Year.

B. Not later than the tenth (10^{th}) day of each month of each Fiscal Year, Airline shall complete and file with the Authority written or electronic reports on forms provided or approved by the Authority describing activity conducted by Airline during such month and setting forth the information reasonably requested by the Authority or otherwise necessary for the Authority to calculate Airline Fees and Charges. Such activity reporting shall include, but not be limited to, the following:

1. Airline's and its Affiliates' Revenue Aircraft Arrivals and Maximum Gross Landed Weight of Revenue Aircraft Arrivals;

2. Airline's and its Affiliates' Enplaned Passengers (including connecting and through passengers), Deplaned Passengers (including connecting and through passengers), international and domestic passengers, revenue and non-revenue passengers, and inbound and outbound bags delivered to the Baggage System;

3. Revenue Aircraft Arrivals, Maximum Gross Landed Weight, Enplaned Passengers, Deplaned Passengers, and inbound and outbound bags delivered to the Baggage System of aircraft ground handled by Airline (other than Affiliates);

4. the amount of enplaned and deplaned freight, mail, and other cargo of or ground handled by Airline;

5. the Airline's and its Affiliates' number of arriving international passengers using the FIS Facilities;

6. the number of aircraft parked at Authority-designated Airport locations outside of the Airline's Preferential Aircraft Parking Positions and the number of hours that such aircraft were so parked;

7. the number of Turns on Common Use Facilities; and

8. such information regarding the collection and payment to the Authority of PFCs as may be required in the FAA's record of decision or Applicable Law.

C. Airline shall maintain at its principal office and, if the Authority so requests, make available at the Airport such books, records, and accounts as are relevant to the determination of Airline Fees and Charges, and, upon written notice to Airline, shall be made available at the Airport for audit and/or examination by the Authority or its duly authorized representative during

all normal business hours. Such books, records, and accounts shall be retained for a period of three (3) years subsequent to the end of the Fiscal Year for which the activities are reported therein, or such other retention period set forth in 14 CFR Part 249. If such books, records, and accounts are not maintained at the Airport, Airline shall produce such books and records at the Airport within thirty (30) calendar days of the Authority's notice to do so or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging, necessary for an auditor selected by the Authority to audit said books and records at alternative facilities. The CEO and Authority officials, and such persons as may be designated by them, shall have the right, during such audit and/or examination, and in the company of an employee of Airline, to examine, make copies of, and take extracts from such books, records, and accounts, but only as necessary to insure compliance by Airline with the terms of this Agreement. The cost of such audit (other than Airline's personnel cost and cost to prepare, maintain, and deliver access to such records, and the Authority's expenses related to an off-Airport audit or examination) shall be borne by the Authority, unless either or both of the following conditions exist, in which case, the cost of the audit shall be borne by the audited Airline:

1. The audit reveals an underpayment of more than two percent (2%) by category of Airline Fees and Charges due on an annual basis hereunder, as determined by said audit; or

2. Such Airline has failed to maintain true and complete records in accordance with this Section 6.01

D. Upon the request of the Authority, Airline shall submit to the Authority customary operating information requested by the Authority including but not limited to the following: projected levels of operations, schedules, planned aircraft parking position utilization, type of aircraft using the Airport, operation procedures that might have an effect on the Airport (such as power out and push out procedures), snow plans, deicing procedures, and canceled trip arrangements.

E. The Authority shall have the right, but shall not be required, to rely on Airline's activity reports in determining its Airline Fees and Charges due hereunder. The Authority may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems, or shall be entitled to approximate such activity information using any sources or methods deemed reasonable by the Authority (e.g., using aircraft seats as a method to estimate passenger information), to determine Airline Fees and Charges due hereunder. Use of such alternative sources and methods by the Authority shall not relieve Airline of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by Airline and information gathered from other sources, the Authority's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error; provided, however, that Authority shall use reasonable efforts to reconcile the discrepancy. Airline shall have full responsibility for the accuracy of its reports. In the event Airline fails or refuses to timely deliver or make available to the Authority any requested information or reports, Airline shall be in default under this Agreement, subject to notice and cure as provided in Section 15.01(D)(3).

Section 6.02 Landing Fees.

A. The Landing Fee for each Revenue Aircraft Arrival at the Airport of an aircraft operated by a Signatory Airline shall be an amount equal to the product of (i) the number of thousands of pounds of the Maximum Gross Landed Weight of the aircraft involved in the Revenue Aircraft Arrival multiplied by (ii) the Landing Fee Rate, calculated in accordance with the methodology set forth in **Exhibit E**.

B. On the Effective Date, and annually on each January 1 thereafter during the term of this Agreement, the Landing Fee Rate shall be established on a residual basis to recover the budgeted "***Net Airfield Cost***" as computed in accordance with **Exhibit E** of this Agreement.

1. If the calculation of the Landing Fee Rate contemplated in this Section 6.02 is not completed by January 1 for any reason, the rate then in effect shall continue to be paid by Airline until such calculation of the adjusted rate is completed. The adjusted fee will be retroactive to the first day of the Fiscal Year and any payments by the Airline to the Authority shall be adjusted accordingly.

2. The Authority will require all persons landing an aircraft in a Revenue Aircraft Arrival to pay a Landing Fee or be the duly authorized recipient of a landing fee waiver under an Authority incentive program for use of the Airfield. The Authority shall establish a Cargo Landing Fee for All-Cargo Air Carriers that sign an operating agreement with the Authority equal to one hundred ten percent (110%) of the Landing Fee Rate. The Authority shall also establish a Non-Signatory Airline Landing Fee for Air Carriers that do not sign an operating agreement with the Authority equal to one hundred twenty per cent (120%) of the Landing Fee Rate. Affiliate(s) of Airline permitted hereunder shall be charged the Landing Fee Rate applicable to Signatory Airlines.

Section 6.03 Terminal Rentals.

A. Commencing on the Commencement Date and thereafter throughout the term of this Agreement, Airline hereby agrees, subject to the provisions of Section 6.03(B) below, to pay the Authority rent for its Leased Premises at the Terminal Rental Rate per square foot per year, calculated in accordance with the methodology set forth in **Exhibit E**, multiplied by the square feet of the Leased Premises in the Terminal; provided, however, that after DBO, Terminal Rentals for Common Use Baggage Premises shall be apportioned in accordance with Section 6.03(B)(3) herein.

B. On the Effective Date, and annually on each January 1 thereafter during the Term of this Agreement, the Terminal Rental Rate shall be established on a residual basis to recover the budgeted "***Net Terminal Area Cost***" as computed in accordance with **Exhibit E** of this Agreement.

(1) If the calculation of the rate contemplated in this Section 6.03 is not completed by January 1 for any reason, the rate then in effect shall continue to be paid by Airline until such calculation of the adjusted rate is completed. The adjusted rate will be retroactive to the first day of the Fiscal Year and any payments by the Airline to the Authority shall be adjusted accordingly.

(2) Except as provided in Section 6.03(B)(7) of this Agreement, for any space occupied or used by Airline in the Terminal but not leased as part of this Agreement, Airline shall pay Authority a rental rate equal to no less than one hundred twenty per cent (120%) of the Terminal Rental Rate.

(3) With regard to the Common Use Baggage Premises, after DBO, costs shall be allocated and Common Use Baggage Charges shall be paid by Airline in the following manner:

Ninety percent (90%) of Common Use Baggage Premises Costs, net of amounts paid by Non-Signatory Airlines, shall be allocated to each Signatory Airline using the Common Use Baggage Premises, based on the Airline's percentage share of total Enplaned Passengers forecasted at the Airport for the Fiscal Year for which rates will be set.

Ten percent (10%) of Common Use Baggage Premises Costs (the "***Fixed Baggage Costs***"), net of amounts paid by Non-Signatory Airlines, shall be allocated equally among all Signatory Airlines using the Common Use Baggage Premises; provided, however, that the Authority shall pay from Other Authority Revenues such Fixed Baggage Costs in each Fiscal Year to the extent that such Other Authority Revenues are available therefor. Such charges shall be determined based on the number of Signatory Airlines using such space each December 1 for the following Fiscal Year. Should the number of Signatory Airlines meeting these criteria increase or decrease after December 1, an adjustment will be made accordingly for the remainder of the Fiscal Year.

Non-Signatory Airlines using the Common Use Baggage Premises shall pay a fee per Enplaned Passenger, as established by the Authority in the rates adopted annually. This per Enplaned Passenger fee shall be in an amount equal to the calculated effective rate per Enplaned Passenger for the Common Use Baggage Premises plus a Non-Signatory premium of twenty percent (20%) of the Signatory Airline rate and shall be applied to reduce the Common Use Baggage Premises Costs recovered from Signatory Airlines.

(4) With regard to Terminal Rentals for holdrooms, notwithstanding Section 6.03(A), a "***Gate/Holdroom Fee***" will be calculated each Fiscal Year to recover the Costs associated with such facilities based upon the average square footage of a holdroom in the Terminal multiplied by the Terminal Rental Rate plus the Terminal Ramp Requirement (per Section 6.03(B)(9)) per Gate (collectively, the "***Gate/Holdroom Requirement***").

(5) Prior to DBO, Signatory Airlines using the Automated Baggage System (and not paying a Facility Fee) shall pay to the Authority an amount equal to the sum of the following, allocated to each such Signatory Airline based upon the number of such Signatory Airline's Enplaned Passengers divided by the number of all Enplaned Passengers of Air Carriers leasing space in such system, as follows:

(a) $18.14 for Fiscal Year 2020, adjusted pursuant to Section 7.06 annually thereafter until DBO by the increase in CPI, multiplied by the total number of square feet of apron level space leased to accommodate such Automated Baggage System;

(b) A capital charge for the unamortized balance of historical debt allocable to the Automated Baggage System in the amount of $303,700 in Fiscal Year 2020 and $93,100 in Fiscal Year 2021; and

(c) the direct O&M Expenses associated with the operation and maintenance of the space described above.

(6) Prior to DBO, Signatory Airlines using the south Common Use Baggage Premises and not paying a Facility Fee shall pay to the Authority an amount equal to the direct O&M Expenses associated with the operation and maintenance of the south baggage system, allocated to each such Signatory Airline based upon the number of Airline's Enplaned Passengers divided by the number of all Enplaned Passengers of Air Carriers leasing space in such system. If Airline only uses the south baggage system for inbound baggage and not outbound baggage (or vice versa), then the Enplaned Passengers used in such allocation will be reduced by fifty percent (50%).

(7) For each Turn at a Common Use Facility, Airline shall pay a Facility Fee established by the Authority from time to time following consultation with the Signatory Airlines. Attached hereto as **Exhibit M** is the calculation of the Facility Fee in effect as of the Effective Date.

(8) For its use of the Shared Use Premises included in the Leased Premises, Airline shall be charged its pro rata share of the Terminal Rental Rate per square foot of such Shared Use Premises, determined as follows: The Airline's pro rata share for Shared Use Premises shall be the proportion of the Airline's total Exclusive Use Premises served by such Shared Use Premises to the total of all Exclusive Use Premises served by such Shared Use Premises. If there is any change in the amount of Exclusive Use Premises leased by any Signatory Airline during a Fiscal Year, the foregoing formula will be adjusted to account for the proportionate change in use.

(9) The "***Terminal Ramp Requirement***" shall be as follows:

(a) From Fiscal Year 2020 through DBO, the Terminal Ramp Requirement per holdroom for Gates leased by Airlines operating aircraft of twenty (20) seats or less shall be Ten Thousand Dollars ($10,000) per year as increased by CPI as provided in Section 7.06 in each of Fiscal Years 2021 through DBO, and Fifteen Thousand Dollars ($15,000) per year beginning at DBO, as subsequently increased by CPI each year.

(b) From Fiscal Year 2020 through DBO, the Terminal Ramp Requirement per holdroom for Gates leased by Airlines operating aircraft of greater than twenty (20) seats shall be Forty Thousand Dollars ($40,000) per year as increased by CPI as provided in Section 7.06 in each of Fiscal Years 2021 through DBO, and Fifty Thousand Dollars ($50,000) per year beginning at DBO, as subsequently increased by CPI each year.

(c) For use of aircraft parking positions that are not included in Airline's Leased Premises, Airline shall pay a fee per period of such use as determined by the Authority from time to time.

(10) Airline shall be charged a fee established by the Authority each Fiscal Year per arriving international passenger that disembarks from an aircraft operated by Airline or an Affiliate using the FIS Facilities (the "***FIS Fee***").

(11) Airline shall be charged a fee to reimburse the Authority for any special tenant fit-outs to its Leased Premises in excess of Airline's Fit-Out Allowance, if any, as set forth in **Exhibit I**.

Section 6.04 Payment of Airline Fees and Charges.

A. Payments of one-twelfth (1/12) of (i) the total Terminal Rental for Airline's Exclusive Use Premises, Shared Use Premises, and Preferential Use Premises (including the Gate/Holdroom Fee) and Common Use Baggage Charges, each as calculated as provided in Section 6.03; (ii) Automated Baggage System fees as provided in Section 6.03(B)(5); and (iii) amortization of Airline's fit-out costs in excess of Airline's Fit-Out Allowance, as set forth in **Exhibit I** and as provided in Section 6.03(B)(11), shall be due in advance, without demand or invoice, on the first day of each month. Such payment shall be deemed delinquent if payment is not received by the tenth (10^{th}) day of the month.

B. Payment of Landing Fees, calculated as provided in Section 6.02; south baggage system fees, calculated as provided in Section 6.03(B)(6); Facility Fees, calculated as provided in Section 6.03(B)(7); FIS Fees as provided in Section 6.03(B)(10); and aircraft parking charges, calculated as provided in Section 6.03(B)(9)(c), shall be due no later than the tenth (10^{th}) day of each month, and shall be deemed delinquent if not received within fifteen (15) days after the due date.

C. Payment of fees payable on account of any concession type activity shall be due without demand or invoice on the fifteenth (15^{th}) day following the month revenue is earned by Airline, and shall be deemed delinquent if payment is not received within thirty (30) days after the due date.

D. Payment for all other fees and charges due the Authority shall be due thirty (30) days from the Authority's issuance of an invoice therefor and shall be deemed delinquent if payment is not received within ten (10) days after the due date for such amounts.

Section 6.05 Passenger Facility Charges.

A. Airline shall remit to the Authority each month all Passenger Facility Charges collected by Airline during the preceding month for passengers enplaning at the Airport.

B. Airline shall hold the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority pursuant to 49 U.S.C. § 40117 (the "***PFC Act***") and the rules and regulations thereunder (14 C.F.R. Part 158, herein, the "***PFC Regulations***") in trust for the Authority. For purposes of this Section, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the Authority, reduced by all amounts that Airline is permitted to retain pursuant to Section 158.53(a) of the PFC Regulations and any PFCs refunded to passengers in accordance with the PFC Regulations (such net principal amount, "***PFC Revenue***"). Airline acknowledges that all PFCs collected for such approved purpose neither belong to nor are owned by Airline except to the extent set forth in applicable federal law and, unless the status of PFCs in the possession of Airline are characterized in a separate manner under FAA regulations (in which case such characterization shall prevail), that such PFCs are held in trust by Airline for the exclusive use and benefit of the Authority. Airline shall not make any claim in any document or proceeding that, for PFCs collected by Airline on behalf of the Authority, the Airline has any legal or equitable interest in such PFCs, except to the extent Airline is specifically granted such interest by federal statute or regulation, including the right of reimbursement from such PFC funds for the Airline's costs of collection.

C. If Airline fails to remit PFC Revenue to the Authority within the time limits established by the PFC Regulations, Airline shall be deemed to be in default pursuant to Article 15. In addition, any late payment of the PFC may be subject to late fees computed at the rate of one and one-half percent (1.5%) per month or, if less, the highest rate permitted by Applicable Law, from the due date until paid, to the extent allowed by Applicable Law.

D. Airline acknowledges that the Authority has given to the United States of America, acting by and through the FAA, certain assurances under the PFC Act and the PFC Regulations, including Appendix A thereto (the "***PFC Assurances***"), and Airline agrees that this Agreement shall be subordinate and subject to all PFC Assurances. In the event the FAA requires any modification of this Agreement as a condition precedent to the Authority's collection of PFCs or as a means to effect Authority's compliance with the PFC Act, the PFC Regulations, or the PFC Assurances, Airline shall not withhold its consent to any modification of this Agreement required by the FAA as may reasonably be required for Authority to collect PFCs or to comply with the PFC Act, PFC Regulations, and/or PFC Assurances.

Section 6.06 Place of Payment; Late Payments.

A. All amounts due from Airline hereunder shall be paid in lawful money of the United States of America, by automated clearinghouse ("***ACH***") transfer, payable to The Allegheny County Airport Authority, which shall be delivered according to ACH directions provided by the Authority to Airline from time to time or, if directed by the Authority in writing, by mail, postage prepaid to:

Finance Section
The Allegheny County Airport Authority
P.O. Box 642632
Pittsburgh, PA 15264-2623

or such other method, including wire transfer, or place in the United States of America as may be hereafter designated by the CEO.

B. Any amount which is not paid when due shall bear interest from its due date at a rate of one and one-half percent (1.5%) per month or, if less, the highest rate permitted under Applicable Law.

C. Amounts due the Authority from any Air Carrier (including any amounts due to the Authority pursuant to Section 14.01) that remain unpaid after the Authority's commercially reasonable efforts to collect the same, will be included as a bad debt expense in the calculation of Airline Fees and Charges hereunder when more than ninety (90) days past due and deemed by the Authority to be uncollectible. The Authority shall diligently pursue all appropriate remedies to collect all unpaid amounts from all Signatory and Non-Signatory Airlines and any other tenants or users of the Airport which are delinquent, and all such unpaid amounts collected, if any, and interest thereon, if any, shall be included in Non-Airline Revenues for the Fiscal Year in which collected.

Section 6.07 Other Fees and Charges.

To the extent applicable, Airline shall also pay its pro rata share, based upon its usage compared to usage by other Air Carriers, of the following Airline Fees and Charges, each as established from time to time by the Authority, which amounts, when allocated, shall be allocated to and between Cost Centers deemed most appropriate in the reasonable discretion of the Authority:

A. Charges for additional equipment and services purchased or provided by the Authority for Airline's use (e.g., club room finishes, or any other systems or equipment).

B. Fees for services, equipment, or facilities not otherwise enumerated in this Agreement, but provided by the Authority or its contractors and utilized by Airline, including, but not limited to, fees and charges for special maintenance of Airline's Leased Premises or mechanical lifts.

C. Privilege fees for services provided by Airline for another Air Carrier, if such services or concessions would otherwise be available from a concessionaire or licensee of the Authority, in an amount equal to those privilege fees charged to such concessionaire or licensee; provided, however, that no fees shall be collected in connection with services provided by Airline to its Affiliates, or to Airline by its Affiliates.

D. Fees for use of the employee parking area(s) provided at the Airport.

E. All applicable sales, use, intangible, and ad valorem taxes of any kind, payable in connection with the use or occupancy of Airline's Leased Premises, the real property and any

improvements thereto, whether levied against Airline or the Authority. Airline shall also pay any other taxes or assessments against the Airline's Leased Premises. Airline may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to the Authority of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against any property of the Authority or any improvements thereon or a direct liability on the part of the Authority. The Authority agrees to forward promptly to the Airline any notices of such taxes and assessments due upon receipt of same.

Section 6.08 Charges to Non-Signatory Airlines.

A. Except with respect to landing fees for All-Cargo Air Carriers that enter into an operating agreement with the Authority, the Authority shall charge all Non-Signatory Airlines which use the Airport Landing Fees for the use of the Airfield and Terminal Rental and Common Use Baggage Charges for use of the Terminal at rates which are in each case not less than one hundred twenty percent (120%) of the rates charged by the Authority to the Signatory Airlines; provided, however, that the Authority shall charge an Air Carrier operating only aircraft in scheduled operations at the Airport with less than twenty (20) seats the rates charged to a Signatory Airline.

B. The costs and revenues associated with the Common Use Facilities and Common Use Baggage Premises shall be included in the calculation of the Net Terminal Area Cost pursuant to Section 6.03.

Section 6.09 Security Deposits.

A. In order to guarantee the timely payment of all Airline Fees and Charges, and unless Airline has provided regularly scheduled passenger flights to and from the Airport for the eighteen (18) months prior to the Effective Date (or prior to the assignment of this Agreement to Airline) without committing an act or omission that would have been an Event of Default if this Agreement had been in effect during such period, Airline shall provide the Authority on the Commencement Date (or on the assignment of this Agreement to Airline) with a Security Deposit in the form of a bond or letter of credit in an amount equal to one-fourth (1/4) of the Airline Fees and Charges expected to be payable by Airline for the ensuing Fiscal Year. Airline shall be obligated to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive months during which Airline commits no Event of Default (including any period prior to the Commencement Date or prior to the assignment of this Agreement to Airline during which Airline provided regularly scheduled passenger flights to and from the Airport, and for any such prior period, no act or omission that would have been such an Event of Default hereunder). In the event that any such Security Deposit shall be for a period of less than the full period required by this Agreement, or if such Security Deposit may be canceled, Airline shall provide a renewal or replacement Security Deposit for the period following the expiration or cancellation of such Security Deposit previously provided at least sixty (60) days prior to the date on which such previous Security Deposit expires or at least sixty (60) days prior to the effective date of such cancellation.

B. If Airline shall commit an Event of Default, the Authority shall have the right: (i) to demand payment of the letter of credit or bond and use the proceeds thereof to pay such

Airline's Airline Fees and Charges then due and payable; or (ii) by written notice to Airline given at any time within ninety (90) days of such Event of Default, to impose or re-impose the requirements of Section 6.09(A) on Airline. In such event, Airline shall, within ten (10) days from its receipt of such written notice, provide the Authority with the required Security Deposit and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive months during which Airline commits no Event of Default. The Authority shall have the right to reimpose the requirements of Section 6.09(A) on Airline each time Airline commits such an Event of Default during the term of this Agreement. The Authority's rights under this Section 6.09 shall be in addition to all other rights and remedies provided to the Authority under this Agreement.

C. In the event the Authority is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within fifteen (15) business days after the Authority's written demand, take such action as may be necessary to repost a letter of credit or bond to reinstate the Security Deposit to its required amount (three months' estimated Airline Fees and Charges) or to provide an additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits provided by Airline is equal to three months' estimated Airline Fees and Charges payable.

D. If Airline is not required to have a Security Deposit in place at any time, then, upon the occurrence of any act or omission that is a breach of any obligation hereunder, or upon the failure of such Airline to pay any Airline Fees and Charges hereunder when due for sixty (60) consecutive days, the Authority, by written notice to such Airline given at any time within ninety (90) days after the date such event becomes known to the Authority, may impose or reimpose the Security Deposit requirements of this Section on such Airline. In such event, such Airline shall provide the Authority with the required Security Deposit within ten (10) days from its receipt of such written notice and shall thereafter maintain such Security Deposit in effect until the requirement for such Security Deposit has been waived by the Authority.

E. Any Security Deposit provided hereunder is not "property of the estate" for purposes of Section 541 of the Bankruptcy Code, it being understood that any Security Deposit is property of the third party providing it (subject to the Authority's ability to draw against the Security Deposit).

Section 6.10 Right to Contest; No Abatement or Set-off.

A. The payment by Airline to the Authority, and the acceptance by the Authority from Airline, of any amount hereunder shall not preclude either Airline or the Authority from questioning the accuracy of any statement on the basis of which such payment was made, or preclude the Authority from making any claim against Airline for any additional amount payable by Airline hereunder, or preclude Airline from making any claim against the Authority for credit for any excess amount paid by Airline hereunder.

B. Notwithstanding the foregoing, Airline shall not abate, suspend, postpone, set-off, or discontinue any payments of rentals, fees, and charges payable hereunder.

Section 6.11 No Other Fees and Charges.

The Authority agrees that no rents, fees, charges, taxes or assessments of any nature, other than herein expressly referred to or provided for, shall be imposed by the Authority upon any of the Signatory Airlines, its employees, agents, passengers, contractors, customers, suppliers of materials or furnishers of services for the use of or access to the Airport or the exercise by Airline of any of its rights granted in Article 2 or otherwise directly or indirectly relating to the conduct of such party's business at the Airport; provided, however, that the foregoing shall not be construed to prohibit the Authority from imposing and collecting charges and fees (i) for the use of the Airport's equipment, facilities, or labor to recover the cost of such equipment, facilities, or labor (to the extent not recovered under Section 6.07(B)); (ii) for the use of the public vehicle parking areas on the Airport; (iii) from operators of ground transportation to, from, and on the Airport; (iv) from any concessionaire at the Airport in accordance with the terms of a contract with the Authority for the operation of such concession; (v) for badging employees and contractors of Airline and recovering the costs associated with such badging process; (vi) recovering costs advanced by the Authority and due to be reimbursed by Airline, including without limitation, penalties imposed on Authority by virtue of violations of Applicable Law or the Rules and Regulations by Airline or any Airline Party, or curing defaults by Airline; (vii) for costs for facilities (including Special Facilities) or services provided expressly to Airline; (viii) from any person, other than an Air Carrier, for access to the Airport for the conduct of its business; and (ix) for any other goods or services provided by written agreement. The foregoing provisions of this Section 6.11 shall only apply to taxes to the extent permitted by Applicable Law and shall not apply to broad-based taxes of general application which are not directly or indirectly targeted to any or all of the Air Carriers using the Airport, their employees, passengers, contractors, customers, suppliers of materials, or furnishers of services.

ARTICLE 7
CALCULATION OF RENTALS, FEES AND CHARGES

Section 7.01 Cost Centers.

The Cost Centers have been created by the Authority in order to allocate the net cost of operating, maintaining, and developing the Airport System among all of the Signatory Airlines and the other users and tenants of the Airport System. The aggregate of Airline Fees and Charges payable by all Signatory Airlines, together with other revenues required to be applied by the Authority hereunder, for each Fiscal Year shall be sufficient to pay the Costs for such Fiscal Year, including the satisfaction of all of the Authority's obligations to make all Fund Deposit Requirements and other payments required under the Indenture.

Section 7.02 Airport Budget.

Not later than thirty (30) days prior to the beginning of each Fiscal Year, the Authority shall furnish Airline for its review and comment the annual operating and capital budgets for the Airport for such Fiscal Year (the "***Annual Budget***") and a calculation of the estimated annual Airline Fees and Charges for such Fiscal Year calculated based upon such Annual Budget and the methodology set forth in **Exhibit E**, and the Authority shall hold a meeting with the Signatory Airlines and all other Air Carriers operating at the Airport to discuss the Annual

Budget and the estimated annual Airline Fees and Charges for the upcoming Fiscal Year. The Authority shall give due consideration to all comments, suggestions, and requests by Airline regarding such Annual Budget and estimated annual Airline Fees and Charges.

Until all CARES Act funds are committed, the Authority agrees to inform the Signatory Airlines on a quarterly basis with respect to the Authority's receipt and use of CARES Act Funds, including the amount of CARES Acts Funds expected to be received by the Authority, the Authority's intended uses of such funds and the anticipated effect on Airline Fees and Charges. The Authority further agrees that if requested by Airline, the Authority will meet and confer with the Airline regarding the Authority's use of CARES Act Funds, including giving due consideration to any request from the Airline regarding such uses.

Airline acknowledges that the Authority has historically invested considerable funds, annually, from Authority discretionary sources to supplement airport revenues and offset Airline Fees and Charges. It is the intention of the Authority to maintain Airline Fees and Charges at a reasonable level for all Air Carriers serving the Airport. In order to do so, prior to each Fiscal Year as part of developing the Annual Budget, in consultation with the Air Carriers, the Authority will consider the application of a portion of the Authority's available discretionary non-aeronautical revenues to reduce such Airline Fees and Charges, to the extent practicable in the CEO's sole determination.

Section 7.03 Adjustment of Airline Fees and Charges.

A. If at any time during a Fiscal Year the Authority's forecast based upon its most recently available information with regard to expenses and revenues actually incurred or realized during such Fiscal Year, together with the most recently available information with respect to Airline Fees and Charges actually received by the Authority, indicates that payment of any component of Airline Fees and Charges by Signatory Airlines at the then-existing rates would result in an underpayment or overpayment of five percent (5%) or more of the amount required under this Agreement to be generated by the Authority through such component of Airline Fees and Charges during such Fiscal Year, the Authority may adjust the remaining monthly Airline Fees and Charges for such Fiscal Year to conform to its current projection. At least one month prior to the implementation of an adjustment, the Authority shall consult with the Signatory Airlines. The Authority may lower rates at any time without Signatory Airline approval.

B. Notwithstanding anything to the contrary, nothing herein will limit the ability of the Authority to adjust rates, fees and charges from time to time, in order to meet the requirements of the Indenture, including, without limitation, meeting Debt Service Reserve Fund requirements, the rate covenant, and flow of funds requirements under the Indenture; provided, however, that after the date that the Authority receives executed Agreements from a Minimum Effective Threshold of Signatory Airlines, the Authority shall not, without consultation with the Signatory Airlines, grant any waivers of rents, fees, or other charges, except as contractually required or required by Applicable Law, that would reduce Non-Airline Revenues and result in a direct increase to Airline Fees and Charges of the Signatory Airlines of more than five percent (5%) over and above the annual Airline Fees and Charges of the Signatory Airlines which would otherwise be projected by the Authority.

C. Notwithstanding any other provision of this Agreement, if the Authority incurs a significant one-time cost during the term of this Agreement (e.g., implementation of a new Government Accounting Standards Board promulgation) that would result in a significant one-time cost to the rate base, the Authority may, at its sole discretion, choose to allocate that cost over a reasonable period.

D. The Authority will provide the Signatory Airlines a minimum of thirty (30) days' notice of any increase in Airline Fees and Charges.

Section 7.04 Year-End Adjustment of Airline Fees and Charges.

A. On or before April 30 of each Fiscal Year, the Authority shall recalculate and adjust Airline Fees and Charges in effect during the preceding Fiscal Year and provide Airline with a statement of the actual annual Airline Fees and Charges for the preceding Fiscal Year. The Authority's adjustment shall be based on the calculation procedures established in this Agreement, but shall use actual Costs, revenues, Leased Premises, Revenue Aircraft Arrivals, Enplaned Passengers, and Maximum Gross Landed Weight for the previous Fiscal Year.

B. In the event that Airline's Airline Fees and Charges actually paid during such preceding Fiscal Year exceed the amount of Airline's Airline Fees and Charges required (as recalculated based on actual results), Airline shall receive a reimbursement in the amount of such overpayment within thirty (30) days after such recalculation. If the amount of Airline Fees and Charges paid by Airline were less than the amounts required, Airline shall pay to the Authority within thirty (30) days of its receipt of the Airline's actual Airline Fees and Charges the amount of such deficiency.

C. Notwithstanding the foregoing, if an Event of Default with respect to Airline has occurred and not been cured pursuant to Article 15 after any applicable notice and opportunity to cure, the Authority is hereby granted a right of set-off and may apply the amount of such overpayment by Airline to pay or reimburse any and all amounts owed to the Authority by Airline under this Agreement, or to pay any cost or expenses or material damages incurred by the Authority as a result of Airline's default under this Agreement.

Section 7.05 Deposits into Funds.

Each Fiscal Year, the Authority shall deposit the Fund Deposit Requirement for each fund for such Fiscal Year, calculated as provided in **Exhibit E**.

Section 7.06 Adjustments to Fund Deposit Requirements and Other Dollar Amounts.

On October 1 of each Fiscal Year, and, initially, no later than January 1, 2020, specific dollar amounts referenced in this Agreement as being increased by CPI shall be adjusted for the next succeeding Fiscal Year by multiplying such amounts by a factor of one (1) plus the percentage increase (but not decrease), if any, in CPI during the most recently ended twelve-month period for which such CPI is available.

ARTICLE 8
ENVIRONMENTAL

Section 8.01 Compliance with Environmental Laws and Authority Rules and Regulations.

Airline hereby covenants and agrees to comply, and to require all Airline Parties to comply, with all applicable Environmental Laws and Rules and Regulations of the Authority in connection with its use and occupancy of the Leased Premises and any Airport facilities and property. In the event of any noncompliance with Environmental Laws or Rules and Regulations, Airline shall take prompt and appropriate action to address the conditions causing the noncompliance and return to full compliance. In the event of any conflict between requirements of Environmental Laws and the Rules and Regulations, the more restrictive requirement shall apply; provided, however, as long as compliance with a more restrictive Rule or Regulation does not violate a requirement of any Environmental Law.

Section 8.02 Environmental Documents.

Airline shall upon request make available for review by the Authority copies of all permits, approvals, certificates, registrations, and other authorizations issued by any Governmental Authority as required under Environmental Laws for Airline's activities at the Leased Premises and any Airport facilities and property, and any correspondence between Airline and such Governmental Authority concerning compliance with Environmental Laws for Airline's activities at the Leased Premises and any Airport facilities and property.

Section 8.03 Access for Environmental Inspection.

Authority shall have reasonable access to the Leased Premises upon notice to Airline, and at reasonable times in a manner that does not unreasonably interfere with Airline's operations, to inspect the same in order to confirm Airline is using the Leased Premises in accordance with Environmental Laws. Airline and Authority shall consult regarding performance of any sampling and testing reasonably determined by the Authority to be necessary to determine whether Airline is in compliance with Environmental Laws and its obligations under this Agreement. If such testing and analysis confirms that Airline's activities would not result in a violation under any Environmental Law, the Authority shall reimburse all costs of testing and analysis expended by Airline under this Section.

Section 8.04 Duty to Notify Authority.

Airline shall promptly notify the Authority by contacting the Authority's Vice President of Sustainability and Natural Resources or her or his designee promptly upon discovery of any release of Hazardous Materials by Airline or any Airline Party requiring notification to any Governmental Authority under Environmental Laws.

Airline shall notify the Authority within two (2) business days of any claim, demand, action, or notice made against Airline by any third party, including any Governmental Authority, regarding Airline's failure or alleged failure to comply with any Environmental Laws in

connection with its activities at the Airport. Airline must notify Authority in writing and must provide Authority with copies of any written claims, demands, notices, or actions so made.

Section 8.05 Hazardous Materials.

To the extent required by Environmental Law, Airline shall maintain an inventory of Hazardous Materials stored or used by it or its contractors at the Leased Premises and any Airport facilities and property which inventory shall be available for inspection by the Authority. Airline shall provide the Authority copies of such inventory and Safety Data Sheets upon request by the Authority.

Airline shall not store, use, treat, or dispose of any Hazardous Materials at the Leased Premises and any Airport facilities and property except where such use, storage, use, treatment or disposal is in compliance with all applicable Environmental Laws.

Section 8.06 Storm Water Compliance.

A. Construction Stormwater. The Authority maintains a NPDES general permit for Stormwater Discharges Associated with Construction Activities for the Airport property, a copy of which is provided as **Exhibit J**. Airline shall be familiar with the applicable requirements of this permit and shall require its contractors to be familiar with the applicable requirements of this permit prior to conducting any earth disturbance or construction requiring earth disturbance at the Leased Premises and any Airport facilities and property. Airline shall coordinate with the Authority's Vice President of Sustainability and Natural Resources or her or his designee to ensure that Airline's activities comply with this permit or are covered under a separate permit, as applicable.

B. Industrial Stormwater/Spills. Airline shall maintain (unless such maintenance is otherwise the responsibility of the Authority or a third party) any fuel systems and oil water separators present at the Leased Premises to prevent discharge of petroleum contaminants into the waterways that would violate the Authority's NPDES permit. Use of soaps, surfactants, or materials in a manner that such materials are likely to enter the waterways and violate the Authority's NPDES permit is prohibited except for approved operational plane deicing and other uses specifically approved in writing by the Authority.

In the event of a spill or release of Hazardous Substances caused by Airline or its contractors at the Leased Premises or any Airport facilities and property that may be reasonably expected to cause pollution of any surface water or ground water, the Airline shall take immediate action to contain such spill or releases. In addition to any reporting requirements under Environmental Laws, any release or spill of a Hazardous Material caused or permitted by Airline must be reported to the Authority as soon as reasonably practicable, but in no event more than a twenty-four (24) hour period following Airline's knowledge of the spill or release. In the event such spill or release is determined to be beyond the Airline's ability to safely address, or if it cannot or will not be cleaned up prior to entering any storm water systems, or should the release present an immediate hazard to life or property, the Airline shall notify the Authority's Vice President of Sustainability and Natural Resources or her or his designee immediately.

C. Deicing Solutions. Airline shall comply, to the extent applicable, with the 1994 Consent Order and its provisions related to aircraft and airfield deicing and anti-icing provisions. A copy of the 1994 Consent Order is provided as **Exhibit K**. Airline shall not dispose of any waste deicing fluids/glycol on Airport property and shall maintain its deicing fluids/glycol storage facilities and dispensing vehicles so as to prevent any release that could ultimately enter the storm water and negatively impact the Authority's NPDES permit except for approved operational plane deicing. Additionally, Airline must submit a summary of its aircraft deicing, defrosting, and airfield deicing chemical usage to the Authority by the 7th day of each month.

Section 8.07 Wastewater Compliance.

The Authority operates a wastewater pretreatment facility that receives wastewater from sinks, drains, floor drains, and other sources of wastewater at the Airport. This wastewater treatment facility discharges to a publicly owned treatment works under a pretreatment permit issued to the Authority by Moon Township Municipal Authority. If Airline maintains a hangar facility at the Airport, Airline agrees it shall not discharge or allow to be discharged any materials to the pretreatment system that would interfere with the operation of the pretreatment facility or pass through or cause a bypass of treatment that may reasonably be expected to result in a violation of any pretreatment permit applicable to the Airport.

Section 8.08 Regulated Storage Tanks.

The Airline shall be responsible for regularly monitoring, testing, inspecting, and registering its regulated storage tanks, underground storage tanks ("***UST***") and above ground storage tanks, if any, in accordance with all applicable Environmental Laws. In the event that the Airline removes and/or replaces any storage tank on the Leased Premises, the Airline shall conduct or cause to have conducted an appropriate environmental subsurface investigation. A copy of the subsurface investigation report and any other related reports shall be made available to the Authority immediately after completion. Throughout the Term of this Agreement, if the Airline owns any UST, the Airline shall maintain petroleum UST insurance satisfactory to the Authority or otherwise comply with applicable financial assurance requirements under Environmental Laws. The Airline may self-insure provided that it maintains reserves and coverage similar to that provided by the Commonwealth operated UST insurance fund.

Airline shall provide the Authority copies of any Spill Prevention, Control and Countermeasures (SPCC) Plan, Preparedness, Prevention and Contingency (PPC) Plan or Spill Response Plan (SRP) that the Airline may be required to prepare and maintain under Environmental Laws, and any amendments to any such Plans. Any such Plans and amendments shall be submitted to the Authority within ten (10) calendar days after submittal to the Governmental Authority.

Section 8.09 Environmental Remediation.

Airline shall undertake such steps to remedy and/or remove any Hazardous Materials and any other environmental contamination that arises out of Airline's use of the Leased Premises or the Airport. Any such remediation shall be in accordance with Environmental Laws and shall restore the property to a condition protective of human health and the environment without

reliance on unduly burdensome or costly engineering or administrative controls or restrictions on activity or use of the property. Such work shall be performed at Airline's expense. Upon reasonable written notice to Airline, the Authority may review and inspect all such work at any time using consultants and representatives of its choice at Airline's cost and expense, provided that the Authority's review and inspection does not unreasonably interfere with Airline's remediation efforts.

Section 8.10 Environmental Indemnification.

In addition to any indemnification set forth elsewhere in this Agreement, Airline hereby indemnifies and agrees to defend and hold harmless the Indemnified Parties from all costs, claims, demands, actions, liabilities, complaints, fines, citations, violations, or notices of violation arising from or attributable to: (i) a presence or release of Hazardous Materials into the environment caused by Airline or any Affiliate of Airline or an Airline officer, employee, agent or contractor at the Leased Premises or any Airport facility or property, or the subsurface, waters, air, or ground thereof, in excess of levels allowable by Environmental Laws or the violation of any Environmental Laws due to Airline's or any Airline Parties' management, control, authorization, handling, possession, or use of Hazardous Materials at the Airport; (ii) any breach by Airline of any of its warranties, representations, or covenants in this Article; (iii) Airline's remediation or failure to remediate Hazardous Materials as required by this Agreement. Airline's obligations hereunder will survive the termination or expiration of this Agreement, and will not be affected in any way by the amount of or the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting Airport or any part thereof, except that, in the event that Authority recovers funds from insurance carriers in connection with claims associated with (i), (ii), or (iii) above, Authority may not recover the same funds from Airline. Notwithstanding the foregoing, the Airline shall have no indemnification obligation under this Section 8.10 for any costs, claims, demands, actions, liabilities, complaints, fines, citations, violations or notices of violation arising from or attributable to any release of Hazardous Substances in, on or under the Leased Premises prior to the date of Airline's first occupancy of the Leased Premises (which may pre-date the Effective Date), except to the extent materially exacerbated by the Airline or any Airline Party or invitee.

ARTICLE 9
APPROVAL OF AIRPORT IMPROVEMENTS

Section 9.01 Approval of the Project.

The Authority and Airline each hereby approve the cost of design of and certain enabling projects for the Project up to an aggregate amount not to exceed One Hundred Fifty Million Dollars ($150,000,000).

The Authority and Airline each hereby approve the cost and scope of the Project as set forth in **Exhibit I**; provided, however, that the Authority must obtain MII approval as provided in Section 9.03 prior to incurring any additional costs includable in Airline Fees and Charges for, or issuing Bonds to finance, costs of the Project other than those set forth in the immediately preceding sentence. To the extent that the cost of the Project will be includable in Airline Fees

and Charges and/or the scope of the Project changes materially from that described in **Exhibit I**, the Signatory Airlines shall be entitled to a confirmation MII vote for Project approval, other than approval of the costs authorized in the first paragraph of this Section 9.01.

In the event that construction of the Project is not commenced by December 31, 2021, or thereafter if the Project is suspended for more than one hundred eighty (180) days, Airline agrees that the Authority may include any outstanding Bonds that financed the Project design and enabling projects (and if subsequently approved, construction) as direct capital charges in the calculation of the Terminal Rental Rate pursuant to Section 6.03, amortized over a period of no less than ten (10) years beginning in Fiscal Year 2022 or, if the Project is suspended, the Fiscal Year that the Project was suspended (or, in either case, a different date agreed to by the Authority and an MII). Airline further agrees not to challenge the inclusion of such capital charges in Airline Fees and Charges for the full period of its amortization.

By execution and delivery of the First Amendment, Airline agrees to construction of the TMP as set forth in this Agreement, as amended, including incurring the Estimated Project Cost and the Additional Costs as set forth therein, as amended, inclusion of such costs in Airline Fees and Charges and issuing Bonds to finance the remaining costs of the TMP, all subject to the amended **Exhibit I**. Such approval constitutes Airline's MII approval of the TMP for purposes of Sections 9.01 and 9.03 of this Agreement and Airline hereby acknowledges that all requirements of the Authority set forth in said Sections 9.01 and 9.03 have been satisfied or are hereby waived by Airline.

Section 9.02 Issuance of Bonds for the Airport.

Airline hereby authorizes the Authority, at the Authority's sole discretion, to include in the calculation of Airline Fees and Charges the Debt Service on the Bonds issued by the Authority, for any of the purposes and to the extent permitted by this Article 9; provided, however, that such Debt Service is properly allocated and allocable to a Cost Center.

Section 9.03 Majority-in-Interest Approval for Additional Projects.

A. Except as provided in Section 9.04, any Capital Project for which capital charges are to be included in Airline Fees and Charges during the Term of this Agreement, must not be disapproved by an MII of the Signatory Airlines prior to the inclusion of capital charges for such project in Airline Fees and Charges as provided in this Section 9.03. Airline hereby acknowledges that, regardless of planned funding sources, no Airline approval is required for Capital Projects other than those Capital Projects directly affecting Airline Fees and Charges. Airline acknowledges that the rights granted in this Article 9 are expressly limited to the withholding of Airline concurrence pursuant to Section 9.03 for the inclusion of capital charges of certain Capital Project(s) in Airline Fees and Charges. Airline also acknowledges that nothing contained in this Agreement in any way limits or restricts the rights of the Authority to implement any other capital project at the Airport at any time, provided that the cost of any Capital Project that is not approved in accordance with this Article 9 may not be included in Airline Fees and Charges.

B. For a Capital Project requiring approval of a Majority-in-Interest of the Signatory Airlines, the Authority shall receive approval if the Authority (1) submits a written proposal to the Signatory Airlines, which proposal shall include an estimate of (a) the cost and scope of such Capital Project, (b) the need for and benefit of such Capital Project, (c) the capital charge to be included in Airline Fees and Charges resulting therefrom, and (d) the projected completion date for such Capital Project; (2) holds a consultation meeting (the "***Consultation Meeting***") of the Signatory Airlines to discuss such Capital Project no earlier than thirty (30) days from the date such written proposal was submitted; (3) allows each Signatory Airline to register written approval or disapproval within thirty (30) days of the Consultation Meeting; and (4) an MII does not submit written disapproval of such Capital Project within such thirty (30) day period.

C. For purposes of this Article, overall MII approval of Signatory Airlines shall occur unless written disapproval from an MII of the Signatory Airlines is received by the Authority within thirty (30) days of the Consultation Meeting. Any Signatory Airline that does not register written approval or disapproval within thirty (30) days of the Consultation Meeting shall be considered to have registered approval.

Section 9.04 Capital Projects Not Subject To MII Consideration.

Notwithstanding any other provision of this Agreement or this Article 9 to the contrary, the Authority's obligation to seek MII approval of the Signatory Airlines on certain Capital Projects shall exclude the following:

A. The costs of design of and certain enabling projects for the Project as set forth in Section 9.01.

B. Reserved.

C. Any Capital Project the capital costs of which shall not be recovered through Airline Fees and Charges.

D. Any Capital Project funded wholly from moneys on deposit in the Airport System Capital Fund (the costs of which shall not be subsequently recovered or amortized through Airline Fees and Charges).

E. Any Capital Project having a capital cost, net of grants, PFCs, CFCs, and Other Authority Revenues, of One Million Dollars ($1,000,000) or less, which amount shall be adjusted annually commencing on the first day of the Fiscal Year commencing after the Effective Date and each Fiscal Year thereafter by the increase in CPI as provided in Section 7.06.

F. Any Capital Project in the Airfield Cost Center which is eligible for federal or State grant funding and for which the Authority has received grant funding commitment of at least fifty percent (50%) of the cost of the Capital Project.

G. Capital Projects required by the FAA, the Department of Transportation, the TSA, the Department of Homeland Security, or similar Governmental Authority, other than the Authority, having jurisdiction over the Airport System, any Signatory Airline's operations, or the issuance of federal or state grants to the Authority or otherwise necessary or prudent to ensure

compliance with Applicable Laws, grant assurances, the Indenture, or noise mitigation obligations.

H. Projects to repair casualty damage to the Airport System property to the extent that such damage is not covered by casualty insurance (or interim financing pending receipt of insurance proceeds).

I. Except as expressly provided in **Exhibit I**, Special Facilities for which, in all cases, the tenant(s) or other user(s) thereof shall be required to pay directly or reimburse the Authority for all costs, including finance costs, associated with such facilities during the term of this Agreement, and which are not guaranteed by or a contingent liability of the Authority.

J. Improvements or additions, including all costs therefor, or other costs, expenses, damages, assessments, or judgments necessary to settle claims, satisfy judgments, or comply with judicial orders against the Authority by reason of its ownership, operation, maintenance, or use of the Airport System, including judicial orders requiring the acquisition by the Authority of additional lands or making of compensation to owners of lands for the taking thereof, or where a constructive taking has been found, or to settle a threatened taking.

K. Expenditures of an emergency nature that, if not made, would result in the closing of any of the runways or other critical aeronautical facilities of the Airport System.

L. Except as expressly provided in **Exhibit I**, expansion of the Airport facilities for the increased requirements of any Signatory Airline(s) if such Signatory Airline(s) shall agree in writing to increased rentals, fees, and charges sufficient to cover the payment of Debt Service applicable to the construction, including design and financing costs, of any Exclusive Use Premises, Shared Use Premises, Preferential Use Premises, or Common Use Baggage Premises portions of the Airport during the Term of this Agreement, and which are not guaranteed by or a contingent liability of the Authority. In the event said expansion necessitates the concurrent construction of related public or support systems, the Authority shall consult with the Signatory Airlines. The costs and expenses of such related public or support systems shall be treated under this Agreement in the same manner as the costs and expenses associated with other similar facilities and/or support systems previously constructed. This exclusion shall also be applicable to projects to accommodate a Non-Signatory Airline under the same terms and conditions; provided, however, such Non-Signatory Airline shall be required to enter into an agreement with the Authority substantially similar to this Agreement.

M. Improvements to the Airport necessary to relocate Air Carriers as set forth in Section 4.05 hereof, and the capital cost of such relocations, at the discretion of the Authority.

N. Any Capital Projects funded wholly by any grants, gifts, bequests, contributions, or donations, including any such funds provided by any person or entity, including an Air Carrier, doing business at the Airport.

O. Project formulation costs, including planning, conceptual design, architectural, and engineering studies.

Section 9.05 Other Capital Projects and Obligations; Special Facilities.

A. In addition to, and not in limitation of, any and all rights and obligations of the Authority contained in this Article 9, and subject to the provisions of this Article 9, the Authority may issue obligations (other than Bonds) and use the proceeds thereof to fund the cost of designing, constructing and equipping capital projects for the Airport System other than the Project so long as the debt service thereon and all costs related to the issuance thereof (including, but not limited to, underwriters' discount, legal fees, financial advisors' fees, other consultants' fees, credit facility fees, remarketing fees, and bond insurance premiums) are not included in the calculation of Airline Fees and Charges. Such issuance of obligations shall not require the consent of Airline or a Majority-in-Interest. These obligations may include, without limitation, special facility revenue bonds or general airport revenue bonds of the Authority.

B. The user or users of the Special Facility shall enter into an agreement with the Authority that will provide for certain payments by such Air Carrier or Air Carriers in addition to those required under this Agreement, including debt service on obligations issued to finance the design and construction of the Special Facility and the O&M Costs of such Special Facility.

Section 9.06 Exhibit I Prevails.

In the event of any conflict between the provisions of this Article 9 and those of **Exhibit I** with regard to the Project, the provisions of **Exhibit I** shall prevail.

ARTICLE 10
OBLIGATIONS OF THE AUTHORITY

Section 10.01 Operation and Maintenance.

A. The Authority shall keep the Airport System in good condition and repair. The Authority shall, in accordance with **Exhibit G-1**, prior to DBO, and **Exhibit G-2**, after DBO, operate, maintain, and make all necessary repairs and replacements to the Terminal, including all roof maintenance, structural maintenance, and maintenance of the heating, ventilating, and air conditioning systems not required to be maintained by Airline. In the interest of efficient and safe ramp operations, the Authority shall have the right to establish a central refuse removal system for all tenants on the Airport, and to charge the cost of such system to the users thereof, including all Air Carriers using such system. The Authority also shall maintain and make all necessary repairs and replacements to the assets described in clause (i) of the definition of the Airfield, the Terminal Ramp, and roadways, and the Authority shall be responsible for sweeping and removing debris from the Terminal Ramp that is not leased by an Air Carrier.

B. The Authority shall cause gas, electricity, air conditioning, heat, sewerage and water to be supplied to Airline's Leased Premises and to such public areas of the Airport as may require the same by means of outlets, lines, ducts, and pipelines existing on the Effective Date and, following completion of the Project, at DBO. The Authority may charge Airline separately for the Authority's costs of any utility requirements or uses resulting from special demands of Airline or for special utilization of equipment, including, but not limited to, ground power and conditioned air, and may require Airline to have meters installed in these instances to measure Airline's consumption. All such charges shall be applied to all Air Carriers on a uniform basis.

The Authority shall make diligent efforts to supply Airline with utility services as specified above, but if the Authority is not able to provide such utility services, such failure shall not constitute a constructive eviction. Further, the Authority shall not be liable to Airline in damages, or for any reduction in Airline Fees and Charges, or otherwise, for the interruption of utility services (including heating, ventilation, or air conditioning): (i) to the extent any utility shall become unavailable from any public utility company, public authority, or any other person or entity supplying or distributing such utility; or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation, or air conditioning) caused by the making of any necessary repairs or improvements unless such interruption is due to the Authority's negligence or willful misconduct; or (iii) which results from any cause beyond the reasonable control of the Authority. In no event shall the Authority be responsible to Airline for indirect or consequential damages.

C. The Authority shall be responsible for the removal of snow and ice from runways, taxiways, unleased aircraft parking positions and common use access between such areas.

D. Airline may, from time to time, request the Authority to perform any given maintenance, replacement, repair work, or other service for which Airline is responsible pursuant to Section 11.01, or any alterations, additions, or improvements authorized pursuant to Section 11.02. The Authority shall be under no obligation to perform any such services; however, if the Authority does perform any such services it shall do so on a work-order basis, and shall invoice Airline therefor in an amount equal to the Authority's cost of providing such services, plus an administrative fee of ten percent (10%) of such costs, which costs shall include all Authority direct and indirect costs, including but not limited to, all fringe and overhead rates. Nothing in this Paragraph D is intended or shall be construed to obligate Airline to use the services of the Authority personnel for the performance of any maintenance, replacement or repair work for which Airline is responsible pursuant to Section 11.01, or any alterations, additions or improvements authorized pursuant to Section 11.02.

Section 10.02 Security Services.

The Authority shall provide such law enforcement officers and such support personnel, facilities, services, and equipment, in such numbers at such times and at such locations which are at a minimum necessary for the Authority's compliance with the requirements of current Federal Aviation Security Regulations, currently set forth at 49 CFR Part 1500*, et seq.*, or any successor regulations thereto. The costs of providing such officers, support personnel facilities, services, and equipment shall be allocated among Cost Centers in accordance with **Exhibit E**.

Section 10.03 Compliance by Other Tenants.

The Authority shall use commercially reasonable efforts to obtain uniform compliance by all tenants with its applicable Rules and Regulations. However, the Authority shall not be liable to Airline for any violation or non-observance of such Rules and Regulations by any tenant, concessionaire, or other person at the Airport.

Section 10.04 No Warranty of Condition or Suitability.

THE AUTHORITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE LEASED PREMISES OR THAT THE LEASED PREMISES SHALL BE SUITABLE FOR AIRLINE'S PURPOSES OR NEEDS. THE AUTHORITY SHALL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECT AND AIRLINE SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY RENTALS OR OTHER AMOUNTS PAYABLE TO THE AUTHORITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE LEASED PREMISES. BY ITS ENTRY ONTO THE LEASED PREMISES, AIRLINE ACCEPTS THE LEASED PREMISES IN THEIR "AS IS" CONDITION AND HEREBY WAIVES ALL CLAIMS AGAINST THE AUTHORITY ARISING ON OR AFTER THE EFFECTIVE DATE RELATING TO THE CONDITION OF THE LEASED PREMISES ARISING FROM THE CONSTRUCTION THEREOF AND ALL OTHER CLAIMS AGAINST THE AUTHORITY RELATING TO THE CONDITION OF THE LEASED PREMISES OTHER THAN THOSE ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE AUTHORITY.

ARTICLE 11
OBLIGATIONS OF AIRLINE

Section 11.01 Maintenance, Replacement and Repair.

A. Airline shall, at its own cost and expense, be responsible for performing, or cause to be performed, maintenance, replacement and repair of its Leased Premises in accordance with **Exhibit G-1**, prior to DBO, and **Exhibit G-2**, after DBO, and of its own personal property, whether or not the same is affixed or attached to such Leased Premises. Airline shall, at its own cost and expense, undertake snow and ice removal from its Preferential Aircraft Parking Positions.

Section 11.02 Alterations, Additions and Improvements.

A. Except as expressly provided herein, Airline shall make no alterations, additions, or improvements to or installations on its Leased Premises (including, but not limited to, work which could affect the architecture, utility, fire protection, or other systems for which the Authority is responsible) without the prior written permission of the Authority Engineering Department.

B. Before the commencement of any such work, detailed plans and specifications, and any amendments thereto, shall be filed with and approved by the Authority Engineering Department and all Governmental Authorities having jurisdiction thereover. All such work shall be performed subject to the Authority Tenant Request Process (as such process may be amended from time to time) and in accordance with the requirements of Applicable Law and the Rules and Regulations and, where required, each affected public utility company. As of the Effective Date, the Authority Tenant Request Process is available on request.

C. Such work shall be performed in a good and workmanlike manner and in accordance with the plans and specifications approved by the Authority Engineering Department for the same. At all times during such work, Airline and its contractor must maintain copies of

all construction documents, approvals, and drawings (including redlined as-built drawings) on site and available for inspection by the Authority until the completion of the project. The Authority and township building permits must be displayed at all times until project completion. The Authority may perform random inspections during construction to determine compliance with the approved plans and specifications. The Authority reserves the right to halt any work for safety violations or work that deviates from the approved plans and specifications. Airline shall promptly commence to redo or replace and diligently pursue the same, at its sole cost and expense, prior to or after completion of such work, any work which is not performed substantially in accordance with such plans and specifications as approved by the Authority Engineering Department.

D. The Authority Engineering Department shall perform a final closeout inspection at project completion. If needed, a punch list will be developed for the Airline and its contractor to complete before the Authority will approve project completion. After the Authority accepts the final work, a set of as-built drawings, in hard copy and electronic form, must be submitted to the Authority Engineering Department within sixty (60) days, along with the total project cost. During the final inspection, a key must be provided to the Fire Department.

E. Subject to the provisions of Section 5.04, all alterations, additions, or improvements, except for Airline's personal property, equipment and trade fixtures, at any time placed upon its Leased Premises by Airline shall be deemed to be and become a part of the realty and the sole and absolute property of the Authority upon completion.

F. Airline shall promptly pay all lawful claims made against the Authority and discharge all liens filed or which exist against the Leased Premises or any other portion of the Airport (other than Airline's trade fixtures or trade equipment) arising out of or in connection with, whether directly or indirectly, the failure to make payment for work done or materials provided by Airline, its contractors, subcontractors, or materialmen. However, Airline shall have the right to contest the amount or validity of any such claim or lien without being in default under this Agreement upon furnishing evidence of security in an amount equal to one hundred fifty percent (150%) of such claim or lien that such claim or lien will be properly and fully discharged forthwith in the event that such contest is finally determined against Airline or the Authority. The Authority shall give timely notice to Airline of all such claims and liens of which it becomes aware.

G. Airline shall not install any object in the Terminal or commence construction of any alterations, additions, or improvements that constitutes a work of visual art under the Visual Artists Rights Act of 1990, as amended ("***VARA***") unless and until Airline has provided the Authority with either (i) written notification that VARA does not apply; or (ii) a written waiver from the author of a work of visual art, in form and substance reasonably satisfactory to the Authority, which identifies specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1).

Section 11.03 Security Provided by Airline.

Airline and its Airline Parties shall comply with (i) the provisions of the Authority's TSA-approved airport security plan for the Airport as from time to time existing, and (ii) applicable regulations of the TSA, as from time to time existing.

Section 11.04 Conduct.

Airline and its Airline Parties shall not unreasonably disturb, annoy, or offend others at the Airport. Upon notification by the Authority of any violation of the provisions of this Section 11.04, Airline shall forthwith take all reasonable measures necessary to terminate the unreasonably offensive, disorderly, or improper conduct.

Section 11.05 Performance by the Authority upon Failure by Airline.

The Authority by its authorized officers, employees, agents, contractors, sub-contractors, and other representatives shall have the right, upon oral or written notice to Airline (at such times as may be reasonable under the circumstances and with as little interruption of Airline's operations as is reasonably practicable), to enter upon and in the Leased Premises for the following purposes:

A. Inspection. To inspect such Leased Premises to determine whether Airline has complied and is complying with the terms and conditions of this Agreement, including without limitation, the Authority may inspect for repairs to utilities systems and for any other purpose necessary for or incidental to or connected with the Authority's obligations hereunder, or in the exercise of its governmental functions, or in the Authority's capacity as Airport owner.

B. Maintenance. To perform maintenance and make repairs in any case where Airline is obligated, but has failed to do so, after the Authority has given Airline reasonable notice to do so, Airline shall reimburse the Authority for the cost of such performance plus an administrative fee of ten percent (10%) of the amount expended by the Authority.

Section 11.06 Affiliates.

A. Airline must provide thirty (30) days' written notice to the Authority designating an Air Carrier as an Affiliate via a form provided by the Authority prior to such Air Carrier serving as an Affiliate of the Airline at the Airport. The Air Carrier proposed to be an Affiliate must not be in default to the Authority. Upon written approval by the Authority, the Affiliate shall pay fees, rates and charges as if the Affiliate were a Signatory Airline, without payment of any additional charges or premiums (i) for as long as Airline remains a signatory to this Agreement; and (ii) for as long as the Affiliate remains an Affiliate of Airline. Each Affiliate shall execute an operating agreement with the Authority in a form reasonably acceptable to the Authority prior to such Air Carrier serving as an Affiliate of the Airline at the Airport which will contain, among other provisions, the requirement to pay a Security Deposit to the Authority. Airline may at any time give the Authority thirty (30) days' prior written notice that such Air Carrier otherwise meeting the definition of an Affiliate hereunder shall no longer be considered an Affiliate of Airline for purposes of this Agreement. As a precondition of being approved by the Authority, each Affiliate shall (x) be independently liable for all charges incurred related to its operation at the Airport (in addition to the Signatory Airline's liability stated below), (y) maintain

certain minimum levels of insurance coverage, and (z) indemnify and hold the Indemnified Parties harmless of any and all damages incurred as a result of its operations at the Airport as set forth in Article 14 hereof.

B. Airline hereby agrees to and shall guarantee full payment of all fees, rates, rentals, and charges, including PFCs, incurred by or due from an Affiliate of Airline as a result of flights that an Affiliate of Airline operates for and on behalf of Airline at the Airport. Notwithstanding the foregoing, Airline is not responsible for fees, rates, rentals, and charges, including PFCs, applicable to flights operated by an Affiliate of Airline on its own behalf or for any entity other than Airline.

C. Without affecting an Affiliate's obligation to Airline pursuant to a separate agreement between the Airline and its Affiliate or otherwise, Airline shall fully indemnify the Authority for all conduct and omissions of the Affiliate to the fullest extent provided in Section 14.01 of this Agreement.

D. The activities and revenues attributable to the operations of Affiliates at the Airport shall be included in any Majority-In-Interest approval required in (i) Section 9.03; or (ii) any other section hereof and the Affiliate's operations shall be included with the Airline's Enplaned Passengers and landed weight; provided, however, that the Affiliate shall not be considered as a separate Signatory Airline for purposes of MII approvals under this Agreement.

E. The Authority shall not seize any aircraft owned or operated by Airline arising from any default by an Affiliate.

ARTICLE 12
RULES AND REGULATIONS; COMPLIANCE WITH LAWS

Section 12.01 Rules and Regulations.

Airline covenants and agrees to observe and obey (and to require the Airline Parties to observe and obey and to exercise diligent efforts to require its passengers, guests, invitees, and those doing business with Airline, to observe and obey) the Rules and Regulations, as they may from time to time during the Term of this Agreement be promulgated or amended for reasons of safety, health, sanitation, and good order; provided, however, that such Rules and Regulations shall (a) not be inconsistent or interfere with the reasonable exercise by Airline of any right or privilege expressly granted hereunder or under any other agreement between Airline and the Authority relating to the Airport or any part thereof, nor inconsistent with the rules and regulations of any Federal agency having jurisdiction with respect to Airline or its operations, (b) not materially increase Airline's obligations hereunder, and (c) be applied by the Authority in a not unjustly discriminatory manner. With respect to this Agreement, the obligation of Airline to use its diligent efforts to require such observance and obedience on the part of its passengers, guests, invitees, and business visitors shall apply only while such persons are in the Terminal Area and any of Airline's non-Terminal Area leaseholds. Authority agrees it will not promulgate or amend any Rules and Regulations that would have an unreasonably adverse effect on Airline's rights hereunder. In the event of any conflict between requirements of Applicable Law and the

Rules and Regulations, the more restrictive requirement shall apply, as long as compliance with a more restrictive Rule or Regulation does not violate a requirement of any Applicable Law.

Section 12.02 Observance and Compliance with Laws.

Each of Airline and the Authority shall, in connection with its rights and obligations hereunder, observe, and comply with, and pay all taxes and obtain all licenses, permits, certificates, and other authorizations required by all Applicable Laws, including but not limited to all rules, regulations, and directives of the Federal Aviation Administration, as applicable to the Airline or Authority, including without limitation, those requirements of the FAA set forth in **Exhibit H**, as such requirements may be amended by the FAA from time to time. Airline agrees to make part of and incorporate into this Agreement by reference or by setting forth at length, at the option of Authority, any and all Applicable Laws, and assurances and covenants required pursuant thereto, the incorporation of which may now or hereafter be required by the Federal Aviation Administration or other federal agency or by the Commonwealth; provided, however, that nothing herein shall be construed to limit or diminish the right of Airline, at its own cost, risk, and expense, to contest, by appropriate judicial or administrative proceeding, the applicability or the legal or constitutional validity of any such Applicable Law. Notwithstanding anything contained herein or in **Exhibit H** to the contrary, to the extent permitted by Applicable Law, the provisions of Sections B.3 and B.6 of **Exhibit H** shall be applicable with respect to the Leased Premises and, where applicable, for contracts and subcontracts Airline enters into and solicitations Airline issues on and after the Effective Date of the Agreement.

Section 12.03 SEC Rule 15c2-12.

Upon the request of Authority, Airline will provide Authority with such information with respect to Airline as Authority may reasonably request in writing in order for Authority to comply with its continuing disclosure obligations under Securities and Exchange Commission ("***SEC***") Rule 15c2-12, as it may be amended from time to time; provided that Airline may in lieu of providing the requested information direct Authority to an Airline or SEC website where the requested information is then currently available.

ARTICLE 13
DAMAGE TO, DESTRUCTION, CONDEMNATION OR DISPOSITION OF AIRPORT

Section 13.01 Damage to, Destruction or Condemnation of Airport.

If the Airport (other than the ACAA Area and any Special Facilities) or any portion thereof shall be damaged or destroyed or is taken as a result of an eminent domain proceeding, all proceeds of all insurance required by Section 14.02 and all proceeds resulting from eminent domain proceedings shall be applied as provided below.

A. Total or Substantial Taking. During the Term of this Agreement, if the whole or if such a portion of the Airport or the Leased Premises as will materially interfere with the Airline's conduct of its Air Transportation Business is taken, acquired by, or sold to a government under threat of such a taking (each event hereinafter called a "***taking***") for any public or quasi-public use or purpose under any power of eminent domain or condemnation, then the Term of this Agreement shall cease and terminate on the date that title vests in the condemning authority

pursuant to such proceedings or under such sale in lieu thereof. Airline shall pay all required payments apportioned to the date of such termination and shall promptly vacate the Leased Premises. All sums representing prepaid Airline Fees and Charges, if any, shall be promptly repaid to the Airline, less any amounts then due the Authority.

B. Less than a Total or Substantial Taking. If the taking of the Leased Premises is not of the whole or not of such a portion as will materially interfere with the Airline's conduct of its Air Transportation Business, then the Agreement will expire as to that portion of the Leased Premises taken but shall continue in full force and effect as to that portion of the Leased Premises not taken. All sums representing prepaid Airline Fees and Charges for the portion of the Leased Premises so taken, if any, shall be promptly repaid to the Airline, less any amounts then due the Authority.

C. Damage or Destruction of Premises. If the Terminal or Airline's Leased Premises shall be partially damaged by fire or other casualty, but not rendered untenantable, the same shall be repaired with due diligence by the Authority at its own cost and expense, but only to the extent of the proceeds of insurance received with respect to such Leased Premises, and the Airline Fees and Charges payable hereunder with respect to Airline's Leased Premises shall continue to be paid. If the damage shall be so extensive as to render such Leased Premises untenantable but capable of being repaired in thirty (30) days, the same shall be repaired with due diligence by the Authority at its own cost and expense, but only to the extent of the proceeds of insurance received with respect to such Leased Premises, and the Airline Fees and Charges payable hereunder with respect to Airline's Leased Premises shall continue to be paid up to the time of such damage and shall thenceforth cease until such time as the Leased Premises shall be restored. The Authority shall use commercially reasonable efforts to provide Airline with alternate premises, including use of Common Use Facilities, if available pursuant to Article 4, which shall, to the extent reasonably possible, be comparable in size, type, character, condition and suitability for Airline's operations during such period of repair or reconstruction.

Section 13.02 Untenantable Conditions.

In case the Terminal is completely destroyed by fire or other casualty or so damaged that it will remain untenantable for more than thirty (30) days, or in case it does so remain untenantable for more than thirty (30) days, at the option of Airline either (i) the Terminal shall be repaired or reconstructed with due diligence by the Authority at its own cost and expense, but only to the extent of the proceeds of insurance received with respect to such Leased Premises, and the Airline Fees and Charges payable hereunder with respect to Airline's Leased Premises shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as the Leased Premises shall be put in order; or (ii) within sixty (60) days after the time of such damage or destruction and before the said Leased Premises are restored, Airline shall give the Authority notice of its intention to cancel this Agreement, in which case this Agreement shall forthwith cease and determine. If the Leased Premises occupied or used by Airline hereunder, or any portion thereof, are damaged or destroyed and thereby rendered untenantable, the Authority shall use diligent efforts to provide Airline with alternate premises, including the Common Use Facilities, if available pursuant to Article 4, which shall, to the extent reasonably possible, be comparable in convenience, size, type, character, condition, and suitability for Airline's operations, during such period of repair or reconstruction. Except to the extent the Authority provides Airline with such alternative Leased Premises, Airline shall not be obligated to pay

Airline Fees and Charges for such untenantable portion during such time as it remains untenantable. In no event shall Airline be required to pay Airline Fees and Charges with respect to such alternative premises which are in excess of those that would have been payable for the premises which were rendered untenantable; provided, however, that if Airline elects to take space in excess of the premises which were rendered untenantable, Airline shall be required to pay Airline Fees and Charges with respect to such excess space; and provided, further, that there shall be no abatement or reduction of Airline Fees and Charges where the untenantable condition is caused by the willful misconduct or negligent act or omission of Airline, or its Airline Parties, except to the extent of proceeds of business interruption or other similar insurance received with respect to such damage or destruction.

Section 13.03 Proceeds of Award or Settlement.

The Authority shall deposit the proceeds of any court or arbitration award or settlement in lieu thereof with respect to the Airport (other than any Special Facilities) received by the Authority as follows: (i) if and to the extent such proceeds arise as a result of the Authority's ownership, operation, use or maintenance of any of the Airfield Area or Terminal, such proceeds shall be deposited into the appropriate fund under the Indenture; and (ii) If and to the extent such proceeds arise as a result of the Authority's ownership, operation, use or maintenance of the ACAA Area, into the Airport System Capital Fund.

ARTICLE 14
INDEMNIFICATION AND INSURANCE

Section 14.01 Indemnification.

A. Airline shall defend, indemnify, and hold harmless the Indemnified Parties from and against any and all losses, liabilities, costs, suits, claims, judgments, expenses, fines, or demands of any kind (including, but not limited to, costs of investigation, reasonable attorney's fees, court costs, and expert fees) of any nature whatsoever (each a "***Loss***" and collectively, "***Losses***"), arising out of or alleged to arise out of the use by, occupancy of, or operations of Airline or any Airline Party on the Leased Premises or any acts or omissions of Airline in connection with this Agreement, except to the extent any such Loss is caused by the willful misconduct or negligent act or omission of the Authority or any other Indemnified Party, or the negligent act or omission or willful misconduct of any other Air Carrier using the Airport, or its respective directors, officials, officers, agents, employees, licensees (other than Airline), contractors, or subcontractors. Notwithstanding any of the foregoing provisions of this Section 14.01(A), Airline's obligations under this Section 14.01 shall not extend to any amounts payable by the Authority as a result of claims, actions, proceedings, or suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, property damage, personal injury, or similar claims, actions, proceedings, or suits based upon the environmental impacts resulting from the use of the Airport for the landing and taking off of aircraft, all of which shall be treated as part of the Costs and shall be allocated to the Airfield Area. Airline shall have no responsibility for any such amounts beyond its responsibility to pay its Airline Fees and Charges.

B. Airline agrees to defend, indemnify, and hold harmless the Indemnified Parties from and against any and all claims or liability for compensation under any workers'

compensation statute arising out of injuries sustained by any employee of Airline, except to the extent caused by the willful misconduct or negligent act or omission of the Authority or its officers, officials or employees, or the negligent act or omission or willful misconduct of any other Air Carrier using the Airport, or its directors, officials, officers, agents, employees, licensees (other than Airline), contractors or subcontractors. However, nothing in this Section 14.01(B) is intended or shall be construed to obligate Airline to defend, indemnify, or hold harmless from or against any claim or liability under any workers' compensation statute arising out of any injury sustained by any employee of the Authority in the course of her or his employment. Airline covenants that it shall require its licensees, contractors, and subcontractors to maintain in effect at all times workers' compensation insurance as required by law.

C. Subject to the provisions of Section 6.07(F), Airline agrees to indemnify the Authority from, and to assume all liability for, and to pay, all taxes and assessments, including such taxes and assessments as may from time to time be imposed by the Authority, for payment of which the Authority may become liable and which by Applicable Law may be levied or assessed on the Leased Premises occupied by Airline pursuant to this Agreement, or which arise out of the operations of Airline or by reason of Airline's occupancy of its Leased Premises. Airline may, at its own risk, cost, and expense, and at no cost to the Authority, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment. Airline shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the CEO copies of receipts of payment.

D. The Authority shall promptly notify the Chairman of the PIT Airport Affairs Committee of each claim, action, proceeding, or suit arising on or after the Effective Date as a result of the Authority's ownership, operation, and maintenance of the Airport, setting forth the particulars of such claim, action, proceeding, or suit and shall, subject to the maintenance of appropriate privileges, including without limitation attorney-client privilege, furnish such Chairman with a copy of all judicial filings and legal process and any correspondence received by the Authority related thereto. The Signatory Airlines, acting through the PIT Airport Affairs Committee and at their own cost and expense, shall have the right to employ separate legal counsel, which legal counsel shall, subject to the maintenance of appropriate privileges, including without limitation attorney-client privilege, be invited by the Authority to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings related to such claim, action, proceeding, or suit.

E. Without limiting the generality of any other provision hereof, Airline shall reimburse the Authority for the cost of any and all reasonable outside attorney's fees and investigation expenses incurred by the Authority in the defense and handling of said suits and claims and in enforcing the provisions of this Agreement.

Section 14.02 Insurance.

A. Airline shall, at its own cost and expense, maintain in effect the following insurance coverage at all times during the term of this Agreement and, prior to or contemporaneously with the Commencement Date, shall deliver to the CEO certificates of insurance, on the industry standard form (ACORD 25) or other form acceptable to the Authority,

issued by a company or companies possessing a rating of A- VII or higher from the A.M. Best Company or an equivalent rating service and qualified to pay claims within the Commonwealth evidencing the following coverage:

1. Comprehensive/Airline liability insurance subject to a limit of liability of not less than Two Hundred Million Dollars ($200,000,000) per occurrence and in the aggregate, (One Hundred Million Dollars ($100,000,000) per occurrence and in the aggregate for Air Carriers that only operate aircraft with 35 seats or fewer), as adjusted pursuant to the provisions of this Section 14.02; provided, however, that the sublimit for Personal Injury Coverage for non-passengers and for advertising injury liability shall be Twenty-Five Million Dollars ($25,000,000) each occurrence and in the annual aggregate, and the sublimit for Fire Legal Liability shall be Ten Million Dollars ($10,000,000). Coverage shall include, without limitation, Bodily Injury and Property Damage to Third Parties, Aircraft Liability, Contractual Liability, Products-Completed Operations, Personal Injury, Advertising Injury Liability, Terminal-Operations, Independent Contractors, and Fire Legal Liability. The Products-Completed Operations coverage shall be provided for a minimum of two years following final acceptance of the work except in the case of construction, in which case the coverage shall be provided for a minimum of five years following final acceptance of the work. Such policy or policies shall, to the degree reasonably possible, be issued on an occurrence basis, and shall cover Airline's operations at the entire Airport and all on-Airport vehicles and mobile equipment, and all activities of Airline at the Airport and all indemnifications made in this Agreement. The Authority and the other Indemnified Parties shall be named as additional insureds to the extent of Airline's indemnification obligations set forth in Section 14.01.

2. Comprehensive auto liability insurance written on a form providing coverage at least as broad as the ISO CA 00 01 covering owned, hired, and non-owned vehicles used and operated by Airline against bodily injury and property damage claims, subject to a limit of liability of not less than Five Million Dollars ($5,000,000) (Ten Million Dollars ($10,000,000) for vehicles with airside access) per occurrence and in the aggregate, as adjusted pursuant to the provisions of this Section 14.02. The Authority and the Indemnified Parties shall be named as additional insureds to the extent of Airline's indemnification obligations set forth in Section 14.01.

3. Workers' compensation insurance as required by law and employer's liability insurance with a limit of liability of not less than One Million Dollars ($1,000,000).

4. To the extent not otherwise covered by Airline's Comprehensive/Airline liability policy, commercial general liability insurance covering premises operations, broad form contractual liability, personal liability (with employee exclusion deleted), and broad form property damage against bodily injury and property damage claims subject to a limit of liability not less than a combined single limit of Twenty-Five Million Dollars ($25,000,000) per occurrence and in the aggregate, as adjusted pursuant to the provisions of this Section 14.02. The Authority and the Indemnified Parties shall be named as additional insureds to the extent of Airline's indemnification obligations set forth in Section 14.01.

Each of the aforementioned certificates shall provide that such policies shall be primary to any other policies of insurance maintained by the Authority (except with respect to Workers' Compensation/Employer's Liability policies) and shall provide that such policies cannot be canceled or changed in any manner that may adversely affect the Authority, except after the issuing company has provided thirty (30) days' prior written notice to the CEO. Airline shall advise the Authority of any notice of cancellation, non-renewal, or material change in any policy within ten (10) days of notification of such action, provided that Airline shall provide notice within five (5) days for non-payment of premium. Any and all deductibles in the insurance policies described above shall be assumed by and be for the account of, and at the sole risk of, Airline. The workers' compensation insurance requirement of Section 14.02(A)(3) may be satisfied by self-insurance evidenced by a certificate of self-insurance that complies with the requirements of the Applicable Laws of the Commonwealth. Airline shall deliver to the CEO, on or before the date of the renewal of any policy of insurance required hereunder, a renewal certificate that shall conform to the requirements set forth in this Section for the original certificates.

B. The Authority shall maintain or cause to be maintained in effect at all times during the term of this Agreement the following coverage:

1. Property insurance including boiler and machinery covering the Airport (excluding the ACAA Area) for all-risk coverage in an amount equal to the replacement cost thereof. However, the Authority shall not be obligated to insure any of the cargo or other property of Airline or of any other person or persons which is or may be at any time located in, on, or about the Leased Premises.

2. Airport liability insurance providing commercial general liability coverage, blanket contractual liability, personal injury liability (with employee exclusion deleted), on-premises automobile including owned, non-owned, and hired automobiles used and operated by the Authority, against bodily injury and property damage arising out of the existence or operation of the Airport (except the ACAA Area) subject to a limit of liability of not less than Two Hundred Million Dollars ($200,000,000).

C. The Authority shall upon request of a Majority-in-Interest, purchase policies of insurance which are additional, in scope or amount of coverage, to those policies described in this Article 14. The Authority shall furnish to the Chair of the PIT Airport Affairs Committee copies of any cancellation notices received by the Authority with respect to any coverages referenced in this Article 14. In no event shall the Authority maintain deductibles in the insurance policies described in this Article 14 in an amount in excess of Two Million Dollars ($2,000,000) in the aggregate without the prior written recommendation of an independent risk consultant. None of the insurance requirements specified above, except as otherwise provided herein, may be satisfied by self-insurance except with the written recommendation of an independent risk consultant.

D. Notwithstanding anything contained in this Section 14.02 to the contrary, the CEO may, upon the recommendation of the Authority's independent risk consultant, increase, or may in her or his discretion and upon the recommendation of the Authority's independent risk consultant, waive or decrease, any of the specific insurance requirements set forth in this Section

14.02 by written notice to Airline. Failure by Airline to take out or maintain, or the taking out or maintenance of, any insurance required hereunder, shall not relieve Airline from any liability under this Agreement, nor shall the insurance requirements hereof be construed to conflict with or otherwise limit any contractual obligations, including those of indemnification, of Airline contained herein. Further, should any Governmental Authority require or modify insurance requirements to amounts greater than those set by the Authority, it shall be Airline's responsibility to obtain such coverage as may be required without notification from the Authority. Airline may use commercial umbrella/excess liability insurance so that Airline has the flexibility to select the best combination of primary and excess limits to meet the total insurance limits required by this Agreement.

E. Notwithstanding the above, Airline and the Authority agree to review the insurance requirements of this Agreement at least every five (5) years and to make any revisions deemed reasonable and necessary by the Authority and recommended by the Authority's independent risk consultant.

F. The All Risk and fire and extended property coverage required of Airline hereunder with respect to the Airport or any portion thereof shall contain a waiver of subrogation provision to waive all rights of recovery under subrogation or otherwise against the Authority. All of the policies required of Airline shall be primary and Airline agrees that any insurance maintained by the Authority shall be non-contributing with respect to Airline's insurance.

G. Airline shall not do or permit to be done anything, either by act or failure to act, which shall cause cancellation of any policy of property insurance for its Leased Premises or any part thereof. Further, if Airline shall do or permit to be done anything, either by act or failure to act, that shall cause an increase in the premiums for property insurance for such Leased Premises, Airline shall either pay the amount of such increase, pursuant to invoices from the Authority, or purchase additional insurance for the Authority with terms satisfactory to the Authority.

H. The Authority shall not enter into any agreement with any third party which would prejudice the subrogation of Airline or its insurers against such third party.

ARTICLE 15
TERMINATION AND DEFAULT UNDER AGREEMENT

Section 15.01 Termination by the Authority.

A. If any one or more of the following shall occur, then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Authority may, at its option, immediately and without notice, terminate this Agreement and the licenses and other rights of Airline hereunder or exercise any other right granted under this Agreement to the Authority:

1. Airline shall become insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. 101, *et seq*. (the "***Bankruptcy Code***"), or any successor statute thereto); or shall fail to pay its debts generally as they mature; or shall take the benefit of any present or future federal or state insolvency statute; or shall make a general

assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any state thereof, or consent to the appointment of a receiver, trustee, custodian, liquidator or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against Airline under any chapter of the Bankruptcy Code;

2. by order or decree of a court, Airline shall be adjudged a debtor or bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the readjustment of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or any state thereof and such order or decree shall not be stayed or vacated within sixty (60) days of its issuance;

3. a petition under any chapter of the Bankruptcy Code or an action under any federal or state insolvency law or statute shall be filed against Airline and shall not be dismissed or stayed within sixty (60) days after the filing thereof;

4. by or pursuant to, or under authority of, any legislative act, resolution, or rule, or any order or decree of any Governmental Authority, a receiver, trustee, custodian, liquidator, or other similar official shall take possession or control of all or substantially all of the property of Airline and such possession or control shall continue in effect for a period of sixty (60) days;

5. Airline shall become a corporation in dissolution;

6. the rights of Airline hereunder shall be transferred to, pass to, or devolve upon, by operation of law or otherwise, any other person, firm, corporation, or other entity by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in Subparagraphs 1 through 5 of this Paragraph A; or

7. Airline shall voluntarily discontinue Air Transportation Business at the Airport for a period of ninety (90) consecutive days or for a period of one hundred twenty (120) days whenever occurring in any Fiscal Year or, after exhausting or abandoning any further appeals, Airline shall be prevented for a period of ninety (90) consecutive days by action of any Governmental Authority other than the Authority from conducting its Air Transportation Business at the Airport, except with respect to any such action by a Governmental Authority affecting Air Carriers generally at the Airport.

B. If Airline shall become a merged corporation in a merger or a constituent corporation in a consolidation which is permitted pursuant to Section 17.14, such merger or consolidation shall not be grounds for termination of Airline's rights hereunder. If Airline shall become a merged corporation in a merger or a constituent corporation in a consolidation which is prohibited pursuant to Section 17.14, the Authority may, at its option, terminate this Agreement or exercise any other right granted under this Agreement to the Authority upon thirty (30) days prior written notice in accordance with Section 17.10.

C. If Airline shall fail to duly and punctually pay any Airline Fees and Charges or PFCs required to be paid hereunder or shall fail to make payment when due of any other sum

required to be paid to the Authority pursuant to this Agreement, then the Authority may, if such default is not cured within ten (10) days after Airline's receipt of written notice thereof with respect to the non-payment of Airline Fees and Charges, and thirty (30) days with respect to the non-payment of any other fee or charge, at the Authority's option, terminate this Agreement or exercise any other right granted under this Agreement to the Authority, by sending written notice of termination in accordance with Section 17.10.

D. If any one or more of the following shall occur, then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Authority may, at its option, terminate this Agreement or exercise any other right granted under this Agreement to the Authority by sending written notice of termination in accordance with Section 17.10:

1. a lien which exceeds Ten Thousand Dollars ($10,000), or liens which in the aggregate exceed Twenty-Five Thousand Dollars ($25,000) (as each such dollar amount is adjusted pursuant to the provisions of Section 7.06), shall be filed against the Leased Premises or any portion thereof because of any act or omission of Airline, and shall not be discharged or bonded over within thirty (30) days after receipt of notice or other knowledge thereof by Airline, unless Airline shall within the aforesaid thirty (30) days after receipt of notice or other knowledge thereof by Airline furnish to the Authority security in the amount of one hundred fifty percent (150%) of such lien or liens to protect the interests of the Authority and diligently proceed to contest such lien or liens; or

2. Airline shall fail to maintain the insurance coverages required under this Agreement or Airline's authority to operate as an Air Carrier at the Airport shall be suspended or revoked for any reason; or

3. Airline shall fail to keep, perform, and observe any other promise, covenant, or other provision of this Agreement or any other agreement between the Authority and the Airline for a period of thirty (30) days after written notice specifying such failure is given to Airline by the Authority; provided, however, that any such failure which can be remedied, but which cannot with due diligence be remedied within such thirty (30) day period, shall not give rise to the Authority's right to terminate this Agreement if corrective action is instituted by Airline within the applicable period and diligently pursued until the failure is remedied.

E. Notwithstanding any other provision in this Agreement, Airline agrees that upon any Event of Default (beyond any applicable notice and cure period granted hereunder), the Authority may:

1. Upon five (5) days' prior written notice (except for any Event of Default under Section 15.01(D)(2), which shall not require any advance written notice), (i) terminate Airline's right to possession of the Leased Premises or any part thereof and/or (ii) terminate this Agreement, and thereafter in either case, with or without legal process, take possession of the Leased Premises and remove Airline, any occupant and any property therefrom, using such force as may be necessary, without being guilty of trespass and without relinquishing any rights of the Authority against Airline.

2. Recover damages from Airline in an amount equal to the amount herein covenanted to be paid as Airline Fees and Charges, together with all reasonable expenses of any proceedings (including, but not limited to, any commissions paid to any real estate agent, attorney's fees, advertising expense, and the cost of such alterations, repairs, replacements, and decoration or re-decoration as Authority in its sole judgment considers advisable and necessary for the purpose of re-renting the Leased Premises); provided, however, that there shall be credited against the amount of such damages amounts received by the Authority from re-renting the Leased Premises for the remainder of the Term. Authority shall use commercially reasonable efforts to re-rent the Leased Premises but in no event shall be liable in any way whatsoever for failure to so re-rent the Leased Premises or, in the event that the Leased Premises are re-rented, for failure after reasonable efforts to collect the rent thereof under such re-renting.

3. No act or thing done by Authority shall be deemed to be an acceptance of a surrender of the Leased Premises unless Authority shall execute a written agreement of surrender with Airline. Airline's liability hereunder shall not be terminated by the execution of a new lease of the Leased Premises by Authority.

4. Airline agrees to pay to Authority, upon demand, the amount of damages herein provided after the amount of such damages shall have been ascertained; provided, however, that any expenses incurred by Authority in enforcing its rights under this Agreement shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be taken each month or at other times by Authority against Airline to recover the damages then due, without waiting until the end of the Term of this Agreement to determine the aggregate amount of such damages.

5. Airline hereby expressly waives any and all right of redemption granted by or under present or future laws in the event of Airline being evicted or being dispossessed for any cause in accordance to the provisions of this Agreement, or in the event of Authority obtaining possession of the Leased Premises by reason of the violation by Airline of any of the covenants and conditions of this Agreement.

6. Without waiving any default and without terminating this Agreement, pay any sum required to be paid by the Airline to parties other than the Authority and which Airline has failed to pay, and perform any obligations required to be performed by the Airline, in each case as required under this Agreement, and any amounts so paid or expended by the Authority in fulfilling the obligation of the Airline hereunder shall be repaid by the Airline to the Authority on demand together with interest thereon at the rate of fifteen percent (15%) per annum from the date of such payment or expenditure.

7. Bring suit for the collection of amounts due for which Airline may be in default or for the performance of any other covenant, promise, or agreement of Airline for performance or damage therefor, all without terminating this Agreement.

8. Assess Airline at the rate of one and one-half percent (1.5%) per month or, if less, the highest rate permitted under Applicable Law on any and all fees and amounts

not paid to the Authority when due, in accordance with this Agreement, until such fees or amounts are paid.

9. Without terminating this Agreement, exclude Airline from its Leased Premises and use diligent efforts to lease such Leased Premises to another Air Carrier for the account of Airline, holding Airline liable for all Airline Fees and Charges and other payments due hereunder up to the effective date of such leasing and for the excess, if any, of the Airline Fees and Charges and other amounts payable by Airline under this Agreement for the remainder of the Term of this Agreement over the rentals and other amounts which are paid by such new Air Carrier under such new agreement.

10. From time to time, take whatever action at law or in equity appears necessary or desirable to collect Airline Fees and Charges and any other amounts payable by Airline hereunder then due and thereafter to become due, and to enforce the performance and observance of any obligation, agreement, or covenant of Airline under this Agreement.

F. It is understood and agreed that the remedies set forth in this Section 15.01, shall be in addition to all other remedies which are or may be available to the Authority at law or in equity.

G. All of the Authority's remedies shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Leased Premises or any part thereof shall deprive the Authority of any of the Authority's remedies or actions against Airline for unpaid Airline Fees and Charges and for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Airline Fees and Charges or breach of covenant or the resort to any other remedy herein provided for the recovery of Airline Fees and Charges be construed as a waiver of the right to obtain possession of the Leased Premises.

Section 15.02 Termination by Airline.

If Airline is not in default in the payment of any amount due to the Authority hereunder, Airline may terminate this Agreement prior to the Scheduled Expiration Date set forth in Section 5.01 and its obligations hereunder by giving the Authority thirty (30) days' written notice by registered or certified mail upon or after the happening and during the continuance of any of the following events:

A. any failure by the Authority to keep, perform, and observe any material promise, covenant, or other provision of this Agreement for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Authority by Airline; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such thirty (30) day period, shall not give rise to Airline's right to terminate this Agreement if corrective action is instituted by the Authority within the applicable period and diligently pursued until the failure is corrected; or

B. Airline is prevented from conducting its Air Transportation Business at the Airport for a period of one hundred twenty (120) consecutive days for any reason other than its own fault.

Section 15.03 No Waiver.

A failure by either party to this Agreement to take any action with respect to any default or violation by the other party of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of the non-defaulting party to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by the Authority of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of the Authority pursuant to this Agreement to terminate this Agreement for subsequent violation or default, or for continuation or repetition of the original violation or default.

Section 15.04 Agreement to Pay Attorneys' Fees and Expenses.

In the event Airline defaults under this Agreement and the Authority employs attorneys or incurs other expenses for the collection of Airline Fees and Charges or any other amounts due hereunder, or the enforcement or performance or observance of any obligation or agreement on the part of Airline herein contained, Airline shall, on demand, pay to the Authority the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred by the Authority.

ARTICLE 16
ASSIGNMENT OR SUBLEASE

Section 16.01 Assignment and Sublease by Airline.

A. Except as otherwise provided in this Agreement, Airline shall not assign, sublease, transfer, convey, sell, mortgage, pledge or encumber (hereinafter, collectively, each an "***Assignment***") this Agreement or the Leased Premises without the prior written approval of the CEO. Notwithstanding the foregoing, so long as the Authority has approved a Handling Agreement, Airline may allow the use of the Leased Premises through such Handling Agreement by any other entity conducting an Air Transportation Business or holding a valid permit issued by the Authority to provide such services, provided that Airline remains primarily liable hereunder and provides notice of such use to the Authority. Neither this Agreement nor any interest hereunder shall be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise without the prior written consent of the CEO, except as provided in Section 17.14. If Airline fails to obtain the prior written approval of the CEO to any Assignment, the Authority, in addition to any other rights and remedies set forth herein, shall have the right to refuse to recognize the agreement and the assignee conducting an Air Transportation Business shall acquire no interest in this Agreement or any rights to use the Leased Premises. This Section is not intended to prevent the Assignment of this Agreement to an Affiliate of Airline if such Affiliate conducts an Air Transportation Business at the Airport and expressly assumes in writing all rights and obligations

of Airline hereunder as provided in Section 17.14. The Authority's consent shall not be required so long as the Airline provides advance written notice that an Assignment of this Agreement will be for benefit of an entity with which the Airline may merge or consolidate, or which may succeed to a controlling interest in the business of the Airline or which shall purchase all or substantially all of the assets of the Airline as long as such successor is a FAA-certificated Air Carrier. Any and all requests by Airline for an Assignment shall be made in writing by certified mail to the CEO and shall include copies of the proposed documents of Assignment. Said documents of Assignment shall completely disclose any and all monetary consideration paid to Airline for said Assignment. Airline shall reimburse the Authority for all reasonable costs and expenses incurred by the Authority in connection with the review and approval of any such Assignment. If approved, Airline shall submit a fully executed copy of such agreement, which shall be substantially in the form approved by the Authority, to Authority within ten (10) days after the commencement of the Assignment.

B. The Authority will not unreasonably withhold, delay, or condition its approval of Assignments (excluding Handling Agreements) which require its consent but Airline agrees that reasonable circumstances for the Authority to disapprove or condition an Assignment (excluding Handling Agreements) include, but are not limited to, the following:

1. If the Authority determines that there is adequate space for lease directly from the Authority.

2. If Airline has failed to accommodate an Air Carrier on reasonable terms (including fees) prescribed by the Authority in accordance with Section 4.03 hereof.

3. If the assignee or sublessee is not, and is not willing to become, a Signatory Airline.

4. If the Authority determines, in its reasonable discretion, that the proposed assignee or sublessee is not substantially as creditworthy as the Airline.

5. If such proposed assignee is not a Signatory Airline and a Signatory Airline is, in the determination of the Authority, in need of the Leased Premises proposed to be assigned or subleased; provided that the Signatory Airline is willing to take such Leased Premises on substantially the same terms and conditions as proposed in the Assignment.

C. In the event of any approved Assignment of the Leased Premises, Airline shall remain fully and primarily liable during the Term of this Agreement for the payment of all of the Airline Fees and Charges due and payable to the Authority for the Leased Premises and performance of all other obligations hereunder.

Section 16.02 Assignment by the Authority.

The Authority may pledge some or all of the revenues and receipts under this Agreement as security for payment of the principal of, premium, if any, and interest on, obligations issued pursuant to the Indenture. The Authority shall not transfer all of the Airport nor assign this

Agreement to any person or entity unless such person or entity expressly assumes in writing all of the Authority's obligations hereunder.

ARTICLE 17
GENERAL PROVISIONS

Section 17.01 Authority's Right of Entry; Temporary Relocation.

A. Upon reasonable notice, during Airline's normal business hours, the Authority shall have the right to enter Airline's Leased Premises to perform any of the Authority's obligations under this Agreement, exercise any of its rights under this Agreement or in the exercise of its governmental functions, or in the event of any alteration, improvement, or construction on, adjacent to, or in the vicinity of Airline's Leased Premises, for purposes related thereto; provided, however, that the Authority in exercising such right shall not unreasonably interfere with Airline's Air Transportation Business. Notwithstanding the foregoing limitations, in an emergency, the Authority shall have the absolute right to enter Airline's Leased Premises to perform or exercise any of the aforementioned obligations or rights; provided, however, that the Authority in its exercise of such right of entry shall not unreasonably interfere with Airline's Air Transportation Business.

B. In addition to those rights reserved by the Authority in Section 17.01(A) above, the Authority reserves the right from time to time as may be reasonably necessary to close, relocate, reconstruct, change, alter, or modify Airline's Leased Premises for purposes of maintaining or constructing improvements, modifications, or expansions to the Airport, including, but not limited to, the Project, provided that:

1. at least thirty (30) days' written notice (except in an emergency) of any such action is given by the Authority to Airline; and

2. the Authority shall use commercially reasonable efforts to make reasonably convenient and equivalent alternative premises and adequate means of ingress and egress thereto available to Airline; and

3. the Authority complies with the provisions of Section 17.01(C) below.

C. Airline shall continue to pay Terminal Rentals with respect to its Leased Premises during any such temporary relocation (adjusted for any decrease in square footage); provided, however, that the Authority shall reimburse Airline for the actual and reasonable costs associated with any necessary relocation and all additional expenses reasonably incurred by Airline as a result thereof. Any such reimbursed costs and expenses shall be deemed to be a cost of such improvement, modification, or expansion project and shall be allocated to the Terminal Cost Center and included in the calculation of Airline Fees and Charges; provided, however, that any such costs or expenses as a result of the construction of Special Facilities shall be allocated as a cost of such Special Facilities. Such additional costs and expenses shall include, but not be limited to, the costs of any necessary additional security services and the costs associated with any additional employees required to perform the functions of automated equipment which is made unavailable to Airline as a result of the Authority's actions taken pursuant to Section 17.01(B) and (C).

Section 17.02 Quiet Enjoyment.

The Authority agrees that on payment of the Airline Fees and Charges as herein required and subject to performance and compliance by Airline of the covenants, conditions, and agreements on the part of Airline to be performed and complied with hereunder, Airline shall peaceably have and enjoy the Leased Premises and all the rights, licenses, privileges, appurtenances, and facilities granted herein.

Section 17.03 Surrender.

Airline covenants and agrees to yield and deliver peaceably to the Authority possession of the Leased Premises on the Expiration Date or earlier termination hereof, whether such cessation be by termination, expiration, or otherwise, promptly and in substantially the same condition as at the commencement of the Term or, if improved, in substantially the same condition as of the completion date of the last improvement made by Airline or the Authority to the Leased Premises, in each case excepting reasonable wear and tear and fire and casualty damage to the extent not required to be insured by Airline and conditions directly or indirectly caused by the negligence or willful misconduct of the Authority or its agents or employees.

Section 17.04 Force Majeure.

A. Neither Authority nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of governmental authority, weather conditions, riots, rebellion, sabotage, terrorism, pandemic, epidemic, declaration of a state of emergency by a Federal or State Governmental Authority, or any other circumstances for which it is not responsible or which is not within its control; provided, however, that nothing in this Section is intended or shall be construed to abate, postpone, or in any respect diminish Airline's obligations to make any payments due to the Authority pursuant to this Agreement.

B. The Authority shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited, restricted, or rationed by any Governmental Authority or Applicable Law.

Section 17.05 FAA Requirements.

Airline shall comply with the applicable requirements of the FAA set forth in **Exhibit H** hereto, as such requirements may be amended or interpreted by the FAA from time to time.

Section 17.06 No Partnership or Agency.

It is understood and agreed that nothing contained in this Agreement is intended or shall be construed to in any respect create or establish the relationship of partners between the parties hereto, or as constituting Airline as the general representative or agent of the Authority for any purpose whatsoever.

Section 17.07 Conflict of Interest.

No official, director, officer, agent, or employee of the Authority may have any concession or privilege, or any direct or indirect interest or connection with any concession, privilege, license, or right pertaining in any way to the Airport System without approval of the Board members (excluding any interested director) of the Authority voting to approve such concession or privilege. Ownership of stock in a publicly-held corporation shall not be considered a violation of this Section 17.07.

Section 17.08 No Personal Liability.

No official, director, officer, agent, or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval, or attempted execution of this Agreement.

Section 17.09 Authority Books and Records.

The Authority shall follow such procedures and keep and maintain such books, records, and accounts as may be necessary or appropriate to comply with the terms of this Agreement or the Indenture. Such books, records, and accounts shall, at a minimum, contain all items affecting the computation of Airline Fees and Charges and the Concession Incentive Fee. Airline shall have the right, during normal business hours, upon reasonable notice, in the company of an officer or employee of the Authority and at its own expense, to examine, make copies of and take extracts from such books, records and accounts, but only as necessary to ensure compliance by the Authority with the terms of this Agreement.

Section 17.10 Notices.

Except as otherwise expressly provided hereunder, all notices and other communications provided for under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, sent by recognized overnight courier, or telecopied or sent by electronic mail, or personally delivered to the Authority and Airline at the following addresses:

If to the Authority, to:

Chief Executive Officer
The Allegheny County Airport Authority
Pittsburgh International Airport
Landside Terminal - Suite 4000
1000 Airport Boulevard
Pittsburgh, PA 15231

If to Airline, to:

or to such other person or address as either the Authority or Airline may hereafter designate by notice to the other in accordance with this Section. Except as otherwise expressly provided hereunder, any notice or communication under this Agreement shall be deemed to have been given or made: (i) if a messenger or courier service is used, when delivered to the addressee; (ii) if sent by registered or certified mail, five (5) days after being deposited in the mail, postage prepaid and properly addressed; and (iii) if sent by telecopy or electronic mail, the earlier of (x) actual receipt by addressee and (y) twenty-four (24) hours after confirmation of transmission.

Section 17.11 Entire Agreement.

This Agreement, including the attached exhibits and endorsements, embodies the entire agreement between the Authority and Airline relating to the subject matter hereof, and supersedes all prior agreements and understandings, written or oral, express or implied, between the Authority and Airline relating thereto. This Agreement, including the attached exhibits and endorsements, may not be changed, modified, discharged, or extended except by written amendment duly executed by both of the parties.

Section 17.12 Applicable Law.

This Agreement shall be deemed to have been made in and shall be construed in accordance with, the laws of the Commonwealth.

Section 17.13 Covenant Not to Grant More Favorable Terms.

The Authority agrees that it will not charge a more favorable rental, fee, or charge to any other Air Carrier providing similar services at the Airport and executing an agreement with the Authority for comparable space, facilities, or rights at the Airport than that being paid by Airline hereunder, unless the Authority also makes those more favorable terms available to Airline. The provisions of this Section do not apply to the rental rate on ground space at the Airport. Notwithstanding the foregoing, so long as the Authority complies with all Applicable Laws related thereto, nothing in this Section 17.13 shall be construed to apply to (i) any promotional fee waiver agreement offered by the Authority pursuant to the FAA's Policy and Procedures Concerning the Use of Airport Revenue, Fed. Register Vol. 64, No. 30, February 16, 1999 and the Air Carrier Incentive Program Guidebook, as each may be amended or altered from time to time, or (ii) to any Economic Development Distribution Program utilizing non-Airport revenues to support the promotion of additional air service; provided that any such program is available to all Air Carriers which are eligible under the Authority's promotional fee waiver policy.

Section 17.14 Airline Mergers and Consolidations.

In the event Airline consolidates with or merges into another corporation or permits one or more other corporations to consolidate with or merge into it, or transfers or conveys all or

substantially all of its property, assets and licenses to another corporation or other entity (each of the foregoing a "***Change in Control***"), the corporation or entity resulting from such merger or consolidation (if such corporation or entity surviving such merger or other consolidation is not Airline) or the corporation or other entity to which such transfer or conveyance is made shall: (i) assume in writing and agree to perform all of Airline's obligations hereunder; (ii) be qualified to do business in the Commonwealth; (iii) demonstrate to the reasonable satisfaction of the CEO the financial resources necessary to continue to operate at the Airport in substantially the same (or better) manner as Airline prior to such Change in Control; and (iv) if such corporation or other entity shall not be organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, furnish to the Authority an irrevocable consent to service of process in, and to the jurisdiction of the courts of, the Commonwealth with respect to any action or suit, in law or equity, brought by the Authority to enforce the Agreement. If Airline is the surviving corporation or other entity in such a merger, the provisions of the preceding sentence shall not be applicable.

Section 17.15 Minority Business Enterprise Provisions.

Notwithstanding anything contained herein which may be construed or interpreted to the contrary, the Authority may provide for participation of minority business enterprises in the operation of the Airport by the Authority in accordance with any minority business enterprise program or other affirmative action program of the Authority as in effect from time to time.

Section 17.16 Severability.

In the event any provision contained in this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision herein contained.

Section 17.17 Prohibition Against Grant of Exclusive Rights.

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public, and the Authority reserves the right to grant to others the privileges and right of conducting any or all activities of an aeronautical nature.

Section 17.18 Agreements with the United States.

The Airline agrees that this Agreement shall be subject and subordinate to the provisions of any existing or future agreements between the Authority and the United States of America relative to the operation and maintenance of the Airport System, the terms and execution of which have been or may be required as a condition precedent to the expenditure by or reimbursement to the Authority of Federal funds for the development of the Airport ("***Grant Assurances***"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates such Grant Assurances, the Authority has the right to amend, alter, or otherwise modify the terms of this Agreement solely as required to resolve such conflict or violation. Airline further agrees that it shall not knowingly cause the Authority to violate any Grant Assurances made by the Authority to the Federal Government in connection with the granting of such Federal funds.

Section 17.19 Subordination to Indenture.

A. This Agreement and all rights granted to Airline hereunder are expressly subordinate and subject to the lien, covenants, and provisions of the pledges, transfer, hypothecation, or assignment made by the Authority in the Indenture. In the event that enforcement of the express terms of this Agreement would result in a breach of the express terms of the Indenture, the provisions of the Indenture shall be deemed to preclude such enforcement.

B. The Authority shall have the right in its sole discretion to redeem the Bonds now outstanding or hereafter issued pursuant to the Indenture at any time and from time to time in whole or in part in accordance with the terms of such Bonds, including without limitation the right to defease all outstanding Bonds. In the event that all of the Bonds are defeased and the Indenture is thereby terminated, subject to the terms hereof, the Authority may adopt or enter into another trust indenture or other agreement providing for the issuance of debt secured by Airport System revenues and/or Passenger Facility Charges and/or Customer Facility Charges, which debt may be senior or subordinated to other debt issued or to be issued pursuant to such indenture or agreement, and such subsequent indenture or agreement shall be deemed to be the "Indenture" as defined in and for the purposes of this Agreement.

C. Airline understands that the Authority is and will be the issuer of Bonds. With respect to Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income of the holders of such Bonds for Federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "***Code***"), Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act), with respect to the use of the Leased Premises, if the act or failure to act may cause the Authority to be in noncompliance with the provisions of the Code, nor will Airline take, or persist in, any action or omission which may cause the interest on the tax-exempt Bonds either (i) not to be excludable from the gross income of the holders thereof for Federal income tax purposes; or (ii) to the extent the Bonds were issued as exempt from to the alternative minimum tax (the "***AMT***") to become subject to the AMT for Federal income tax purposes, and Airline elects during the Term of this Agreement not to take depreciation on any portion of the Leased Premises financed with the proceeds of tax-exempt Bonds.

D. In the event that Airport System revenues at any time shall be insufficient to pay Debt Service required under the Indenture, Airline agrees that the Authority shall have the right to require additional payments from all the Air Carriers operating at the Airport calculated pursuant to a reasonable and not unjustly discriminatory methodology sufficient to satisfy such Debt Service requirement.

Section 17.20 Approvals.

Except as expressly otherwise provided in this Agreement, whenever the approval, acceptance, or the consent of any person is required hereunder, such approval, acceptance or consent shall not be unreasonably withheld, conditioned or delayed.

Section 17.21 Representatives.

Each of the Authority and Airline shall designate a representative who, except as otherwise provided hereunder, shall be authorized to act for each of the Authority and Airline, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. For the purposes of actions to be taken by it or by the CEO, the Authority's representative shall be the CEO. Airline's representative shall be designated in a written notice delivered to the Authority. Any party hereto may change its designated representative by notice to the other party pursuant to the provisions of Section 17.10.

Section 17.22 Scope of Actions.

Any reference herein to actions by agents, employees, licensees, contractors, or subcontractors, shall respectively be deemed to be a reference to agents acting within the scope of their agency, employees acting within the scope of their employment, licensees acting within the scope of their license, contractors acting within the scope of their contract, and subcontractors acting within the scope of their subcontract.

Section 17.23 Successors and Assigns.

All of the covenants, stipulations, and agreements herein contained shall, subject to the provisions of Section 16.01, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 17.24 No Third Party Beneficiaries.

Except as may be expressly set forth herein, this Agreement is for the sole benefit of the Authority and Airline and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity other than the parties hereto and their successors and assigns any legal or equitable rights hereunder. Except as may be expressly set forth herein, neither this Agreement nor any provision hereof nor any Exhibit hereto shall create any right in favor of any person or entity other than the Authority and Airline and their respective successors and assigns.

Section 17.25 Counterparts.

This Agreement may be executed in one or more counterparts.

Section 17.26 Authority Authorization.

This Agreement is entered into by the Authority pursuant to the authorization duly given by the Board of Directors on _____, 2020 at Agenda Number _____.

IN WITNESS WHEREOF, this Agreement is duly executed by the parties hereto as of the date first written above, intending themselves to be legally bound hereby.

AIRLINE: _____

ATTEST:

By: _____ By: _____

Date: _____ Date: _____

Print: _____ Print: _____

Title: _____ Title: _____

THE ALLEGHENY COUNTY AIRPORT AUTHORITY

ATTEST:

By: _____ By: _____
Christina A. Cassotis
Chief Executive Officer

Date: _____ Date: _____

Print: _____

Title: _____

By: _____
David Minnotte
Chairman

Date: _____

APPROVED AS TO FORM:

By: _____
Jeffrey W. Letwin
Authority Solicitor

Date: _____

Exhibit E

Calculation of Signatory Airline Fees and Charges

1. ADJUSTMENT OF SIGNATORY AIRLINE RATES

Signatory Airline rates for Airline Fees and Charges shall be adjusted as set forth in Article 7 of this Agreement. This **Exhibit E** sets forth the method to be used in calculating the Terminal Rental Rate and the Landing Fee Rate payable by Signatory Airlines.

2. SPECIAL RATE BASE ELEMENTS AND FUND DEPOSIT ALLOCATIONS

(a) The Airport System Capital Fund Deposit Requirement shall be allocated between the Terminal and the Airfield in amounts intended to cause the Landing Fee Rate and the Terminal Rental Rate to be, in the Authority's judgment, substantially as level as reasonably practical.

(b) The Authority has advanced the funds necessary to defease all Bonds that were outstanding as of December 18, 2019, in the aggregate principal amount of $24,914,089 (the "***ACAA Loan***"), and such amount shall be repaid through Airline Fees and Charges beginning in Fiscal Year 2021 in an amount intended to cause total Airline Fees and Charges to be, in the Authority's judgment, substantially as level as reasonably practical.

(c) Beginning in Fiscal Year 2021, the Signatory Airlines will fund the deficiency in the Renewal and Replacement Fund Requirement, over a period determined by the Authority, through the Terminal Rental Rate. The deficiency in the fund as of June 1, 2020 was $3,000,000.

3. CALCULATION OF SIGNATORY AIRLINE LANDING FEE RATE

(a) The "Net Airfield Cost" will be calculated for each Fiscal Year as follows:

Airfield Area O&M Expenses
+ Allocable Debt Service (including Debt Service on the ACAA Loan, net of PFC offsets applied to Debt Service pursuant to the Indenture, if applicable)
+ Allocable Coverage Requirement
+ Allocable Fund Deposit Requirements
+ Allocable Capital Projects Approved by an MII
+ Allocable Capital Projects Not Subject to Approval by an MII*
+ (-) Net Cost of Allegheny County Airport (up to the AGC Cap)
+ All other Costs allocable to the Airfield Area not listed above

= Total Airfield Cost

Minus, without duplication
- Non-Signatory Airline Landing Fees
- Other Revenues Allocable to Airfield Area, excluding Signatory Airline Landing Fees
- Other Authority Revenues Allocated in the Authority's Sole Discretion to Airfield Area
- Allocable amounts of CARES Act Funds as determined by the Authority

= Net Airfield Cost
==========

(b) The Landing Fee Rate per one thousand (1,000) pounds will equal the budgeted Net Airfield Cost divided by the budgeted Maximum Gross Landed Weight in thousand-pound units of all aircraft of all Signatory Airlines landed in Revenue Aircraft Arrivals at the Airport during such Fiscal Year. The Landing Fee Rate shall be determined to the nearest one-tenth (1/10) of one cent ($.001) per each one thousand (1,000) pounds.

4. CALCULATION OF SIGNATORY AIRLINE TERMINAL RENTAL RATE

(a) The "Net Terminal Area Cost" will be calculated for each Fiscal Year as follows:

Terminal Area O&M Expenses
+ Allocable Debt Service (including repayment of the ACAA Loan, and net of PFC offsets applied to Debt Service pursuant to the Indenture, if applicable)
+ Allocable Coverage Requirement
+ Allocable Fund Deposit Requirements (including the Renewal and Replacement Fund Requirement)
+ Allocable Capital Projects Approved by an MII
+ Allocable Capital Projects Not Subject to Approval by an MII*
+ Concession Incentive Fee
+ All other Costs allocable to the Terminal Area not listed above

= Total Terminal Area Cost

Minus, without duplication
- Terminal Ramp Fees included in the Gate/Holdroom Requirement
- Automated Baggage System Charges
- Signatory Airline and Non-Signatory Airline Facility Fees and FIS Fees
- Non-Signatory Airline Terminal Rentals
- Other Revenues Allocable to Terminal Area, excluding Signatory Airline Terminal Rentals
- Other Authority Revenues Allocated in the Authority's Sole Discretion to Terminal Area
- Allocable amounts of CARES Act Funds as determined by the Authority

= Net Terminal Area Cost
==========

(b) The Net Terminal Area Cost shall be divided by total square feet of the Signatory Airline Leased Premises to yield the Terminal Rental Rate per square foot per annum for the Fiscal Year.

5. NET COST OF AGC

The net revenues or, in the case of a negative number, the net Costs of Allegheny County Airport for each Fiscal Year shall equal the excess of revenues derived from the operation of AGC for such Fiscal Year over the operating requirement of AGC for such Fiscal Year calculated as

provided in this **Exhibit E**. The net revenues or net Costs of AGC shall be included in the Net Airfield Cost; provided, however, that any net revenues or net Costs of AGC in excess of the AGC Cap, as adjusted from time to time in accordance with Section 7.06, shall not be included in such Net Airfield Cost.

*Excludes Capital Projects funded from the Airport System Capital Fund

Exhibit I

Terminal Modernization Program

Approval of the TMP.

The Authority has evaluated and recommended a Terminal Modernization Program to right-size the existing terminal facilities in light of the significant changes in demand and function since the existing terminal opened in 1992. Throughout this process, the Authority has closely coordinated and collaborated with the Signatory Airlines in developing the TMP facility requirements, scope, and cost estimates, including the retention of an Airline Technical Representative ("***ATR***") to represent the interests of the Signatory Airlines in the planning and design process. The ATR participated and shall continue to actively participate in the planning and design of the TMP. By execution of this Agreement, the Signatory Airlines, including Airline, have approved the cost of design of and certain enabling projects for the Terminal Modernization Program up to an aggregate amount not to exceed One Hundred Fifty Million Dollars ($150,000,000).

Estimated TMP Project Costs and Funding

Except as provided in this **Exhibit I** and in accordance with this **Exhibit I**, the total cost of the Project shall not exceed One Billion, Four Hundred Twenty-Seven Million, Five Hundred Seventeen Thousand, Five Hundred Dollars ($1,427,517,500) (equal to 102.5% of $1,392,700,000) (the "***Estimated Project Cost***"). In addition, Airline hereby approves the expenditure of an additional Ninety Million Dollars ($90,000,000) (the "***Additional Costs***") to be financed with proceeds of Bonds and to be used for (i) Airline's Fit-Out Allowance, as defined below and in **Exhibit I-3**, (ii) other leasehold fit-out costs, and (iii) renovations of existing Terminal facilities and equipment as shown on **Exhibit I-1**. Authority and Airline acknowledge that even in the absence of material changes to the Project, the Project cost estimate may change from time to time for various reasons, including, but not limited to, replacement of estimates with actual bids, inflation, and unforeseen circumstances. No less frequently than quarterly, Authority shall prepare and submit to the Signatory Airlines a Project cost estimate report and associated construction schedule.

The Authority and Airline agree that by delaying the commencement of construction of the TMP, the Authority and the ATR have estimated that the cost of the TMP has increased by approximately Sixty Million Dollars ($60,000,000) (the "***Cost of Delay***"). Any further increases to the Estimated Project Cost shall be addressed as provided in this **Exhibit I**. The Authority shall track the estimated Cost of Delay as a separate cost item for the TMP. In the event that the Authority is able to reduce the Cost of Delay, such reduced amount shall be added back to the Project Contingency (as defined below) in the Project budget, but the Authority agrees that such reduced Cost of Delay shall not be applied to expand the scope of the TMP without approval of an MII as provided in Section 9.03. Notwithstanding the foregoing, any amount of Project Contingency not required for completion of the TMP may be applied to finance Fit-Out Work (as defined below) or renovations of existing Terminal facilities and equipment without additional MII approval. Further, the Authority and Airline acknowledge and agree that, notwithstanding the provisions of this **Exhibit**

I, the anticipated opening date of the TMP is the fourth quarter of 2024, and any delay to opening beyond the fourth quarter of 2024 will be addressed as provided in this **Exhibit I**.

Financing the Project

The Authority will issue Bonds to finance the majority of the Estimated Project Cost and the Additional Costs, and the Debt Service for such Bonds shall be included in the Airline Fees and Charges upon MII approval (as set forth above), provided that interest shall be capitalized through the expected DBO of the Project to the extent permissible without jeopardizing the tax exempt status of the Bonds and principal amortization shall commence following the Date of Beneficial Occupancy except as otherwise provided in Section 9.01 and this **Exhibit I**.

In financing the TMP, the Authority will seek to optimize PFC pay-as-you-go and debt financing in the context of the overall financing package and pursue, with the Signatory Airlines' support, Federal grant funding for the TMP. The Authority shall use its diligent efforts to obtain FAA approval of authority to impose and use a PFC of $4.50 per eligible enplaned passenger to fund eligible costs of the Project, including a portion of the Debt Service on Bonds issued to finance the Project. In the event that DBO for the TMP occurs later than the end of the capitalized interest period for Bonds issued to finance all or substantially all of the TMP construction, and in order to remain in compliance with the Indenture, the amount of debt service required to be deposited into the applicable funds under the Indenture will either be funded through Airline Fees and Charges or the issuance of additional Bonds to finance capitalized interest through DBO, following consultation between the Authority and the Signatory Airlines.

As of April 2021, TMP budget contingency is $163 million, of which $92 million is Construction Contingency and $71 million is the Project Contingency. Use of contingency is subject to the approvals outlined in **Exhibit I-4**. "***Project Contingency***" represents the portion of the budgeted contingency that is not allocated to specific contracts and that, as depicted in slide 5 of **Exhibit I-4**, may be applied to provide additional Construction Contingency, additional Fit-Out Work or renovations of existing Terminal facilities and equipment. "***Construction Contingency***" represents ten percent (10%) of the budgeted cost of each contract for the TMP and may be applied as provided in slide 4 of **Exhibit I-4** for unanticipated costs of each contract. The Governance Committees (as modified below) will evaluate the use of and need for the Construction Contingency for each contract for the TMP at 50%, 75% and 90% of completion of that contract. To the extent that the Construction Contingency exceeds the amount determined to be necessary for the remainder of the contract, the excess amount shall be added to the Project Contingency. To the extent that the Construction Contingency is determined to be insufficient then, as provided in **Exhibit I-4**, funds shall be reallocated from the Project Contingency to the Construction Contingency for that contract. In addition, at 50%, 75% and 90% of completion of the TMP as a whole, a similar analysis of the overall Construction Contingency for all contracts and the overall Project Contingency shall be undertaken by the PMO. To the extent that the Construction Contingency exceeds the amount determined to be necessary for the remainder of the TMP, the excess amount shall be added to the Project Contingency. To the extent that the Construction Contingency is determined to be insufficient then, as provided in **Exhibit I-4**, funds shall be reallocated from the Project Contingency to the Construction Contingency for the TMP. Each reallocation of funds between the contingencies described in this paragraph shall only be undertaken after approval by a majority vote of each of the

Financial Oversight Committee and the Construction Committee and the use of Construction Contingency or Project Contingency funds shall be approved as provided in **Exhibit I-4**.

Proprietary Millwork and Fixtures

As part of the TMP, the Authority has allocated an allowance to all Signatory Airlines (the "***Fit-Out Allowance***"), which, if chosen by Airline, shall be applied to (1) the Airline's costs of design, construction management, fabrication, acquisition, installation, construction, or relocation of ticket counters, make-up and related equipment and (2) the costs of conversion of Airline's leased ticketing office space and baggage service office space ("***Airline Office Space***") from shell condition to finished condition, including furniture, fixtures and equipment ("***FF&E***"). The Fit-Out Allowance amounts are shown on **Exhibit I-3**. A portion of the Fit-Out Allowance will be allocated on the basis of the total square feet of Airline's Airline Office Space and must be used for the fit-out of the Airline's Airline Office Space in the amounts per square foot shown on **Exhibit I-3**. Airline shall have the option either to accept the Airline Office Space, ticket counters and related ticketing equipment in the condition that will be provided by the Project or to accept the Fit-Out Allowance and follow the procedure set forth below. For Airline's ticket counters and related equipment, Airline may elect to apply the amounts shown on **Exhibit I-3** for each category of expenses to the cost of Airline's proprietary ticket counters and equipment, by category, or to accept the components of the ticket counters described in **Exhibit I-3** below as provided by the Project.

If Airline elects to accept the Fit-Out Allowance, no less than twenty-eight (28) months before DBO, Airline shall provide the Authority with Airline's standards and design requirements for such Airline Office Space, ticket counters and related equipment. The Authority, as part of the TMP, shall design and construct such Airline Office Space consistent with Airline's specifications; provided, however, that Airline shall be responsible for all costs of such design and construction in excess of the Fit-Out Allowance. Approximately twenty-five (25) months prior to DBO, the Authority shall provide Airline with an estimate of the cost of the design and construction of the Airline Office Space based upon Airline's specifications. Airline shall have four (4) weeks to (i) accept such estimate, (ii) provide revised specifications for such improvements to the Authority, or (iii) elect to accept the Airline Office Space in the condition to be provided as part of the Project. If the estimated cost accepted by Airline exceeds the Fit-Out Allowance, Airline shall pay to the Authority the difference between the estimated cost of the Airline Office Space and the Fit-Out Allowance over a period of twelve (12) months from the date of Airline's acceptance of such estimate, and such amount shall be applied to the cost of the Airline Office Space. The Authority will not approve change orders related to the Fit-Out Allowance without consulting Airline. The Authority will use reasonable discretion in accommodating change order requests by Airline, but Airline will be responsible for any resulting cost increase, including the cost of rework or resulting delays. As soon as reasonably possible after DBO, the Authority shall provide Airline with a reconciliation stating the actual cost of the design and construction of the Airline Office Space and, if such cost is less than had been projected, refund the difference between the projected amount and the actual cost of such space, up to the amount paid by Airline, within thirty (30) days after completion of such reconciliation. If the cost of design and construction of the Airline Office Space exceeds the projected amount, Airline shall pay the difference to the Authority within thirty (30) days of receipt of said reconciliation. The Authority shall install such improvements as part of the TMP. Airline acknowledges that the funds provided as part of the Fit-Out Allowance are

proceeds of Bonds and Airline agrees not to take depreciation on the improvements funded with the foregoing allowance.

If Airline does not provide the Authority with its final standards and design requirements for such Airline Office Space at least twenty-eight (28) months before DBO, Airline's Airline Office Space shall be provided to Airline built out consistent with the design standards to be determined by the Authority in consultation with the Signatory Airlines.

When design of the tenant improvements described on **Exhibit I-3** (the "***Fit-Out Work***") has reached each of the following stages: thirty percent (30%), sixty percent (60%) and ninety percent (90%), the Authority shall provide Airline with the plans and specifications and the project cost estimate for the Fit-Out Work, and consult with the Airline on any adjustments thereto. **Exhibit I-3** to the Original Agreement is hereby replaced with **Exhibit I-3** attached hereto.

The Authority will provide standardized ticket counters and related equipment as part of the TMP in Airline's Leased Premises and in Common Use Facilities. If Airline desires to use proprietary fit-outs, however, Airline shall provide such ticket counters and related equipment to the Authority no less than six (6) months before DBO and such proprietary ticket counters and related equipment shall be installed as part of the TMP within Airline's Leased Premises. Airline may apply the applicable portion of the Fit-Out Allowance shown on **Exhibit I-3** to the cost of fabricating and delivering or relocating Airline's proprietary ticket counters and related equipment. Airline shall submit invoices and supporting backup documentation to the Authority for reimbursement of the eligible costs of such proprietary fit-out. The Authority will review such invoices and supporting materials for sufficiency and, within forty-five (45) days after receipt of such invoices and related materials, the Authority shall reimburse the Airline for such eligible costs. If the Authority finds that any costs are not eligible or there is insufficient backup documentation to make a final determination regarding eligibility, the Authority shall provide notice to Airline of such determination within such forty-five (45) day period and Airline may resubmit such invoices with additional supporting documentation or meet with the Authority to seek to resolve the open issues. Final determination of eligibility for reimbursement shall be made by the Authority in its reasonable judgment.

Description of the Project

The Project is more fully described in the Schematic Design attached to this **Exhibit I** as **Exhibits I-1** and **I-2**. The Project will include, among other things, (i) construction of a new landside terminal building that will be integrated with the existing airside terminal, including passenger check-in facilities, a consolidated TSA checkpoint, expanded passenger processing area, concession space, and in-line baggage screening, makeup, handling, and claim facilities; (ii) new terminal complex access roadways; (iii) a new parking garage, new rental car facilities, new surface parking lots, and a ground transportation center in the new parking garage; (iv) new Air Carrier and Authority office and support space; (v) renovations to or demolition of certain portions of the existing airside terminal; (vi) and the equipment necessary to furnish and operate the new facilities (as defined in the Project Definition Documents). The existing landside terminal and automated people-mover will be decommissioned, and the existing terminal building may be demolished.

Project Governance

In order to mitigate construction risk and make informed decisions throughout design and construction of the Project, a governance committee structure has been established to aid in obtaining support and approval of design and construction related activities; to monitor cost, budget, funding, contracts, and their changes; to meet regulatory and statutory compliance standards; to document reporting processes and generate information for decision-making; to demonstrate the Authority's involvement in the day-to-day management of capital programs; and to provide accountability and transparency.

The Executive Steering Committee will consist of the Authority's Chief Executive Officer (CEO), Chief Commercial Officer (CCO), and Chief Financial Officer (CFO), and will provide Project oversight and approval of scope, budget, schedule, procurement options, and delivery methods; align decision-making with strategic plans; coordinate with Airport staff and other committees; communicate with stakeholders and promote community outreach efforts; and make recommendations for Board approvals. The Executive Steering Committee will oversee the governance structure and may make changes to the governance structure to better align with risk, goals, priorities, and efficiencies, while maintaining controls to mitigate risks, provided that such changes do not affect the Airline's rights hereunder and the participation of the ATR in the Governance Committee (as defined below).

The ATR will continue to actively participate in the planning, design and construction of the TMP. In order to provide additional oversight of the construction of the TMP to the Signatory Airlines, the Authority agrees that the ATR shall participate in all majority votes of the Governance Committees (the Construction and Finance Oversight Committees) in each case without prejudice to the approval rights of the Signatory Airlines as set forth elsewhere in this Agreement. The Finance Oversight Committee consists of the Authority's Chief Financial Officer ("***CFO***") (chair), its Chief Development Officer ("***CDO***") (vice chair), its Vice President of Government & Corporate Affairs, and the ATR. The Construction Committee consists of the Authority's CDO (chair), CFO (vice chair), Senior Vice-President of Information Technology, Vice President of Air Service Development, Senior Vice President of Operations and Maintenance, and the ATR. Each member of the Governance Committees shall have one vote on such committee, with approval of a majority of the members required to take any action. At the request of the ATR, the Chair of the Airport Airline Affairs Committee (AAAC) for the Airport may attend meetings of the Governance Committees.

The Authority's Project Management Organization ("***PMO***") consists of the Executive Steering Committee, the Finance Oversight Committee and the Construction Committee. The Executive Steering Committee consists of the Authority's Chief Executive Officer, the CFO, the CDO, the TMP Program Manager, the Senior Vice President of Marketing and Communications (ex-officio) and the Chief Human Capital Officer.

Execution of the TMP will be led by the Authority's PMO, which is responsible for the active management of the TMP budget and delivery of the Project on behalf of the Authority. For the duration of construction, the ATR will actively participate and interface with the PMO on a consistent basis to provide regular reporting to the Signatory Airlines. The purpose of these interactions is to identify potential risk issues and to advise on the Authority's methods and

techniques to control scope, schedule, budget, and quality. The PMO will review and approve the use of all contingency funds.

The ATR shall have access to and will review plans and specifications, procurement activities, contracts, monthly invoices, proposed scope changes, cost proposals, schedules and similar or related items for all project consultants, contractors, and vendors. The ATR shall also have access to and will actively monitor project communications (including RFI's, supplemental drawings, etc.) and activities and participate in project meetings related to scope, schedule and budget in order to collaborate with the PMO on preparing and presenting a monthly Airline management report to the Signatory Airlines.

Purposes of the monthly Airline management report, to be submitted to the Signatory Airlines by the ATR, will include highlighting variances from the established baseline schedule or scope, ensuring proper change review and approval by the Authority, and recommending further investigations and/or remediations. A key objective of the monthly Airline management report will be to anticipate and forecast schedule and budget risks, with a focus on the potential for the TMP costs to exceed the Estimated Project Cost and to streamline the Signatory Airline's participation in mitigating any such potential cost increases.

The Construction Committee and the Finance Oversight Committee will address more specific risks. Financial oversight includes aligning the Project scope with Project funding; complying with applicable funding requirements; reviewing Project budgets and costs; evaluating Project eligibility; allocating funding sources and addressing funding overages and shortfalls; coordinating finance and construction approvals; advising others on funding issues; and making recommendations for Board approval. Construction related oversight includes evaluating and approving bids, proposals, requests for reimbursements, contract awards, and modifications for capital related costs of design and construction; reviewing and approving change orders and back charges; tracking MBE/DBE goals; providing guidance, coordination, and development of plans and procedures relating to capital programs; reviewing and approving claims and settlements for design and construction; providing close-out of capital projects; and making recommendations for Board approval.

The comments of the Construction and Finance Committee(s) shall be given due consideration prior to the Authority's execution of any Project construction contract. In the event of any material change to the scope of the Project, including any material value engineering, the Construction and Finance Committee(s) shall review and comment on such proposed changes in scope as provided below under "Changes in Project Scope."

The ATR will be invited to attend the Project governance meetings of the Project Construction and Finance Oversight Committee(s) (the "**Governance Committees**"). The Authority will give due consideration to the reasonable requests, suggestions, and recommendations of the ATR.

Changes in Project Cost

If the cost of the Project is expected to exceed the Estimated Project Cost, the Authority will notify the ATR and the Chairman of the PIT Airport Affairs Committee of such cost increase

and of the manner that the Authority proposes to address such cost increase. Depending on the proposed method for addressing such cost increase, the Authority will take one of the following approaches:

1. If the funds necessary to pay such increased cost are taken from Other Authority Revenues, additional grants, PFCs, foundation support, or Authority pay-as-you-go contributions, and do not and will not increase Airline Fees and Charges, then no Signatory Airline approval of such cost increase shall be required. Such additional cost will be added to the Estimated Project Cost, resulting in a "***Revised Project Cost***", which will replace the Estimated Project Cost throughout this Agreement.

2. The Authority may address such cost increase through value engineering, to reduce the Project cost estimate to within the Estimated Project Cost, while maintaining the original TMP facility requirements and general parameters of the Project as set forth in the Schematic Design attached to this Exhibit.

3. If the Authority proposes to address such cost increase through value engineering, to reduce the Project cost estimate to within the Estimated Project Cost, but resulting in a material reduction in the scope of the Project, then the provisions relating to a Change in Project Scope, below, will apply.

4. If a Project cost increase is due to a request of a particular Air Carrier or Air Carriers, then the Authority will obtain an agreement from such Air Carrier or Air Carriers to pay such additional costs. Such additional cost will be added to the Estimated Project Cost, resulting in a "Revised Project Cost", which will replace the Estimated Project Cost throughout this Agreement, or shall be treated as a Special Facility as provided in the Agreement, at the option of the Authority.

5. If the Authority proposes to include some or all of such cost increase in the Airline Fees and Charges, and in the event the Authority and the Signatory Airlines cannot reach an agreement on a Revised Project Cost to replace the Estimated Project Cost throughout this Agreement, the Authority shall conduct an MII vote among the Signatory Airlines to approve or reject the cost increase as provided in this paragraph. Notwithstanding Section 9.03 of this Agreement, any Signatory Airline that has not provided the Authority its written disapproval of the proposed cost increase on or prior to ten (10) days after the Authority requested an MII vote on this matter shall be considered to have registered its approval. If an MII approves such cost increase, then the resulting Revised Project Cost will replace the Estimated Project Cost throughout this Agreement. If an MII disapproves of such cost increases, then either (i) one of the preceding alternatives (1 through 4) may be proposed by the Authority; or (ii) the Signatory Airlines will collaborate with the Authority on an alternative course of action, which may include major design changes, changes in facility requirements, or a phased approach to construction.

<u>Schedule Changes Beyond Control of the Authority</u>

In the event that a delay in the Project schedule occurs, which extends the completion date of the Project past the anticipated opening date of second quarter of 2023, which delay is caused due to scope changes approved as provided in this **Exhibit I** and/or due to Force Majeure as provided in Section 17.04, the Estimated Project Cost or Revised Project Cost may increase accordingly without an MII approval to reflect the estimated cost of delay in an amount of up to four percent (4%) per year during the delay.

Changes in Project Scope

The Authority and Airline acknowledge that the COVID-19 pandemic has created unique issues relating to the health and safety of the public causing both the Authority and the Signatory Airlines to evaluate how to address the issues arising from the pandemic in designing and operating facilities, including the Project. The Authority is studying the implications of COVID-19 on the design for the Project and will consult with the Signatory Airlines and the ATR regarding potential changes to the design and scope of the Project.

If the Authority proposes a material change in the scope of the Project, then the Authority shall notify the ATR and the Chairman of the PIT Airport Affairs Committee of such proposed change and schedule a meeting with the Signatory Airlines (which may be by teleconference) to discuss the rationale for the change. Comments of the Signatory Airlines will be provided to and considered by the ATR, and the ATR shall provide a recommendation to the Authority within twenty (20) days of the Authority's meeting with the Signatory Airlines regarding how best to address such proposed change in Project scope. Subject to the provisions regarding Changes in Project Cost, above, the Authority shall determine the manner in which such proposed changes in Project scope shall be addressed; provided, however, that if any such material change in Project scope would affect only one or a minority of the Air Carriers operating at the Airport, the Authority shall first meet with and consider the comments of such affected Air Carriers before making any such determination.

O&M Expense Savings and Revenue Enhancements

The TMP has been designed and will be constructed in a manner that will reduce O&M Expenses substantially compared to the alternative of retaining the existing Terminal facilities. The projected O&M Expense savings are attributable to (1) the construction and improved operation of the new Terminal and multimodal center, (2) improved operation of the existing airside core and concourses that remain post-TMP, and (3) renovation associated with downsizing of concourses A and B (the knuckles). These detailed and comprehensive projections were prepared by an independent party, vetted with the ATR, refined based on ATR comments, then validated by the ATR. The Authority's management has endorsed and will actively pursue such O&M Expense reductions. The Authority's management is committed to ensuring that the Airport is operated efficiently and that the Authority's staff is and remains highly productive. To that end, the Authority has identified and executed on a variety of means to reduce O&M Expenses since the beginning of the COVID-19 pandemic.

The Authority estimates that the development of the TMP will realize annual O&M Expense savings compared to 2019 of approximately $21 million in 2025 dollars, and the PMO's analysis has been validated by the ATR. The estimated savings include cost reductions of approximately $5.4

million from the decommissioning of passenger conveyances, including the train (APM); $3.3 million from decommissioning the existing automated baggage handling system (ABS); asset management savings of $5.4 million; energy and utility savings of approximately $1.5 million; and other net O&M Expense reductions of $5.5 million. These estimates are subject to change based on factors beyond the control of the Authority or at the request of the Signatory Airlines.

In addition to the decommissioning of the existing APM and ABS, several measures are planned to reduce O&M Expenses in connection with undertaking the TMP, including:

1. Developing and implementing measurement and verification protocols to reduce the use of energy within the terminal facilities through metering data and the use of building automation system ("***BAS***") information.
2. Constructing the first in the nation airport energy microgrid to provide significant energy savings as well as heighten reliability of energy delivery to the Airport.
3. Undertaking an extensive commissioning program prior to and at DBO to ensure that the new building systems are operating at peak efficiency and design capacity.
4. Enhancing building performance of the terminal facilities through maintaining the new high efficiency systems to obtain expected design performance outputs.
5. Developing and monitoring building data analytics utilizing BAS information to improve the performance of the building's systems and to establish triggers for maintenance of such systems when established performance parameters are not met.
6. Using a computerized building management system to support delivery to and monitoring by the Authority's management of key performance indicators ("***KPIs***") that reflect reliability centered maintenance principles to further ensure that the building systems are operating effectively and efficiently, consistent with their design.

Finally, as it has been doing for many years, the Authority plans to continue to seek out and embrace new opportunities for revenue generation that will reduce the overall costs paid by the Signatory Airlines. Such opportunities may include, for example, developing additional non-aeronautical assets, introducing new public parking products, seeking to maximize concessions revenue from new and existing concessions operations, promoting and developing facilities for new air cargo service, and working with new and existing tenants to expand their operations at the airport, all in an intentional effort to generate additional income that can be applied to help reduce aeronautical costs.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

We have served as bond counsel to our client, the Allegheny County Airport Authority (the "Authority"), in connection with the issuance by the Authority of its $361,675,000 Airport Revenue Bonds, Series 2025A (AMT) (the "Series 2025A Bonds") and $48,840,000 Airport Revenue Bonds, Series 2025B (Federally Taxable) (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Series 2025 Bonds"), each dated the date of this letter.

The Series 2025 Bonds are issued pursuant to a resolution adopted by the Board of Directors of the Authority on March 21, 2025 (the "Resolution") and the Master Trust Indenture dated as of December 1, 2019 (as previously amended and supplemented, the "Trust Indenture"), as supplemented by the Fourth Supplemental Trust Indenture dated as of April 1, 2025 (the "Fourth Supplement" and, together with the Trust Indenture, the "Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). *Capitalized terms not otherwise defined in this letter are used as defined in the Indenture*.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2025 Bonds, copies of the signed and authenticated Bond of the first maturity for each series of the Series 2025 Bonds, the Resolution, the Indenture and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Series 2025 Bonds and the Indenture are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.

2. The Series 2025 Bonds constitute limited obligations of the Authority, and the principal of and interest on (collectively, "debt service") the Series 2025 Bonds, together with debt service on any other Bonds issued and Outstanding on a parity with the Series 2025 Bonds as provided in the Trust Indenture, are payable from and secured solely by the Net Revenues and other sources provided therefor in the Indenture. The payment of debt service on the Series 2025 Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2025 Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the County of Allegheny, the Commonwealth of Pennsylvania or any of its political subdivisions.

3. Interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2025A Bond for any period during which that Series 2025A Bond is held by a "substantial user" of the facilities financed or a "related person" of such substantial user, as those terms are used in Section 147(a) of the Code. Interest on the Series 2025A Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Series 2025B Bonds is <u>not</u> excluded from gross income for federal income tax purposes. Interest on, and any profit made on the sale of, the Series 2025 Bonds are exempt from taxation by the Commonwealth of Pennsylvania and all political subdivisions thereof. We express no opinion as to any other tax consequences regarding the Series 2025 Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority and (iii) the due authorization, signing and delivery by, and the binding effect upon and enforceability against, the Trustee of the Indenture.

We express no opinion herein regarding the priority of the lien on the Net Revenues or other funds created by the Indenture.

In rendering those opinions with respect to treatment of the interest on the Series 2025A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority. Failure to comply with certain of those covenants subsequent to issuance of the Series 2025A Bonds may cause interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2025 Bonds and the enforceability of the Series 2025 Bonds and the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally, to the application of equitable principles, whether considered in a proceeding at law or in equity, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. We express no opinion as to the Statement of Insurance printed on the Series 2025 Bonds, referring to the municipal bond insurance policy issued by Assured Guaranty Inc. or as to the insurance referred to in that Statement. Our engagement as bond counsel in connection with the original issuance and delivery of the Series 2025 Bonds is concluded upon delivery of this letter.

Respectfully submitted,

Squire Patton Boggs (US) LLP

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of April 30, 2025, is executed and delivered by Allegheny County Airport Authority (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds (as defined hereinafter) in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the Issuer's Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025A (AMT), in the principal amount of $361,675,000 and Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025B (Federally Taxable), in the principal amount of $48,840,000, as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure

Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having 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) treated as the owner of any Bonds for federal income tax purposes.

"Indenture" means the Master Trust Indenture dated as of December 1, 2019, as amended and supplemented, between the Issuer and the Trustee.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement dated April 22, 2025 prepared by the Issuer in connection with the Bonds, as the same may be supplemented from time to time.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Indenture.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than September 30 of the year following the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2025. Such date and each anniversary thereof is the "Annual Filing Date". The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the applicable Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached

as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

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 securities holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

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

14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;

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.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;" other than those communications included in the Rule;

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;" and

10. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event

provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial and statistical information regarding the Airport System substantially of the type included in the tables appearing under the following headings and subheadings of the Official Statement: "AIRPORT ACTIVITY INFORMATION – Enplaned Passengers at the Airport" (updating the table "Enplaned Passengers by Airline Group" for the fiscal year covered by such Annual Report and the four prior fiscal years but excluding the average annual increase (decrease) table); "AIRPORT ACTIVITY INFORMATION – Air Service at the Airport" (as of the end of the fiscal year covered by such Annual Report); "AIRPORT ACTIVITY INFORMATION – Airline Market Shares" (updating the table for the fiscal year covered by such Annual Report and the four prior fiscal years); "FINANCIAL INFORMATION" (updating the Statements of Revenues, Expenses and Changes in Net Position table for the fiscal year covered by such Annual Report and the four prior fiscal years); and "FINANCIAL INFORMATION – Debt Service Coverage" (updating the table therein for the fiscal year covered by such Annual Report and the four prior fiscal years); provided that in each case the Issuer shall not be required to provide updated interim information set forth in such portions of the Official Statement.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from 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 previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

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 Bond holders, 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 Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

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

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an 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 an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

ALLEGHENY COUNTY AIRPORT AUTHORITY, as Issuer

By:_____
Name: Christina A. Cassotis
Title: Chief Executive Officer

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Allegheny County Airport Authority
Obligated Person(s)	Allegheny County Airport Authority
Name of Bond Issue:	Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025A (AMT)
Date of Issuance:	April 30, 2025
Date of Official Statement:	April 22, 2025

CUSIP Number:	01728LKE1	CUSIP Number:	01728LKQ4
CUSIP Number:	01728LKF8	CUSIP Number:	01728LKR2
CUSIP Number:	01728LKG6	CUSIP Number:	01728LKS0
CUSIP Number:	01728LKH4	CUSIP Number:	01728LKT8
CUSIP Number:	01728LKJ0	CUSIP Number:	01728LKU5
CUSIP Number:	01728LKK7	CUSIP Number:	01728LKV3
CUSIP Number:	01728LKL5	CUSIP Number:	01728LKW1
CUSIP Number:	01728LKM3	CUSIP Number:	01728LKX9
CUSIP Number:	01728LKN1	CUSIP Number:	01728LKY7
CUSIP Number:	01728LKP6	CUSIP Number:	01728LKZ4

Name of Issuer	Allegheny County Airport Authority
Obligated Person(s)	Allegheny County Airport Authority
Name of Bond Issue:	Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025B (Federally Taxable)
Date of Issuance:	April 30, 2025
Date of Official Statement:	April 22, 2025

CUSIP Number:	01728LJQ6	CUSIP Number:	01728LJX1
CUSIP Number:	01728LJR4	CUSIP Number:	01728LJY9
CUSIP Number:	01728LJS2	CUSIP Number:	01728LJZ6
CUSIP Number:	01728LJT0	CUSIP Number:	01728LKA9
CUSIP Number:	01728LJU7	CUSIP Number:	01728LKB7
CUSIP Number:	01728LJV5	CUSIP Number:	01728LKC5
CUSIP Number:	01728LJW3	CUSIP Number:	01728LKD3

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	Allegheny County Airport Authority
Obligated Person:	Allegheny County Airport Authority
Name(s) of Bond Issue(s):	Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025A (AMT), Allegheny County Airport Authority (Pittsburgh International Airport) Airport Revenue Bonds, Series 2025B (Federally Taxable)
Date(s) of Issuance:	April 30, 2025
Date(s) of Disclosure Agreement:	April 30, 2025
CUSIP Number:	_____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc: Allegheny County Airport Authority

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Notice Events (Check One):

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, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to rights of securities holders, if material;"
8._____"Bond calls, if material;" Tender offers;
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13._____"Merger, consolidation, or acquisition of the obligated person, if material;"
14._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15._____"Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16._____"Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of April 30, 2025, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party; and"
10._____"other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of April 30, 2025, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

APPENDIX G

DTC AND THE BOOK-ENTRY ONLY SYSTEM

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

General

The 2025 Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the 2025 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One fully-registered bond certificate will be issued for each series of the 2025 Bonds, each in the aggregate principal amount of such issue or series, 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 instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 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 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 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.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and dividend payments on the 2025 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 Trustee ("Agent") on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security 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, 2025 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 sources that the Authority believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Notices

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 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial owners of the 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to beneficial owners, or in the alternative, beneficial owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of 2025 Bonds

To facilitate subsequent transfers, all 2025 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 the 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such

2025 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.

None of the Authority, the Underwriter or the Trustee will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any 2025 Bond on the registration books of the Trustee.

Discontinuance of Book-Entry-Only System

In the event (i) DTC determines not to continue to act as securities depository for the 2025 Bonds or (ii) the Authority, with the consent of the Trustee, determines in accordance with the terms of the Indenture that (a) DTC is incapable of discharging its duties or (b) it is in the best interests of the holders of the 2025 Bonds not to continue the Book-Entry-Only System or that interests of the beneficial owners of the 2025 Bonds might be adversely affected if the Book-Entry-Only System is continued, then the Authority will discontinue the Book-Entry-Only System with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the 2025 Bonds in accordance with the Indenture.

So long as Cede & Co. is the registered owner of the 2025 Bonds as nominee of DTC, references herein to the holders or registered owners of the 2025 Bonds will mean Cede & Co. and will not mean the beneficial owners of the 2025 Bonds.

None of the Authority, the Trustee or the Underwriters will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the beneficial owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any beneficial owner to receive payment in the event of a partial redemption of the 2025 Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the 2025 Bonds.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

ASSURED GUARANTY

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.

SPECIMEN

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)

SPECIMEN

ALLEGHENY COUNTY AIRPORT AUTHORITY (PITTSBURGH INTERNATIONAL AIRPORT)
AIRPORT REVENUE BONDS, SERIES 2025A (AMT) AND SERIES 2025B (FEDERALLY TAXABLE)

ALLEGHENY COUNTY
AIRPORT AUTHORITY

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com