NEW ISSUE — BOOK ENTRY ONLY **SEE "RATINGS" HEREIN**

In the opinion of Mayer Brown LLP and Charity & Associates, P.C., Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance by the City with certain covenants, the interest on the 2023 CFC Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item in computing the alternative minimum tax for individuals, however, the interest is included in the adjusted financial statement income of corporations subject to the corporate alternative minimum tax on adjusted financial statement income. Interest on the 2023 CFC Bonds is not exempt from present Illinois income taxes. See "Tax Matters."

$171,800,000
CITY OF CHICAGO
Chicago O'Hare International Airport
Customer Facility Charge Senior Lien Refunding Bonds,
Series 2023

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

The City of Chicago (the "*City*") is issuing its Chicago O'Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023 (the "*2023 CFC Bonds*"). The 2023 CFC Bonds are being issued pursuant to the CFC Indenture (as defined herein) from the City to The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*").

The 2023 CFC Bonds will be limited obligations of the City of Chicago (the "*City*") payable from and secured by a pledge of the Pledged Receipts described herein, consisting of certain customer facility charges ("*CFCs*") imposed by the City at Chicago O'Hare International Airport (the "*Airport*"), Facility Rent (as defined herein) and certain other funds as described herein. The 2023 CFC Bonds will be secured on a parity basis as to the Pledged Receipts with any Additional Bonds (as defined herein) that may be issued under the CFC Indenture and may be outstanding from time to time. See "Security and Sources of Payment for the 2023 CFC Bonds."

Neither the faith and credit nor the taxing power of the City, the State of Illinois (the "*State*") or any political subdivision of the State will be pledged to the payment of the principal of or interest on the 2023 CFC Bonds. The 2023 CFC Bonds are not secured by any properties or improvements (including properties and improvements at the Airport) and are not secured by a pledge of any revenues of the City including revenues derived by the City from the operation of the Airport generally (other than the Pledged Receipts).

The 2023 CFC Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the 2023 CFC Bonds. Ownership by the beneficial owners of the 2023 CFC Bonds will be evidenced by book-entry only. Principal of and interest on the 2023 CFC Bonds will be paid by the Trustee to DTC. DTC will in turn remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the 2023 CFC Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the 2023 CFC Bonds will be made to such registered owner, and disbursal of such payments to beneficial owners will be the responsibility of DTC and its participants. See Appendix F — "Description of Book-Entry Only System."

Interest on the 2023 CFC Bonds is payable January 1 and July 1 of each year, commencing January 1, 2024. The 2023 CFC Bonds are subject to redemption prior to maturity as described herein. See "The 2023 CFC Bonds – Redemption."

Proceeds of the 2023 CFC Bonds will be used, along with other available funds, to (i) refund the City's Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds, Series 2013 (the "*2013 CFC Bonds*"), (ii) pay costs of issuance of the 2023 CFC Bonds, (iii) purchase Qualified Reserve Account Credit Instruments (as defined herein) from the Insurer (defined below) for deposit to the Debt Service Reserve Fund (as defined herein) and the Supplemental Reserve Fund (as defined herein) and (iv) pay the premium for a municipal bond insurance policy (the "Policy") issued by the Insurer, insuring the 2023 CFC Bonds. See "Plan of Finance" and Appendix A — "Summary of Certain Provisions of the CFC Indenture."

For a discussion of certain investment considerations associated with the purchase of the 2023 CFC Bonds, see the section herein captioned "Certain Investment Considerations." For maturities, principal amounts, interest rates, prices, yields and CUSIP numbers, see the inside cover page.

The scheduled payment of principal of and interest on the 2023 CFC Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the 2023 CFC Bonds by Build America Mutual Assurance Company (the "*Insurer*"). See "Bond Insurance" and Appendix G — "Specimen Municipal Bond Insurance Policy."

BAM
BUILD AMERICA MUTUAL

The supplemental indenture authorizing 2023 CFC Bonds proposes certain amendments to the 2013 CFC Indenture (as defined herein) (the "*Proposed Amendments*") that will become effective upon compliance with the terms set forth in such supplemental indenture (which terms include obtaining the consent of the holders of more than fifty percent (50%) of the aggregate principal amount of outstanding Bonds), all of which will be fulfilled upon issuance of the 2023 CFC Bonds with the consent of the owners thereof to the Proposed Amendments. EACH PURCHASER OF THE 2023 CFC BONDS SHALL BE DEEMED TO HAVE CONSENTED TO THE PROPOSED AMENDMENTS BY ITS PURCHASE OF THE 2023 CFC BONDS. CONSEQUENTLY, THE OFFICIAL STATEMENT DESCRIBES THE SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS AND THE PROVISIONS OF THE 2013 CFC INDENTURE AFTER THE PROPOSED AMENDMENTS TAKE EFFECT.

The 2023 CFC Bonds are offered when, as and if issued by the City and accepted by the Underwriters subject to the approval of their validity by Mayer Brown LLP, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by its Corporation Counsel and by Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois and McGaugh Law Group LLC, Chicago, Illinois, Co-Disclosure Counsel to the City, and for the Underwriters by their counsel, Katten Muchin Rosenman LLP, Chicago, Illinois. It is expected that delivery of the 2023 CFC Bonds in book-entry form will be made through the facilities of DTC on or about August 29, 2023.

Barclays **Ramirez & Co., Inc.**

Melvin Securities **Fifth Third Securities, Inc.**

Backstrom McCarley Berry & Co., LLC **Harvestons Securities Inc.** **Raymond James**

Dated: August 16, 2023

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIP NUMBERS

$171,800,000
CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT
CUSTOMER FACILITY CHARGE SENIOR LIEN REFUNDING BONDS,
SERIES 2023

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE (%)	YIELD (%)	CUSIP+
2028	$ 1,710,000	5.00 %	3.39 %	1675933Q3
2029	2,545,000	5.00	3.42	1675933R1
2030	3,175,000	5.00	3.44	1675933S9
2031	5,705,000	5.00	3.48	1675933T7
2032	8,300,000	5.00	3.49	1675933U4
2033	10,555,000	5.00	3.54	1675933V2
2034	11,085,000	5.00	3.63*	1675933W0
2035	11,640,000	5.00	3.70*	1675933X8
2036	12,220,000	5.00	3.80*	1675933Y6
2037	12,830,000	5.00	3.92*	1675933Z3
2038	13,475,000	5.00	4.04*	1675934A7
2039	14,145,000	5.25	4.05*	1675934B5
2040	14,890,000	5.25	4.11*	1675934C3
2041	15,670,000	5.25	4.16*	1675934D1
2042	16,495,000	5.25	4.20*	1675934E9
2043	17,360,000	5.25	4.24*	1675934F6

* Yield computed to the first optional redemption date of January 1, 2033.
 The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the 2023 CFC Bonds and the City 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. Investors should be aware that under certain circumstances the CUSIP identification number assigned to a maturity of the 2023 CFC Bonds may be changed to a new replacement number.

REGARDING THE USE OF THIS OFFICIAL STATEMENT

The Underwriters have provided the following sentence for inclusion in the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective 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.

This Official Statement is being used in connection with the sale of the 2023 CFC Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Certain information contained in this Official Statement has been obtained by the City from DTC and other sources that are deemed to be reliable; however, no representation or warranty is made as to the accuracy or completeness of such information by the City. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents in their entirety for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof. Any statements made in this Official Statement, including the Appendices, involving matters of opinion or 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 such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the beliefs of the City as well as assumptions made by and currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Airport Consultant has prepared the projections contained in its report discussed herein and summarized in certain tables herein. The City believes that the underlying assumptions behind such projections provide a reasonable basis for such projections, and that such projections present, to the best of the City's knowledge and belief, the City's expected course of action. However, some of the assumptions upon which such projections are based may not materialize and unanticipated events and circumstances may occur. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the City's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance reflected in such projections. Accordingly, such projections are not fact and should not be viewed as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on projections which are contained herein or in the Report of the Airport Consultant.

Build America Mutual Assurance Company ("*Insurer*") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Insurer 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 the Insurer, supplied by the Insurer and presented under the heading "BOND INSURANCE" and "APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to, or been consulted in connection with, the prospective financial information contained herein. The City's independent auditors assume no responsibility for the content of the prospective financial information set forth in this Official Statement, disclaim any association with such prospective financial information, and have not, nor have any other independent accountants, expressed any opinion or any other form of assurance on such information or its achievability.

No dealer, broker, sales representative or any other person has been authorized by the City to give any information or to make any representation other than those contained in this Official Statement in connection with the offering it describes and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page and inside cover page hereof, nor shall there be any offer to sell, solicitation of an offer to buy or sale of, the 2023 CFC Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and opinions expressed herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Airport since the date of this Official Statement. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the 2023 CFC Bonds.

In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and the risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE 2023 CFC BONDS. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE 2023 CFC BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE 2023 CFC BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE 2023 CFC BONDS ARE RELEASED FOR SALE, AND THE 2023 CFC BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE 2023 CFC BONDS INTO INVESTMENT ACCOUNTS.

CITY OF CHICAGO
Chicago O'Hare International Airport

MAYOR
Brandon Johnson

CITY CLERK
Anna M. Valencia

CITY TREASURER
Melissa Conyears-Ervin

CITY COUNCIL
COMMITTEE ON FINANCE
Pat Dowell, Chairman

CHIEF FINANCIAL OFFICER
Jill Jaworski

ACTING CITY COMPTROLLER
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CO-BOND COUNSEL
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Charity & Associates, P.C.

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McGaugh Law Group LLC

AIRPORT CONSULTANT
Ricondo & Associates, Inc.

FINANCIAL ADVISOR
PFM Financial Advisors LLC

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INTRODUCTION

This Official Statement is furnished to set forth certain information in connection with the offering and sale by the City of Chicago (the *"City"*) of its $171,800,000 Chicago O'Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023 (the "*2023 CFC Bonds*"). Certain other capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in APPENDIX A -- "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

GENERAL

The 2023 CFC Bonds will be issued under the authority granted to the City as a home rule unit of local government under the Illinois Constitution of 1970.

The 2023 CFC Bonds will be issued pursuant to ordinances adopted by the City Council on March 13, 2013, on June 5, 2013, and on October 27, 2021 (collectively, the *"Bond Ordinance"*) and pursuant to an Indenture of Trust, dated as of August 1, 2013 (the *"2013 CFC Indenture"*), from the City to The Bank of New York Mellon Trust Company, N.A., as trustee (the *"Trustee"*), as supplemented by a Second Supplemental Indenture dated as of August 1, 2023 (the "*Second Supplemental Indenture;*" the 2013 CFC Indenture as supplemented by the Second Supplemental Indenture is referred to herein as the "*CFC Indenture*"), between the City and the Trustee. See "INTRODUCTION – PROPOSED AMENDMENTS TO THE 2013 CFC INDENTURE" herein.

Proceeds of the 2023 CFC Bonds will be used, along with other available funds, to (i) refund the $216,725,000 outstanding aggregate principal amount of the City's Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds Series 2013 (the ("*2013 CFC Bonds*"), (ii) pay costs of issuance of the 2023 CFC Bonds, (iii) purchase Qualified Reserve Account Credit Instruments from the Insurer (as defined below) for deposit to the Debt Service Reserve Fund and the Supplemental Reserve Fund established under the CFC Indenture and (iv) pay the premium for a municipal bond insurance policy (the "*Policy*") issued by Build America Mutual Assurance Company (the "*Insurer*"), insuring the 2023 CFC Bonds.

Proceeds of the 2013 CFC Bonds were used by the City, along with proceeds of a loan from the United States Department of Transportation to the City to fund the CRCF (as defined below) (the "*TIFIA Loan*") and the bonds of the City evidencing the payment obligations of the City on the TIFIA Loan (the "*TIFIA Bonds*") and other available funds, to finance the costs of the design, development, construction and equipping of the "*Project*," comprising: (1) a consolidated rental car facility at the Airport (the "*CRCF*"), consisting of: (i) an elevated structure ("*ES*") containing five stories which is used by RACs (as defined herein) for vehicle ready/return operations, vehicle storage, a customer service center including exclusive-use customer service counters, self-service kiosks and back-office office areas for each RAC; and (ii) a multi-story fuel/car wash quick turn-around vehicle service facility ("*QTA*") on land located near the ES, together with a dedicated roadway for rental vehicle use only connecting the ES and QTA,

(2) additions, extensions and improvements to the Airport's automated people mover system which travels on a dedicated guideway providing passenger service to terminals, parking areas and the CRCF, including the vehicles used for transport, stations, and related equipment and associated improvements (the "*ATS*"), and (3) over 2,600 public parking spaces contained within the ES unrelated to its use as a consolidated rental car facility ("*ES Public Parking*"). The CRCF and the ES Public Parking were placed in service in October, 2018. The ATS resumed part-time passenger service in November 2021 and began 24-hour service on April 18, 2022. CDA issued a conditional certificate of substantial completion for the work on the ATS effective December 7, 2022. See APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

The 2023 CFC Bonds are limited obligations of the City, payable solely from a pledge of *"Pledged Receipts"* derived from customer facility charges *("CFCs"*) paid by customers of the rental car companies operating at the Airport from the CRCF (each a *"RAC"* and collectively, the *"RACs")* and customers of the rental car companies operating at the Airport but from a location other than the CRCF (each an *"Off-Airport RAC"* and collectively, the *"Off-Airport RACs"*), Facility Rent payable by the RACs and other funds as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS" and "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS." The lien on Pledged Receipts and pledge thereof to pay the 2023 CFC Bonds is on a parity as to payment with Additional Bonds hereafter issued under the CFC Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – ADDITIONAL BONDS."

The 2023 CFC Bonds and any Additional Bonds hereafter issued under the CFC Indenture are collectively referred to as the *"CFC Bonds."* The CFC Bonds and any Subordinate Bonds hereafter issued under the CFC Indenture are collectively referred to herein as the *"Bonds."*

The TIFIA Loan was entered into pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998 ("*TIFIA*") and the TIFIA Loan Agreement (the "*TIFIA Loan Agreement*") between the U.S. Department of Transportation ("*USDOT*") and the City. The proceeds of the TIFIA Loan were funded pursuant to multiple disbursements in the aggregate amount of $288,100,000 and used to finance up to 33% of certain costs of the Project eligible to be financed with the proceeds of the TIFIA Loan pursuant to federal law. The outstanding principal balance of the TIFIA Loan is currently $291,038,487.61. Interest on the TIFIA Loan is due on each January 1 and July 1, and principal will be due on January 1 of each year. The City's obligation to repay the TIFIA Loan will be secured by Pledged Receipts on a subordinate basis to the 2023 CFC Bonds and any Additional Bonds, except upon the occurrence of a Bankruptcy Related Event, (as defined in the TIFIA Loan Agreement)[†] herein, including failure of the City to make two consecutive semi-annual payments of debt service on the TIFIA Loan), the occurrence of which will automatically and without notice convert the TIFIA Loan obligation to stand on

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[†] The TIFIA Loan Agreement defines a "Bankruptcy Related Event" as: (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the City or any of its debts, or of a substantial part of the assets of the City under the United States Bankruptcy Code, 11 U.S.C. §et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership or similar law now or hereafter in effect (an "*Insolvency Law*"), or (ii) the appointment or a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the City for a substantial part of the assets of the City, and, in any case referred to in the foregoing subclauses, such proceeding or petition shall continue undismissed for sixty (60) days or any order or decree approving or ordering any of the foregoing shall be entered; (b) the City shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the City, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) fail to make two (2) consecutive semi-annual payments of debt service on the TIFIA Loan, (iv) make a general assignment for the benefit of creditors, or (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a), or (vi) commence a voluntary proceeding under any Insolvency Law, or (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of clause (b), or (viii) take any official action of the City for the purpose of effecting any of the foregoing; or (c) the City shall fail to pay principal of, or interest on, its general airport revenue bonds or other material indebtedness for borrowed money in respect of the Airport as and when such amounts become due and payable.

a parity with the 2023 CFC Bonds and any other CFC Bonds Outstanding. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – SPRINGING PARITY LIEN OF THE TIFIA LOAN." For additional information regarding the TIFIA Loan, see "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – TIFIA LOAN."

LIMITED LIABILITY

The 2023 CFC Bonds will not be general obligations of the City and will not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City, the State or any political subdivision of the State will be pledged to the payment of the principal of or interest on the 2023 CFC Bonds. The 2023 CFC Bonds are not secured by any properties or improvements (including properties and improvements at the Airport) and are not secured by a pledge of any revenues of the City including revenues derived by the City from the operation of the Airport generally (other than the Pledged Receipts).

BOND INSURANCE

Concurrently with the issuance of the 2023 CFC Bonds the Insurer will issue the Policy for the 2023 CFC Bonds. The Policy guarantees scheduled payment of principal of and interest on the 2023 CFC Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement. For additional information on the Insurer and the Policy, see "BOND INSURANCE" and APPENDIX G — "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

CITY OF CHICAGO

The City was incorporated in 1837, is America's third largest city by population and is the center of a larger Chicago metropolitan area (*"Metropolitan Area"*) with a population of over nine million. According to the Report of the Airport Consultant (as defined herein), the Metropolitan Area is home to 31 Fortune 500 company headquarters, second only to the New York metropolitan area. Since its earliest days, Chicago has capitalized upon its geographic location to foster the development of transportation and other network-based infrastructure, from ports and railroads, to communication wires, interstate highways, and air travel. As a home rule unit of local government under the Illinois Constitution of 1970, the City "may exercise any power and perform any function pertaining to its government and affairs." The City has a mayor-council form of government. The Mayor is the Chief Executive Officer of the City and is elected to a four-year term. Brandon Johnson took office as Chicago's Mayor in May 2023. The City Council is the legislative body and consists of 50 members, each elected to represent one of the City's 50 wards.

CHICAGO O'HARE INTERNATIONAL AIRPORT

The Airport is the primary commercial airport for the City. The Airport occupies over 7,200 acres of land and is located 18 miles northwest of the City's central business district. Based on data from ACI for the 12-month period ended December 2022, the Airport ranked second in the world in terms of total aircraft operations, and fourth in the world in terms of passengers. According to the Chicago Department of Aviation ("*CDA*"), the Airport had approximately 84.6 million total enplaned and deplaned passengers in 2019, approximately 30.9 million in 2020, approximately 54.0 million in 2021 and approximately 68.3 million in 2022. United Airlines and American Airlines each maintain a hub at the Airport. United Airlines (including its regional affiliates) accounted for 45.6 percent of the enplaned passengers at O'Hare in 2022. American Airlines (including its regional affiliates) accounted for 32.5 percent of the enplaned passengers at the Airport in 2022. For additional information regarding the Airport, see "CHICAGO O'HARE INTERNATIONAL AIRPORT," "AIR TRAFFIC ACTIVITY AT O'HARE — COVID-19," "CERTAIN INVESTMENT CONSIDERATIONS" and APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

AIRPORT CAPITAL PROGRAM

The City has on-going capital programs at the Airport that are collectively referred to herein as the "Airport Capital Program" which includes the Terminal Area Plan ("*TAP*"), the expansion of Terminal 5, a three-gate expansion of Terminal 3 Concourse L, and on-going capital improvement projects. The Airport Capital Program, which includes certain projects that received funding approval under prior airline use and lease agreements that expired on May 11, 2018 (the "*Prior Use Agreements*") as well as the projects approved in the Airline Use and Lease Agreements (as defined below), was developed under O'Hare 21, a City initiative to improve the airport's connectivity, efficiency and capacity, and ensure the success of the Airport into the 21st century.

In March 2018, the City announced approximately $8.5 billion (in 2018 dollars) of new Airport projects approved under the Chicago O'Hare International Airport Airline Use and Lease Agreement approved by an ordinance adopted by the City Council on March 28, 2018, and consisting of multiple substantially similar agreements entered into between the City and various companies engaged in the commercial transportation by air of persons, property, mail, parcels and/or cargo at the Airport (the "*Signatory Airlines*"), as such agreements may be extended, amended or supplemented from time to time in accordance with their terms (the "*Airline Use and Lease Agreements*"). The projects include three sets of projects, as defined in the Airline Use and Lease Agreements: (i) the TAP; (ii) specific capital improvement projects approved by the Signatory Airlines as part of their execution of the Airline Use and Lease Agreements (the "*Pre-Approved Capital Improvement Projects*"); and (iii) other Pre-Approved Allowances for major capital maintenance and infrastructure reliability projects (the "*Pre-Approved Allowances*"). These projects and their funding are described herein and in the Report of the Airport Consultant. See "AIRPORT CAPITAL PROGRAM" and APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

REGIONAL AIRPORT OVERSIGHT

The City operates O'Hare and Chicago Midway International Airport ("Midway") through the CDA as separate and distinct enterprises for financial purposes. The CFC Bonds are not secured by any revenues generated, or property located, at Midway. See " CHICAGO O'HARE INTERNATIONAL AIRPORT — OTHER COMMERCIAL SERVICE AIRPORTS SERVING THE CHICAGO REGION" herein. On April 15, 1995, the City and the City of Gary, Indiana entered into the Compact (as defined herein) with respect to the relationship among O'Hare, Midway, Merrill C. Meigs Field* and the Gary/Chicago Airport (now known as Gary/Chicago International Airport). Gary/Chicago International Airport is owned by the City of Gary, Indiana. See " CHICAGO O'HARE INTERNATIONAL AIRPORT — REGIONAL AUTHORITY."

* Meigs Field was closed in March 2003.

CERTAIN INVESTMENT CONSIDERATIONS

The 2023 CFC Bonds may not be suitable for all investors. Prospective purchasers of the 2023 CFC Bonds should read this entire Official Statement for details of the 2023 CFC Bonds, investment considerations related to the rental car industry, the financial condition of the airlines and certain other factors that could adversely affect the origination and destination traffic at the Airport, including specifically the information under the captions "AIR TRAFFIC ACTIVITY AT O'HARE – COVID-19" and "CERTAIN INVESTMENT CONSIDERATIONS."

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant (the *"Report of the Airport Consultant"*) prepared by Ricondo & Associates, Inc., the City's airport consultant (the *"Airport Consultant"*), included as APPENDIX E, provides certain information with respect to the Airport, discusses the rental car market, describes the economic base supporting the rental car market at the Airport, projects rental car activity and CFC Revenue at the Airport, describes various factors that could have an impact on the rental car demand at the Airport and discusses the financial framework for the 2023 CFC Bonds. The Report of the Airport Consultant is described more fully under the caption "REPORT OF THE AIRPORT CONSULTANT."

As noted below under "—General—*Forward-Looking Statements*," any projection, including, but not limited to, any projection contained in the Report of the Airport Consultant, is subject to uncertainties, including the possibility that some of the assumptions used to develop the projections will not be realized and that unanticipated events and circumstances will occur. Accordingly, there are likely to be differences between projections and actual results, which differences could be material. See APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

PROPOSED AMENDMENTS TO THE 2013 CFC INDENTURE

The Second Supplemental Indenture proposes certain amendments to the 2013 CFC Indenture (the "*Proposed Amendments*") which would amend the terms of the 2013 CFC Indenture. The Proposed Amendments will become effective upon compliance with the terms of the Second Supplemental Indenture, (which terms include obtaining the consent of the holders of more than fifty percent (50%) of the aggregate principal amount of outstanding Bonds), all of which will be fulfilled upon issuance of the 2023 CFC Bonds with the consent of the owners thereof to the Proposed Amendments. USDOT, as holder of the TIFIA Loan, has consented to the Proposed Amendments. EACH PURCHASER OF THE 2023 CFC BONDS SHALL BE DEEMED TO HAVE CONSENTED TO THE PROPOSED AMENDMENTS BY ITS PURCHASE OF THE 2023 CFC BONDS. CONSEQUENTLY, THE OFFICIAL STATEMENT DESCRIBES THE SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS AND THE PROVISIONS OF THE 2013 CFC INDENTURE AFTER THE PROPOSED AMENDMENTS TAKE EFFECT.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Official Statement are forward-looking statements, including, without limitation: (a) statements concerning projections of future passenger activity at the Airport and of future financial performance at the Airport (see "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS" and APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT"); (b) statements of the plans and objectives of the City in relation to the Airport Capital Program (as defined herein) (see "CHICAGO O'HARE INTERNATIONAL AIRPORT – AIRPORT CAPITAL PROGRAM"); (c) statements concerning projections regarding developments and impact of COVID-19 (see "CHICAGO O'HARE INTERNATIONAL AIRPORT – COVID-19" and "CERTAIN INVESTMENT CONSIDERATIONS – COVID-19") and (d) assumptions relating to the statements described in clauses (a), (b) and (c) above (collectively, the *"Forward-Looking Statements"*). See "CERTAIN INVESTMENT CONSIDERATIONS – Forward Looking Statements."

The Projections set forth in the Report of the Airport Consultant or otherwise 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 prospective financial information, but, in the view of the City's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the O'Hare. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Such parties assume no responsibility for, and disclaim any association with, the prospective financial information.

The City has included the Report of the Airport Consultant, based upon the Airport Consultant's expertise in the aviation industry. APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT." The Airport Consultant believes that the expectations reflected in the Forward-Looking Statements are reasonable. However, there can be no assurance that the expectations contained in the Forward-Looking Statements, including those set forth in the Report of the Airport Consultant, will be achieved. Important factors that could cause actual results to differ materially from the current expectations of the Airport Consultant are discussed in this Official Statement.

DOCUMENT SUMMARIES

This Official Statement contains summaries of the terms of and security for the 2023 CFC Bonds, together with descriptions of the Airport and its operations. A summary of certain provisions of the CFC Indenture is included as APPENDIX A, and a summary of certain provisions of the RAC Agreements and Off-Airport RAC Agreements is included as APPENDIX B. All references herein to agreements and documents are qualified in their entirety by references to the definitive forms of the agreement or document. All references to the 2023 CFC Bonds are further qualified by references to the information with respect to them contained in the CFC Indenture. Capitalized terms used in this Official Statement but not otherwise defined herein shall have the meanings set forth in APPENDIX A.

THE 2023 CFC BONDS

GENERAL

The 2023 CFC Bonds will be issued as fully registered bonds in the aggregate principal amounts and will bear interest from their date of initial delivery to their respective maturities as set forth on the inside cover. Ownership interests in the 2023 CFC Bonds will be available in denominations of $5,000 and integral multiples thereof. Interest on the 2023 CFC Bonds will be payable on January 1, 2024 and on each January 1 and July 1 thereafter until maturity.

The 2023 CFC Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Details of payments of the 2023 CFC

Bonds when in the book-entry form and the book-entry only system are in APPENDIX F—"DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM." Except as described in APPENDIX F—"DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM," beneficial owners of the 2023 CFC Bonds will not receive or have the right to receive physical delivery of 2023 CFC Bonds, and will not be or be considered under the CFC Indenture to be the Registered Owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and, if such beneficial owner is not a DTC Participant, the DTC Participant who will act on behalf of such beneficial owner to receive notices and payments of principal and interest on the 2023 CFC Bonds and to exercise voting rights, and (ii) the records of DTC and, if such beneficial owner is not a DTC Participant, such beneficial owner's DTC Participant, to evidence its beneficial ownership of 2023 CFC Bonds. As long as DTC or its nominee is the Registered Owner of 2023 CFC Bonds, references herein to Bondholders or Registered Owners of such 2023 CFC Bonds shall mean DTC or its nominee and shall not mean the beneficial owners of such 2023 CFC Bonds.

REDEMPTION

Optional Redemption

The 2023 CFC Bonds maturing on and after January 1, 2034 shall be subject to optional redemption in whole or in part by the City prior to maturity on any business day on or after January 1, 2033, at a Redemption Price of 100% of the principal amount thereof plus interest accrued to the date fixed for redemption.

SELECTION OF BONDS TO BE REDEEMED

In the case of any redemption in part of the 2023 CFC Bonds, the maturities of such 2023 CFC Bonds to be optionally redeemed shall be selected by the City. If less than all the 2023 CFC Bonds of a particular maturity shall be called by the City for redemption, the particular 2023 CFC Bonds of such maturity to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however (a) that the portion of any 2023 CFC Bond to be redeemed shall be in the principal amount of the Authorized Denomination applicable to such 2023 CFC Bond or any multiple thereof, (b) that, in selecting 2023 CFC Bonds for redemption, the Trustee shall treat each 2023 CFC Bond as representing that number of 2023 CFC Bonds that is obtained by dividing the principal amount of such 2023 CFC Bond by the Authorized Denomination applicable to the 2023 CFC Bonds, and (c) that, to the extent practicable, the Trustee will not select any 2023 CFC Bond for partial redemption if the amount of such 2023 CFC Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination applicable to the 2023 CFC Bonds. Notwithstanding the foregoing, for so long as the 2023 CFC Bonds are registered in book-entry only form, if less than all of the 2023 CFC Bonds of a particular maturity are called for prior redemption, such 2023 CFC Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

NOTICE OF REDEMPTION

In the event any of the 2023 CFC Bonds are called for redemption, the Trustee shall give notice, in the name of the City, of the redemption of such 2023 CFC Bonds, which notice shall (i) specify the 2023 CFC Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Trustee) and, if less than all of the 2023 CFC Bonds are to be redeemed, the maturity of the 2023 CFC Bonds so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the 2023 CFC Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption to each holder of 2023 CFC Bonds to be redeemed at its address shown on the Registration Books (if 2023 CFC Bonds are held in book-entry form with DTC, notice shall be provided in accordance with DTC procedures); provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other 2023 CFC Bonds. Any 2023 CFC Bonds and portions of 2023 CFC Bonds that have been duly selected for redemption and that are paid in accordance with the CFC Indenture shall cease to bear interest on the specified redemption date.

SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS

GENERAL

Under the CFC Indenture the City may issue Additional Bonds on a parity with the 2023 CFC Bonds upon the satisfaction of certain conditions. See "ADDITIONAL BONDS" and "REFUNDING BONDS" below. All CFC Bonds are equally and ratably secured by a lien on and pledge of the Trust Estate (as defined below). See "PLEDGED RECEIPTS" below. The 2013 CFC Indenture also permits the issuance of Subordinate Bonds. The TIFIA Loan constitutes a Subordinate Bond under the CFC Indenture, except upon the occurrence of a Bankruptcy Related Event, in which event the TIFIA Loan will automatically convert to stand on a parity lien basis with the CFC Bonds. See "– SPRINGING PARITY LIEN OF THE TIFIA LOAN" below.

For a table showing the debt service on the 2023 CFC Bonds, see "PLAN OF FINANCE – DEBT SERVICE REQUIREMENTS."

The summary of the security and sources of payment for the 2023 CFC Bonds set forth herein is qualified in its entirety by and reference is hereby made to APPENDIX A hereto and to the CFC Indenture, which set forth in further detail provisions relating to the security and sources of payment for the 2023 CFC Bonds. For definitions of certain capitalized terms used but not defined herein, see APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

LIMITED OBLIGATIONS

The 2023 CFC Bonds are limited obligations of the City. Payment of the principal of and premium, if any, and interest on the 2023 CFC Bonds is secured by and payable solely from the revenues from time to time pledged to secure such payment under the CFC Indenture. See "PLEDGED RECEIPTS" below.

The 2023 CFC Bonds do not constitute a general obligation of the City, and the full faith and credit of the City is not pledged to the payment of the principal or redemption price of or interest on the 2023 CFC Bonds. Neither the faith and credit nor the taxing power of the City, the State or any political subdivision of the State will be pledged to the payment of the principal of or interest on the 2023 CFC Bonds. The 2023 CFC Bonds are not secured by any properties or improvements (including properties and improvements at the Airport) and are not secured by a pledge of any revenues of the City including revenues derived by the City from the operation of the Airport generally (other than the Pledged Receipts).

PLEDGED RECEIPTS

Pursuant to the CFC Indenture, the principal of the CFC Bonds, including the 2023 CFC Bonds, and interest and the premium, if any, thereon, will be payable from and secured by a pledge of, and first lien on, all rights, title and interest of the City in and to the Pledged Receipts and other rights assigned by the City to the Trustee under the CFC Indenture (collectively, the *"Trust Estate"*). *"Pledged Receipts"* means the right to payment of all monetary obligations constituting CFCs, whether or not remitted to the Trustee or the City, owed to the City, the right to payment of all monetary obligations constituting Facility Rent payable by the RACs, all casualty insurance proceeds and condemnation awards required to be applied pursuant to the CFC Indenture, the Project Fund, the Debt Service Fund, the Reserve Funds (as defined below), the Subordinate Debt Service Fund, the Subordinate Reserve Fund, all moneys, investments and proceeds on deposit in such Funds, and interest and investments earnings thereon (subject to the provisions of the CFC Indenture regarding moneys for the benefit of the holders of particular Bonds), and any other moneys collected from Off-Airport RACs or from users of the Project (other than the RACs) and designated by an authorized officer of the City as Pledged Receipts. The Pledged Receipts shall not include moneys, investments and proceeds in the Rebate Fund, the Operation and Maintenance Fund or the CFC Stabilization Fund, and shall not include the Unassigned Rights. *"Unassigned Rights"* means the rights of the City under each RAC Agreement, except, as long as any Bonds remain Outstanding, the right to receive and collect CFCs and Facility Rent. See "FLOW OF FUNDS" below.

CUSTOMER FACILITY CHARGES

Statutory Authority. Section 6-305j of the Illinois Vehicle Code, 625 ILCS 5/6-305(j) (the *"CFC Statute"*), authorizes Illinois local governmental corporate authorities to impose customer facility charges upon customers of rental car companies at public airports for the purpose of financing, designing, constructing, operating and maintaining consolidated car rental facilities and common use transportation facilities.

CFCs Collected by RACs. Pursuant to Ordinance No. O2010-2651 of the City Council of the City (the *"Council"*) dated June 9, 2010 and Ordinance No. O2012-67 of the Council dated December 12, 2012 (collectively, the *"CFC Ordinance"*), the City imposed CFCs to be collected by all rental car companies operating from leased space at the Airport ("*On-Airport*"). Pursuant to the CFC Ordinance and the Consolidated Rental Car Facility Lease and License/Concession Agreements, as amended from time to time (as amended from time to time, the "*RAC Agreements*") each rental car company operating On-Airport has been required to collect CFCs from all customers who contract for or receive delivery of a rental car at the Airport since the effective date of their respective RAC Agreement.

The RACs operating at the Airport (Enterprise Holdings, Inc., Avis Budget Group, Inc., Europcar Mobility Group, The Hertz Corporation and Sixt Rent A Car, LLC) have executed RAC Agreements with the City. The RAC Agreements provide that the CFCs collected by the RACs, prior to remittance to the Trustee or the City, as the case may be, shall be subject to a first lien for the repayment of the Bonds and are not income, revenue or any other asset of the RACs, and that the RACs have no legal or equitable ownership or property interest in the CFCs. Prior to remittance to the Trustee, CFCs shall be held by the RACs as funds in trust for the benefit of the Trustee and the City and shall be remitted to the City on a monthly basis for the previous month.

The 2023 CFC Bonds are not an indebtedness or other liability of the RACs, and the RACs are not liable for any payments relating to the 2023 CFC Bonds, other than timely remittance of the CFCs collected by such operators to the Trustee for the benefit of the City and the payment of Facility Rent.

<u>CFCs and Off-Airport RACs</u>. Pursuant to Ordinance No. O2012-67 of the City Council dated December 12, 2012 (the *"Off-Airport CFC Ordinance"*), the City authorized the Commissioner of the CDA (the "*Commissioner*") to impose CFCs to be collected by all Off-Airport RACs. Since August 1, 2013 Off-Airport RACs have been required to collect CFCs and to enter into Off-Airport Rental Car Concession Agreements (the "*Off-Airport RAC Agreements*"). See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

The 2023 CFC Bonds are not an indebtedness or other liability of the Off-Airport RACs, and the Off-Airport RACs are not liable for any payments relating to the 2023 CFC Bonds, other than timely remittance of the CFCs collected by such operators to the Trustee for the benefit of the City.

<u>Rate and Increase of CFCs</u>. The current rate of the CFC is $8.00 per twenty-four hour period (or fraction thereof) (each a *"Contract Day"*) charged to customers for the total time period that a car is rented. The number of Contract Days is the basis for CFC collections and is related to passenger levels and rental car demand at the Airport. See "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS." The number of Contract Days and the rate of the CFC together form the basis for the CFC payments paid to the Trustee for the benefit of the City in respect to the Project, as described below and in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

The Commissioner has authority to require the collection of the CFC, to establish the rate of the CFC and to change the rate of the CFC from time to time without further approval of the City Council. Pursuant to the CFC Indenture, the City has covenanted to increase the rate of the CFC, Facility Rent or both, from time to time, as necessary to satisfy the Rate Covenant. See "RATE COVENANT" below. Pursuant to the RAC Agreements, the City has agreed to increase the rate of the CFC in the event the projected total Facility Rent payable in any year by all RACs exceeds $18 million. See "Facility Rent" below. The Projections set forth in the Report of the Airport Consultant project the rate of the CFC to increase to $8.50 in 2028, to $9.50 in 2029 and to $10.00 in 2030. See the discussion herein under the heading "REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS" and APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

Pursuant to the TIFIA Loan Agreement, so long as the TIFIA Loan is outstanding USDOT possesses certain notice and approval rights, including without limitation the requirement that any action or inaction by the City which would have the effect of reducing the amount of the CFC is subject to the prior written consent of USDOT. See also "– TIFIA LOAN" below.

FACILITY RENT

Under the RAC Agreements, each RAC has agreed to pay to the Trustee, an allocable share of "Facility Rent" in amounts which, together with projected revenue from CFCs, are projected to be sufficient to meet the City's payment obligations under the CFC Indenture and the Rate Covenant. See "RATE COVENANT" below.

"Facility Rent" payable by each RAC for each RAC Agreement Year (as defined in the RAC Agreements) is an amount equal to the sum of such RAC's Proportionate Share of the following: (i) any and all Debt Service (as defined in the RAC Agreements), plus (ii) Operating Expenses and Impositions (as defined in the RAC Agreements), plus (iii) any and all other costs and expenses for which such RAC is expressly responsible or liable; <u>less</u> CFC Collections (as defined in the RAC Agreements) from all RACs and Off-Airport RACs available in the CFC Revenue Fund to be applied to such costs.

Pursuant to the CFC Indenture, the amount of Facility Rent is determined by the City annually and shall be an amount projected to be sufficient, together with CFCs projected to be collected in such Fiscal Year, to enable the City to meet the Minimum Annual Requirement (as defined in the CFC Indenture) for such Fiscal Year and provide additional funds equal to the difference between (i) CFCs and Facility Rent received in the prior Fiscal Year, and (ii) the Minimum Annual Requirement for such prior Fiscal Year. See "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

Pursuant to the RAC Agreements, the City provides each RAC annually with a statement of the estimated monthly installments of Facility Rent which will be due for the RAC Agreement Year (the *"Facility Rent Estimate"*). Such Facility Rent Estimate is based on, among other things, the estimated or projected number of Contract Days for such RAC Agreement Year, and shall be projected to be sufficient, together with the estimated CFC Collections for such RAC Agreement Year, to enable the City to cover Debt Service and the other components of Facility Rent under the RAC Agreements and satisfy the requirements of the CFC Indenture. Pursuant to the RAC Agreements, the City has agreed to increase the rate of the CFC for a RAC Agreement Year, in the event the projected total Facility Rent payable in such year by all RACs exceeds $18 million. Each RAC is required to pay to the Trustee the estimated monthly installment of Facility Rent for the RAC Agreement Year in question as set forth in such Facility Rent Estimate. The Projections set forth in the Report of the Airport Consultant project the rate of the CFC to increase to $8.50 in 2028, to $9.50 in 2029 and to $10.00 in 2030.

As soon as reasonably practicable following the end of each RAC Agreement Year, the City provides each RAC with a statement of certain revenues and expenses for such RAC Agreement Year (the *"Facility Rent Statement"*) setting forth the following: (i) the total amount of Debt Service (as defined in the RAC Agreements), Operating Expenses and Impositions, and related costs, (ii) the total CFC Collections received by the City, and (iii) the available balance of the CFC Revenue Fund. The Facility Rent Statement shall indicate if there is a "*Facility Rent Deficiency,"* i.e. (A) the total amount of Debt Service, Operating Expenses and Impositions, and related costs for such RAC Agreement Year, exceeds (B) the sum of (i) the total amount of CFC Collections attributable to such RAC Agreement Year, (ii) the CFC Revenue Fund sums for such RAC Agreement Year applied thereto, plus (iii) the estimated monthly installment of Facility Rent paid by the RACs for such RAC Agreement Year. Each RAC is required to pay to the City such RAC's proportionate share of such Facility Rent Deficiency within sixty days after the RAC receives the Facility Rent Statement, and such sums are deemed additional rent under the RAC Agreements. If such Facility Rent Statement indicates that the total amount of Debt Service and related costs for such RAC Agreement Year is less than the total amount of CFC Collections attributable to such RAC Agreement Year, the City shall apply such excess, at the City's discretion, first to Eligible Costs (as defined in the CFC Indenture) and then as permitted under the terms and provisions of the CFC Ordinance, the Bond Ordinance, or the CFC Indenture; provided that so long as the TIFIA Loan is outstanding, if Excess Revenues (as defined herein) are required to be paid to USDOT as provided in the TIFIA Loan Agreement, such Excess Revenues shall be paid to USDOT as a prepayment of the TIFIA Loan. See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

In the event of a RAC default under its RAC Agreement for failure to pay Facility Rent, the other RACs ("*Non-Defaulting RACs*") are liable (on a proportional basis based upon the pro-rata share of the rentable square footage allocated to each such Non-Defaulting RAC) for the Facility Rent due from the defaulting RAC ("*Defaulting RAC*"). The payment of such Facility Rent by the Non-Defaulting RACs does not relieve the Defaulting RAC of any of its obligations to the City. In the event the City thereafter receives any unpaid Facility Rent from the Defaulting RAC, the City shall provide the Non-Defaulting RACs with a credit against such Non-Defaulting RAC's obligations for Base Rent (but specifically excluding Facility Rent) in an amount equal to such portion of the defaulted Facility Rent to the extent paid by each such Non-Defaulting-RAC. In addition, upon payment by the Non-Defaulting RACs of all unpaid Facility Rent pursuant to the foregoing, any counter space, back office space, ready/return parking spaces, motor vehicle storage spaces, QTA space and vehicle staging lanes in the CRCF then allocated to the Defaulting RAC shall be reallocated to the remaining, Non-Defaulting RACs in the CRCF.

CFC INDENTURE COVENANTS

Pursuant to the CFC Indenture, the City has covenanted that so long as any Bonds remain Outstanding, it will require all RACs operating at the Airport to collect and remit CFCs and to pay Facility Rent, and to take all actions legally permitted to enforce compliance by the RACs with the RAC Agreements and of their obligations thereunder, including specifically seeking specific performance by each of the RACs, to charge, collect and remit CFCs and to pay Facility Rent to the Trustee for the benefit of the City. The City has also covenanted that so long as any of the Bonds remain Outstanding it will not consent to an amendment to the RAC Agreements that permits direct access to the terminals at the Airport by any courtesy vehicle of a RAC or Off-Airport RAC, or which otherwise materially adversely affects the rights of the Bondholders without consent of a majority in principal amount of the owners of the Bonds then Outstanding.

RESERVE FUNDS

The CFC Indenture establishes the following funds that secure payment of the Bonds (collectively, the *"Reserve Funds"*) in the custody of the Trustee and requires funding of such reserves as follows:

(1) *"Rolling Coverage Fund."* While the 2023 CFC Bonds are Outstanding, the "*Rolling Coverage Fund Requirement*" will be an amount equal to 25% of the Maximum Annual Debt Service on the Outstanding Bonds (other than Subordinate Bonds), which amount will be $4,568,287.50 after the issuance of the 2023 CFC Bonds. Amounts in the Rolling Coverage Fund in excess of the Rolling Coverage Fund Requirement after the issuance of the 2023 CFC Bonds will be used, along with a portion of the proceeds of the 2023 CFC Bonds, to redeem the 2013 CFC Bonds.

(2) *"Supplemental Reserve Fund."* The "*Supplemental Reserve Fund Requirement*" is an amount equal to fifty percent (50%) of the Maximum Annual Debt Service on the Bonds (other than Subordinate Bonds) then Outstanding, which amount will be $9,180,142.44 after the issuance of the 2023 CFC Bonds. Amounts in the Supplemental Reserve Fund in excess of the Supplemental Reserve Fund Requirement after the issuance of the 2023 CFC Bunds will be used, along with a portion of the proceeds of the 2023 CFC Bonds, to redeem the 2013 CFC Bonds. Upon the issuance of the 2023 CFC Bonds, the Supplemental Reserve Fund Requirement will be fully funded by a Qualified Reserve Account Credit Instrument provided by the Insurer and purchased with proceeds of the 2023 CFC Bonds, and other amounts then on deposit in the Supplemental Reserve Fund will be used, along with a portion of the proceeds of the 2023 CFC Bonds, to redeem the 2013 CFC Bonds.

(3) *"Debt Service Reserve Fund."* The "*DSRF Requirement*" is an amount equal to 100% of the Maximum Annual Debt Service on the Outstanding CFC Bonds, which amount will be $18,345,270.54 after the issuance of the 2023 CFC Bonds. Amounts in the Debt Service Reserve Fund in excess of the DSRF Requirement after the issuance of the 2023 CFC Bonds will be used, along with a portion of the proceeds of the 2023 CFC Bonds, to redeem the 2013 CFC Bonds. Upon the issuance of the 2023 CFC Bonds, the DSRF Requirement will be fully funded by a Qualified Reserve Account Credit Instrument provided by the Insurer and purchased with proceeds of the 2023 CFC Bonds, and other amounts then on deposit in the Debt Service Reserve

Fund will be used, along with a portion of the proceeds of the 2023 CFC Bonds, to redeem the 2013 CFC Bonds.

In lieu of the deposit of money in the Debt Service Reserve Fund in satisfaction of the DSRF Requirement, or in the Supplemental Reserve Fund in satisfaction of the Supplemental Reserve Fund Requirement, the City may deposit with the Trustee one or more Qualified Reserve Account Credit Instruments. "Qualified Reserve Account Credit Instrument" means a letter of credit, standby bond purchase agreement, line of credit, surety instrument or similar instrument, any bond insurance policy or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing) obtained by the City and issued by a Qualified Issuer. "Qualified Issuer" means (i) with respect to any Qualified Reserve Account Credit Instrument issued by a bank or trust company, any bank or trust company authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof that has an Acceptable Credit Rating, and (ii) with respect to any Qualified Reserve Account Credit Instrument issued by an insurance company or other financial institution, any insurance company or other financial institution that is authorized and qualified to do business by the state insurance commissioner of its jurisdiction of organization and of the State and that has an Acceptable Credit Rating.

Any such Qualified Reserve Account Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Fund or the Supplemental Reserve Fund, as applicable, may be used. If the Debt Service Reserve Fund or Supplemental Reserve Fund holds cash or other investments, and if a draw on the Debt Service Reserve Fund or Supplemental Reserve Fund is required, such cash or other investments shall be transferred to the Debt Service Fund before any drawing may be made on any Qualified Reserve Account Credit Instrument. If the Debt Service Reserve Fund or the Supplemental Reserve Fund holds Qualified Reserve Account Credit Instruments issued by more than one issuer, draws shall be made under such Qualified Reserve Account Credit Instruments on a pro rata basis to the extent of available funds. Amounts deposited in the Debt Service Reserve Fund or the Supplemental Reserve Fund for the purposes of restoring amounts withdrawn therefrom shall be applied first to reimburse the provider of the Qualified Reserve Account Credit Instrument and thereby reinstate the Qualified Reserve Account Credit Instrument.

If at any time an issuer of a Qualified Reserve Account Credit Instrument securing the Debt Service Reserve Fund or the Supplemental Reserve Fund ceases to be a Qualified Issuer, the City shall cause such credit instrument to be replaced by a new Qualified Reserve Account Credit Instrument within ten (10) calendar days of the date on which the current issuer ceased to be a Qualified Issuer. Any new Qualified Reserve Account Credit Instrument shall have the same terms and conditions (including expiration date and face amount) as the Qualified Reserve Account Credit Instrument being replaced, or such other terms and conditions as may be satisfactory to the USDOT as the owner of the TIFIA Bond. If any Qualified Reserve Account Credit Instrument securing the Debt Service Reserve Fund or the Supplemental Reserve Fund is scheduled to expire prior to the final maturity date of the Bonds, the City shall replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument at least ten (10) Business Days prior to the stated expiry date of the existing Qualified Reserve Account Credit Instrument and such new Qualified Reserve Account Credit Instrument (1) shall be in an amount equal to at least the amount of expiring Qualified Reserve Account Credit Instrument and (2) shall have (x) the same terms and conditions (other than the expiration date and face amount, if higher than that of the expiring Qualified Reserve Account Credit Instrument) as the expiring Qualified Reserve Account Credit Instrument, or (y) such other terms and conditions as may be satisfactory to the USDOT as the owner of the TIFIA Bond.

Any reimbursement obligations in respect of a Qualified Reserve Account Credit Instrument shall be included in the calculation of Aggregate Debt Service for purpose of the issuance of Additional Bonds as described below under "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – Additional Bonds," the issuance of Subordinate Bonds as described below under "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – Subordinate Bonds" and the calculation of the rate covenant as described below under "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – Rate Covenant."

The DSRF Requirement, the Rolling Coverage Fund Requirement and the Supplemental Reserve Fund Requirement are collectively referred to herein as the *"Reserve Fund Requirements."*

Pursuant to the CFC Indenture, the Trustee shall transfer amounts on deposit in the Reserve Funds to the Debt Service Fund, to the extent required to pay principal and/or interest on the CFC Bonds as the same become due and payable; provided, that the Trustee must make such transfers in the following order of priority: first, from the CFC Stabilization Fund in the custody of the City (See " – CFC STABILIZATION FUND TO BE MAINTAINED BY THE CITY" below); second, from the Rolling Coverage Fund; third, from the Supplemental Reserve Fund; and fourth, from the Debt Service Reserve Fund, all in accordance with the CFC Indenture.

Upon the occurrence of a Bankruptcy Related Event as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – SPRINGING PARITY LIEN OF THE TIFIA LOAN" herein, the TIFIA Loan will automatically and without notice be deemed to be an Additional Bond instead of a Subordinate Bond and shall be of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds. Upon any such occurrence the elevation of the lien of the TIFIA Loan would result in amounts on deposit in the TIFIA Reserve Account being transferred to the Debt Service Reserve Fund and would increase the amount of Maximum Annual Debt Service on the Outstanding CFC Bonds and thus the required balances in the Reserve Funds. See the discussion herein under the heading "CERTAIN INVESTMENT CONSIDERATIONS – ABILITY TO MEET COVENANTS."

CFC STABILIZATION FUND TO BE MAINTAINED BY THE CITY

The CFC Indenture creates the CFC Stabilization Fund, in the custody of the City, which includes the Maintenance Reserve Account. Funding of the CFC Stabilization Fund is required to be maintained by the City at $20,000,000 (the "*CFC Stabilization Fund Minimum Requirement*"). The CFC Stabilization Fund is currently funded in the amount of the CFC Stabilization Fund Minimum Requirement. The CFC Stabilization Fund is for the sole benefit of the City and is not subject to the lien of the CFC Indenture or to the claim of the Bondholders.

After making the deposits and transfers described in (1) through (8) of *"FLOW OF FUNDS"* below, the Trustee shall transfer all remaining CFC Revenues (as defined below) to the City for deposit to the CFC Stabilization Fund. Moneys in the CFC Stabilization Fund shall be applied by the City pursuant to the provisions of the CFC Indenture, such moneys to first be deposited in the Maintenance Reserve Account within the CFC Stabilization Fund, up to the Maintenance Reserve Account Requirement.* The remaining moneys after such deposit to the Maintenance Reserve Account shall be held in the CFC

* One of the Proposed Amendments in the Second Supplemental Indenture changes the sizing of the Maintenance Reserve Account Requirement. See "INTRODUCTION – PROPOSED AMENDMENTS TO THE 2013 CFC INDENTURE" herein. After the issuance of the 2023 CFC Bonds and the effectiveness of the Proposed Amendments, amounts in the Maintenance Reserve Account in excess of the Maintenance Reserve Account Requirement will be used to make a deposit to the Rolling Coverage Fund in the amount of the Rolling Coverage Fund Requirement after the issuance of the 2023 CFC Bonds, and to make a deposit to the 2023 CFC Bonds account in the Debt Service Fund.

Stabilization Fund (but not within the Maintenance Reserve Account). So long as the TIFIA Loan is outstanding, amounts on deposit in the CFC Stabilization Fund (other than amounts in the Maintenance Reserve Account) shall be applied by the City to make up deficiencies in amounts required to be on deposit in Funds, and amounts on deposit in the Maintenance Reserve Account shall be applied by the City to make up deficiencies in amounts required to be on deposit in Funds (other than the Operation and Maintenance Fund, the TIFIA Debt Service Account and the TIFIA Reserve Account), in each case notwithstanding the CFC Stabilization Fund Minimum Requirement. Any amounts remaining in the CFC Stabilization Fund in excess of the CFC Stabilization Fund Minimum Requirement may be withdrawn, in the City's discretion, and deposited to the CFC Revenue Fund; provided that so long as the TIFIA Loan is outstanding, no such withdrawal shall be made if amounts constituting Excess Revenues are required to be paid to USDOT as provided in the TIFIA Loan Agreement, in which event such Excess Revenues shall be paid to USDOT. See "PLAN OF FINANCE" herein and APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

FLOW OF FUNDS

The CFC Indenture provides that unless specifically directed otherwise therein, all CFCs, Facility Rent and other sums paid to the Trustee for deposit in the CFC Revenue Fund (collectively, *"Revenues"*) shall be deposited by the Trustee in the CFC Revenue Fund upon receipt. The funds on deposit in the CFC Revenue Fund shall be transferred by the Trustee on the twenty-fifth day of each month (the *"Draw Down Date"*), or if such day is not a Business Day, the next succeeding Business Day, to the following funds and accounts in the following order:

> *First*, the Trustee shall transfer, to each Account within the Debt Service Fund established for a Series of CFC Bonds, (i) amounts sufficient to pay one-sixth of the interest due on Bonds of such Series on the next succeeding Interest Payment Date if such Series bears interest at a Fixed Rate, or an amount specified in the applicable Supplemental Indenture if such Series bears interest at a Variable Rate, as applicable, net of interest earnings on deposit in such Account, provided that payments prior to the first Interest Payment Date after the issuance of a Series of CFC Bonds shall be adjusted to the extent necessary so that the total amount of interest due on such CFC Bonds on that Interest Payment Date will have been paid into the applicable Debt Service Account in equal installments prior to that Interest Payment Date, and (ii) amounts sufficient to pay one-twelfth of the principal amount of the CFC Bonds of such Series coming due on the next succeeding Principal Payment Date (including sinking fund installments), net of interest earnings on deposit in such Account, provided that payments prior to the first Principal Payment Date after the issuance of a Series of CFC Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Bonds on that Principal Payment Date will have been paid into the applicable Debt Service Account in equal installments prior to that Principal Payment Date.
>
> *Second*, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve months , (i) first, amounts necessary to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund for amounts drawn upon such Qualified Reserve Account Credit Instrument so as to cause the reinstatement of such Qualified Reserve Account Credit Instrument, and (ii) second, to the extent that no amounts are owing to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund, amounts necessary to cause the amount of cash retained in the Debt Service Reserve Fund to equal the DSRF Requirement not otherwise satisfied by any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund.

Third, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve months to the Rolling Coverage Fund amounts necessary to cause the amount on deposit therein to equal the Rolling Coverage Fund Requirement.

Fourth, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve months, (i) first, amounts necessary to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund for amounts drawn upon such Qualified Reserve Account Credit Instrument so as to cause the reinstatement of such Qualified Reserve Account Credit Instrument, and (ii) second, to the extent that no amounts are owing to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund, amounts necessary to cause the amount of cash retained in the Supplemental Reserve Fund to equal the Supplemental Reserve Fund Requirement not otherwise satisfied by any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund.

Fifth, the Trustee shall transfer, after taking into account any amounts representing capitalized interest therein, to each Account within the Subordinate Debt Service Fund established for a Series of Subordinate Bonds, (i) amounts sufficient to pay one-sixth of the interest due on Subordinate Bonds of such Series on the next succeeding Interest Payment Date if such Series bears interest at a Fixed Rate, or an amount specified in the applicable Supplemental Indenture if such Series bears interest at a Variable Rate, as applicable, provided that payments prior to the first Interest Payment Date after the issuance of a Series of Subordinate Bonds shall be adjusted to the extent necessary so that the total amount of interest due on such Subordinate Bonds on that Interest Payment Date will have been paid into the applicable Subordinate Debt Service Account in equal installments prior to that Interest Payment Date, and (ii) amounts sufficient to pay one-twelfth of the principal amount of the Subordinate Bonds of such Series coming due on the next succeeding Principal Payment Date, provided that payments prior to the first Principal Payment Date after the issuance of a Series of Subordinate Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Subordinate Bonds on that Principal Payment Date will have been paid into the applicable Subordinate Debt Service Account in equal installments prior to that Principal Payment Date.

Sixth, if and to the extent required by a Supplemental Indenture or other financing document providing for the issuance of one or more Series of Subordinate Bonds, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve months to the applicable Accounts within the Subordinate Reserve Fund, if any, amounts necessary to cause the amount on deposit therein to equal one hundred percent (100%) of the amount or amounts required to be on deposit in such Account as set forth in the applicable provisions of the Supplemental Indentures or other or other financing document that provided for the issuance of such Subordinate Bonds.

Seventh, with respect to any Series of Tax-Exempt Bonds, the Trustee shall transfer to the Rebate Fund for such Series of Tax-Exempt Bonds the amounts calculated to be due to the Internal Revenue Service as arbitrage rebate for such Series of Tax-Exempt Bonds in accordance with any arbitrage rebate calculation provided to the Trustee with respect to a Series of Tax-Exempt Bonds pursuant to the CFC Indenture, to the extent that funds are not already on deposit therein.

Eighth, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve months to the Operation and Maintenance Fund amounts necessary to cause the amount on deposit therein to equal the Operation and Maintenance Fund Requirement.

Ninth, the Trustee shall transfer all remaining moneys to the City for deposit in the CFC Stabilization Fund. Such moneys (a) on the drawdown date occurring each December, shall first be deposited in the Maintenance Reserve Account within the CFC Stabilization Fund, up to (i) during Fiscal Year 2023, $12,000,000 and (ii) for Fiscal Year 2024 and thereafter, the greater of (A) $12,000,000 and (B) the amount equal to fifty percent (50%) of the Operation and Maintenance Fund Requirement (the *"Maintenance Reserve Account Requirement"*) and (b) on all other Draw Down Dates, shall be, at the direction of the City, either (1) deposited in the Maintenance Reserve Account within the CFC Stabilization Fund, up to the Maintenance Reserve Account Requirement or (2) held in the CFC Stabilization Fund (but not within the Maintenance Reserve Account). On or prior to the Completion Date, the remaining moneys after any such deposit to the Maintenance Reserve Account shall be deposited to the CFC PAYGO Project Account within the CFC Stabilization Fund.[1] The CFC PAYGO Project Account shall be closed on the Completion Date and any remaining amounts in such Account shall be transferred to the Debt Service Fund. See APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

A chart showing the foregoing flow of funds under the CFC Indenture is set forth on the following page:

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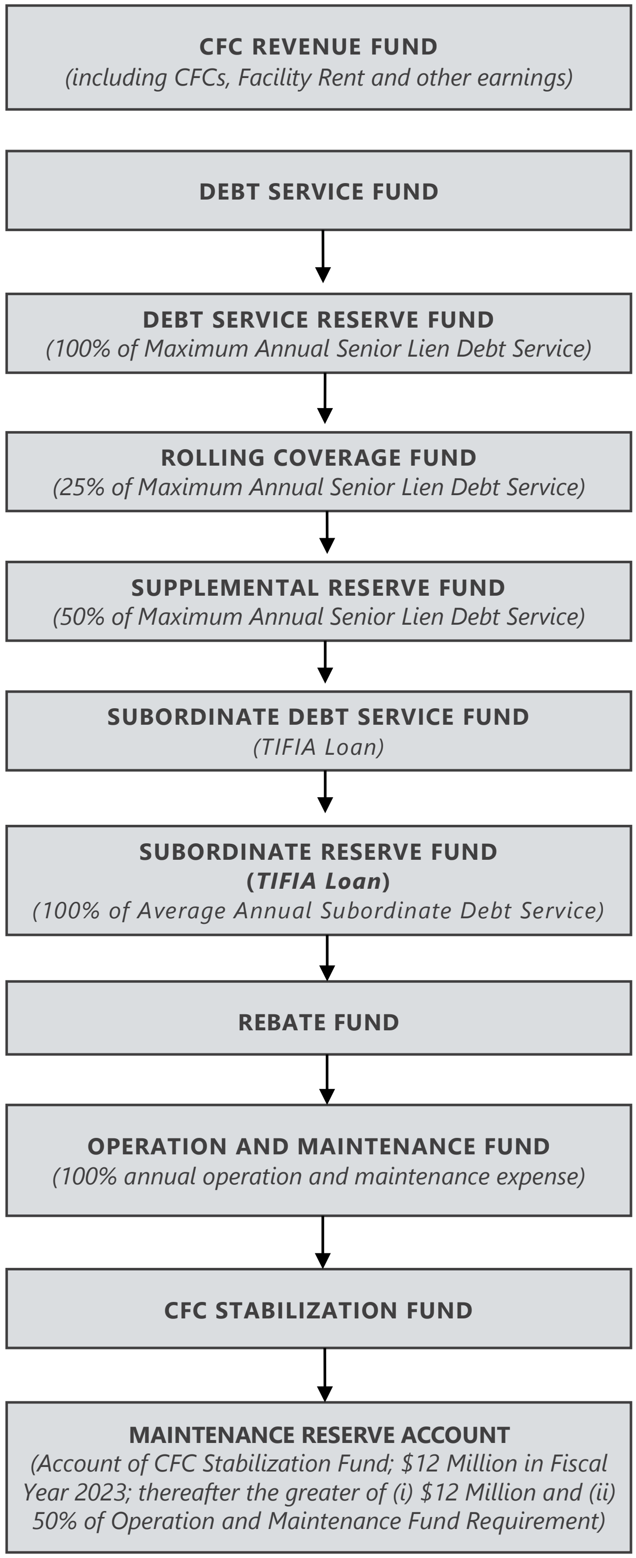
1 As of August 16, 2023, the CFC PAYGO Account has a current balance of $8,718,381.97. Amounts in the CFC PAYGO Project Account are not included in determining satisfaction of the CFC Stabilization Fund Minimum Requirement.

CFC INDENTURE FLOW OF FUNDS



RATE COVENANT

The City has covenanted in the CFC Indenture to determine the amount of the CFC and Facility Rent at least once each Fiscal Year. Under the CFC Indenture, the City has covenanted that, so long as any of the Bonds remain Outstanding, the aggregate amount of CFCs and Facility Rent required to be remitted by the RACs in each Fiscal Year, together with interest earned on any Fund or Account and deposited to the Debt Service Fund and Subordinate Debt Service Fund during such Fiscal Year which is available for payment of principal of or interest on such Bonds, shall be no less than the Aggregate Debt Service (as defined in the CFC Indenture) coming due on all Outstanding Bonds in such Fiscal Year and, in the event that the amount of CFCs, Facility Rent and such interest for any Fiscal Year is less than the Aggregate Debt Service for such Fiscal Year, the City has covenanted to increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to no less than an amount, in the aggregate, that the City projects to be sufficient, based upon projected Contract Days for such Fiscal Year, together with such interest, to pay Aggregate Debt Service coming due in such Fiscal Year. See "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS – RAC AGREEMENTS – OFF-AIRPORT RAC AGREEMENTS, COLLECTION OF CFCS, and CITY REGULATION," and APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

Prior to the commencement of each Fiscal Year as long as any Bond is Outstanding, the City shall review and may adjust, effective on the first day of each Fiscal Year, the level of the CFC and Facility Rent, based upon factors including the projected Aggregate Debt Service for the coming Fiscal Year, amounts necessary to fund the other accounts provided for in the CFC Indenture, shortfalls in CFC revenue and Facility Rent that may have occurred in the then-current Fiscal Year, projections of the level of demand for rental car services at the Airport in the next Fiscal Year, and such other factors as the City may determine in its sole discretion. Notwithstanding the foregoing, the City may make an unscheduled adjustment to the level of the CFC and Facility Rent in any Fiscal Year in the event that the City determines in its sole discretion that there has been a material change in any of the assumptions utilized in the City's calculation of the CFC and Facility Rent, and that such change should not be addressed solely through withdrawals from the CFC Stabilization Fund or the imposition of Facility Rent.

The City has covenanted in the CFC Indenture (the "*Rate Covenant*") to set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level to provide sufficient funds:

(1) to pay the principal of and interest on the Bonds due in such Fiscal Year;

(2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period of not to exceed twelve months as determined by the City;

(3) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States for which funds in the Rebate Fund or CFC Stabilization Fund are not otherwise available;

(4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Minimum Requirement over a period not to exceed twelve months, as determined by the City; and

(5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings

over a period of not to exceed twelve months, as determined by the City (collectively, the sum of the amounts required by (1) through (5) above, the *"Minimum Annual Requirement"*).

In addition to the foregoing, the aggregate amount of CFCs and Facility Rent paid by the RACs in each Fiscal Year, together with interest earned on any Fund or Account and deposited to the Debt Service Fund (in the case of (i) below), or to the Debt Service Fund and the Subordinate Debt Service Fund (in the case of (ii) below) during such Fiscal Year which is available for payment of principal of or interest on Bonds payable from such Debt Service Fund or Subordinate Debt Service Fund (as applicable), plus the amount on deposit in the Rolling Coverage Fund (up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) shall equal or exceed (the "*Coverage Requirement*"):

(i) 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and

(ii) 1.10 times the Aggregate Debt Service on the Bonds coming due in such Fiscal Year.

In the event that the amount of CFCs, Facility Rent and such interest for any Fiscal Year plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) (i) is less than 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), or (ii) is less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year, the City shall increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to be no less than an amount, in the aggregate, that the City projects to be sufficient, based on projected Contract Days for such Fiscal Year, together with such interest, plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) to provide (i) no less than 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and (ii) no less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year.

Furthermore, in addition to the foregoing, the aggregate amount of Net Revenues (as defined below) in each Fiscal Year, together with amounts on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) shall be (A) no less than 1.35 times the Aggregate Debt Service of the Bonds (other than Subordinate Bonds), and (B) no less than 1.10 times the Aggregate Debt Service on the Bonds coming due in such Fiscal Year. In the event that the amount of Net Revenues for any Fiscal Year plus the amount on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) in such Fiscal Year (A) is less than 1.35 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), or (B) is less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year, the City shall increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to be no less than an amount, in the aggregate, that the City projects to be sufficient, based on projected Contract Days for such Fiscal Year, together with such interest, plus the amount on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) to provide (A) no less than 1.35 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and (B) no less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year.

"Net Revenues" means, with respect to a particular period, the Revenues deposited in the CFC Revenue Fund during such period less sum of (A) the operating and maintenance expenses of the CRCF during such period, (B) the operating and maintenance expenses of the ATS allocated to the CRCF during such period, and (C) Administrative Expenses during such period.

For projections of debt service coverage and compliance with the Rate Covenant, see "REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS" and APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

PRIORITY OF PAYMENT

The payment of and the lien on Pledged Receipts securing the 2023 CFC Bonds and any Additional Bonds will be senior to the payment of and the lien on Pledged Receipts securing the TIFIA Loan and any additional Subordinate Bonds, except in the case of the TIFIA Loan upon the occurrence of any Bankruptcy Related Event (as defined herein, including failure of the City to make two consecutive semi-annual payments of debt service on the TIFIA Loan). See "— SPRINGING PARITY LIEN OF THE TIFIA LOAN" below.

TIFIA LOAN

General. Pursuant to the TIFIA Loan Agreement, USDOT made a fixed-rate loan in multiple disbursements in an aggregate principal amount of $288,100,000, the proceeds of which were used to finance up to 33% of the costs of the Project that are eligible to be financed with the proceeds of the TIFIA Loan pursuant to federal law. The outstanding principal balance of the TIFIA Loan, including capitalized interest, is currently $291,038,487.61. The TIFIA Loan bears interest at a fixed rate of 3.86%, calculated by adding one basis point (.01%) to the rate of U.S. Treasury securities of comparable maturity on the date of execution of the TIFIA Loan Agreement, as such rate is published in the United States Treasury Bureau of Public Debt's daily rate tables for State and Local Government Series Investments.

The TIFIA Loan constitutes a Subordinate Bond under the CFC Indenture and is secured by a lien on the Pledged Receipts subordinate to the lien securing the 2023 CFC Bonds and any Additional Bonds. Notwithstanding the foregoing, upon the occurrence of any Bankruptcy Related Event, the TIFIA Loan will automatically and without notice be deemed to be an Additional Bond instead of a Subordinate Bond and shall be of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, and shall be entitled to all rights under the CFC Indenture of a holder of such Bonds and Additional Bonds; provided that so long as any Bonds (other than Subordinate Bonds) remain Outstanding, the provisions contained in this sentence shall be of no force and effect following a complete sale of the TIFIA Loan to a commercial entity, but shall remain in force and effect following an assignment or sale made to a Federal government agency or instrumentality. See "SECURITY AND SOURCES OF PAYMENTS FOR THE 2023 CFC BONDS – SPRINGING PARITY LIEN OF THE TIFIA LOAN."

TIFIA Loan Debt Service Fund and Reserve Fund. The CFC Indenture establishes a Subordinate Debt Service Fund, including a TIFIA Debt Service Account to be used for paying the principal of and interest on the TIFIA Loan. The CFC Indenture also establishes a Subordinate Debt Service Reserve Fund, including a TIFIA Reserve Account that secures payment of the principal of and interest on the TIFIA Loan and is required to be funded at all times in an amount equal to 100% of the average annual debt service on the TIFIA Loan measured over the remaining term of the TIFIA Loan calculated on

January 1 each year (the "*TIFIA Debt Service Reserve Requirement*"); provided that, upon the occurrence of a Bankruptcy Related Event, the TIFIA Debt Service Reserve Requirement shall be one hundred percent (100%) of the Maximum Annual Debt Service on the Bonds (including the TIFIA Bond and excluding the Subordinate Bonds) then outstanding. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – FLOW OF FUNDS."

Upon any such occurrence of a Bankruptcy Related Event and the TIFIA Loan being deemed to be an Additional Bond instead of a Subordinate Bond and of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, such elevation of the lien of the TIFIA Loan would result in amounts on deposit in the TIFIA Reserve Account being transferred to the Debt Service Reserve Fund, and would increase the amount of Maximum Annual Debt Service on the Outstanding CFC Bonds and thus the required balances in the Reserve Funds. See also the discussion herein under the heading "CERTAIN INVESTMENT CONSIDERATIONS – ABILITY TO MEET COVENANTS."

Repayment Terms. Interest on the TIFIA Loan is due on each January 1 and July 1, and principal is due on January 1 of each year. See "DEBT SERVICE REQUIREMENTS" below for the projected debt service on the TIFIA Loan.

Mandatory Prepayment. The TIFIA Loan is subject to mandatory redemption from Excess Revenues commencing in the Fiscal Year following the year in which the Completion Date occurs, but only in any Fiscal Year for which the audit required by the RAC Agreement establishes that no Facility Rent is due and owing ("*Mandatory Redemption*"). "Excess Revenues" means CFCs, or investment earnings thereon, received by the City or the Trustee, in any year in which it is established pursuant to the terms of the RAC Agreements and the TIFIA Loan Agreement that no Facility Rent was due and owing and not required to be deposited into any Fund or Account established under the CFC Indenture in order to maintain the required balance therein as set forth in the CFC Indenture. Excess Revenues shall be applied to prepay the TIFIA Loan with the last maturity to be redeemed first, without penalty or premium.

Optional Prepayment. The TIFIA Loan is subject to optional prepayment by the City in whole or in part at any time in principal amounts of $500,000 plus any integral multiple of $5,000 thereafter, without penalty or premium, on delivery of notice in accordance with the TIFIA Loan Agreement.

TIFIA Loan Covenants. The TIFIA Loan Agreement contains certain covenants of the City for the benefit of USDOT, including rate covenants, restrictions on permitted indebtedness, limitations on the issuance of Additional Bonds, certain notice requirements, reserve fund requirements, restrictions on sale and assignment of the Project, restrictions on amendments to the TIFIA Loan Agreement, the RAC Agreements and the CFC Indenture, a requirement to maintain an investment grade rating on the TIFIA Loan by at least two nationally recognized ratings agencies, and a requirement that a portion of the TIFIA Loan attributable to the public parking component be repaid with amounts received from Facility Rent rather than CFCs. The covenants set forth in the TIFIA Loan Agreement are solely for the benefit of USDOT.

TIFIA Events of Default. The following constitute events of default under the TIFIA Loan Agreement ("*TIFIA Events of Default*"):

(i) Payment Default. Failure to pay the principal of or interest on the TIFIA Loan when due (including any Mandatory Redemption) (a "*Payment Default*");

(ii) Covenant Default. Failure to observe or perform any covenant, agreement or obligation of the City under the TIFIA Loan Agreement (other than defaults described in subparagraph (i) above), the TIFIA Loan or any other TIFIA Loan document, and such failure shall not be cured within thirty days after receipt by the City from USDOT of written notice thereof; provided, that if such failure is capable of cure but cannot reasonably be cured within such 30-day period, then no event of default shall be deemed to have occurred or be continuing, so long as the City shall commence actions reasonably designed to cure such failure within such 30-day period and shall diligently pursue such actions until such failure is cured, provided such failure is cured within one hundred and eighty days;

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the City made pursuant to the TIFIA Loan documents or the CFC Indenture was false or misleading in any material respect when made;

(v) Defaults Under CFC Indenture. Any Event of Default under the CFC Indenture which permits the immediate acceleration of the maturity of any Bonds, or, as to which the City has failed to cure such default or to obtain written waiver thereof within thirty days after receipt of written notice thereof from USDOT (provided no notice will be required for any Payment Default);

(vi) Defaults Under Related Documents. The City's default in the timely performance of any covenant, agreement or obligation under any loan documents or certain other documents entered into by the City in connection with the Project or termination of any such documents prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect under the TIFIA Loan Agreement), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable notice and grace period in such documents and the City shall have failed to cure such default or to obtain written waiver thereof within thirty days after receipt of written notice thereof from USDOT. "Material Adverse Effect" means a material adverse change in (a) the Project or the Pledged Receipts, (b) the ability of the City to perform or comply with any of its material obligations under the Related Documents to which it is a party, (c) the validity or priority of the TIFIA Lien, or (d) USDOT's rights or benefits available under the Related Documents;

(vii) Judgments. One or more judgments for the payment of money, payable from Pledged Receipts, in an aggregate amount in excess of $1,000,000 (not otherwise covered by insurance or other reserves) shall be rendered against the City relating to the Project and the same shall remain undischarged for a period of thirty consecutive days;

(viii) Occurrence of A Bankruptcy Related Event. A Bankruptcy Related Event shall occur;

(ix) Project Abandonment. The City shall abandon the construction, maintenance or operation of the Project; or

(x) Cessation of Operations. The operations of any portion of the Project which generate CFC Revenues or Facility Rent shall cease for a continuous period of not less than one hundred and eighty days, unless such cessation of operations shall (A) occur by reason of an Uncontrollable Force, and (B) not have a Material Adverse Effect.

Remedies.

(i) Upon the occurrence of any TIFIA Event of Default, USDOT may suspend or terminate disbursement of any undisbursed amounts of the TIFIA Loan.

(ii) Upon the occurrence and continuation of a TIFIA Event of Default, USDOT may institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid and for consequential and other damages and may prosecute any such judgment or final decree against the City; provided, however, that any monetary judgment against the City shall be payable solely from Excess Revenues or from any other funds made available by the City, in its discretion, for the payment of such judgment.

(iii) Upon the occurrence and continuation of any TIFIA Event of Default involving fraud, misrepresentation, false claims, or similar criminal acts or acts of malfeasance or wrongdoing, USDOT may suspend or debar the City from further participation in any government program administered by the USDOT and notify other government departments and agencies of such default.

The occurrence of an event of default under the TIFIA Loan Agreement constitutes an event of default under the CFC Indenture. See APPENDIX A – "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE – EVENTS OF DEFAULT; DEFAULTS."

SPRINGING PARITY LIEN OF THE TIFIA LOAN

The TIFIA Loan will constitute a Subordinate Bond under the CFC Indenture and thus will be secured by Pledged Receipts on a subordinate basis to the 2023 CFC Bonds and any Additional Bonds. Notwithstanding the foregoing, upon the occurrence of any Bankruptcy Related Event the TIFIA Loan will automatically and without notice be deemed to be an Additional Bond instead of a Subordinate Bond and shall be of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, and shall be entitled to all rights under the CFC Indenture of a holder of such Bonds and Additional Bonds; provided that so long as any Bonds (other than Subordinate Bonds) remain Outstanding, the provisions contained in this sentence shall be of no force and effect following a complete sale of the TIFIA Loan to a commercial entity, but shall remain in force and effect following an assignment or sale made to a Federal government agency or instrumentality.

Upon any such occurrence of a Bankruptcy Related Event and the TIFIA Loan being deemed to be an Additional Bond instead of a Subordinate Bond and of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, the TIFIA Loan would increase the amount of Maximum Annual Debt Service on the Outstanding CFC Bonds and thus the required balances in the Reserve Funds. See also the discussion herein under the heading "CERTAIN INVESTMENT CONSIDERATIONS – ABILITY TO MEET COVENANTS."

ADDITIONAL BONDS

The CFC Indenture permits the City to issue Additional Bonds payable from and secured by a first lien on and pledge of the Trust Estate, on a parity with the 2023 CFC Bonds and any other CFC Bonds from time to time issued.

Additional Bonds are authorized to be issued to (i) finance or refinance the permitting, design, development, construction, equipping, furnishing and acquisition of any improvement or expansion of the Project (as defined in the CFC Indenture) (or any other facility related to the 2013 Project (as defined in the CFC Indenture) approved by the City), (ii) finance repairs, including without limitation, repairs due to casualty or condemnation to the extent insurance proceeds or condemnation awards are insufficient to effect such repairs, or extraordinary maintenance with respect to the 2013 Project, (iii) refund all or any Outstanding Bonds, (iv) to complete construction of the 2013 Project, and (v) pay capitalized interest and costs of issuance of such Additional Bonds and to provide for any contribution to the Reserve Funds required with respect thereto.

The CFC Indenture imposes certain requirements for the issuance of Additional Bonds including delivery to the Trustee of one of the following:

(a) a report of a Consultant to the effect that:

(i) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional Bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least 1.25 times the Maximum Annual Debt Service for each such Fiscal Year on all Bonds Outstanding (including such proposed Additional Bonds, but excluding any Subordinate Bonds), and

(ii) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional Bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient, after the payment of such annual principal of and interest on all Outstanding Bonds (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture;

<u>OR</u>

(b) a certificate of the City to the effect that:

(i) CFCs received by the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such proposed Additional Bonds, but excluding any Subordinate Bonds), and

(ii) CFCs and Facility Rent received by the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient, after the payment of such Aggregate Debt Service on all Bonds Outstanding (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited form Revenues to the Funds maintained under the CFC Indenture.

For additional information regarding the requirements for issuance of Additional Bonds, see APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE — Additional Bonds."

SUBORDINATE BONDS

The CFC Indenture permits the City to issue Subordinate Bonds (subject to the written approval of USDOT so long as the TIFIA Loan is outstanding). The CFC Indenture imposes certain requirements for the issuance of Subordinate Bonds, including delivery to the Trustee of one of the following:

(a) a report of a Consultant to the effect that:

(i) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least 1.10 times the Maximum Annual Debt Service on all Bonds Outstanding, and

(ii) the CFCs, at the then-current level and taking into account any other level as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, funded from such Subordinate Bonds, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds Outstanding, and

(iii) the CFCs, at the then-current level and taking into account any other level as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture,

<u>OR</u>

(b) a certificate of the City to the effect that:

(i) the CFCs received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.10 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds), and

(ii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds), and

(iii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding, (including such Subordinate Bonds) and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture.

For additional information regarding the requirements for issuance of Subordinate Bonds, see APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE — Subordinate Bonds."

REFUNDING BONDS

The CFC Indenture permits the City to issue Refunding Bonds to refund all or any part of any Bonds then Outstanding on satisfaction of the requirements under the CFC Indenture. Refunding Bonds may be issued without satisfying the coverage requirements for the issuance of Additional Bonds or Subordinate Bonds, as the case may be, by delivery to the Trustee of a certificate of the City substantially to the effect that either (i) after the issuance of the proposed Refunding Bonds, the Aggregate Debt Service in each Bond Year on all Outstanding Bonds (including the proposed Refunding Bonds) will be less than the Aggregate Debt Service for each Bond Year in the absence of the proposed refunding, or (ii) that the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis. For additional information regarding the requirements for issuance of Refunding Bonds, see APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE — Refunding Bonds."

CONSEQUENCES OF EVENTS OF DEFAULT

Upon an Event of Default under the CFC Indenture, the stated maturity of the CFC Bonds is not subject to acceleration. See APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE — Events of Default."

QUALIFIED INVESTMENTS

Moneys held for the credit of the Funds and Accounts established under the CFC Indenture may, with certain exceptions, be invested only in "Qualified Investments" as defined in the CFC Indenture. See APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE."

MODIFICATIONS TO THE CFC INDENTURE

The provisions in the CFC Indenture are subject to modification in certain cases without the consent of the holders of the Bonds and in other cases if and when approved by the holders of the requisite percentages of the Bonds Outstanding. SEE APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE — Supplemental Agreements, — Amendments, and — Modifications by Unanimous Consent."

BOND INSURANCE

THE POLICY

Concurrently with the issuance of the 2023 CFC Bonds, Build America Mutual Assurance Company (the "*Insurer*" or "*BAM*") will issue its Municipal Bond Insurance Policy for the 2023 CFC Bonds (the "*Policy*"). The Policy guarantees the scheduled payment of principal of and interest on the 2023 CFC Bonds when due as set forth in the form of the Policy included as APPENDIX G to this Official Statement.

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

THE INSURER

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

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

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

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2023 CFC Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2023 CFC Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the City on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2023 CFC Bonds, nor does it guarantee that the rating on the 2023 CFC Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $204.5 million and $281.5 million, respectively.

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

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

BAM makes no representation regarding the 2023 CFC Bonds or the advisability of investing in the 2023 CFC Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

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

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

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

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2023 CFC Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2023 CFC Bonds, whether at the initial offering or otherwise.

PLAN OF FINANCE

GENERAL

The City is issuing the 2023 CFC Bonds to (i) refund the 2013 CFC Bonds, (ii) pay certain costs of issuing the 2023 CFC Bonds, (iii) purchase Qualified Reserve Account Credit Instruments for deposit to the Debt Service Reserve Fund and the Supplemental Reserve Fund and (iv) pay the premium for the Policy.

A portion of the proceeds of the 2023 CFC Bonds will be deposited with the Trustee to refund the 2013 CFC Bonds as directed by the City. By the date of issuance and delivery of the 2023 CFC Bonds, the City will have given the Trustee irrevocable instructions to call the 2013 CFC Bonds for redemption on September 28, 2023. Notices of the call for redemption of the 2013 CFC Bonds will be given by the Trustee in the manner required by the Indenture.

To provide for the refunding of the 2013 CFC Bonds, certain proceeds of the 2023 CFC Bonds and other available funds will be deposited in an escrow account (the "Escrow Account") established pursuant to a Escrow Deposit Agreement, dated as of August 1, 2023, between the City and the Trustee and invested in Defeasance Obligations in amounts sufficient (without reinvestment) to provide for the payment of the redemption price of the 2013 CFC Bonds to the redemption date at the redemption price of par plus accrued interest to such date of redemption.

The accuracy of the mathematical computations regarding the adequacy of the moneys and Defeasance Obligations deposited and held in the Escrow Account to pay the redemption price described above on the 2013 CFC Bonds will be verified by Robert Thomas CPA, LLC.

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ESTIMATED SOURCES AND USES OF FUNDS AT CLOSING

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the 2023 CFC Bonds.

SOURCES OF FUNDS	AMOUNTS
Par Amount	$171,800,000.00
Plus Original Issue Premium	15,437,079.25
Other Funds on Hand[(1)]	46,912,752.16
Total Sources of Funds	$234,149,831.41
USES OF FUNDS	
Refunding of 2013 CFC Bonds	$218,631,593.25
Debt Service Fund (account for 2023 CFC Bonds)	6,703,674.22
Rolling Coverage Fund	4,568,287.50
Costs of Issuance[(2)]	4,246,276.44
Total Uses of Funds	$234,149,831.41

(1) Includes amounts in the account for the 2013 CFC Bonds in the Debt Service Fund, amounts in the Debt Service Reserve Fund in excess of the DSRF Requirement, amounts in the Rolling Coverage Fund prior to the issuance of the 2023 CFC Bonds, amounts in the Supplemental Reserve Fund in excess of the Supplemental Reserve Fund Requirement and amounts in the Maintenance Reserve Account in excess of the Maintenance Reserve Account Requirement.

(2) Includes Underwriters' Discount, Policy premium, premiums for Qualified Reserve Account Credit Instruments for the Debt Service Reserve Fund and the Supplemental Reserve Fund and costs of issuance.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service on the 2023 CFC Bonds.

BOND YEAR ENDING JANUARY 1	**2023 CFC BONDS** PRINCIPAL	**2023 CFC BONDS** INTEREST	**TOTAL DEBT SERVICE**
2024		$ 2,977,613	$ 2,977,613
2025		8,786,400	8,786,400
2026		8,786,400	8,786,400
2027		8,786,400	8,786,400
2028	$ 1,710,000	8,786,400	10,496,400
2029	2,545,000	8,700,900	11,245,900
2030	3,175,000	8,573,650	11,748,650
2031	5,705,000	8,414,900	14,119,900
2032	8,300,000	8,129,650	16,429,650
2033	10,555,000	7,714,650	18,269,650
2034	11,085,000	7,186,900	18,271,900
2035	11,640,000	6,632,650	18,272,650
2036	12,220,000	6,050,650	18,270,650
2037	12,830,000	5,439,650	18,269,650
2038	13,475,000	4,798,150	18,273,150
2039	14,145,000	4,124,400	18,269,400
2040	14,890,000	3,381,788	18,271,788
2041	15,670,000	2,600,062	18,270,062
2042	16,495,000	1,777,388	18,272,388
2043	17,360,000	911,400	18,271,400
Total	$171,800,000	$122,560,001	$294,360,001

RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS

RENTAL CAR OPERATIONS AT THE AIRPORT

Five rental car companies (Avis Budget Group, Inc., Enterprise Holdings, Inc., Europcar Mobility Group, The Hertz Corporation, and SIXT Rent a Car, LLC) representing eleven rental car brands (Alamo Rent a Car, Avis Car Rental, Budget Rent a Car, Dollar Rent A Car, Enterprise Rent-A-Car, Fox Rent A Car, Hertz Rent A Car, National Car Rental, Payless Car Rental, Sixt Rent A Car and Thrifty Car Rental) currently serve the Airport from the CRCF. These On-Airport companies represent 99.8 percent of the O'Hare rental car market. Two companies (Routes and ACE Rent A Car) operate Off-Airport but are required to pick-up and drop-off customers at the CRCF. Each On-Airport Brand has entered into a RAC Agreement with the City and leases ready and return spaces located on levels one through three of the main parking structure, a QTA for vehicle refueling, maintenance, and vehicle preparation adjacent to the parking structure as well as counters and office space in the Customer Service Center area of the CRCF. Advantage, Holdco, Inc. and its affiliates initially operated in the CRCF but ceased operations in 2020 when they filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code. See

"CHICAGO O'HARE INTERNATIONAL AIRPORT – COVID-19 – "*Other Impacts of the COVID-19 Pandemic on the Rental Car Market at the Airport*."

The following table sets forth the corporate parent associated with the rental car companies currently operating On-Airport, the Brands each operates (the "*Brands*"), and each Brand's 2022 market share, based on its gross revenue at the Airport:

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON-AIRPORT

CORPORATE ENTITY[1]	BRAND(S)	2022 AIRPORT MARKET SHARE BY GROSS REVENUE
Enterprise Holdings, Inc.	Enterprise Rent-A-Car Alamo Rent a Car[2] National Car Rental[2]	34.0%
Avis Budget Group, Inc.[3]	Avis (Including ZIPCAR) Budget Rent a Car Payless Rent A Car	33.0%
The Hertz Corporation	Hertz Rent A Car Dollar Rent A Car Thrifty Car Rental	24.4%
Other	Sixt Rent A Car, Fox Rent A Car	8.5%

1 The corporate entities listed are the parent corporations for the listed Brands but are not the legal entities that are parties to the RAC Agreements.

2 National/Alamo and Enterprise RAC consolidated as of February 5, 2019 and are now Enterprise Leasing Company of Chicago LLC dba, Alamo, National and Enterprise RACs.

3 Avis Budget Group dba Payless Car Rental is the corporate entity that executed the agreement for the Payless rental car company.

Source: City of Chicago, Chicago O'Hare International Airport Annual Comprehensive Financial Report. Totals may not sum to 100% due to rounding.

For a further description of current rental car operations at the Airport, as well as a discussion of the rental car industry and market, both nationally and at the Airport, see APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

AIRPORT RENTAL CAR DEMAND

Because visiting passengers are the predominant customers for rental cars at the Airport ("*Airport Customers*") (rather than passengers originating trips at the Airport or connecting to other flights), it is important to understand historical trends and the passenger traffic projections for this segment. As shown in the following table, in 2022 visiting origin and destination ("*O&D*") passengers constituted approximately 43.7% of all O&D passengers at the Airport.

Historical and Projected Visiting O&D Enplaned Passengers								
YEAR	[A] TOTAL ENPLANED PASSENGERS	[B] TOTAL O&D ENPLANED PASSENGERS	[B]/[A] TOTAL O&D PERCENTAGE OF TOTAL	[C] RESIDENT O&D ENPLANED PASSENGERS	[C]/[B] RESIDENT PERCENTAGE OF TOTAL O&D	[D] VISITING O&D ENPLANED PASSENGERS [1]	[D]/[B] VISITOR PERCENTAGE OF TOTAL O&D
Historical							
2012	33,231,201	16,678,806	50.2%	9,331,282	55.9%	7,347,524	44.1%
2013	33,297,578	17,044,643	51.2	9,579,089	56.2	7,465,554	43.8
2014	34,952,762	17,115,535	49.0	9,721,624	56.8	7,393,911	43.2
2015	38,395,905	20,096,191	52.3	11,394,540	56.7	8,701,651	43.3
2016	38,872,669	20,991,241	54.0	11,860,051	56.5	9,131,190	43.5
2017	39,815,888	22,429,433	56.3	12,672,630	56.5	9,756,803	43.5
2018	41,563,343	23,483,289	56.5	13,197,608	56.2	10,285,681	43.8
2019	42,248,370	23,836,209	56.4	13,467,458	56.5	10,368,751	43.5
2020	15,351,046	8,550,533	55.7	5,155,971	60.3	3,394,562	39.7
2021	26,945,359	15,259,775	56.6	9,003,267	59.0	6,256,508	41.0
2022	34,095,710	20,484,251	60.1	11,532,633	56.3	8,951,618	43.7
Projected							
2023	35,885,967	20,525,175	57.2%	11,740,400	57.2%	8,784,775	42.8%
2024	40,263,979	23,014,348	57.2	13,118,179	57.0	9,896,170	43.0
2025	42,297,968	24,170,322	57.1	13,656,232	56.5	10,514,090	43.5
2026	43,089,914	24,622,864	57.1	13,911,918	56.5	10,710,946	43.5
2027	43,882,845	25,075,968	57.1	14,167,922	56.5	10,908,046	43.5
2028	44,676,380	25,529,418	57.1	14,424,121	56.5	11,105,297	43.5
2029	45,471,872	25,983,985	57.1	14,680,952	56.5	11,303,034	43.5
2030	46,268,197	26,439,030	57.1	14,938,052	56.5	11,500,978	43.5
2031	47,065,094	26,894,400	57.1	15,195,336	56.5	11,699,064	43.5
2032	47,861,926	27,349,734	57.1	15,452,600	56.5	11,897,134	43.5

[1] Certain estimations were used by Ricondo & Associates to derive visiting O&D enplaned passengers, as data for foreign flag carriers was not available. Information is preliminary and subject to change.

Sources: City of Chicago, Department of Aviation Management Records (historical enplaned passengers), July 2023; U.S. Department of Transportation O&D Survey and T-100 Database (historical total, resident, and visitor O&D enplaned passengers), July 2023; APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

For additional information relating to historical and projected rental car demand at the Airport, see Section "The Airport Rental Car Market – Historical Rental Car Demand at the Airport" and " – Projection of Airport Rental Car Transaction Days and CFC Revenue" in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT." The Consultant's Report should be read in its entirety for an understanding of all of the assumptions used to prepare the projections included therein.

HISTORICAL CFC COLLECTIONS AT THE AIRPORT

As described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – CUSTOMER FACILITY CHARGES," the City commenced imposition of CFCs to be collected by rental car companies operating On-Airport in August 2010. The following table shows a summary of annual CFC collections for the calendar years 2018 through 2022 and year-to-date collections in 2023. For more information, see the section "Financial Analysis – Historical Customer Facility Charge Collections" of APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

Historical CFC Collections by On and Off-Site Airport Rental Car Companies
(000) (Years ended December 31)

	2018	2019	2020	2021	2022	2023 (YTD)
January	$ 2,195.1	$ 2,193.0	$ 2,358.8	$ 946.7	$ 1,678.7	$ 2,077.4
February	2,200.2	2,165.3	2,329.6	947.6	1,771.2	2,138.3
March	2,731.1	2,652.6	1,569.7	1,298.9	2,296.4	2,705.8
April	2,960.6	3,012.7	373.8	1,537.1	2,556.8	2,885.1
May	3,602.7	3,768.3	520.3	2,009.2	3,099.8	3,446.5
June	3,757.1	3,947.3	825.2	2,351.0	3,180.8	3,674.0
July	4,150.0	4,391.6	1,120.2	2,903.2	3,689.1	--
August	4,244.3	4,551.6	1,321.2	2,970.7	3,829.4	--
September	3,695.3	3,939.4	1,274.8	2,647.0	3,408.2	--
October	3,667.6	3,856.7	1,330.6	2,791.2	3,420.1	--
November	3,018.4	3,027.0	1,054.2	2,460.8	2,887.5	--
December	2,614.8	2,809.9	913.7	2,195.0	2,510.6	--
Annual Total	**$38,837.3**	**$40,315.4**	**$14,992.2**	**$25,058.3**	**$ 34,328.6**	**$ 16,927.1**
Annual percentage change	--	**3.8%**	**(62.8%)**	**67.1%**	**37.0%**	

Source: City of Chicago, Department of Aviation Management Records, August, 2023. Totals may not foot due to rounding.

RACS AND OFF-AIRPORT RACS

The City has entered into RAC Agreements with RACs and Off-Airport RAC Agreements with Off-Airport RACs offering the rental car Brands as set forth in the table below. The RACs operating at the Airport have executed and delivered RAC Agreements to the City.

The name of each RAC and Off-Airport RAC legal entity is set forth in the table below. Information regarding certain of such legal entities or their related entities may be available on their websites or filed with the SEC and such filings may contain information concerning the business strategy, operating strategies and properties of such entity to be found in various reports which each such entity or a related entity files with the SEC pursuant to the Securities Exchange Act. Such reports may be inspected and copied, at prescribed rates, at the public reference facilities maintained by the SEC at 100 F Street, N.E. Washington, D.C. 20549. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

The City undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of information appearing on websites of a RAC or Off-Airport RAC or the SEC's website as described above, including, but not limited to, updates of such information or links to other Internet sites accessed through such web sites.

Other than as described above, there is no publicly available information regarding the financial viability, properties or business operations of the RACs and Off-Airport RAC.

RACs and Off-Airport RACs and Related Brands Operating at the Airport

RAC Legal Entity	**Rental Car Brands**	**Legal Organization**	**Current Status of Brand(s) at Airport**
Enterprise Leasing Company of Chicago, LLC	Enterprise Rent-A-Car Alamo Rent a Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc.	On-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent a Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc. (NASDAQ: CAR)	On-Airport
The Hertz Corporation	Hertz Rent A Car Dollar Rent A Car Thrifty Car Rental	Delaware corporation and subsidiary of Hertz Global Holdings Inc. (NYSE: HTZ)	On-Airport
Europcar Mobility Group, d/b/a Fox Rent A Car	Fox Rent A Car	California corporation and subsidiary of Europcar Group SA	On-Airport
Sixt Rent A Car, LLC	Sixt Rent A Car	Delaware limited liability company	On-Airport
Off-Airport RAC Legal Entity	**Rental Car Brands**	**Legal Organization**	
Routes Car Rental USA, Inc.	Routes Car Rental	Delaware Corporation	Off-Airport
Auto Rental LLC(1)	ACE Rent A Car	Minnesota Corporation	Off-Airport

(1) ACE Rent A Car, Inc. operated as an Off-Airport RAC from 2013 to 2014. In 2014, the company sold its rental operations to Avis Budget Group, while retaining ownership of the ACE Rent A Car brand, licensee system and proprietary software. Auto Rental, LLC, d/b/a ACE Rent A Car entered into an Off-Airport RAC license agreement with the City in July 2023.

RAC AGREEMENTS

Each of the On-Airport RACs operates pursuant to a RAC Agreement entered into in July, 2013 (the "*Effective Date*") the term of which extends through the later of (i) the thirtieth anniversary of the Rent Commencement Date (as defined in the RAC Agreements), (ii) the thirtieth day after the date on which the Bonds shall have matured, been retired, or been paid in full in accordance with the Bond Documents, or (iii) the thirtieth day after the date on which the TIFIA Loan shall have matured, been discharged, and been paid in full in accordance with the TIFIA Loan Documents. See APPENDIX B – 'SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS" for a description of certain provisions of the RAC Agreements. The RACs operating at the Airport have executed and delivered RAC Agreements to the City.

CFC Collection. Under the RAC Agreements, the RACs are required to charge and collect CFCs from Airport Customers and remit the same to the Trustee, unless otherwise directed in writing by the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS — CFCs" and, "FLOW OF FUNDS" and APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

The RAC Agreements require the RACs to collect from Airport Customers a CFC for each Contract Day and to remit such CFCs to the Trustee on or before the twentieth day of each calendar month following the month of collection. Each RAC is required to collect and remit the full amount of the CFC to the Trustee regardless of whether or not the full amount of such CFC is actually collected by the RAC from the person who rented the motor vehicle.

In the RAC Agreements, the RACs have acknowledged that the CFCs collected by the RACs prior to remittance to the Trustee shall be subject at all times to a first lien for the repayment of the Bonds and the TIFIA Loan, and that the RACs shall not grant to any third party any liens or encumbrances on CFCs, and that any lien or encumbrance on CFCs granted by a RAC to a third party or otherwise purported to be obtained by a third party shall be void and of no force or effect. The RACs have agreed that all CFCs collected by the RACs are not income, revenue or any other asset of the RACs, that the RACs have no legal or equitable ownership or property interest in the CFCs, and the RACs have waived any claim to a possessory or legal or equitable ownership interest in the CFCs. Prior to remittance to the Trustee, CFCs shall be held by the RACs as funds in trust for the benefit of the City, and the Trustee on the City's behalf shall have complete possessory and legal and equitable ownership rights to the CFCs.

Facility Rent. The RAC Agreements provide for the payment by the RACs of Facility Rent and provide that, in the event that any RAC defaults under its RAC Agreement, by failing to pay the full aggregate amount of Facility Rent due under the RAC Agreement, the Non-Defaulting RACs shall be and remain liable, on a proportional basis based upon the pro-rata share of the rentable square footage allocated to each Non-Defaulting RAC in the CRCF, for any and all Facility Rent payable by the Defaulting RAC. Pursuant to the RAC Agreements, the City has agreed to increase the rate of the CFC in the event the projected total Facility Rent payable in any year by all RACs exceeds $18 million. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS — FACILITY RENT" and APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

Additional Rent and Space Allocation. The RAC Agreements also provide for the payment by the RACs of Base Rent, the Minimum Annual Guarantee Fee, Concession Fee and other amounts owed to the City, as further provided and described in the RAC Agreements, and which payments are not Pledged Receipts or otherwise available to pay the Bonds. See APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

Exclusive leased areas in the CRCF available to each RAC initially have been allocated by the City. The RAC Agreements allow the City to reallocate space within the CRCF at specified intervals or upon the occurrence of an event of default in the manner specified in the RAC Agreements. See APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

Security Deposit. Prior to obtaining access to the CRCF, each RAC is required to deposit cash security or a Letter of Credit in an amount set forth in its respective RAC Agreement equal to approximately three monthly installments of the Minimum Annual Guarantee Fee, as defined in each RAC Agreement (the "*Security Deposit*"). If a RAC defaults under its RAC Agreement, the City may apply the Security Deposit to make any defaulted payment, to pay for the City's cure of any defaulted obligation, or to compensate the City for any loss or damage resulting from any default. To the extent any portion of the Security Deposit is so used, the RAC shall, within five days after demand from the City, restore the Security Deposit to its full amount.

Any Letter of Credit provided as a Security Deposit must be maintained throughout the term of the RAC Agreement and provided by an issuing bank with a Fitch rating of "A-" or better and shall be subject to be drawn by the City as follows: (a) in the event of a default under any of the terms, covenants and conditions of a RAC Agreement, (b) in the event a RAC has filed (or there has been filed against a RAC) a petition for bankruptcy protection or other protection from its creditors under any applicable and available law which has not been dismissed or discharged, or in the event a RAC files a general assignment for the benefit of its creditors, or (c) the issuing bank is placed in receivership or similar position by the FDIC or any other governmental entity or agency with jurisdiction over the issuing bank, or otherwise appears on any "troubled" or "distressed" bank or financial institution lists maintained or published by the FDIC, any other governmental entity or agency with jurisdiction over the issuing bank, or any generally-recognized private bank rating entity or company.

If the Minimum Annual Guarantee Fee is increased at any time during the Term of the RAC Agreement, the Security Deposit or Letter of Credit, as the case may be, shall be increased by the same percentage as the percentage of increase of the Minimum Annual Guarantee Fee so that each RAC at all times during the Term of the RAC Agreement has on deposit with the City a sum equal to three monthly installments of Minimum Annual Guarantee Fee.

Subordination of RAC Agreements. The RAC Agreements are subject to and subordinate to the Bonds, the Bond Documents, the TIFIA Loan, the TIFIA Loan documents and any and all rights and security interests thereunder.

OFF-AIRPORT RAC AGREEMENTS AND COLLECTION OF CFCS

On December 12, 2012 the City Council adopted the Off-Airport CFC Ordinance that authorized the Commissioner to negotiate and execute airport access agreements with Off-Airport RACs that desire to use Airport roadways and other Airport facilities to pick up and drop off customers at the Airport. Such agreements are authorized to contain terms and conditions as may be deemed reasonable by the Commissioner, including but not limited to an access or concession fee not to exceed ten percent of the gross revenues earned by the Off-Airport RACs on rental car transactions with Airport passengers. The Commissioner is further authorized to prohibit Off-Airport RACs that refuse to enter into such access agreements from using Airport roadways and other Airport facilities. The Ordinance also authorized the Commissioner to impose a CFC on Airport passengers who rent vehicles from Off-Airport RACs and the Commissioner notified the Off-Airport RACs that they were required to collect CFCs at the rate of $8.00 per transaction day effective August 1, 2013.

Off-Airport RAC Agreements. The City has entered into an Off-Airport Rental Car Concession License Agreement (*"Off-Airport RAC Agreement"*) with Routes Car Rental USA, Inc. and Auto Rental LLC, each of which currently operates rental car concessions Off-Airport. The term of each Off-Airport RAC Agreement is fifteen years from the Off-Airport RAC Agreement Commencement Date (as defined in the Off-Airport RAC Agreement) unless earlier terminated. See "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS" for a description of certain provisions of the Off-Airport RAC Agreements.

Except as expressly agreed to the contrary in writing by the City, each Off-Airport RAC Agreement requires the applicable Off-Airport RAC to utilize the pick-up and drop-off area at the CRCF for picking up and dropping off customers of such Off-Airport RAC when transporting its customers between the Airport and the Off-Airport RAC's location. The Off-Airport RAC must cause its rental car customers to be transported between the pick-up and drop-off area at the CRCF and the Airport terminals exclusively by use of the ATS (or if the ATS is unavailable for any reason by use of the Common Use Transportation System).

CFC Collection. Under the Off-Airport RAC Agreements, each Off-Airport RAC is required to charge and collect CFCs from its rental car customers and remit the same as directed by the City (or to such other person as directed by the City from time to time). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS — CUSTOMER FACILITY CHARGES" and "— FLOW OF FUNDS" and APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

Each Off-Airport RAC Agreement requires the applicable Off-Airport RAC to collect from its rental car customers a CFC for each Contract Day and to remit such CFCs to the City on or before the twentieth day OF each calendar month following the month of collection. The Off-Airport RAC is required to collect and remit the full amount of the CFC to the Trustee regardless of whether or not the full amount of such CFC is actually collected by such Off-Airport RAC from the person who rented the motor vehicle.

In each Off-Airport RAC Agreement, the applicable Off-Airport RAC has acknowledged that the CFCs collected by such Off-Airport RAC prior to remittance to the Trustee shall be subject at all times to a first lien for the repayment of the Bonds and the TIFIA Loan, and that such Off-Airport RAC shall not grant to any third party any liens or encumbrances on CFCs, and that any lien or encumbrance on CFCs granted by such Off-Airport RAC to a third party or otherwise purported to be obtained by a third party shall be void and of no force or effect. Each Off-Airport RAC has agreed that all CFCs collected by such Off-Airport RACs are not income, revenue or any other asset of such Off-Airport RAC, that such Off-Airport RAC has no legal or equitable ownership or property interest in the CFCs, and such Off-Airport RAC has waived any claim to a possessory or legal or equitable ownership interest in the CFCs. Prior to remittance to the Trustee, CFCs shall be held by each Off-Airport RAC as funds in trust for the benefit of the City, and the Trustee on the City's behalf shall have complete possessory and legal and equitable ownership rights to the CFCs.

Concession Fee. Each Off-Airport RAC Agreement also provides for the payment by the applicable Off-Airport RAC of a concession fee equal to ten percent of such Off-Airport RAC's gross revenues, as defined in the Off-Airport RAC Agreement for each license year and other amounts owed to the City, as further provided and described in the Off-Airport RAC Agreement, and which payments are not Pledged Receipts or otherwise available to pay the Bonds. See APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

OPERATION OF THE CRCF

The CRCF consists of: (i) the five story ES, which is used by RACs for vehicle ready/return operations, vehicle storage, a customer service center including exclusive-use customer service counters, self-service kiosks and back-office areas for reach RAC; and (ii) the QTA on land located near the ES, together with a dedicated roadway for rental vehicle use only connecting the ES and QTA. The CRCF was placed in service in October 2018. An aerial view of the CRCF is on the following page.

SOURCE: Google Earth, May 2022; Ricondo & Associates, May 2022

NORTH 0 300 ft

MULTI-MODAL FACILITY EXTERIOR

The operation and maintenance of the CRCF is the responsibility of the City and the RACs and is payable from Pledged Receipts deposited in the Operation and Maintenance Fund after fully funding the Debt Service Fund, the Reserve Funds, and certain other funds as provided in the CFC Indenture and the RAC Agreements. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – FLOW OF FUNDS." See APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS."

THE AIRPORT CONSULTANT

Ricondo & Associates, Inc. (the "*Airport Consultant*") has prepared the "REPORT OF THE AIRPORT CONSULTANT" included in this Official Statement in APPENDIX E. Ricondo & Associates is a full-service aviation consulting firm that primarily provides facilities and operations planning, environmental planning, and financial planning services to airport owners and operators, airlines, and federal and state aviation-related agencies. The Airport Consultant's technical consulting and project management services include airport facilities planning, airport master planning, environmental planning, feasibility studies, other financial analyses, airfield and airspace analyses, and airport development programs. The Airport Consultant is headquartered in Chicago, with eleven other offices in cities nationwide. The Airport Consultant had provided airport consulting services to the City with respect to the Airport since 1989.

REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS

The Report of the Airport Consultant prepared by the Airport Consultant, included as APPENDIX E, provides certain information with respect to the Airport and the Project, discusses the rental car market, describes the economic base supporting the rental car market at the Airport, projects the level of visiting passengers at the Airport, describes various factors that could have an impact on the rental car demand at the Airport and discusses the financial framework for the 2023 CFC Bonds, including preliminary projections of annual debt service requirements with respect to the 2023 CFC Bonds, CFC and Facility Rent calculations, projections of Revenues (as defined below) and the Pledged Receipts pursuant to the CFC Indenture, cash flow projections and Rate Covenant calculations (the "*Projections*"). The Projections in the report are for the projection period (2023 through 2033) (the "*Projection Period*") and such Projection Period does not extend through the final maturity of the 2023 CFC Bonds (January 1, 2043) or of the TIFIA Loan (January 1, 2052). The Projections are based, in part, on historical data from sources considered by the Airport Consultant to be reliable, but the accuracy of these data has not been independently verified. The Projections are based on assumptions made by the Airport Consultant concerning future events and circumstances which the Airport Consultant believes are significant to the Projections. The achievement of the results described in the Projections may be affected by fluctuating economic conditions and depends upon the occurrence of other future events which cannot be assured. Therefore, the actual results achieved may vary from the projections, and such variations could be material.

The Airport Consultant has prepared the Projections contained in the Report of the Airport Consultant and discussed herein and summarized in certain tables herein. The City believes that the underlying assumptions provide a reasonable basis for the Projections, and that the Projections present, to the best of the City's knowledge and belief, the City's expected course of action. However, some of the assumptions upon which the Projections are based may not materialize and unanticipated events and circumstances may occur. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the City's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance reflected in the Projections. Accordingly, these Projections are not fact and should not be viewed as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on Projections which are contained herein or in the Report of the Airport Consultant.

Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein or in the Report of the Airport Consultant, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Such parties assume no responsibility for, and disclaim any association with, the prospective financial information.

On the basis of the analysis set forth in the Report of the Airport Consultant, the Airport Consultant is of the opinion that the revenues from CFCs, Facility Rent, and investment earnings thereon (the "*Revenues*") generated in each year of the Projection Period should be sufficient to comply with the Rate Covenant established in the CFC Indenture. In addition, the Airport Consultant is also of the opinion that the amount of total Facility Rent projected to be payable by the RACs each year is reasonable.

As noted in the Report of the Airport Consultant, pursuant to the TIFIA Loan Agreement, so long as the TIFIA Loan is outstanding USDOT possesses certain notice and approval rights, including without limitation the requirement that any action or inaction by the City which would have the effect of reducing the amount of the CFC is subject to the prior written consent of USDOT.

The following table, based on a similar table contained in APPENDIX E—"REPORT OF THE AIRPORT CONSULTANT" (which used predicted debt service on the 2023 CFC Bonds), shows projections of Revenues and debt service coverage on the 2023 CFC Bonds through the Projection Period based on the financing assumptions described in the footnotes below and in the Report of the Airport Consultant, which should be read in its entirety. See APPENDIX E—"REPORT OF THE AIRPORT CONSULTANT."

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Projected 2023-2032 CFC Bond Debt Service Coverage

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUES & OTHER AVAILABLE FUNDS										
Revenues										
CFC Rate	$8.00	$8.00	$8.00	$8.00	$8.00	$8.50	$9.50	$10.00	$10.00	$10.00
CFC collections	$35,734,929	$37,141,275	$38,547,620	$39,953,966	$40,695,625	$42,735,323	$44,825,392	$48,307,650	$51,887,262	$55,564,055
Facility Rent	13,578,528	14,538,740	15,263,746	15,461,581	16,665,403	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Federal relief [(1)]	5,600,000	3,400,000	1,000,000	700,000	2,500,000	1,300,000	-	-	-	-
Interest earnings [(2)]	117,648	55,080	55,277	89,754	89,987	90,237	90,507	90,801	91,122	91,473
Total Revenues	**$55,031,106**	**$55,135,094**	**$54,866,643**	**$56,205,301**	**$59,951,015**	**$62,125,559**	**$62,915,899**	**$66,398,451**	**$69,978,383**	**$73,655,527**
Other available funds										
Rolling Coverage Fund [(3)]	$2,242,237	$ 2,196,600	$2,196,600	$2,196,600	$2,624,100	$2,811,475	$2,937,163	$3,529,975	$4,107,413	$4,567,413
Supplemental Reserve Fund	299,567	-	-	-	-	-	-	-	-	-
Total other available funds	**$2,541,804**	**$ 2,196,600**	**$2,196,600**	**$2,196,600**	**$2,624,100**	**$2,811,475**	**$2,937,163**	**$3,529,975**	**$4,107,413**	**$4,567,413**
Total Revenues & other available funds	**$57,572,909**	**$57,331,694**	**$57,063,243**	**$58,401,901**	**$62,575,115**	**$64,937,034**	**$65,853,062**	**$69,928,426**	**$74,085,796**	**$78,222,940**
DEBT SERVICE FOR COVERAGE CALCULATIONS										
2013 CFC Bonds	$5,991,334	$-	$-	$-	$-	$-	$-	$-	$-	$-
2023 CFC Bonds	2,977,613	8,786,400	8,786,400	8,786,400	10,496,400	11,245,900	11,748,650	14,119,900	16,429,650	18,269,650
TIFIA Loan	15,233,409	15,197,493	15,157,453	15,170,506	15,176,729	15,175,870	15,168,679	15,154,408	15,162,236	15,161,805
Total Debt Service	**$24,202,357**	**$23,983,893**	**$23,943,853**	**$23,956,906**	**$25,673,129**	**$26,421,770**	**$26,917,329**	**$29,274,308**	**$31,591,886**	**$33,431,455**
DEBT SERVICE COVERAGE PURSUANT TO THE CFC INDENTURE										
Aggregate Debt Service (other than Subordinate Bonds) (1.30x requirement)	**6.42x**	**6.53x**	**6.49x**	**6.65x**	**5.96x**	**5.77x**	**5.61x**	**4.95x**	**4.51x**	**4.28x**
Aggregate Debt Service (including Subordinate Bonds) (1.10x requirement)	**2.38x**	**2.39x**	**2.38x**	**2.44x**	**2.44x**	**2.46x**	**2.45x**	**2.39x**	**2.35x**	**2.34x**

(1) Coronavirus Aid, Relief, and Economic Security, Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act funding applied as revenues.
(2) Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Debt Service Reserve Fund (through 2023), the Supplemental Reserve Fund (through 2023), the Maintenance Reserve Account and the Subordinate Reserve Fund.
(3) Includes amounts in the Rolling Coverage Fund not to exceed 25% of 2023 CFC Bond debt service.
Source: Ricondo & Associates, Inc. The Table above is based on Table 6-4, "Projected 2023-2032 CFC Bond Debt Service Coverage," contained in APPENDIX E—"REPORT OF THE AIRPORT CONSULTANT," but uses the actual debt service on the 2023 CFC Bonds, whereas Table 6-4 in APPENDIX E uses predicted debt service on the 2023 CFC Bonds as of the date of the Report of the Airport Consultant. Totals may not foot due to rounding.

CHICAGO O'HARE INTERNATIONAL AIRPORT

GENERAL

The 2023 CFC Bonds are payable solely from and secured by a pledge of Pledged Receipts, including CFCs and certain funds and accounts held under the CFC Indenture. The collection of CFCs is dependent on the level of rental car activity at the Airport, which in turn is highly dependent upon the level of aviation activity and, in particular, visiting passenger traffic at the Airport. Key factors affecting airline traffic at the Airport are discussed in detail in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT." See also "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS – AIRPORT RENTAL CAR DEMAND" herein. If aviation activity at the Airport does not meet projected levels, a corresponding reduction may occur in projected CFC collections.

The Airport is the primary commercial airport for the City, as well as an important connecting point for numerous domestic and international flights. Located 18 miles northwest of the City's central business district, the Airport occupies over 7,200 acres of land and is directly linked to the central business district by a rapid transit rail system. The Airport is by far the busiest airport serving the Chicago Region (as hereinafter defined). The Airport serves nearly all of the Chicago Region's international air traffic and is the predominant airport for nonstop/business travel to the Chicago Region's top 50 origin and destination (*"O&D"*) markets.

Based on data from ACI for the 12-month period ended December 2022, the Airport ranked second in the world in terms of domestic aircraft operations, and fourth in the world in terms of passengers. According to CDA, the Airport had approximately 84.6 million total enplaned and deplaned passengers in 2019, approximately 30.9 million (36 percent of 2019) in 2020, approximately 54.0 million (64 percent of 2019) in 2021 and approximately 68.3 million in 2022 (81 percent of 2019).

United Airlines and American Airlines each maintain a hub at the Airport. United Airlines (including its regional affiliates) accounted for 45.6 percent of the enplaned passengers at O'Hare in 2022. American Airlines (including its regional affiliates) accounted for 32.5 percent of the enplaned passengers at the Airport in 2022. See "CERTAIN INVESTMENT CONSIDERATIONS — AVIATION INDUSTRY RISK FACTORS" herein for additional information regarding the airlines serving the Airport.

For more complete and detailed information regarding historical and projected air traffic at the Airport, see the Section "Air Traffic" in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

THE AIR TRADE AREA

The primary air trade area that the Airport serves consists of 10 counties in Illinois (Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry and Will), four counties in Indiana (Jasper, Lake, Newton and Porter) and one county in Wisconsin (Kenosha). These 15 counties comprise the "Chicago Region" and include two Metropolitan Statistical Areas that contain four adjoining major metropolitan areas. This area is depicted on the map on the following page.

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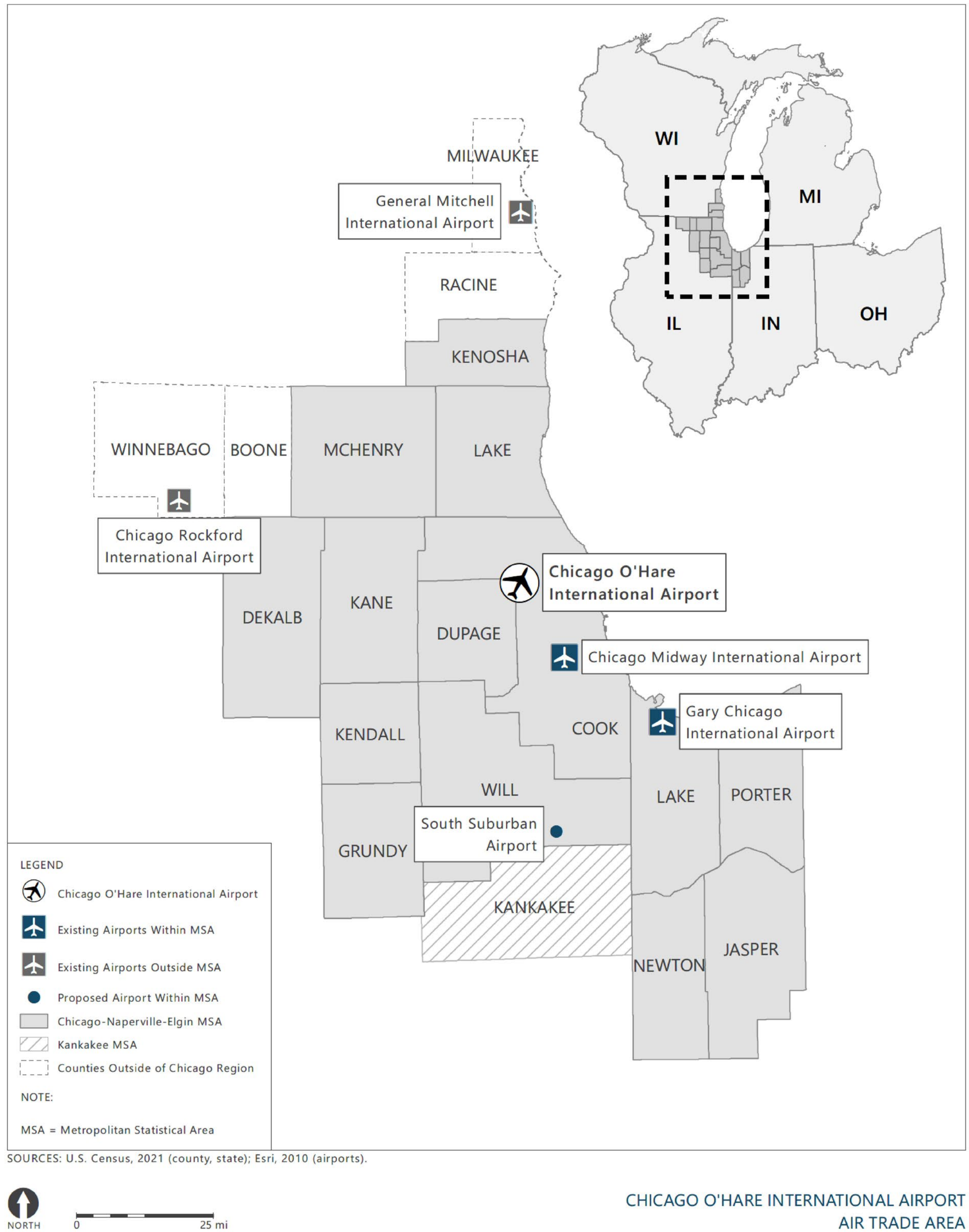
MAP OF CHICAGO REGION



OTHER COMMERCIAL SERVICE AIRPORTS SERVING THE CHICAGO REGION

Midway. In addition to O'Hare, Midway is owned by the City and operated through the CDA. Midway, located 15 miles south of O'Hare and ten miles southwest of the central business district of the City, also provides scheduled commercial passenger service. Based on CDA management records, total enplaned passengers at Midway were approximately 10.4 million for 2019, 4.4 million for 2020, 7.9 million for 2021 and approximately 9.9 million for 2022. In 2022, Midway provided nonstop service to 92 markets (11 of which are international destinations) with a total of 220 average daily scheduled nonstop flights. In 2022, Midway had approximately 3.6 million connecting enplanements and approximately 6.3 million originating enplanements; these enplanements represented approximately 23.4 percent of Chicago originating passenger traffic and approximately 21.7 percent of Chicago connecting passenger traffic, whereas O'Hare's originating and connecting percentages of Chicago passenger traffic for 2022 were approximately 76.6 percent and 78.3 percent, respectively.

O'Hare and Midway are operated as separate and distinct enterprises for financial purposes and the 2023 CFC Bonds are not secured by any revenues generated, or property located, at Midway.

General Mitchell International Airport. The nearest commercial service airport outside the Chicago Region is General Mitchell International Airport ("Mitchell"), located approximately 70 miles north of O'Hare. Mitchell serves the commercial air service needs of Milwaukee, southeast Wisconsin, and portions of northern Illinois. According to Mitchell's own data, total enplaned passengers there were approximately 3.4 million in 2019, 1.3 million in 2020, 2.3 million in 2021 and 2.7 million in 2022. Although Mitchell is in close proximity to O'Hare (their overlapping service areas include three counties in the northern Chicago Region area, which represent approximately 12 percent of the population in the Chicago Region), the higher frequency nonstop service to top O&D markets from O'Hare attracts a greater portion of traffic in northern Illinois and southern Wisconsin to O'Hare. In 2022, Mitchell had approximately 75 average daily scheduled nonstop flights to 37 markets, 2 of which were international.

Gary/Chicago International Airport. Gary/Chicago International Airport, which is owned by the City of Gary, Indiana, is also located in the Chicago Region. Currently, no commercial passenger service is provided at Gary/Chicago International Airport.

FEDERAL LEGISLATION, STATE ACTIONS AND PROPOSED SOUTH SUBURBAN AIRPORT

Federal Legislation. On October 5, 2018, President Trump signed into law the FAA Reauthorization Act of 2018 ("FAA Reauthorization Act"). The FAA Reauthorization Act reauthorizes the Federal Aviation Administration ("FAA") operations and programs and provides funding through September 30, 2023. As of June 2023, bipartisan bills have been introduced in both the House of Representatives and the Senate; however, as of the date of this Official Statement, the City has no assurance that the current FAA authorization and programs will be extended or that a new authorization or programs will be approved beyond September 30, 2023. See "CERTAIN INVESTMENT CONSIDERATIONS."

O'Hare Modernization Act. The O'Hare Modernization Act, 620 ILCS 65/1 et seq., which became law in August 2003, was created to expedite and facilitate the O'Hare Modernization Program ("*OMP*"). Specifically, the O'Hare Modernization Act states the Illinois General Assembly's intent that "all agencies of this State and its subdivisions shall facilitate the efficient and expeditious completion" of the OMP. Among other things, the O'Hare Modernization Act eliminates duplicative aeronautics review of the OMP under the Illinois Aeronautics Act and grants quick take condemnation authority to the City for land acquisition associated with the OMP. The O'Hare Modernization Act also amends other laws to facilitate the OMP. Completion of the projects constituting the OMP occurred in December 2021.

Public Act 99-0202, which was effective on January 1, 2016, amended the O'Hare Modernization Act to increase from eight to ten the maximum number of runways available for aircraft operations at O'Hare that may exist after the construction of a new runway at the Airport without a certificate of approval from the Illinois Department of Transportation.

State Approval of Federal Grants. Under the Illinois Aeronautics Act, the City is generally required to obtain the approval of Illinois Department of Transportation for all AIP grant applications that the City submits to the FAA. The O'Hare Modernization Act provides that this requirement does not apply to AIP grant applications related to the OMP and further provides that the City may directly accept, receive and disburse AIP grant funds related to the OMP.

Proposed South Suburban Airport. Plans to build a third airport in the Chicago Region have been discussed for many years. The most likely site for such an airport is the proposed South Suburban Airport site located near Peotone, Illinois, in Will County, approximately 35 miles south of the City's central business district. The State of Illinois fiscal year 2020 budget allotted $1 million to the South Suburban Airport to be used for environmental studies and an airport master plan. An additional $162 million was apportioned in the 2019 capital plan for roadwork to connect the proposed Peotone-adjacent site with Interstate 57. The State of Illinois fiscal year 2023 budget allocates approximately $17 million to land acquisition for the site.

It is not possible at this time to determine the viability of a new major commercial airport at the Peotone site or to predict whether or when any new regional airport would be constructed; nor is it currently possible to predict what effect, if any, such an airport would have on operations or enplanements at the Airport.

Future Legislation. The Airport is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The City is unable to predict the adoption or amendment of any such laws, rules or regulations, or their effect on the operations or financial condition of O'Hare.

EXISTING AIRPORT FACILITIES

As a result of the OMP, the Airport has eight runways (the most of any commercial airport globally) that allow for operations in good and poor weather conditions. A network of aircraft taxiways, aprons and hold areas supports the runways. All runways are at least 7,500 feet in length, with the longest measuring 13,000 feet in length. Two runways, the longest of which is 11,245 feet, satisfy FAA Aircraft Design Group VI standards. All runways have electronic and other navigational aids that permit aircraft landings in most weather conditions. For more information regarding the existing airfield facilities at the Airport, see the section "The Airport – Existing Airport Facilities – Airfield" in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

The airlines serving the Airport operate out of four terminal buildings. Three terminal buildings, (Terminals 1, 2 and 3) have a total of 172 aircraft gates and serve primarily domestic flights and certain international departures and pre-cleared international arrivals. A fourth terminal building, Terminal 5 (formerly known as the International Terminal), with 30 aircraft gates and four hardstand aircraft parking positions, serves the remaining international departures, certain domestic operations and all international arrivals requiring customs clearance. The ATS connects Terminals 1, 2, 3 and 5 with the CRCF. For more information regarding the existing terminal facilities at the Airport, see the Section "The Airport – Existing Airport Facilities – Terminal Area" in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

As of July 1, 2023, of the 202 domestic and international gates and related facilities at O'Hare, 23 are common use gates and 179 are preferential use gates. The preferential use gates are allocated to the following carriers: United Airlines, American Airlines, Delta Air Lines, Air Canada, Spirit Airlines, JetBlue Airways and Alaska Airlines pursuant to the Airline Use and Lease Agreements. The remaining 23 gates are operated on a common use basis in Terminals 3 and 5. Delta Air Lines moved its operations from its prior location in Terminal 2 to Terminal 5 on October 12, 2022. As of July 1, 2023, Delta Air Lines is operating from 9 preferential use gates in Terminal 5 and is scheduled to be allocated an additional preferential use gate in late 2023. At the end of 2023, Terminal 5 is expected to have 10 gates allocated as preferential use to Delta Air Lines and 21 gates allocated as common use for a total of 31 gates. The gates Delta Air Lines vacated at Terminal 2 have been reconfigured and reallocated, the net effect of which is five gates operated as preferential use and two gates operated as common use.

A hotel, an elevated parking structure, two surface parking lots and the heating and refrigeration plant serving O'Hare are located adjacent to the terminal buildings. The hotel, owned by the City and operated by Hilton Management LLC, provides 860 guest rooms as well as restaurants and meeting facilities.

Approximately 19,500 public parking spaces are located in various locations throughout the Airport. A 9,300-space parking garage is adjacent to Terminals 1 through 3. The garage contains Hourly, Daily, Reserved, and Valet parking areas. Daily parking in the garage is supplemented by an adjacent surface lot that provides approximately 2,830 spaces. Construction of a Terminal 5 Garage, anticipated to be completed in early 2024, will expand Terminal 5 parking capacity from the 950 Hourly spaces in Lot D to approximately 2,350 Hourly and Daily parking spaces (1,700 in the garage and 650 in Lot D), an increase of 1,400 spaces. Parking spaces in Lot D may be temporarily reduced due to ongoing Terminal 5 Garage construction. In July 2023, approximately 390 spaces were available in Lot D. Long-term surface public parking capacity currently consists of approximately 3,890 spaces provided in Lots G and H and the top two floors of the ES providing over 2,620 public parking spaces.

With 21 air cargo buildings and nine aircraft maintenance hangars, the Airport is a major center for other aviation related activity such as aircraft maintenance and domestic and international air cargo shipment. In addition, one flight kitchen, six buildings used for airline equipment maintenance, one United States Postal Service facility, and two airport equipment maintenance complexes that store and service snow removal and other equipment are located at the Airport.

AIRPORT MANAGEMENT

The Airport is owned by the City and operated through the CDA, which oversees planning, operations, safety and security, and finance and administration. The CDA also independently oversees such activities at Midway. CDA is headed by the Commissioner of Aviation and as of July 1, 2023 had approximately 1,586 FTE employees (1,336 at O'Hare and 250 at Midway).

REGIONAL AUTHORITY

In 1995, the City and the City of Gary, Indiana, entered into the Compact, which established the Chicago-Gary Regional Airport Authority to oversee and support Midway, the Airport, Meigs Field and the Gary/Chicago International Airport, to evaluate jointly the bi-state region's need for additional airport capacity and to coordinate and plan for the continued development, enhancement and operation of such airports and the development of any new airport serving the bi-state region. Subject to the power of the Chicago-Gary Regional Airport Authority to approve certain capital expenditures and other actions, the City continues to manage, own and operate Midway and the Airport. Meigs Field was closed by the City on March 30, 2003. The approval of the Chicago-Gary Regional Airport Authority is required for implementation of certain capital projects.

O'Hare Noise Compatibility Commission

The O'Hare Noise Compatibility Commission (the "O'Hare Noise Commission") was formed to (i) determine certain noise compatibility projects to be implemented in a defined area surrounding the Airport, (ii) oversee a noise monitoring system operated by the City, and (iii) advise the City concerning other Airport noise related issues. As of July 1, 2023, the City had spent approximately $564 million on residential and school noise compatibility projects since the establishment of the O'Hare Noise Compatibility Commission in 1996.

Budget Procedures

The Illinois Municipal Code requires the City to pass an annual appropriation ordinance prior to the beginning of each Fiscal Year. The CDA submits its proposed budget for the following Fiscal Year, including the proposed budget for the Airport, to the City's Budget Director for inclusion in the proposed City budget. The Budget Director includes a proposed budget for the CDA in the City's budget proposal for approval by the Mayor who submits the City budget to the City Council for approval. The Airport's budget, as proposed by CDA, may be modified by the Budget Director, the Mayor or the City Council. The City's Fiscal Year 2023 budget was approved by the City Council on November 7, 2022.

Airlines Providing Service at the Airport

As of July 2023, 20 US-flag airlines provide scheduled passenger service at the Airport and 34 foreign-flag airlines provide scheduled and nonscheduled passenger service. For more information, see "Air Traffic-Airlines Serving the Airport" in APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

Airport Capital Program

The City has on-going capital programs at the Airport that are collectively referred to herein as the "Airport Capital Program" and which includes the Terminal Area Plan, the expansion of Terminal 5, a three-gate expansion of Terminal 3 Concourse L, and on-going capital improvement projects. The Airport Capital Program was developed under O'Hare 21, a City initiative to improve the Airport's connectivity, efficiency and capacity, and ensure the success of the Airport into the 21st century.

In March 2018, the City announced that funding for approximately $8.5 billion (in 2018 dollars) of new O'Hare capital projects was approved under the Airline Use and Lease Agreements. This funding, as defined in the Airline Use and Lease Agreements, includes: (i) the TAP; (ii) the Pre-Approved Capital Improvement Projects; and (iii) the Pre-Approved Allowances for capital maintenance and infrastructure reliability projects. No additional airline approval is required for these capital projects with exception of circumstances such as scope or budget changes identified in the Airline Use and Lease Agreements. The Airport Capital Program and their source of funding are described in the Report of the Airport Consultant. The Airline Use and Lease Agreements included funding approval for capital projects through the 15-year term of the agreement in 2018 dollars, with certain provisions for project cost escalation. Ongoing projects approved under use Prior Use Agreements were reconfirmed with the execution of the Airline Use and Lease Agreements. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT." In addition to the Airport Capital Program, the City, in accordance with criteria established by the O'Hare Noise Compatibility Commission, participates in an ongoing program of providing sound insulation to eligible schools and residences in the vicinity of the Airport. See “CHICAGO O’HARE INTERNATIONAL AIRPORT — O'HARE NOISE COMPATIBILITY COMMISSION.”

Terminal Area Plan. The TAP was developed to address gate capacity constraints and processing issues, improve the passenger experience, efficiently accommodate demand and modernize existing terminals and their functional and commercial spaces. The TAP includes redevelopment of the existing Terminal 2 site with construction of the O’Hare Global Terminal and O’Hare Global Concourse plus satellite concourses west of the existing passenger terminals. TAP is planned to be implemented in phases, including TAP and Additional TAP Elements to be undertaken in the future.

Pre-Approved Capital Improvement Projects. The Pre-Approved Capital Improvement Projects, which have been pre-approved under the Airline Use and Lease Agreements and do not require additional review by the Majority-in-Interest, are other capital projects not included in the major terminal projects that are in various stages of planning, design, construction and closeout and also include ongoing repair and maintenance projects. Major projects in the Pre-Approved CIP scheduled for the next five years include new and reconfigured airfield taxiway pavements, heating and refrigeration plant and distribution network upgrades, air handling unit replacements, and facility improvements in the vicinity of the passenger terminals. Several Pre-Approved Capital Improvement Projects are in progress or have been completed, including a replacement of the roof and air handling units at Terminal 1, upgrades to the emergency standby power system, construction of a new Airport Operations Center, replacement of fire and domestic water mains at Terminals 1, 2, and 3, and a new pump station to support stormwater drainage on the terminal access roadway. See APPENDIX E - “REPORT OF THE AIRPORT CONSULTANT” for a more detailed discussion of the sources and uses of funds for the Pre-Approved Capital Improvement Projects.

Pre-Approved and Infrastructure Reliability Allowances. The Airline Use and Lease Agreements approve annual Pre-Approved Allowances, allowing the City to implement, fund, and finance major asset replacement and maintenance projects not included in budgeted O&M Expenses. On average, $40 million in Pre-Approved Allowances is committed to be expended annually. In addition, the City has the ability to spend up to approximately $168.2 million for infrastructure reliability projects through the term of the Airline Use and Lease Agreements. The infrastructure reliability projects include repairs and upgrades to existing airport infrastructure including mechanical, electrical and plumbing equipment. The Pre-Approved Allowances, including infrastructure reliability projects, and can be funded through a combination of airline rates and charges, bond financing, and Net Aeronautical Real Estate Revenues. See APPENDIX E — “ REPORT OF THE AIRPORT CONSULTANT.”

Bipartisan Infrastructure Law. In November 2021, President Biden signed the Bipartisan Infrastructure Law (“*BIL*”) bill into Law. The BIL provides $25 billion of capital grants for airport infrastructure improvements to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies over a period of five years, starting in federal fiscal year 2022, of which $15 billion will be allocated through Airport Infrastructure Grants (“*AIG*”) for eligible projects, $5 billion will be provided via competitive discretionary grants through the Airport Terminal Program (“*ATP*”) for eligible projects and $5 billion will be provided for FAA air traffic facilities and equipment. In Federal Fiscal Years (“*FFY*”) 2022 and 2023 the Airport was allocated $73.672 million and $73.376 million, respectively, and anticipates an estimated annual allocation of approximately $73.5 million in FYY 2024, 2025 and 2026. In FFY 2023, the Airport was selected for a $50 million ATP grant. The Airport will utilize its BIL funding to strengthen its capital funding sources to continue with major capital improvements.

COVID-19

The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the Airport, its operations and its financial condition. The City is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be "Annual Financial Information" under the Undertaking (as defined herein). See "SECONDARY MARKET DISCLOSURE."

Introduction and Impact to the Airport. The COVID-19 pandemic and the related restrictions and measures adopted to contain the spread of the virus had a negative impact on international and domestic travel and travel-related industries, including airlines serving the Airport, the RACs and the Off-Airport RACs.

With the outbreak of COVID-19 in December 2019, and following worldwide governmental stay at home orders and travel restrictions, airlines reported unprecedented decreases in domestic and international air traffic and a significant reduction in passenger volumes and flights. Airlines serving the Airport reduced or cancelled flights and curtailed their overall capacity due to the drop in demand for both domestic and international air travel. (See "– *Impact on Passenger Volume*" below.)

As a result of the foregoing and other factors, beginning in 2020 the RACs and Off-Airport RACs experienced significant reductions in the number of rental car transactions (i.e. the number of contracts between a RAC and a customer), which in turn resulted in a significant decrease in the amount of CFCs collected and remitted to the City. With the lifting of most travel restrictions, rental car transactions, transaction days, and CFC revenues began to rebound in 2021 and further in 2022 and 2023, as demonstrated in the following table:

RENTAL CAR ACTIVITY AND CFC REVENUES, 2019-2023

YEAR	RENTAL CAR TRANSACTIONS (000)	RENTAL CAR TRANSACTION DAYS (000)	CFC REVENUES ($000)
2019	1,441	5,039	$40,315.4
2020	531	1,874	14,992.2
2021	808	3,132	25,058.3
2022	1,122	4,291	34,328.5
2023(1)	569	2,116	16,927.1

Source: Chicago Department of Aviation.

(1) Through June, 2023. For the comparable period of 2019, there were 659 (000) rental car transactions, 2,217 (000) rental car transaction days and $17,739.2 ($000) CFC revenues.

Impact on Passenger Volume. The Airport, similar to most other airports across the nation, experienced steep declines in passenger volumes as a result of the COVID-19 pandemic. For the periods from January through December, 2020, January through December, 2021 and January through December, 2022, passenger volumes were approximately 36.3%, 63.7% and 80.9%, respectively, of the same period in 2019. Through April, 2023, passenger volumes have been 79.2% of the same period in 2019. See APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

Government Stimulus and Relief Measures in Response to the COVID-19 Pandemic. As a direct result of the COVID-19 pandemic, several bills were adopted by the U.S. Congress that provided or continue to provide financial aid to the airports around the country, the airlines and other concessionaires. The Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*"), which became law on March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "*CRRSAA*"), which became law on December 27, 2020, and the American Rescue Plan Act ("*ARPA*"), which became law on

March 11, 2021, each provided direct aid for airports. The Airport has received or currently anticipates receiving through 2023 a total of $651.9 million in federal relief from each of these Acts.

During 2020, the Airport was awarded $294.4 million of CARES Act funding, which excludes approximately $22 million of additional CARES Act funding used to pay the local share of capital projects and included in the Airport's Fiscal Year 2020 Airport Improvement Program grant submission, and $8.3 million of additional CARES Act funding used to pay the local share of capital projects included in the Airport's Fiscal Year 2021 Airport Improvement Program grant submission.

During 2021, the Airport was awarded $60.1 million of CRRSA funds, and $8.8 million of CRRSA funds allocated to the City's COVID-19 Concessions Relief Program ("*Concessions Relief*"). During 2021 the Airport was also awarded $253.6 million of ARPA funds, and $35.0 million of ARPA funds allocated to Concessions Relief, which were used to pay operating costs in an amount necessary to offset lost operating revenues, Passenger Facility Charges and CFCs, net of cost reductions.

The City has applied the federal relief it has received for the following uses:

APPLICATION OF FEDERAL RELIEF FUNDS

	AMOUNT APPLIED ($mm)			
USES OF FUNDS	**2020**	**2021**	**2022-23**	**TOTAL**
CARES Act Funding				
Airline Rate Base Mitigation	$224.2[(1)]	--	$10.0	$234.2
PFC Revenue Bond Debt Service	30.2	--	--	30.2
CFC Revenue	9.5	$20.5	--	30.0
Subtotal	**$263.9**	**$20.5**	**$10.0**	**$294.4**
CRRSA Funding				
Airline Rate Base Mitigation	--	$37.6	--	$37.6
PFC Revenue Bond Debt Service	--	12.0	--	12.0
CFC Revenue	--	1.0	$9.5	10.5
Concessions Relief	--	8.8	--	8.8
Subtotal	--	**$59.4**	**$9.5**	**$68.9**
ARP Act Funding				
Airline Rate Base Mitigation	--	$8.0	$168.6	$176.6
PFC Revenue Bond Debt Service	--	43.0	15.0	58.0
CFC Revenue	--	--	19.0	19.0
Concessions Relief	--	--	35.0	35.0
Subtotal	**--**	**$51.0**	**$237.6**	**$288.6**
Total	**$263.9**	**$130.9**	**$257.1**	**$651.9**

Source: City of Chicago, Department of Aviation, July, 2023.
(1) $42.9 mm of this amount was used to offset the shortfall of PFCs to pay for PFC-supported GARBs.

The Airport used CARES, CRRSA and ARPA funds to stabilize rates and charges. Of the $651.9 million awarded, $45.5 million was applied to stabilize 2021 rates and charges ($21.9 million to offset operating expenses and $23.6 million to common use charges), $21.5 million for 2021 debt service to mitigate the shortfall in CFCs and $55.0 million for 2021 debt service to mitigate the shortfall of PFCs. The remaining amount was applied to 2022 Rates and Charges, PFCs and CFCs. The Airport provided additional financial stability in 2021 by implementing additional cost cutting measures of $21.0 million, which in turn reduced the operating reserve requirement by $15.4 million (including $21.9 million of CRRSA and ARPA funds applied to offset operating expenses).

Between 2020 and 2023, COVID-19 federal relief funds totaling $50.9 million have been and are anticipated to continue to be applied to mitigate the impact of COVID-19 on CFC Collections, with an additional $8.6 million of federal relief expected to be applied through 2028.

Other Impacts of the COVID-19 Pandemic on the Rental Car Market at the Airport. On May 22, 2020, the Hertz Corporation and its affiliates, Thrifty Car Rental and Dollar Rent A Car (collectively, "*Hertz*") filed for Chapter 11 bankruptcy protection. During the period of bankruptcy, Hertz continued to operate at O'Hare and Hertz continued to pay rents, charges and collect CFCs and remit other charges to the City. Hertz has assumed its agreements with the City relating to operations at O'Hare and paid all unpaid prepetition rents and other amounts. On June 10, 2021, Hertz confirmed a plan of reorganization and on June 30, 2021, emerged from bankruptcy. Hertz continues to operate at O'Hare under the assumed agreements and has no material payment delinquencies.

On May 26, 2020, Advantage Holdco, Inc. and six affiliated companies (collectively, "*Advantage*") filed for Chapter 11 bankruptcy protection. As of 2020, Advantage was delinquent in payments to the City for approximately $110,000. Advantage rejected and terminated its RAC Agreement in connection with its bankruptcy proceedings and abandoned its facilities at the Airport as of June 30, 2020. Advantage has liquidated and ceased its operations nation-wide. The City believes that it is unlikely that it will collect any of the delinquent rentals, other charges and damages relating to Advantage's abandonment of its facilities at the Airport, however CFC revenues collected from Advantage in 2020 represented only 0.3% of total CFC revenues collected that year.

The prime contractor and largest subcontractor for the ATS extension and modernization project each have made force majeure claims under their contracts relating to the ATS. These claims are not anticipated by the City to have a material adverse impact on the payment of the 2023 CFC Bonds. The ATS resumed part-time passenger service in November 2021 and began 24-hour service on April 18, 2022. CDA issued a conditional certificate of substantial completion for the ATS effective December 7, 2022, to the prime contractor. The City continues to work with the prime contractor for the ATS extension and modernization project to complete outstanding contract work and reach final acceptance of the ATS. The City currently is not aware of any other force majeure provisions in any other material contracts or agreements relating to the Airport that are expected to be invoked and have a material adverse effect on the Airport or its operations. The City cannot predict or foresee what other force majeure provisions may be invoked in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

The City and CDA are committed to sustainability and enhancing its economic viability, operational effectiveness, environment and social responsibility at the Airport and Midway, while recognizing the interconnectedness of these elements. The CDA has implemented numerous airport industry-leading initiatives to improve natural resource conservation, operational efficiency, social responsibility and economic viability at the Airport.

SUSTAINABILITY GOALS

CDA, in alignment with the United Nations Sustainable Development Goals, has adopted the following environmental goals for the Airport and Midway:

Energy Use and Supply: By 2030, CDA has set a goal to reduce energy usage per passenger by 30 percent from a 2010 baseline and by 2025 to procure 100 percent renewable electricity.

Carbon Emissions: CDA is targeting to reduce carbon emissions by 50% from a 2019 baseline by 2030 and to achieve net zero carbon emissions by 2050.

Sustainable Airport Manual™: The CDA was the first airport in the nation to develop sustainability guidelines for design and construction at airports in 2003. In 2009, the Sustainable Airport Manual™ ("*SAM®*") was created (incorporating the 2003 design manual as a chapter) as part of Chicago's ongoing efforts toward implementing more environmentally sustainable initiatives across all airport activities. The SAM® is a manual used to incorporate and track sustainability in administrative procedures, planning, design and construction, operations and maintenance, and concessions and tenants with minimal impact to project schedules or budgets. In addition to being used by the Airport and Midway, it is used by several other airports around the world. The SAM® is updated from time to time and, while available on the CDA's website, is specifically not incorporated herein by reference and does not constitute a part of this Official Statement. Using the SAM®, the CRCF received a Green Airplane Certification℠ of three Green Airplanes for the inclusion of sustainability practices in its design and construction. This high level of achievement was made possible by including 24 level 2 electric vehicle charging stations, diverting more than 99 percent of waste (by weight) from landfills, and by installing efficient light emitting diodes ("*LEDs*") at the facility.

Energy Management: The CDA monitors the electricity and natural gas usage for the Airport in order to improve energy efficiency. A utility meter inventory allows for energy tracking of over 800 electricity meters and over 120 natural gas meters. Energy usage reports are sent to the CDA facilities staff to manage building systems and equipment, including the CRCF. As of 2022 compared to a 2010 baseline, the CDA has achieved a reduction of 17.8 percent in electricity and 9.1 percent in natural gas use.

Clean Energy: The City of Chicago has entered into an agreement with a retail electricity supplier for an initial five-year term that is expected to begin supplying 100 percent clean, renewable energy in 2025. A large percentage of the 100% renewable energy will be sourced from a new solar generation installation under development in central Illinois. Of the major commercial airports in the country, the Airport will be among the first to be 100% supplied by renewable energy when that goal is achieved, which is anticipated to occur in 2025.

Green Concessions Policy: The CDA's Green Concessions Policy provides concessionaires at the Airport and Midway with guidance and standards for minimizing waste, enhancing recycling, generating demand for eco-friendly products, and providing healthier foods for passengers and employees. All concessionaires must adhere to the policy's requirements as listed in the SAM®.

Green Roofs: The CDA has installed 445,590 square feet of vegetated green roofs at O'Hare. The sedum plant species used by the CDA are tolerant to drought and do not attract wildlife. Green roofs provide operational and maintenance cost savings from increased roof life, decreased energy use, reduction in the airport's overall heat island effect, and reduced storm water runoff. Other benefits include acoustical buffering and air quality protection. A 66,400 square foot green roof is located at the QTA and provides these operational and maintenance benefits to the facility and the acoustic and air quality benefits to the surrounding community.

U.S. Green Building Council® Building Certification: A total of ten new buildings at the Airport have received the U.S. Green Building Council (USGBC®) Leadership in Energy and Environmental Design™ (LEED®) third-party certification. The LEED® buildings help reduce energy and water use, improve indoor air quality, support better building material choices, and drive innovation. The CRCF was awarded (i) LEED® Silver certification in January 2022 and (ii) Parksmart Silver certification in September 2022. While Parksmart certification recognizes sustainable parking design and construction, it also requires efficient and sustainable operations of the parking facility to receive certification. The achievement of Parksmart certification was made possible by effective management policies (e.g., the requirement of the parking operator to utilize a fleet of green vehicles), operating practices (e.g., proactive operational maintenance), and the use of innovative technology (e.g., a water capture and reuse system during the car washing at the QTA).

<u>*Extension and Modernization of the Airport Transit System*</u>: The CDA returned the Airport Transit System ("ATS") to service in November 2021 and began 24/7 ATS service in April 2022. The extended system now connects all four Airport passenger terminals with the ES. The extended system allows rental car customers to utilize the electric-powered ATS in lieu of shuttle buses to move from individual rental car leaseholds to the passenger terminal curbsides. The ATS not only provides service upgrades through shorter and more reliable journey times for a greater number of airport users but also is estimated to eliminate 1.3 million vehicle trips per year, equating to a reduction in greenhouse gas carbon emissions of 2,500 to 5,000 tons per year.

SOCIAL FACTORS

Diversity, Equity and Inclusion. The City believes in developing and supporting a culture based on equity, belonging, a commitment to its diverse communities and a respectful workplace. To achieve its objectives, the CDA actively seeks a workforce that reflects the diversity of its communities and understands differences add value by bringing a variety of skills, knowledge, points of view, values and abilities onboard. As of July 2023, the CDA workforce was approximately 34% white, 37% African American or Black, 24% Latino, 3% Asian and 2% in another category/unidentified and 73% male and 27% female.

The CDA works with the Mayor's Office, City Council, the Chicago Department of Procurement Services ("DPS") the Mayor's Office for People with Disabilities ("MOPD"), the Chicago Public Schools ("CPS"), City Colleges of Chicago, the CMARs, and several non-governmental organizations to ensure access to accommodations for employees, contractors, vendors, and passengers and to create a meaningful pipeline from schools to work in the aviation industry. Some of these efforts are as follows:

Working Groups

<u>*Diversity Working Group*</u>: The Diversity Working Group was created in Spring 2018 pursuant to a City ordinance and consists of representatives of the City Council, CDA, DPS and the City Law Department to ensure small-, minority-, women-, veteran- and people with disability-owned businesses throughout the City's 77 community areas are included in hiring and contracting opportunities.

<u>*Airport Accessibility Advisory Committee*</u>: The CDA and MOPD have jointly led an initiative bringing government and advocacy groups together in seeking input from travelers with disabilities to make the Airport and Midway more accessible through removing physical and communication barriers and enhancing wayfinding signage.

Workforce and Career Building Initiatives

Since 2013, CDA has hosted career fairs in the City's neighborhoods to enhance minority recruitment for Airport and Midway job opportunities. At these events, the CDA partners with non-governmental and union organizations to offer workshops on resume writing, interview techniques, job training, job reentry information session and union apprenticeship programs. During 2020, 2021 and 2022, career fairs were hosted virtually rather than in person. Additionally, CDA participates in virtual and in-person career days with MOPD as well as CPS and City Colleges of Chicago.

The CDA has also hosted a number of expos and symposiums on hiring and contracting opportunities, contracting initiatives to increase diversity, equity and inclusion, and how local and small businesses can get certified as an Airport Concessionaire Disadvantage Business Enterprise ("ACDBE"), Disadvantaged Business Enterprise, Minority-Owned Business Enterprise, Women-Owned Business Enterprise, Veteran-Owned Business Enterprise and/or Business Enterprises Owned by People with Disabilities. In May 2022, CDA hosted an Airport Expo with 45 exhibitors and approximately 200 attendees. Another Airport Expo was heled in November 2022, at which CDA hosted 60 exhibitors and approximately 400 attendees. In May 2023, CDA hosted an Airport Expo with 80 exhibitors and over 700 attendees.

Contracting Initiatives

O'Hare Concessions Program: The CDA has a goal for ACDBE participation in its concessions program at O'Hare at 30%, which is in excess of the federally required 10% ACDBE participation goal. The concessions program at O'Hare exceeds this goal, with ACDBE participation at 34.7% for calendar year 2019, 42.1% for calendar year 2020, 41.2% for calendar year 2021 and 38.5% for calendar year 2022.

GOVERNANCE FACTORS

The City operates O'Hare and Midway through the CDA as separate and distinct enterprises for financial purposes. The CDA is a department of City government. See "CHICAGO O'HARE INTERNATIONAL AIRPORT – Airport Management" herein. The CDA's core mission is to:

- Ensure safe and efficient travel through O'Hare and Midway International Airports.
- Enhance economic activity and job creation within the City and the region while growing opportunities for diversity, equity and inclusiveness at O'Hare and Midway.
- Continue to grow O'Hare and Midway's competitive positions in the global aviation marketplace.
- Provide world class services and amenities in an environment that reflects Chicago's rich, diverse and unique character.
- Continue to be the international leader in airport sustainability by integrating environmental best practices into all aspects of airport operations and the Airport Capital Program.

CERTAIN INVESTMENT CONSIDERATIONS

GENERAL

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 certain investment considerations associated with the 2023 CFC Bonds. The City's ability to derive Pledged Receipts from CFCs and Facility Rent, sufficient to pay debt service on the 2023 CFC Bonds, depends on various factors, most of which are not subject to the control of the City.

There follows in this section, a discussion in no particular order of importance or priority of some, but not necessarily all, of the possible investment considerations that should be carefully evaluated by prospective purchasers of the 2023 CFC Bonds prior to purchasing any 2023 CFC Bonds. The 2023 CFC Bonds may not be suitable investments for all persons, and prospective purchasers should be able to evaluate the investment considerations and merits of an investment in the 2023 CFC Bonds, and confer with their own legal and financial advisors before considering a purchase of the 2023 CFC Bonds.

LIMITED OBLIGATIONS

THE 2023 CFC BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE

STATE OR ANY POLITICAL SUBDIVISION OF THE STATE WILL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2023 CFC BONDS. THE 2023 CFC BONDS ARE NOT SECURED BY ANY PROPERTIES OR IMPROVEMENTS (INCLUDING PROPERTIES AND IMPROVEMENTS AT THE AIRPORT) AND ARE NOT SECURED BY A PLEDGE OF ANY REVENUES OF THE CITY INCLUDING REVENUES DERIVED BY THE CITY FROM THE OPERATION OF THE AIRPORT GENERALLY (OTHER THAN THE PLEDGED RECEIPTS).

ADDITIONAL BONDS

THE CFC INDENTURE PERMITS THE CITY TO ISSUE ONE OR MORE SERIES OF ADDITIONAL BONDS (SUBJECT TO CERTAIN CONDITIONS, INCLUDING THE WRITTEN APPROVAL OF USDOT SO LONG AS THE TIFIA LOAN IS OUTSTANDING) PAYABLE FROM THE PLEDGED RECEIPTS ON A PARITY WITH THE 2023 CFC BONDS AND ANY OTHER ADDITIONAL BONDS ISSUED FROM TIME TO TIME. USDOT HAS CONSENTED TO THE ISSUANCE OF THE 2023 CFC BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – SUBORDINATE BONDS." THE CITY COULD ISSUE ANY SUCH ADDITIONAL BONDS TO FUND CERTAIN COST OVERRUNS FOR OTHER IMPROVEMENTS TO AIRPORT CAR RENTAL FACILITIES AND COMMON USE TRANSPORTATION FACILITIES. THE ISSUANCE OF ADDITIONAL BONDS MAY REQUIRE AN INCREASE IN THE RATE OF THE CFCS OR INCREASE IN FACILITY RENT TO SATISFY THE RATE COVENANT UNDER THE CFC INDENTURE. SEE THE DISCUSSION HEREIN UNDER THE SUBHEADING "ABILITY TO MEET COVENANTS."

SPRINGING PARITY LIEN OF TIFIA LOAN IN EVENT OF BANKRUPTCY RELATED EVENT

THE TIFIA LOAN AND THE CFC INDENTURE CONTAIN A "SPRINGING PARITY LIEN" TRIGGERED BY THE OCCURRENCE OF A BANKRUPTCY RELATED EVENT, WHICH PROVIDES THAT THE TIFIA LOAN WILL AUTOMATICALLY AND WITHOUT NOTICE BE DEEMED TO BE AN ADDITIONAL BOND (INSTEAD OF A SUBORDINATE BOND) PAYABLE FROM THE PLEDGED RECEIPTS ON A PARITY WITH THE 2023 CFC BONDS AND ANY OTHER CFC BONDS ISSUED FROM TIME TO TIME. SO LONG AS ANY BONDS (OTHER THAN SUBORDINATE BONDS) REMAIN OUTSTANDING, THE "SPRINGING PARITY LIEN" IS NOT AVAILABLE FOLLOWING A COMPLETE SALE OF THE TIFIA LOAN TO A COMMERCIAL ENTITY, BUT SHALL REMAIN IN FORCE AND EFFECT FOLLOWING AN ASSIGNMENT OR SALE MADE TO A FEDERAL GOVERNMENT AGENCY OR INSTRUMENTALITY. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – SPRINGING PARITY LIEN OF THE TIFIA LOAN." "BANKRUPTCY RELATED EVENT" IS DEFINED TO INCLUDE NUMEROUS CIRCUMSTANCES, INCLUDING FAILURE OF THE CITY TO MAKE TWO CONSECUTIVE SEMI-ANNUAL PAYMENTS OF DEBT SERVICE ON THE TIFIA LOAN OR FAILURE TO PAY DEBT SERVICE ON ITS GENERAL AIRPORT REVENUE BONDS OR OTHER MATERIAL INDEBTEDNESS FOR BORROWED MONEY IN RESPECT OF THE AIRPORT AS AND WHEN SUCH AMOUNTS BECOME DUE AND PAYABLE. SEE "INTRODUCTION – GENERAL."

The elevation of the lien of the TIFIA Loan obligations as Parity Bonds may require an increase in the rate of the CFCs or increase in Facility Rent to satisfy the Rate Covenant under the CFC Indenture. In addition, the elevation of the lien of the TIFIA Loan would result in amounts on deposit in the TIFIA Reserve Account being transferred to the Debt Service Reserve Fund, and would increase the amount of Maximum Annual Debt Service on the Outstanding CFC Bonds and thus the required balances in the Reserve Funds. See the discussion herein under the subheading "ABILITY TO MEET COVENANTS."

In addition, the occurrence of an event of default under the TIFIA Loan Agreement constitutes an event of default under the CFC Indenture. See APPENDIX A-- "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE -Events of Default; Defaults."

ABILITY TO MEET COVENANTS

The City has covenanted pursuant to the CFC Indenture to establish the CFC and Facility Rent at rates that will satisfy the Rate Covenant under the CFC Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – RATE COVENANT." The CFC was originally imposed at the rate of $8.00 per Contract Day. Under the RAC Agreements, Facility Rent can be imposed immediately if estimated CFCs are not projected to be sufficient to satisfy the Rate Covenant. Increases in the rate of the CFC and Facility Rent may be required, from time to time, to satisfy the Rate Covenant. The Projection Period only extends through 2032 and does not extend through the final maturity date of the 2023 CFC Bonds. See the discussion herein under the heading "REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS." See APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

The rate of the CFC is currently the third highest among large-hub airports at $8.00 per Contract Day. Both Los Angeles International Airport and San Diego International Airport charge a CFC of $9.00 per Contract Day. The highest per contract charge is imposed at Houston-Intercontinental Airport, which charges a CFC of $4.00 per contract day plus a transportation fee of $11.99. The Projections set forth in the Report of the Airport Consultant project the rate of the CFC to increase to $8.50 in 2028, to $9.50 in 2029 and to $10.00 in 2030. See APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT." As described above, pursuant to the RAC Agreements, the City has agreed to increase the rate of the CFC in the event the total Facility Rent to be charged to all RACs in any year is projected to exceed $18 million. In addition, the City may be required to increase the rate of the CFC to satisfy the Rate Covenant. In the event that conditions require future increases in the CFC rate, there can be no assurance that such increases will not affect rental car demand, thereby resulting in a reduction in revenues from the CFCs.

Pursuant to the TIFIA Loan Agreement, so long as the TIFIA Loan is outstanding USDOT possesses certain notice and approval rights, including without limitation the requirement that any action or inaction by the City which would have the effect of reducing the amount of the CFC is subject to the prior written consent of USDOT. See also "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 CFC BONDS – TIFIA Loan" herein.

Further, in the event that conditions require the increase of Facility Rent, there can be no assurance that such increased costs will not affect the operations and business viability of the RACs, which may affect car rentals, resulting in a reduction in revenues from the CFCs, and it is possible that some or all of such Facility Rent will not be paid, due to bankruptcy or insolvency of a RAC or otherwise.

In addition, pursuant to the TIFIA Loan Agreement the City has covenanted that debt service on the portion of the TIFIA Loan used to fund the Public Parking is only payable from Facility Rent. A shortfall in Facility Rent to pay such debt service in any Bond Year could trigger a default under the TIFIA Loan Agreement, a cross default under the CFC Indenture and the springing parity lien of the TIFIA Loan, resulting in such loan having a parity lien on the Trust Estate with the CFC Bonds.

CITY PENSION OBLIGATIONS

Determination of Pension Contributions

Pursuant to the Illinois Pension Code, as revised from time to time (the "Pension Code"), the City contributes to four retirement funds (collectively, the "Retirement Funds"), which provide benefits upon retirement, death or disability to members and their beneficiaries. The Retirement Funds are, by order of membership: (i) the Municipal Employees' Annuity and Benefit Fund of Chicago ("MEABF"); (ii) the Policemen's Annuity and Benefit Fund of Chicago ("PABF"); (iii) the Firemen's Annuity and Benefit Fund of Chicago ("FABF"); and (iv) the Laborers' and Retirement Board Employees' Annuity and

Benefit Fund of Chicago ("LABF"). The Retirement Funds' membership consists primarily of current and former employees of the City and their beneficiaries. Each O'Hare employee participates in one of the Retirement Funds. For additional information on the O'Hare's portion of the net pension liability to the Retirement Funds, see APPENDIX C - "AUDITED FINANCIAL STATEMENTS- NOTES 7 and 8."

Members of each Retirement Fund (individually, an "*Eligible Member*," and collectively, "*Eligible Members*") are eligible for an annual annuity payment (the "*Annuity Benefits*") if they meet certain age, years of service and prior service credit requirements (the "*Eligibility Factors*"). Benefits to each Eligible Member are statutorily established based *on* a combination of the Eligibility Factors and the Eligible Member's average annual salary for certain years prior to retirement (the "*Annuity Factors*").

Annuity Benefits for each of the Retirement Funds are funded from three sources: (i) contributions from the City from the proceeds of a property tax levy (the "**Pension Levy**") on all taxable property located within the City (the "City Contributions") and from any other legally available funds including payments from O'Hare on behalf of O'Hare employees (collectively, the "Other Available Funds," as described below), (ii) contributions from Eligible Members, including Eligible Members employed at or providing services to O'Hare (the "Employee Contributions," and together with the City Contributions, the "Contributions"), and (iii) investment returns. O'Hare has historically contributed its pro rata share of City Contributions to the Retirement Systems (the "O'Hare Portion") based on the Annuity Factors for the number of O'Hare employees or employees that provide services to O'Hare who are Eligible Members.

The portion of the City's contribution presently made from Other Available Funds consists of several revenue sources, including (i) general corporate fund revenues, and (ii) revenues of the enterprise systems (with respect to the portion of the contribution allocable to the employees of the respective enterprise systems). The City has identified additional revenue sources to assist in making the increased contributions to LABF and MEABF as a result of the enactment of P.A. 100-23 (described below). With respect to LABF, the City expects that a portion of such increased contribution will be made from funds in the Corporate Fund made available as a result of an increase in the 911 surcharge. With respect to MEABF, the City intends to utilize revenues generated from a tax on water and sewer usage which was imposed by the City Council on September 14, 2016, to fund a portion of the increase in the City's contributions to MEABF. The City also expects to allocate to the Retirement Funds revenues received commencing in 2023 from the operation of the City's first-ever casino.

The City allocates to its enterprise funds, including the enterprise fund for O'Hare, their share of the City's annual contribution to the Retirement Funds based upon the amount of services provided by City employees to the functions or enterprises related to or paid out of those funds. The enterprise funds account for their allocable share of the City's contributions to the Retirement Funds as operating and maintenance expenses. In addition, beginning in 2015, the financial statements of the enterprise funds have included an allocation of the applicable Net Pension Liability to such funds as required by the New GASB Standards. The amounts allocable to the respective enterprise funds, including the enterprise fund for O'Hare, may be significant and may have a material effect on such financial statements.

The provisions of the Pension Code mandate the amounts the City must contribute to the Retirement Funds, and the City is bound to contribute, and historically has contributed, such amounts.

Historically, the Pension Code required the City to contribute to a Retirement Fund a statutory multiple of the amount contributed to such Retirement Fund by the employees who are Eligible Members two years prior to the levy year of the property tax used to generate the contribution (the "*Multiplier Funding System*"). The Multiplier Funding System did not adjust for changes in the funding level of such

Retirement Fund, so in many years the contributions determined under the Multiplier Funding System were substantially less than the contribution that would have resulted from an actuarial determination.

The City's contributions to the Retirement Funds are no longer calculated in accordance with the Multiplier Funding System. Public Act 96-1495 ("P.A. 96-1495"), as modified by Public Act 99-506 ("P.A. 99-506" and, together with P.A. 96-1495, the "FABF/PABF Funding Legislation"), modified the articles of the Pension Code applicable to FABF and PABF to provide for calculation of the respective contributions to such Retirement Funds in accordance with the FABF/PABF Funding Plan (as hereinafter defined and described). Public Act 100-23 ("P.A. 100-23") modified the articles of the Pension Code applicable to LABF and MEABF to provide for calculation of the respective contributions to such Retirement Funds in accordance with the LABF/MEABF Funding Plan (as hereinafter defined and described).

Pursuant to the FABF/PABF Funding Legislation, beginning in payment year 2021, the City must contribute to FABF and PABF annually the amount necessary to achieve a Funded Ratio (as described below) of 90 percent in such Retirement Funds by the end of fiscal year 2055 (the "FABF/PABF Actuarial Funding Amount"). For payment years 2016 through 2020, the FABF/PABF Funding Legislation specifies the amounts contributed by the City in gradually increasing amounts ahead of the FABF/PABF Actuarial Funding Amount (the "FABF/PABF Phase-in Funding" and, together with the FABF/PABF Actuarial Funding Amount, the "FABF/PABF Funding Plan"). During the FABF/PABF Phase-in Funding, the City contributed the following amounts pursuant to the FABF/PABF Funding Legislation in payment year 2018, $727 million; in payment year 2019, $792 million; and in payment year 2020, $824 million. In payment year 2021 the City began contributing FABF/PABF Actuarial Funding Amounts, the first time in the City's history that contributions to a pension fund of the City were calculated on an actuarially-determined basis. The City contributed the FABF/PABF Actuarial Funding Amounts of $1.11 billion in payment year 2021 and $1.16 billion in payment year 2022. The City will contribute the FABF/PABF Actuarial Funding Amount of $1.25 billion in payment year 2023.

Pursuant to P.A. 100-23, beginning in payment year 2023, the City must contribute to LABF and MEABF annually the amount necessary to achieve a Funded Ratio (as described below) of 90 percent in such Retirement Funds by the end of fiscal year 2058 (the "LABF/MEABF Actuarial Funding Amount"). For payment years 2018 through 2022, P.A. 100-23 specifies the amounts contributed by the City in gradually increasing amounts ahead of the LABF/MEABF Actuarial Funding Amount (the "LABF/MEABF Phase-in Funding" and, together with the LABF/MEABF Actuarial Funding Amount, the "LABF/MEABF Funding Plan"). During the LABF/MEABF Phase-in Funding, the City contributed the following amounts pursuant to P.A. 100-23: in payment year 2018, $302 million; in payment year 2019, $392 million, in payment year 2020, $481 million, in payment year 2021, $571 million and, in payment year 2022, $660 million. The City will contribute the LABF/MEABF Actuarial Funding Amount of $1.08 billion in payment year 2023.

2023 Budgeted Contributions

The City's Fiscal Year 2023 budget included the following contributions to the Retirement Funds in 2024 (as indicated by total annual contribution and Airport proportional share): (i) $1,084.7 million for MEABF, of which $71.7 million, or 6.6 percent, is the Airport's proportional share; (ii) $126.3 million for LABF, of which $8.5 million, or 6.8 percent, is the Airport's proportional share; (iii) $973.2 million for PABF, of which $15.4 million, or 1.6%, is the Airport's proportionate share; and (iv) $482.5 million for FABF, of which $23.5 million, or 4.9% percent, is the Airport's proportional share. No pledged Revenues have been used or will be used to pay pension expenses for non-Airport employees or employees performing services not directly chargeable to the Airport; the proportional share contributed on behalf of the Airport is drawn from general airport revenues. The 2023 payment year is the first time that the contributions to all four pension funds of the City is being calculated on an actuarially-determined basis.

The allocations described in this subsection are not required by statute but represent the City's current method of allocating its pension costs. The City may alter the manner in which it allocates its pension costs to these funds at any time.

New Pension Funding Policy

Contemporaneously with the 2023 Budget, the City published a new debt and pension management policy (the "**Pension Funding Policy**") that states: "Starting in fiscal year 2023, the City will annually budget for an advance pension contribution which, in addition to the statutorily required contribution, and in the determination of the Chief Financial Officer, will not increase the total net pension liability of the City's four pension funds based on best efforts projections and information available at the time of budget. This total net pension liability calculation will be based on the GASB 67/68 calculation of net pension liability included annually in the City's Annual Comprehensive Financial Report and will include components of said calculation including interest cost derived from unfunded liability, normal cost, administrative costs, employee contributions and market value of the assets of the fund." It also provides that the advance pension contribution shall be paid in the first business day of the year in which such contributions are budgeted.

The first of these advance pension contributions, for $242.0 million, was included in the 2023 Budget adopted by the City Council on November 7, 2022 (the "**2023 Advance Pension Contribution**"). The 2023 Advance Pension Contribution, in addition to preventing an increase in the City's net pension liability, also avoids an estimated $30 million in market losses due to asset liquidations that would otherwise be required to make benefit payments. In accordance with the Pension Funding Policy, the 2023 Advance Pension Contribution was paid on the first business day of the 2023 fiscal year (January 3, 2023). The 2023 Advance Pension Contribution is included in the figures cited above under "2023 Budgeted Contributions." As part of the Pension Funding Policy, the Airport is paying its proportionate share of the 2023 Advance Pension Contribution. For Budget Year 2023, that payment was approximately $10.9 million for MEABF and $2.1 million for LABF.

2023 ADVANCE PENSION CONTRIBUTION BY RETIREMENT FUND
($ IN MILLIONS)

Retirement Fund	Amount
MEABF	$101.6
LABF	12.1
PABF	89.5
FABF	38.7
Total:	$242.0

The City intends to include the investment losses and gains in line with the current practices for the statutory contribution. In 2022, a 12.1% investment loss is projected to increase the 2024 pension contribution by $141 million. Such losses may be included in the Fiscal Year 2024 Budget and are included in the current City's out-year financial planning. The City projects that the pension contribution that will be included as part of the 2024 Budget will increase by $174 million over 2023, including a $33 million increase in the advance pension contributions calculated based on the Pension Funding Policy.

Under the Pension Funding Policy, the City projects that it may contribute advance funding amounts of $1.2 billion through 2030, resulting in reduced required contributions of $3.8 billion from 2031 to 2058, resulting in a net reduction in total future pension contributions of $2.6 billion overall These advance contributions to all four funds will stabilize the overall level of the City's total net pension liability and prevent significant liquidation losses.

The Pension Funding Policy as described herein is not a legal requirement to which the City is bound but represents practices that, as of the date of this Official Statement, the City intends to follow in connection with advance pension contributions. Subject to compliance by the City with applicable requirements of the CFC Indenture and with applicable statutory requirements, the Pension Funding Policy may be changed, terminated in whole or in part, or disregarded in whole or in part at the City's discretion. In addition, any advance pension contributions in 2024 and later years contemplated by the Pension Funding Policy would be subject to approval and appropriation by the City Council. No assurance can be given regarding future compliance by the City with the Pension Funding Policy.

During calendar year 2022, due to the negative investment returns experienced by the Retirement Funds combined with delays in the collection and distribution of the Pension Levy by the County, each of the Retirement Funds considered the liquidation of assets in order to make benefit payments to members. To avoid such asset sales, beginning in September 2022, the City began making monthly advance contributions to each of the Retirement Funds. Such advance contributions were made by the City in each of September, October and November 2022 (except that the City did not advance funds to LABF in September 2022) in a total amount of $512.7 million. The advances to PABF (in an aggregate amount of $220.0 million), $30.1 million of the total FABF advances (the aggregate amount of which were $77.7 million), and $25.4 million of the total LABF advances (the aggregate amount of which were $28.0 million) were advances on the City's required contributions to such Retirement Funds for Fiscal Year 2022. The City will reimburse itself by the amount of such advances from the proceeds of the Pension Levy upon disbursement thereof from the Cook County Treasurer. The balance of the LABF advances ($2.6 million), the balance of the FABF advances ($47.6 million) and all of the MEABF advances (in the amount of $187.0 million) represent advances of the portion of the City's Fiscal Year 2023 contribution to such Retirement Funds payable in February 2023. The advance pension contributions described in this paragraph are treated as normal contributions in the City's 2022 financial statements. None of the advance pension contributions described in this paragraph are part of or related to the Pension Funding Policy or the 2023 Advance Pension Contribution, both of which are described in the preceding paragraphs.

FACTORS AFFECTING COLLECTION OF PLEDGED RECEIPTS

The payment of the 2023 CFC Bonds is dependent on the generation of CFCs and Facility Rent in any Bond Year to fund deposits to the Bond Fund sufficient to make scheduled debt service payments on the 2023 CFC Bonds together with any additional CFC Bonds (including the TIFIA Loan obligations in the event the "springing parity lien" is triggered). Pledged Receipts are contingent upon and the amount generated will be impacted by a variety of factors, including: aviation activity and the rental of motor vehicles at the Airport include the airlines' service and route networks; the financial health and viability of the airline and rental car industries; levels of disposable income; national and international economic and political conditions, including disruptions caused by airline incidents, acts of war and terrorism; the availability and price of aviation fuel and gasoline; levels of air fares and car rental rates at the Airport; the capacity of the national air traffic control system; the capacity at the Airport and the CRCF; and with respect to the Facility Rent the financial health and viability of the RACs. See the discussion of factors affecting aviation demand at the Airport in APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS

In connection with the offering of the 2023 CFC Bonds described in this Official Statement, the Airport Consultant has prepared the Report of the Airport Consultant, a copy of which is included as APPENDIX E to this Official Statement. The Report of the Airport Consultant includes the Projections and contains numerous assumptions as to the utilization of the Airport and other matters. The Report of the Airport Consultant should be read in its entirety for an understanding of all of the assumptions used to prepare the Projections included therein. Projections and assumptions are inherently subject to significant uncertainties. Inevitably, some assumptions may not be realized and unanticipated events and circumstances may occur. Actual results are likely to differ, perhaps materially, from those projected. Accordingly, the Projections contained in APPENDIX E—"REPORT OF THE AIRPORT CONSULTANT" are not necessarily indicative of future performance, and neither the Airport Consultant nor the City assumes any responsibility for the accuracy of such Projections. See "REPORT OF THE AIRPORT CONSULTANT AND PROJECTIONS" and APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

The Report of the Airport Consultant is based, in part, on historical data from sources considered by the Airport Consultant to be reliable, but the accuracy of such data has not been independently verified. The Report of the Airport Consultant is also forward-looking and involves certain assumptions and judgments concerning future events and circumstances which the Airport Consultant believes are significant to the Projections but which cannot be assured or guaranteed. See "FORWARD LOOKING STATEMENTS."

OPERATION OF THE PROJECT

Damage and Destruction. The City maintains insurance in the amount and against such risks as are customarily insured against on Airport property. However, there can be no assurance that the CRCF will not suffer extraordinary and unanticipated losses, for which insurance cannot be or has not been obtained, or that the amount of any such loss for the period during which the CRCF is not available for use will not exceed the coverage of such insurance policies. Notwithstanding the foregoing, pursuant to the RAC Agreements, no destruction of or damage to the CRCF or any part thereof by fire or any other casualty whether or not insured shall permit any RAC to terminate its RAC Agreement or relieve it from its liability to collect and remit CFCs or Facility Rent or from any of its other obligations under its RAC Agreement.

Events of Force Majeure and Other Delays. Operation of the Project is at risk from events of force majeure, such as earthquakes, tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events. Operations may also be stopped or delayed from non-casualty events such as discovery of archaeological artifacts, changes in law, delays in obtaining or renewing required permits, revocation of such permits and approvals and litigation, among other things.

EFFECT OF RAC OR OFF-AIRPORT RAC BANKRUPTCY OR RAC FINANCIAL DIFFICULTY

In the event a bankruptcy case is filed with respect to a RAC, a bankruptcy trustee or the RAC as debtor-in-possession could reject its RAC Agreement, in which event such agreement would be terminated and such RAC would be required to vacate the CRCF. In such circumstances, while rental car demand would not be affected, CFC collections could be affected until other RACs are able to increase their capacity to accommodate additional customers.

Additionally, in the event a bankruptcy case is filed with respect to a RAC or Off-Airport RAC, notwithstanding the fact that CFCs collected by a RAC or Off-Airport RAC are not income, revenue or any other asset of the RAC or Off-Airport RAC, but rather are subject at all times to a first lien for the repayment of the CFC Bonds and are being held in trust by the RACs and Off-Airport RAC for the benefit of the City, CFCs collected by a RAC or Off-Airport RAC, but not yet remitted to the Trustee prior to the filing of the bankruptcy petition, may be included in the bankruptcy estate, resulting in the City having a general creditor claim for payment of such amounts or otherwise render them uncollectible by the City. Regardless of any specific adverse determinations in a RAC or Off-Airport RAC bankruptcy proceeding, the fact of a RAC or Off-Airport RAC bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2023 CFC Bonds.

The satisfaction of the Rate Covenant is dependent in part on the generation of Facility Rent in any Bond Year to fund deposits to the Bond Fund, which together with Revenues from the CFCs, are sufficient to make scheduled debt service payments on the 2023 CFC Bonds together with any Additional Bonds (including the TIFIA Loan obligations in the event the "springing parity lien" is triggered). The ability of each RAC to pay Facility Rent in the amounts and on schedule as provided in its respective RAC Agreement is dependent on the financial health and viability of such RAC. Certain of the RACs are limited liability companies or private corporations and information regarding the business operations, assets and financial strength of the RACs is not readily available. The financial performance of the RACs and their ability to pay Facility Rent throughout the term of the 2023 CFC Bonds is dependent on numerous factors which are not possible to assess or predict.

The RAC Agreements contain obligations of RACs to pay a proportionate share of Facility Rent of any Defaulting RACs. However, the obligation of the RACs to pay the cumulative Facility Rent due by all RACs at the CRCF is not joint and several. In the event a bankruptcy case is filed with respect to a RAC, a bankruptcy trustee or the RAC as debtor-in-possession could reject its RAC Agreement, in which event such agreement would be terminated and the obligation of the RAC to pay a proportionate share of Facility Rent of any Defaulting RACs would not be enforceable.

The enforceability of the RAC Agreements and collection of Facility Rent from each RAC may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. Such matters could make provisions of the RAC Agreements and collection of Facility Rent unenforceable.

Concentration of RACs

RAC Agreements have been entered into with RACs representing twelve rental car Brands. Three of these RACs, Avis Budget Group, Enterprise Holdings, Inc., and The Hertz Corporation, represent nine Brands that generated approximately 91.4% of the gross revenue from rental car activities at the Airport in 2022. The concentration of the actual and projected rental car activity at the Airport in a small number of corporate entities increases the risk from factors that may impact the operations and activities of the RACs. The termination of a RAC Agreement, bankruptcy or financial difficulty, or cessation of operations of a RAC could have an adverse impact on the amounts of CFCs and Facility Rent in the Bond Years impacted.

Factors Affecting Rental Car Activity

Rental Car Activity. As described in the Report of the Airport Consultant, rental car demand at the Airport, and therefore the number of Contract Days to which the CFC applies, is highly correlated to passenger demand. The Airport Consultant also concludes, based on historical rental car data and based on the assumptions set forth in the report, that the number of Contract Days at the Airport is primarily a function of the number of visiting O&D enplaned passengers. Other factors found by the Airport Consultant to affect rental car demand at the Airport include: the price of renting a car as measured by the average daily rental rate; market segmentation (business/leisure); rental car costs as a component of total travel costs; convenience; the availability of alternative forms of ground transportation; and certain extraordinary events, such as the terrorist attacks of September 11, 2001. For a full discussion of these and other factors affecting rental car activity, see APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

Further, as described in the Report of the Airport Consultant, a significant component of renting a car at most major U.S. airports is the growing list of add-on fees and taxes, including CFCs, and unbundled rental car operating costs such as tire recycling fees and facility maintenance costs. To the extent add-on fees and taxes, including CFCs, increase, rental car demand could decrease as potential customers opt for alternative modes of transportation that they perceive to be more cost effective than renting a car, thus reducing the total amount of CFCs collected. The City is unable to predict what impact, if any, the imposition or increase of such add-on fees and taxes, including CFCs, could have on rental car demand at the Airport. See APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

Competition and Alternative Modes of Ground Transportation. There are alternative forms of ground transportation available at and near the Airport, which could reduce the demand for renting motor vehicles at the CRCF. These alternate forms that compete with on-airport rental cars include taxis, buses, shuttle services, public transportation, limousines, peer-to-peer car sharing platforms and transportation and network companies, such as Uber and Lyft. For a further description of these alternate modes, competition and airports and their impact on rental car demand, see of APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

Pursuant to the Off-Airport CFC Ordinance and the CFC Indenture, the City commenced collecting CFCs from Off-Airport RACs on August 1, 2013. There are two Off-Airport RACs providing service at the Airport; it is not anticipated that any future Off-Airport RAC service that may be provided at the Airport will be significant. In addition, the City has covenanted in the Second Supplemental Indenture that while the 2023 CFC Bonds are outstanding it will not consent to an amendment to the RAC Agreements which permits direct access to the terminals by any courtesy vehicle of a RAC or Off-Airport RAC without consent of a majority of the Bondholders.

Geopolitical Risks. The Russian invasion of Ukraine and the related imposition of economic sanctions on Russia, the political turmoil in the Middle East and concern about potential disruption in oil shipments from the Persian Gulf, as well as the high demand for oil and other geopolitical factors, have caused oil prices to increase in the near term. These factors have had, and may continue to have, significant adverse effects on the cost of air travel, on airline industry profitability and service patterns, and on the cost of operating a rental car. The latter consideration may deter customers who choose instead to use shared or mass transit, or limit the duration of rental transactions. The full impact of these possibilities cannot be predicted.

AVIATION INDUSTRY RISK FACTORS

Overall. Pursuant to the CFC Indenture, the principal of and interest on all Bonds outstanding under the CFC Indenture, including the 2023 CFC Bonds, are payable solely from Pledged Receipts and certain Funds and Accounts held under the CFC Indenture. The ability to pay debt service on the 2023 CFC Bonds will depend on the receipt of sufficient Pledged Receipts, including CFCs and Facility Rent. The City's ability to generate Pledged Receipts depends upon many factors which may be affected by airline operations at the Airport, many of which are not subject to the control of the City, including the economy, domestic and international affairs, sufficient levels of destination aviation activity and passenger traffic at the Airport to generate rental car activity, cost structure of the airlines and labor issues. The City cannot assess the impact that those factors will have on the airline industry and, in turn, on the Pledged Receipts.

Historically, the financial performance of the airline industry generally has correlated with the strength of the national economy. Certain factors that may materially affect the Airport and the airlines include, but are not limited to, (i) growth of population and the economic health of the region and the nation, (ii) airline service and route networks, (iii) national and international economic and political conditions, (iv) changes in demand for air travel, (v) service and cost competition, (vi) mergers and bankruptcy of any airlines, (vii) the availability and cost of aviation fuel and other necessary supplies as a result of shortages, inflation, supply chain delays and similar issues, (viii) levels of air fares, fixed costs and capital requirements, (ix) the cost and availability of financing, (x) the capacity of the national air traffic control system, (xi) national and international disasters and hostilities, (xii) public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome, Monkeypox and other communicable diseases, (xiii) the cost and availability of employees and labor relations within the airline industry, (xiv) regulation by the federal government, (xv) environmental risks, noise abatement concerns and regulation, (xvi) acts of war or terrorism, (xvii) aviation accidents, and (xviii) other risks. As a result of these and other factors, many airlines have operated at a loss in the past and many (including some that served O'Hare) have filed for bankruptcy, ceased operations and/or merged with other airlines. In addition, the so-called legacy carriers have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, reducing routes served, consolidating connecting activity and replacing mainline jets with regional jets.

Financial Condition of Airlines Serving the Airport and Airline Bankruptcy. The economic condition of the airline industry is volatile, and in recent years the industry has undergone significant changes, including major restructuring, bankruptcy, mergers, acquisitions and closures. The COVID-19 pandemic has severely and negatively affected domestic and international air travel. See "AIR TRAFFIC ACTIVITY AT O'HARE — COVID-19".

Airlines operating at O'Hare have filed for bankruptcy protection in the past and may do so in the future. Even absent an airline bankruptcy filing, the City may encounter significant delays and non-payment of amounts owed to it under individual Airline Use and Lease Agreements with the applicable Signatory Airlines.

Airlines serving O'Hare (including United Airlines and American Airlines) utilize regional alliance agreements with regional carriers to serve smaller cities. These contractual relationships between larger airlines and regional carriers are historically unstable and can affect operations. Regional carriers have filed for bankruptcy from time to time, and in some cases, ceased operations.

The industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry. As a result, financial performance can fluctuate dramatically from one reporting period to the next.

Current and future financial and operational difficulties encountered by the airlines serving O'Hare (most notably United Airlines and its regional affiliates, which accounted for approximately 45.6 percent of the enplaned passengers at O'Hare in 2022, and American Airlines and its regional affiliates, which accounted for approximately 32.5 percent of the enplaned passengers at O'Hare in 2022), could have a material adverse effect on operations at, and the financial condition of, O'Hare. If either United

Airlines or American Airlines were to cease operations at O'Hare for any reason or eliminate or reduce O'Hare's status as a connecting hub, the current level of activity of such airline might not be replaced by other airlines.

Airline Mergers, Acquisitions and Alliances. In response to competitive pressures and increased costs, airlines have merged and acquired competitors in an attempt to combine operations in order to increase cost synergies and become more competitive. In 2009, Delta merged with Northwest Airlines. In 2010, United Airlines and Continental Airlines merged. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The two airlines completed their merger in 2015, which created the largest airline in the world in terms of operating revenue and revenue passenger miles. In 2016, Alaska Airlines and Virgin America merged. The two airlines completed their integration in 2018. JetBlue Airways in 2020 entered into an agreement with American Airlines to cooperate in operations in New York and Boston, and in July 2022 announced an agreement to acquire Spirit Airlines. Both of these moves have been challenged by the Justice Department, and in July, 2023 JetBlue announced it would not challenge a judicial ruling against its agreement with American Airlines in order to concentrate its efforts acquiring Spirit Airlines. In addition, all of the large U.S. airlines are members of alliances with foreign-flag airlines, which alliances, and other marketing arrangements, provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines.

Further airline consolidation remains possible and could result in changes in airline service patterns, particularly at connecting hub airports. The City cannot predict the effect, if any, such consolidation would have on airline traffic at the Airport.

Industry Workforce Shortages. General labor shortages, including pilots and mechanics, have been impacting, and may continue to impact, the airline industry and the Airport. Several major airlines have announced reduced schedules and have cancelled flights as a result of reported labor shortages and staffing challenges. Labor shortages have been attributed to thousands of workers in the airline industry opting for buyouts, early retirement packages or otherwise terminated their employment during the COVID-19 pandemic. Staffing challenges as a result of COVID-19 infections and quarantines also may have short-term impacts on an airline’s ability to operate scheduled flights.

Pilot shortages in particular have been an industry-wide issue, especially so for smaller regional airlines. There are several causes for the pilot shortage affecting 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 have been 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 and air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. An additional concern regarding the pilot workforce came to light due to the COVID-19 pandemic. Pilots were self-reporting increased errors to NASA’s Aviation Safety Reporting System and attributed their errors to the reduction in flights due to the pandemic, which meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

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

Airport Security. With enactment of the Aviation and Transportation Security Act (*"ATSA"*) in November 2001, the Transportation Security Administration was created and established different and improved security processes and procedures. The ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. The act also permits the deployment of air marshals on all flights and requires air marshals on all "high-risk" flights. The federal government controls aviation industry security requirements, which can significantly impact the economics of the industry. Security requirements due to unexpected events could increase costs directly and indirectly to the industry and could have an adverse effect on passenger demand.

Threat of Terrorism. As has been the case since the events of September 11, 2001, the recurrence of terrorism incidents against either domestic or world aviation during the projection period remains a risk to achieving the activity projections contained in the Report of the Airport Consultant. Any terrorist incident aimed at aviation would have an immediate and significant adverse impact on the demand for aviation services.

LEVEL OF AIRLINE TRAFFIC

The 2023 CFC Bonds are payable solely from and secured by a pledge of Pledged Receipts, including CFCs, Facility Rent and certain Funds and Accounts held under the CFC Indenture. CFCs are dependent on the level of aviation activity and enplaned passenger traffic at the Airport. Key factors affecting airline traffic at the Airport include, among others, (i) population growth and the economic and political conditions of the region and the nation, (ii) the financial health of the airline industry and of individual airlines, (iii) airline service and route networks, (iv) capacity of the national air traffic control system and of the Airport and other competing airports, (v) the occurrence of pandemics and other national and international natural and man-made disasters, (vi) safety concerns arising from international conflicts, the possibility of terrorist or other attacks, and (vii) various other local, regional, national and international economic, political and other factors. Many of these factors, most of which are outside the City's control, are discussed in detail in APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT." If aviation activity at the Airport does not meet projected levels, a corresponding reduction in CFC collections may result in projections in the Report of the Airport Consultant not being met.

ADDITIONAL FEDERAL AUTHORIZATION AND FUNDING CONSIDERATIONS

The City receives federal funding for the Airport not only in connection with FAA AIP Grants and PFC authorizations, but also in the form of funding for the TSA, air traffic control and other FAA staffing and facilities. On October 5, 2018, President Trump signed into law the FAA Reauthorization Act which reauthorizes the FAA operations and programs and provides funding through September 30, 2023. As of June 2023, bipartisan bills have been introduced in both the House of Representatives and the Senate; however, as of the date of this Official Statement, the City has no assurance that the current FAA authorization and programs will be extended or that a new authorization or programs will be approved beyond September 30, 2023. In the event that the FAA authorization were to expire without a long-term reauthorization or another short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for the Airport. The City is unable to predict whether legislation to extend or reauthorize this statute or otherwise continue FAA programs will be adopted prior to the scheduled expiration date, if not so adopted, the duration of any resulting period of de-authorization, and the impact on Airport finances which might result therefrom.

Federal funding is also impacted by sequestration, a budgetary feature first introduced under the federal Budget Control Act of 2011. Unless changed by the United States Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and CBP budgets and staffing, resulting in staffing shortages and traffic delays and cancellations at airports across the United States. The full impact of sequestration on the aviation industry and the Airport, generally, resulting from potential layoffs or further furloughs of federal employees responsible for federal airport security screening, air traffic control and CBP, is unknown at this time.

REGULATIONS AND RESTRICTIONS AFFECTING THE AIRPORT

The operations of the Airport and its ability to generate revenues are affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Airline Use and Lease Agreements and other extensive federal legislation and regulations applicable to all airports in the United States. There is no assurance that there will not be any change in, interpretation of, or addition to any such applicable laws, regulations and provisions. Any such change, interpretation or addition may have a material adverse effect, either directly or indirectly, on O'Hare, which could materially adversely affect O'Hare's operations or financial condition.

In addition, following the events of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, TSA and the Department of Homeland Security. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or CFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the City or whether such restrictions or legislation or regulations would adversely affect Revenues.

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airport and on the airlines operating at the Airport. The United States Environmental Protection Agency (the “EPA”) has taken steps toward regulation of greenhouse gas (“GHG”) emissions under existing federal law. These steps may lead to further regulation of aircraft GHG emissions. No assurances can be given as to what any EPA emissions standards governing the Airport or the airlines could be or what effect those standards may have on the City or the airlines operating at the Airport.

MUNICIPAL BANKRUPTCY

State Law Authorization. Municipalities, such as the City, cannot file for protection under the U.S. Bankruptcy Code unless specifically authorized to be a debtor by state law or by a governmental officer or organization empowered by state law to authorize such entity to be a debtor in a bankruptcy proceeding. State law does not currently permit municipalities to be a debtor in a bankruptcy proceeding. From time to time, legislation has been introduced in the Illinois General Assembly which, if enacted, would permit Illinois municipalities to be debtors in bankruptcy. The City is unable to predict whether the Illinois General Assembly will adopt any such legislation or the form of such legislation if enacted.

Special Revenues. Although the City can provide no assurances, the City believes that the Pledged Receipts currently pledged by the City under the CFC Indenture constitute “special revenues,” as defined in Section 902(2) of the U.S. Bankruptcy Code, and therefore, pursuant to Section 928(a) of the U.S. Bankruptcy Code, any and all of such Pledged Receipts currently pledged by the City under the CFC Indenture acquired by the City after the commencement of a case by the City under Chapter 9 of the U.S. Bankruptcy Code would remain subject to the lien of the CFC Indenture.

FORCE MAJEURE EVENTS AFFECTING THE CITY AND THE AIRPORT

There are certain unanticipated events beyond the City's control that could have a material adverse effect on the City's operations and financial condition, or on the Airport's operations and financial condition, if they were to occur. These events include fire, flood, earthquake, tornado, epidemic, pandemic, adverse health conditions or other unavoidable casualties or acts of God, freight embargo, labor strikes or work stoppages, civil commotion, new acts of war or escalation of existing war conditions, sabotage, enemy action, pollution, unknown subsurface or concealed conditions affecting the environment, and any similar causes. No assurance can be provided that such events will not occur, and, if any such events were to occur, no prediction can be provided as to the actual impact or severity of the impact on the City's operations and financial condition or on the Airport's operations and financial condition, as applicable. See " CHICAGO O'HARE INTERNATIONAL AIRPORT — COVID-19".

WORLDWIDE HEALTH CONCERNS

In March, 2020 COVID-19 was declared a pandemic by the World Health Organization ("WHO") and the resulting regulatory and other restrictions imposed to contain the COVID-19 pandemic caused serious economic contraction, unemployment and financial hardship. Airlines reported unprecedented reductions in passenger volumes, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Airports in the United States, including the Airport, were acutely impacted by interruptions in travel, reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the CVID-19 pandemic. The United States government and the Federal Reserve Board have taken, and may continue to take, further legislative and regulatory actions and implemented various measures to mitigate the broad disruptive effects of the COVID-19 pandemic on the U.S. economy. See "CHICAGO O'HARE INTERNATIONAL AIRPORT — COVID-19".

Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which has been linked to birth defects, were occurring. In 2009, WHO and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of outbreaks of a serious strain of HINI influenza or "flu." In Spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called "Severe Acute Respiratory Syndrome" or SARS.

A pandemic, and its dynamic nature leads to uncertainties, including those related to the severity of the disease; the duration of the pandemic; actions that may be taken by governmental authorities to contain the outbreak or to treat its impact; any travel restrictions on the demand for air travel, or on Airport revenues and expenses; the impact of the outbreak on the local or global economy or on the airlines serving the Airport and concessions, or on the airline or travel industry generally; and the efficacy and distribution of vaccines. Due to the evolving nature of a pandemic and the response of governments, businesses and individuals to a pandemic, the City cannot predict, among other things: (i) the duration or extent of a pandemic or another outbreak; (ii) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which the Airlines serving the Airport may reduce or cease operations at the Airport in response to such restrictions or warnings; (iii) what effect a pandemic or any other outbreak or pandemic-related restrictions or warnings may have on air travel and the resulting impact on Airport revenues and expenses; (iv) whether and to what extend a pandemic or another outbreak may disrupt the local, state, national or global economies, manufacturing or supply chain; (v) whether any such disruption may adversely impact construction, the cost, sources of funds, schedule or implementation of the Airport Capital Program, or other operations; (vi) the extent to which a pandemic or another outbreak, or resulting disruptions to the local state, national or global economies may result in changes in demand for air travel, or may have an impact on the Airlines serving the Airport or concessions, or the airline and travel industry, generally; (vii) whether or to what extent the Airport may provide deferrals, forbearances, adjustments or other changes to the Airport's concession agreements or agreements with the Airlines serving the Airport; or (viii) the duration of the Airport's response to the adverse effect of the foregoing on the finances and operations of the Airport.

CYBER-SECURITY

The Airport, 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 and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, the Airport may be the target of cybersecurity incidents that could result in adverse consequences to the Airport and its Systems Technology, requiring a response action to mitigate the consequences.

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

While Airport cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the Airport's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose O'Hare to material litigation and other legal risks, which could cause O'Hare to incur material costs related to such legal claims or proceedings.

On the morning of October 10, 2022, a hacker group identifying itself as "Killnet" engaged in a "denial of service" style cyber-attack on the web sites of a dozen major United States airports, including the Airport and Midway. The website of the Airport and Midway for use by the public, www.Flychicago.com, was taken offline temporarily but was restored by Noon of that day. Operations at the Airport and Midway were not affected at all either during or after the attack.

The airlines serving the Airport and other Airport tenants also face cybersecurity threats that could affect their operations and finances. Computer networks and data transmission and collection are vital to the safe and efficient operation of the airlines that serve the Airport and other tenants of the Airport. Despite security measures, information technology and infrastructure of any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue.

LIMITATIONS OF REMEDIES

Under the terms of the CFC Indenture, payments of debt service on 2023 CFC Bonds are required to be made only as they become due and the occurrence of an event of default does not grant a right to accelerate payment of 2023 CFC Bonds. Remedies for Events of Default are limited to such actions that may be taken at law or in equity. See APPENDIX A — "SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE." Other than the pledge of Pledged Receipts under the CFC Indenture, no mortgage or security interest has been granted or lien created in the CRCF or any properties of the RACs, the Off-Airport RACs, or the City to secure the remittance of CFCs, Facility Rent or payment of the 2023 CFC Bonds. No revenues of the City other than the Pledged Receipts are pledged to the payment of the 2023 CFC Bonds.

Various state laws, constitutional provisions, and federal laws and regulations apply to the obligations created by the issuance of the 2023 CFC Bonds. There can be no assurance that there will not be any change in, interpretation of or addition to the applicable laws, nor that provisions will not be changed, interpreted, or supplemented in a manner that would have a material adverse effect, directly or indirectly, on the affairs of the City, the RACs or the Off-Airport RACs.

The rights of the owners of the 2023 CFC Bonds and the enforceability of the City's obligation to make payments on the 2023 CFC Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Co-Bond Counsel and the City's Corporation Counsel as to the enforceability of the City's obligations will be qualified as to bankruptcy and similar events and as to the application of equitable principles and the exercise of judicial discretion in appropriate cases and to common law and statutes affecting the enforceability of contractual obligations generally and to principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City. SEE APPENDIX D – "FORM OF OPINIONS OF CO-BOND COUNSEL FOR THE 2023 CFC BONDS."

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "plan," "intend," "expect, "forecast," "budget," project" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, bondholders and potential investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. The City does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. See "INTRODUCTION – Forward-Looking Statements."

SECONDARY MARKET

No assurance can be given concerning the existence of any secondary market in the 2023 CFC Bonds or its creation or maintenance by the Underwriters. Thus, purchasers of 2023 CFC Bonds should be prepared, if necessary, to hold their 2023 CFC Bonds until their respective maturity dates.

LITIGATION

There is no litigation pending or threatened against the City relating to the City's operation of the Airport, the issuance, sale, or delivery of the 2023 CFC Bonds, the validity or enforceability thereof, or the implementation, construction or operation of the Airport Capital Program, other than various legal proceedings (pending or threatened) which may have arisen or may arise out of the ordinary course of business of the Airport. The City expects that the final resolution of such legal proceedings arising in the ordinary course of business will not have a material adverse effect on the financial position or the results of operation of the Airport.

TAX MATTERS

The following is a discussion of the opinion of Co-Bond Counsel to be rendered as to the tax exempt status of interest on the 2023 CFC Bonds and of certain federal and state income tax considerations that may be relevant to prospective purchasers of the 2023 CFC Bonds.

CERTAIN TAX CONSEQUENCES OF THE 2023 CFC BONDS

Generally. In the opinion of Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, the interest on the 2023 CFC Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item in computing the alternative minimum tax for individuals, however, the interest is included in the adjusted financial statement income of corporations subject to the corporate alternative minimum tax on adjusted financial statement income. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the execution and delivery of the 2023 CFC Bonds. Failure to comply with such requirements could cause interest on the 2023 CFC Bonds to be included in gross income for federal income tax purposes retroactive to the dates of execution and delivery of the 2023 CFC Bonds.

The City has covenanted in the Tax Compliance Certificate executed and delivered in connection with the execution and delivery of the 2023 CFC Bonds to comply with such requirements. Co-Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the 2023 CFC Bonds.

In addition, the accrual or receipt of such interest may otherwise affect the federal income tax liability of the owners of the 2023 CFC Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Co-Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the 2023 CFC Bonds particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States and corporations subject to the corporate alternative minimum tax on adjusted financial statement income), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the 2023 CFC Bonds.

In the opinion of Co-Bond Counsel, interest on the 2023 CFC Bonds is not exempt from present Illinois income taxes. Co-Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2023 CFC Bonds under the laws of the State or any other state or jurisdiction.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the 2023 CFC Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any holder of the 2023 CFC Bonds who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the 2023 CFC Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2023 CFC Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2023 CFC Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2023 CFC Bonds or the market value thereof would be impacted thereby. Purchasers of the 2023 CFC Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2023 CFC Bonds and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Original Issue Premium. Certain of the 2023 CFC Bonds as shown on the inside cover of this Official Statement are being sold at a premium (collectively, the "*Premium Bonds*"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. In the case of the 2023 CFC Bonds, even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale by the City of the 2023 CFC Bonds are subject to the approving legal opinions of Mayer Brown LLP, Chicago, Illinois and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel. The forms of the opinions of Co-Bond Counsel for the 2023 CFC BONDS are included as APPENDIX D.

Certain legal matters will be passed upon for the City by its Corporation Counsel and by Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois and McGaugh Law Group LLC, Chicago, Illinois, Co-Disclosure Counsel to the City, and for the Underwriters by their counsel, Katten Muchin Rosenman LLP, Chicago, Illinois.

UNDERWRITING

A group of underwriters, represented by Barclays Capital Inc. (the "*Underwriters*"), has agreed, jointly and severally, to purchase the 2023 CFC Bonds subject to certain conditions set forth in the Contract of Purchase with the City. The Contract of Purchase provides that the obligations of the

Underwriters to accept delivery of the 2023 CFC Bonds are subject to various conditions of the Contract of Purchase, but the Underwriters will be obligated to purchase all the 2023 CFC Bonds if any 2023 CFC Bonds are purchased. The Underwriters have agreed to purchase the 2023 CFC Bonds at an aggregate purchase price of $186,028,318.14 (reflecting an Underwriters' discount of $1,208,761.11 plus original issue premium of $15,437,079.25).

The 2023 CFC Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such 2023 CFC Bonds into investment accounts.

The Underwriters reserve the right to join with dealers and other underwriters in offering the 2023 CFC Bonds to the public.

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 services, and may involve relationships with financial advisory firms, investment banks and law firms that may have, or may have had, relationships with the City. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for the City, for which they received or will receive customary fees and expenses.

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

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

Backstrom McCarley Berry & Co., LLC ("*BMcB*") has entered into separate non-exclusive Distribution Agreement with InspereX LLC and Rockfleet Financial Services, Inc. (each a "*Firm*" and together, the "*Firms*") to augment both BMcB's institutional and retail marketing capabilities for the distribution of certain new issues municipal securities underwritten by or allocated to BMcB, which includes the captioned 2023 CFC Bonds. Pursuant to the Distribution Agreement, the Firms may purchase 2023 CFC Bonds from BMcB at the original issue price less a negotiated portion of the selling concession applicable to any 2023 CFC Bonds that each such Firm sells.

SECONDARY MARKET DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the 2023 CFC Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the *"MSRB"*) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the *"Rule"*) adopted by the SEC under the Securities Exchange Act, as amended (the *"Exchange Act"*). The MSRB has designated its electronic Municipal Market Access System, known as EMMA, as the system to be used for continuing disclosures to investors. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

A failure by the City to comply with the Undertaking will not constitute a default under the CFC Indenture, and beneficial owners of the 2023 CFC Bonds are limited to the remedies described in the Undertaking. See " — CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION" under this caption. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2023 CFC Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2023 CFC Bonds and their market price.

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, copies of which are available from the City upon request.

ANNUAL FINANCIAL INFORMATION DISCLOSURE

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to the MSRB. The City is required to deliver such information so that the MSRB receives the information by the dates specified in the Undertaking.

"Annual Financial Information" means financial information generally consistent with that contained in this Official Statement under the captions "PLAN OF FINANCE - Debt Service Requirements," the table entitled "Airport Market Share of Rental Car Brands Operating On-Airport" under the caption "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS - Rental Car Operations at the Airport", the historical portion only of the table entitled "Historical and Projected Visiting O&D Enplaned Passengers" under the caption "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS - Airport Rental Car Demand", the table entitled "Historical CFC Collections by On and Off-Airport Rental Car Companies" under the caption "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS - Historical CFC Collections at the Airport," the table entitled "RACs and Off-Airport RACs and Related Brands Operating at the Airport," under the caption "RENTAL CAR OPERATIONS AND RENTAL CAR AGREEMENTS - RACS and Off-Airport RACS", 2023 CFC Bond Debt Service Coverage on a historic only basis showing information for up to ten years, and 2023 CFC Bond and TIFIA Loan Debt Service Coverage on a historic only basis showing information for up to ten years. If any of the City's Annual Financial Information that is published by a third party is no longer publicly available, the City shall include a statement to that effect as part of its Annual Financial Information for the year in which such lack of availability arises.

"Audited Financial Statements" means the audited financial statements of the Airport prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB not more than 210 days after the last day of the City's fiscal year, which currently is December 31. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements are required to be included and Audited Financial Statements are required to be filed when available.

EVENTS NOTIFICATION AND DISCLOSURE

The City covenants that it will disseminate in a timely manner, in accordance with the Rule, not in excess of ten Business Days, to the MSRB the disclosure of the occurrence of an Event (as described below). The *"Events,"* certain of which may not be applicable to the 2023 CFC Bonds, are:

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 securities, or other material events affecting the tax status of the securities;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasance;

10. release, substitution or sale of property securing repayment of the securities, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar proceedings of an Obligated Person (as defined by the Rule);*

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 an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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* Note that, for purposes of the event identified in item 12, the event is considered to occur when any of the following occurs: 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.

14. appointment of a successor or additional trustee, or the change of the 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 Bondholders, 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.

CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION

The City shall give notice in a timely manner, not in excess of ten Business Days, to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any 2023 CFC Bond may seek mandamus or specific performance by court order to cause the City to comply with its obligations under the Undertaking. The Undertaking provides that any court action must be initiated in the Circuit Court of Cook County, Illinois. A default under the Undertaking shall not be deemed a default under the CFC Indenture, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

AMENDMENT; WAIVER

Notwithstanding any other provision of the Undertaking, the City may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) the amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) the Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the beneficial owners of the 2023 CFC Bonds, as determined by parties unaffiliated with the City (such as the Trustee or co-bond counsel), or by approving vote of the beneficial owners of the 2023 CFC Bonds pursuant to the terms of the CFC Indenture at the time of the amendment; or

(b) the amendment or waiver is otherwise permitted by the Rule.

† The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

EMMA

All documents submitted to the MSRB through EMMA pursuant to the Undertaking shall be in electronic format and accompanied by identifying information as prescribed by the MSRB, in accordance with the Rule. All documents submitted to the MSRB through EMMA will be word-searchable PDFs, configured to permit documents to be saved, viewed, printed and electronically retransmitted.

TERMINATION OF UNDERTAKING

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the 2023 CFC Bonds under the CFC Indenture. If this provision is applicable, the City shall give notice in a timely manner to the MSRB.

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the City chooses to include any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such other information or include it in any future Annual Financial Information or Audited Financial Statements or notice of occurrence of a material Event.

CORRECTIVE ACTION RELATED TO CERTAIN BOND DISCLOSURE REQUIREMENTS

The City failed to comply with certain continuing disclosure undertakings previously entered into by it pursuant to the Rule as described below. Such noncompliance may or may not be material.

The City of Chicago Midway Airport Second Lien Revenue Refunding Bonds, Series 2014C (AMT) (the "*Series 2014C Bonds*") were secured by a letter of credit by JPMorgan Chase Bank, N.A. (the "*Series 2014C Letter of Credit Bank*"). On May 19, 2015, Fitch upgraded the long-term rating of the Series 2014C Letter of Credit Bank from "A+" to "AA-" and its short-term rating from "Fl" to "Fl+." On September 19, 2014, Moody's Investors Service, Inc. ("*Moody's*") downgraded the long-term letter of credit supported rating of the Series 2014C Bonds from "Aa l" to "Aa2." On May 28, 2015, Moody's upgraded the long-term letter of credit supported rating of the Series 2014C Bonds from "Aa2" to "Aal." Event notices with respect to such rating changes were not filed with EMMA. The City made such filings on July 13, 2018. The Series 2014C Letter of Credit Bank has since been replaced.

The City failed to file on a timely basis certain Annual Financial Information for the years 2017, 2018 and 2021, with respect to the City's Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A and Series 2014B (the "Pilsen Series 2014AB Bonds"). However, the Pilsen Series 2014AB Bonds have since matured. The City filed on EMMA the 2021 annual information for the Pilsen bonds on July 29, 2022.

In July 2019, the City filed on EMMA on a timely basis the City's 2018 audited financial statements for the General Fund for all then-outstanding general obligation bonds of the City, except with respect to the City's General Obligation Bonds, Library Series 2008D (the "*Series 2008D Bonds*"). On December 17, 2019, those financial statements were filed on EMMA with respect to the Series 2008D

Bonds, and the City filed on EMMA a notice regarding its failure to file on a timely basis the 2018 audited financial statements with respect to the Series 2008D Bonds.

On September 14, 2020, the City filed on EMMA a notice regarding its failure to file on a timely basis a certain capital improvements table for the years 2016, 2017, 2018 and 2019 in connection with the City's General Obligation Bonds, Project and Refunding Series 2014A and Taxable Project and Refunding Series 2014B (the "*Series 2014AB Bonds*"). In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2016, 2017, 2018 and 2019 with respect to the Series 2014AB Bonds.

On September 14, 2020, the City filed on EMMA a notice regarding its failure to file on a timely basis a certain capital improvements table for the years 2018 and 2019 in connection with the City's Second Lien Wastewater Transmission Revenue Bonds, Project Series 2017A and Refunding Series 2017B (the "*Series 2017AB Bonds*"). In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2018 and 2019 with respect to the Series 2017AB Bonds.

On July 8, 2021, S&P upgraded the rating of the City's Motor Fuel Tax Revenue Refunding Bonds, Series 2013 (Issue of June 2014), including the Riverwalk Transportation Infrastructure Finance and Innovation Act draw-down loan, from "BB+" to "BBB-." On July 27, 2021, the City filed with EMMA an event notice relating to this rating upgrade.

On November 12, 2021, the City filed a notice regarding its failure to file on a timely basis certain Annual Financial Information including certain capital improvements tables for the year 2020 and certain third-party sourced Retirement Fund tables with respect to the Series 2014AB Bonds. In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2020 and 2021 and Tables 4 and 9 of the third-party sourced Retirement Fund tables with respect to the Series 2014AB Bonds.

On August 9, 2022, the City filed on EMMA a notice regarding its failure to file on a timely basis certain Annual Financial Information in connection with the Series 2014AB Bonds and the City's General Obligation Bonds, Series 2021A and Series 2021B (the "Series 2021 Bonds"). In connection with such notice filing, the City filed Tables 1-10 on EMMA in connection with the Series 2014AB Bonds and the Series 2021 Bonds.

On December 8, 2021, the City filed a notice of incurrence of a financial obligation (i.e. loans incurred by the City pursuant to each of the RBC Line of Credit Agreement and the Wells Fargo Line of Credit Agreement) pertaining to the City's General Obligation Bonds, Series 2019A and General Obligation Refunding Bonds, Series 2020A. On December 8, 2021 the City also filed the redacted Wells Fargo Line of Credit Agreement with EMMA. On January 25, 2022, the City filed the redacted RBC Line of Credit Agreement with EMMA.

On August 9, 2022 the City filed on EMMA a notice regarding its failure to file on a timely basis certain Annual Financial Information in connection with the City's Second Lien Wastewater Transmission Revenue Bonds, Project Series 2017A and Refunding Series 2017B. In connection with such notice filing, the City also filed on EMMA a table titled "Historical Capital Improvement Program Funding by Source", including data from 2017 to 2021.

FINANCIAL ADVISOR

The City has engaged PFM Financial Advisors LLC as its financial advisor (the *"Financial Advisor"*) in connection with the authorization, issuance and sale of the 2023 CFC Bonds. Under the terms of their engagement, the Financial Advisor is not obligated to undertake, and have not undertaken to make, an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Immediately prior to her appointment, the Chief Financial Officer of the City was an employee of the Financial Advisor, and in that capacity participated substantively in the Financial Advisor's efforts on behalf of the City in connection with the authorization, issuance and sale of the 2023 CFC Bonds. The Chief Financial Officer is not participating in any capacity in the authorization, issuance and sale of the 2023 CFC Bonds.

INDEPENDENT AUDITORS

The Basic Financial Statements of the City of Chicago Illinois—Chicago O'Hare International Airport as of and for the years ended December 31, 2022 and 2021, included as APPENDIX C to this Official Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein.

RATINGS

S&P has assigned its rating of "AA" (stable outlook) to the 2023 CFC Bonds. Certain information was supplied by the City to S&P to be considered in evaluating the 2023 CFC Bonds.

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The City has furnished to S&P certain information and materials relating to the 2023 CFC Bonds, the TIFIA Loan, the City and the Airport, including certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the 2023 CFC Bonds.

MISCELLANEOUS

The summaries or descriptions in this Official Statement of provisions in the CFC Indenture and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions and do not constitute complete statements of such documents or provisions. Reference is made to the complete documents relating to such matter for further information, copies of which will be furnished by the City upon written request delivered to the office of the City Comptroller, Room 700, 121 North LaSalle Street, Chicago, Illinois 60602.

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AUTHORIZATION

The City has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered by the Acting City Comptroller on behalf of the City.

CITY OF CHICAGO

By: /s/ Chasse Rehwinkel

Acting City Comptroller

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS
OF THE CFC INDENTURE

The following is a summary of certain provisions of the CFC Indenture as supplemented and amended (as supplemented and amended, the *"CFC Indenture"*), to which reference is made for a complete statement of the provisions and contents of each of such documents.

DEFINITIONS OF CERTAIN TERMS

In addition to the terms otherwise defined in this Official Statement, the terms defined below are among those used in this Official Statement and in the summary of the CFC Indenture that follows.

"*Acceptable Credit Rating*" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Reserve Account Credit Instrument to fund the Debt Service Reserve Fund or the Supplemental Reserve Fund, 'A+', 'A1' or the equivalent rating from at least one (1) Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, 'A', 'A2' or the equivalent rating from at least one (1) Rating Agency that provides a rating on such Person's unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

"*Account or Accounts*" means any of the accounts established within any of the Funds pursuant to the provisions of the CFC Indenture.

"*Additional Bonds*" means one or more Series of Additional Bonds issued pursuant to the CFC Indenture and a Supplemental Indenture.

"*Administrative Expenses*" means annual expenses incurred by the City in connection with administration of the 2023 CFC Bonds or the TIFIA Loan, including without limitation Rating Agency fees, audit fees and USDOT administrative fees.

"Aggregate Debt Service" means, with respect to one or more designated Series of Outstanding Bonds or, if no Bonds are designated, all Bonds Outstanding under the CFC Indenture, for any period, the amount of all interest accrued in such period (but excluding any interest being paid from proceeds of such Bonds) plus the amount required to pay principal coming due in such period on such Bonds; provided, however, that if the stated period is a Fiscal Year, the amount of principal shall be the principal payable on any date commencing with January 2 in such Fiscal Year and ending with January 1 in the following Fiscal Year.

"*Airport Customer*" means a Person that rents, picks up or enters into a written or oral agreement for the rental of a Motor Vehicle from a RAC or an Off-Airport RAC, either (i) at the Airport or (ii) at a location other than the Airport if, and only if, a Courtesy Vehicle is used to transport such Person to and from the CRCF.

"*ATS*" or **"*Airport Transit System*"** means the Airport's automated people mover system which travels on a dedicated guideway providing passenger service at the Airport, including without limitation, to terminals, parking areas and the CRCF, including the vehicles used for transport, stations, and related equipment and associated improvements.

"*Authorized Denomination*" means (a) with respect to the 2023 CFC Bonds, $5,000 or any integral multiple thereof, and (b) with respect to any Series of Additional Bonds or Subordinate Bonds, such amounts as shall be specified in the Supplemental Indenture relating thereto.

"***Authorized Officer***" means, (a) in the case of the City, (i) the Mayor, the Chief Financial Officer, the City Treasurer, the Commissioner, the City Comptroller or any other official of the City so designated by a Certificate signed by the Mayor and filed with the Trustee for so long as that designation is in effect and (ii) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office; and (b) in the case of the Trustee, any officer within the corporate trust department (or similar group) of the Trustee responsible for the administration of the CFC Indenture, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

"***Bond Counsel***" means any attorney at law or firm of attorneys, selected by the City and reasonably acceptable to the Trustee, of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"***Bondholder***" or "*holder*" or "*owner of the Bonds*" or "*registered owner*" means the Registered Owner of any 2023 CFC Bond.

"***Bonds***" means the 2023 CFC Bonds and any Additional Bonds and Subordinate Bonds from time to time Outstanding under the CFC Indenture.

"***Bond Year***" means any one-year period ending on January 1, other than the initial Bond Year, which shall commence on the Closing Date and end on January 1, 2023.

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

"***CFC***" or "***Customer Facility Charge***" means the customer facility charge or customer facility charges authorized by the CFC Statute and by ordinances of the City Council to be charged and collected by the RACs and/or Off-Airport RACs, owed to the City and remitted to the Trustee for the benefit of the City, or, if no Bonds remain Outstanding, remitted directly to the City, as further defined and provided in each RAC Agreement and/or in any agreements with Off-Airport RACs.

"***CFC Indenture***" means the Indenture of Trust securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds, dated as of August 1, 2013, from the City to the Trustee, and any amendments and supplements thereto.

"***CFC Revenue Fund***" means the fund established pursuant to the CFC Indenture into which all Revenues shall be deposited upon receipt by the Trustee and applied as described herein under the heading "CFC Revenue Fund; Flow of Funds."

"***CFC Stabilization Fund***" means the fund established pursuant to the CFC Indenture and as described herein under the heading "CFC Stabilization Fund," to be maintained and held by the City.

"***CFC Stabilization Fund Minimum Requirement***" means $20,000,000, provided such amount may be increased under the terms of a Supplemental Indenture or a certificate of an Authorized Officer of the City. In determining whether the amount of funds in the CFC Stabilization Fund meets the CFC Stabilization Fund Minimum Requirement, the calculation shall include amounts in the Maintenance Reserve Account.

"***CFC Statute***" means Section 6-305(j) of the Illinois Vehicle Code, 625 ILCS 5/6- 305(j).

"***Chief Financial Officer***" means the Chief Financial Officer of the City appointed by the Mayor, or the City Comptroller of the City at any time a vacancy exists in the office of the Chief Financial Officer.

"***Closing Date***" means the date of delivery of the 2023 CFC Bonds to the initial purchasers thereof against payment therefor.

"***Code***" or "***IRC***" means the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated thereunder, including without limitation any Treasury Regulations or Temporary or Proposed Regulations, as the same shall from time to time be amended including (until modified, amended or superseded) Treasury Regulations or Temporary or Proposed Regulations under the Internal Revenue Code of 1954, as amended.

"***Commissioner***" means the Commissioner of Aviation of the City or any designee of the Commissioner, or any successor or successors to the duties of any such official.

"***Completion Certificate***" means the completion certificate required under the CFC Indenture to be executed by the City upon the completion of the Project.

"***Completion Date***" means the earlier to occur of (i) the date on which the Project is completed as evidenced by the delivery of a Completion Certificate and (ii) the date of abandonment of the Project.

"***Consultant***" means any one or more consultants selected by the City with expertise in the administration, financing, planning, maintenance and operations of airports and facilities thereof, and who, in the case of an individual, shall not be a member, officer or employee of the City.

"***Consulting Engineer***" means a registered or licensed engineer or engineers, or firm or firms of engineers, with expertise in the field of designing, preparing plans and specifications for, supervising the construction, improvement and expansion of, and supervising the maintenance of, airports and aviation facilities, entitled to practice and practicing as such under the laws of the State, who, in the case of any individual, shall not be a director, officer or employee of the City.

"***Contract Day***" means, with respect to rentals of Motor Vehicles, up to a 25-hour period or fraction thereof for the first Contract Day and successive 24-hour periods (or fractions thereof) for each successive Contract Day.

"***Costs of Collection***" means all reasonable attorneys' fees and out-of-pocket expenses incurred by the Trustee directly or indirectly related to the Trustee's efforts to collect or enforce the Bonds, the CFC Indenture, or any of the Trustee's rights, remedies, powers, privileges, or discretion against or in respect of the City thereunder (whether or not suit is instituted in connection with any of the foregoing).

"***Costs of the Project***" means all costs of the Project, including without limitation costs of the construction manager, the program manager and allocated costs of program administration, the costs of issuing the Bonds, and other costs chargeable to the capital account of the Project, in each case to the extent that such costs are permitted under the CFC Statute.

"***Courtesy Vehicle***" means a shuttle bus or other vehicle providing transportation services on Airport premises to or from RAC or Off-Airport RAC facilities.

"***CRCF***" means the new consolidated rental car facility. The CRCF consists of the following: (i) an elevated structure ("***ES***") containing multiple stories which will be used by RACs for vehicle ready/return operations, vehicle storage, a customer service center including customer service counters, waiting areas and related facilities and office space; and (ii) a multi- story fuel/car wash quick turn-around vehicle service facility ("***QTA***") on land located near the ES, together with a dedicated roadway for rental vehicle use only connecting the ES and QTA. The CRCF does not include that portion of the ES used as public parking facilities unrelated to its use as a consolidated rental car facility ***("ES Public Parking")***.

"***Debt Service Fund***" means the fund established pursuant to the CFC Indenture and as described herein under the heading "Debt Service Fund."

"***Debt Service Reserve Fund***" means the fund established pursuant to the CFC Indenture and as described herein under the heading "Debt Service Reserve Fund."

"***DSRF Requirement***" means one hundred percent (100%) of the Maximum Annual Debt Service on the Bonds (other than Subordinate Bonds) then outstanding.

"***Default***" means any Event of Default or any event or condition which, with the passage of time or giving of notice or both, would constitute an Event of Default.

"***Defeasance Obligations***" means non-callable investment securities of the type described in paragraphs (a), or (b) of the definition of Qualified Investments. "***Draw Down Date***" means the twenty-fifth (25^{th}) day of each month or, if such day is not a Business Day, the next succeeding Business Day of each month that any Bonds remain Outstanding.

"***Event of Default***" See the heading "Events of Default; Defaults" herein.

"***Excess Revenues***" means CFCs, or investment earnings thereon, received by the City or the Trustee, in any year in which it is established pursuant to the terms of the RAC Agreements and the TIFIA Loan Agreement that no Facility Rent was due and owing and not required to be deposited into any Fund or Account established under the CFC Indenture in order to maintain the required balance therein as set forth in the CFC Indenture.

"***Facility Rent***" means the annual amount payable by the RACs to the City as Facility Rent pursuant to the RAC Agreements.

"***Favorable Opinion of Bond Counsel***" means, with respect to any action relating to a Series of Tax-Exempt Bonds, the occurrence of which requires such an opinion, an unqualified written legal opinion of Bond Counsel to the effect that such action is permitted under the CFC Indenture and will not impair the exclusion of interest on the Tax-Exempt Bonds of such Series from gross income for purposes of federal income taxation (subject to the inclusion of any exception contained in the opinion delivered upon the original issuance of such Series of Tax- Exempt Bonds).

"***Federal Obligation***" means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

"***Fiscal Year***" means the City's Fiscal Year, commencing on January 1 and expiring on the following December 31.

"***Fitch***" means Fitch Ratings, Inc. a corporation duly organized and existing under the laws of the State of New York, its successors and assigns.

"***Fixed Rate***" means one or more nonfloating, nonvariable interest rates which apply to a Series of Bonds.

"***Fund or Funds***" means any of the funds established in the CFC Indenture.

"***Insurer***" or "***BAM***" means Build America Mutual Assurance Company, or any successor thereto or assignee thereof.

"***Interest Payment Date***" for the 2023 CFC Bonds means January 1 and July 1 of each year that the 2023 CFC Bonds remain Outstanding, and for any other Bonds, the dates for the payment of interest as set forth in the Supplemental Indenture entered into in connection with the issuance of such Bonds.

"***Maintenance Reserve Account***" means the account established within the CFC Stabilization Fund pursuant to the CFC Indenture and as described herein under the heading "CFC Stabilization Fund," to be maintained and held by the City.

"***Maintenance Reserve Account Requirement***" means (i) during Fiscal Year 2023, $12,000,000 and (ii) for Fiscal Year 2023 and thereafter, an amount equal to the greater of (A) $12,000,000 and (B) the amount equal to fifty percent (50%) of the Operation and Maintenance Fund Requirement.

"***Majority of the Bondholders***" means the holders of more than fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

"***Maximum Annual Debt Service***" for any Bonds that are Outstanding means the maximum annual scheduled payments of principal of and interest on such Bonds in any future Bond Year; provided, that in such determination with respect to any Tax-Exempt Bonds, any accrued or capitalized interest shall be excluded.

"***Maximum Rate***" means the maximum rate of interest on the relevant obligation as may be established by a Supplemental Indenture entered into in connection with the issuance of any Additional Bonds or Subordinate Bonds, and in all events, a rate not exceeding that permitted by applicable Law.

"***Minimum Annual Requirement***" shall have the meaning as described herein under the heading "Collection of Customer Facility Charges; Rate Covenant."

"***Moody's***" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"***Motor Vehicle***" means any motor vehicle within the meaning of Section 1-146 of the Illinois Vehicle Code, 625 ILCS 5/1-146.

"***Net Revenues***" means, with respect to a particular period, the Revenues deposited in the CFC Revenue Fund during such period less sum of (A) the operating and maintenance expenses of the CRCF during such period, (B) the operating and maintenance expenses of the ATS allocated to the CRCF during such period, and (C) Administrative Expenses during such period.

"***Nonpurpose Payments***" has the meaning ascribed to such term in the Regulations.

"***Nonpurpose Receipts***" has the meaning ascribed to such term in the Regulations.

"***Off-Airport RAC* or *RACs***" means and refers to any Person operating a rental car business servicing Airport Customers from a location other than the CRCF.

"***Operation and Maintenance Fund***" means the fund established pursuant to the CFC Indenture and as described herein under the heading "Operation and Maintenance Fund," to be maintained and held by the City.

"***Operation and Maintenance Fund Requirement***" means (i) one hundred percent (100%) of the amount determined by the City and shown in the annual budget for annual operation and maintenance expenses of the CRCF, plus (ii) a percentage determined by the City to be the amount to be allocated to the CRCF, of the amount determined by the City and shown in the annual budget for annual operation and maintenance expenses of the ATS, plus (iii) one hundred percent (100%) of the amount determined by the City and shown in the annual budget for annual Administrative Expenses.

"*Outstanding Bonds*" or **"*Bonds outstanding*"** means the amount of principal of the Bonds which has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under the CFC Indenture, (b) principal of any Bond which has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required in the CFC Indenture has been made, (c) principal of any Bond that is deemed to have been paid as provided in the CFC Indenture, and (d) for purposes of any direction, consent or waiver under the CFC Indenture, Bonds deemed not to be outstanding pursuant to the CFC Indenture.

"*Payment Date*" means each Interest Payment Date, Principal Payment Date or any other date on which any principal of, premium, if any, or interest on any Bond is due and payable for any reason, including without limitation upon any redemption or prepayment of Bonds.

"*Person*" means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

"*Pledged Receipts*" means the right to payment of all monetary obligations constituting CFCs, whether or not remitted to the Trustee or the City, owed to the City, the right to payment of all monetary obligations constituting Facility Rent payable by the RACs, all casualty insurance proceeds and condemnation awards required to be applied pursuant to the CFC Indenture, the Project Fund, the Debt Service Fund, the Reserve Funds, the Subordinate Debt Service Fund and the Subordinate Reserve Fund, and all moneys, investments and proceeds on deposit in such Funds, and interest and investment earnings thereon, subject to the provisions of the CFC Indenture regarding moneys for the benefit of the holders of particular Bonds, and any other moneys collected from Off-Airport RACs or from users of the Project other than the RACs and designated by an Authorized Officer of the City as Pledged Receipts. The Pledged Receipts shall not include moneys, investments and proceeds in the Rebate Fund, the Operation and Maintenance Fund or the CFC Stabilization Fund, and shall not include the Unassigned Rights.

"*Policy*" means the Municipal Bond Insurance Policy issued by the Insurer guaranteeing the scheduled payment of principal and interest on the 2023 CFC Bonds when due.

"*Principal Payment Date*" for the 2023 CFC Bonds means January 1 of each year in which principal of the 2023 CFC Bonds is due and payable, and for any other Bonds, the dates for the payment of principal as set forth in the Supplemental Indenture entered into in connection with the issuance of such Bonds.

"*Project*" means the permitting, design, development, construction, equipping, furnishing and acquisition of (i) the CRCF, including the associated structures, roadways, facilities, infrastructure improvements to utilities and other infrastructure to support the CRCF, (ii) additions, extensions and improvements to the ATS and (iii) the ES Public Parking.

"*Project Budget*" means the City's approved capital budget for the Project.

"*Project Fund*" means the fund created pursuant to the CFC Indenture and as described herein under the heading "Project Fund; Costs of Issuance Account."

"*Qualified Collateral*" means:

(a) Federal Obligations;

(b) direct and general obligations of any State of the United States of America or any political subdivision of the State which are rated in one of the two highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise; and

(c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

"*Qualified Investments*" means and include any of the following securities:

(a) any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America ("Federal Obligations");

(b) pre-refunded municipal obligations meeting the following conditions:

(i) the municipal obligations are not subject to redemption prior to maturity, or the trustee therefor has been given irrevocable instructions concerning their calling and redemption and the issuer thereof has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash and/or Federal Obligations, which Federal Obligations may be applied only to interest, principal and premium payments of such municipal obligations;

(iii) the principal of and interest on the Federal Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations;

(iv) the Federal Obligations serving as security for the municipal obligations are held by an escrow agent or trustee;

(v) the Federal Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(vi) the municipal obligations are rated in the highest rating category by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(c) deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, including the Trustee, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to the amount of such deposits, marked to market monthly, and which Qualified Collateral shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the City and the Trustee, with another bank, trust company or national banking association for the benefit of the City and the appropriate Fund or Account as collateral security for such deposits;

(d) direct and general obligations of any state of the United States of America or any political subdivision of the State of Illinois which are rated in one of the two highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(e) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, Fannie Mae, Student Loan Marketing Association, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, Federal Housing Administration, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(f) any repurchase agreements collateralized by securities described in clauses (a) or (e) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank or parent holding company providing a guaranty has an uninsured, unsecured and unguaranteed rating in one of the three highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise, provided;

(i) a specific written agreement governs the transaction;

(ii) the securities are held by a depository acting solely as agent for the Trustee, and such third party is (x) a Federal Reserve Bank, or (y) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than $25,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities;

(iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 1 C.F.R 306.1 *et seq.* or 31 C.F.R 350.0 *et seq.* in such securities is created for the benefit of the Trustee;

(iv) the repurchase agreement has a term of one year or less, or the collateral securities will be valued no less frequently than monthly and will be liquidated if any deficiency in the required collateral percentage is not restored within two business days of such valuation;

(v) the repurchase agreement matures at least 10 days (or other appropriate liquidation period) prior to a Payment Date; and

(vi) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 100 percent;

(g) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets exclusively in obligations of the type described in clauses (a) to (e);

(h) investment agreements which represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the three highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(i) long-term or medium-term corporate debt instruments issued or guaranteed by any corporation that is rated in the highest rating category by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(j) prime commercial paper of a United States corporation, finance company or banking institution rated in the highest short-term rating category by any two Rating Agencies maintaining a rating on such paper; and

(k) any other type of investment in which the City directs the Trustee in writing to invest, provided that there is delivered to the Trustee a certificate of an Authorized Officer of the City stating that each Rating Agency has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any Bonds.

"Qualified Issuer" means (i) with respect to any Qualified Reserve Account Credit Instrument issued by a bank or trust company, any bank or trust company authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof that has an Acceptable Credit Rating, and (ii) with respect to any Qualified Reserve Account Credit Instrument issued by an insurance company or other financial institution, any insurance company or other financial institution that is authorized and qualified to do business by the state insurance commissioner of its jurisdiction of organization and of the State and that has an Acceptable Credit Rating

"Qualified Reserve Account Credit Instrument" means a letter of credit, standby bond purchase agreement, line of credit, surety instrument or similar instrument, any bond insurance policy, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), that is obtained by the City and is issued by a Qualified Issuer.

"*RAC*" means a Person that operates a rental car business serving Airport Customers under terms of a RAC Agreement with the City and who leases space within the CRCF.

"*Rating Agency*" means, as of any date, each of Fitch, Moody's and S&P, and any other Nationally Recognized Statistical Rating Organization ("NRSRO") designated by the City by notice to the Trustee; provided, however, that the City may substitute any NRSRO for any of Fitch, Moody's or S&P by notice to the Trustee.

"*Rebate Fund*" means the fund created pursuant to the CFC Indenture and as described hereinunder the heading "Rebate Fund."

"*Rebate Installment Date*" means the dates selected by the City pursuant to the Regulations for the payment of rebate or yield reduction payments as provided in the CFC Indenture, the first of which shall be no later than 60 days after the close of the fifth Bond Year for each Series of Tax-Exempt Bonds. Each such Rebate Installment Date shall be no more than five years following the next preceding Rebate Installment Date. Rebate Installment Date shall also include a date selected by the City which is no later than 60 days following the final payment of each Series of Tax-Exempt Bonds which is treated as a separate series for federal tax purposes.

"*Record Date*" means (a) with respect to the 2023 CFC Bonds, June 15 and December 15 of each year, and (b) with respect to any other Series of Bonds, the date specified in the Supplemental Indenture providing for the issuance of such Series of Bonds.

"*Refunding Bonds*" means one or more Series of Bonds issued pursuant to the CFC Indenture to refund Outstanding Bonds.

"***Registered Owner***" means the person or persons in whose name or names a 2023 CFC Bond shall be registered on the books of the City kept for that purpose in accordance with the provisions of the Indenture.

"***Regulations***" means the Treasury Regulations applicable to Section 148(f) of the Code.

"***Required Reserve Amounts***" means, respectively, the Rolling Coverage Fund Requirement, the Supplemental Reserve Fund Requirement and the DSRF Requirement for each Series of Bonds.

"***Reserve Funds***" means, collectively, the Rolling Coverage Fund, the Supplemental Reserve Fund and the Debt Service Reserve Fund, and no other Funds.

"***Revenues***" means CFCs, Facility Rent and any other sums paid to the Trustee for deposit in the CFC Revenue Fund.

"***Rolling Coverage Fund***" means the fund established pursuant to the CFC Indenture and as described herein under the heading "Rolling Coverage Fund."

"***Rolling Coverage Fund Requirement***" means twenty-five percent (25%) of the Maximum Annual Debt Service on the Bonds (other than Subordinate Bonds) then outstanding.

"***Second Supplemental Indenture***" means the Second Supplemental Indenture securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023, dated as of August 1, 2023, from the City to the Trustee, relating to the 2023 CFC Bonds.

"***Securities Act***" means the federal Securities Act of 1933, as amended, and any successor thereto.

"***Securities Depository***" or "***DTC***" means The Depository Trust Company and its successors and assigns or any other securities depository selected by the City which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

"***Securities Exchange Act***" means the federal Securities Exchange Act of 1934, as amended, and any successor thereto.

"***Series***" means the 2023 CFC Bonds issued pursuant to the CFC Indenture and each series of Additional Bonds or Subordinate Bonds issued pursuant to a Supplemental Indenture.

"***Series 2023 Debt Service Account***" means the account of such name established in the Debt Service Fund pursuant to the CFC Indenture and as described herein under the heading "Debt Service Fund."

"***Series 2023 Costs of Issuance Account***" means the account of such name established in the Project Fund pursuant to the CFC Indenture and as described herein under the heading "Project Fund; Costs of Issuance Account."

"***S&P***" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

"***Subordinate Bonds***" means any Series of Bonds issued pursuant to the CFC Indenture and as described herein under the heading "Issuance of Subordinate Bonds."

“***Subordinate Debt Service Fund***” means the fund established pursuant to the CFC Indenture and as described herein under the heading “Subordinate Debt Service Fund.”

“***Subordinate Reserve Fund***” means the fund established pursuant to the CFC Indenture and as described herein under the heading “Subordinate Reserve Fund,” and any one or more other funds established pursuant to a Supplemental Indenture or Indentures or other financing document that provided for the issuance of one or more Subordinate Bonds.

“***Supplemental Indenture***” means each supplement to the CFC Indenture, the TIFIA Loan Agreement or each other financing document entered into pursuant to the CFC Indenture providing for the issuance of a Series of Additional Bonds or Subordinate Bonds or a supplement entered into pursuant to the CFC Indenture for the purposes and in the manner set forth therein.

“***Supplemental Reserve Fund***” means the fund established pursuant to the CFC Indenture and as described herein under the heading “Supplemental Reserve Fund.”

“***Supplemental Reserve Fund Requirement***” means fifty percent (50%) of the Maximum Annual Debt Service on the Bonds (other than Subordinate Bonds) then Outstanding.

“***Tax Agreement***” means the Tax Compliance Certificate executed by the City in connection with the issuance of the 2023 CFC Bonds.

“***Tax-Exempt Bonds***” means the 2023 CFC Bonds and any other Series of Bonds the interest on which is excludable from the gross income of the recipient thereof for federal income tax purposes.

“***TIFIA Bond***” means one or more bonds of the City in the form provided for in the TIFIA Loan Agreement, evidencing the payment obligations of the City on the TIFIA Loan.

“***TIFIA Debt Service Account***” means the account established pursuant to the CFC Indenture and as described herein under the heading “Subordinate Debt Service Fund.”

“***TIFIA Loan***” means that loan or loans, if any, to the City from USDOT to fund, in part, the Project, pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998, 23 U.S.C. §§ 601-609, the obligation of the City to repay which shall be evidenced by the TIFIA Bond and constitute an Additional Bond or a Subordinate Bond under the CFC Indenture (as provided by and subject to the provisions of the CFC Indenture and be repaid from Revenues as provided in the CFC Indenture.

“***TIFIA Loan Agreement***” means the TIFIA Loan Agreement between the City and USDOT relating to the TIFIA Bond, as supplemented and amended from time to time in accordance with its terms.

“***TIFIA Reserve Account***” means the account established pursuant to the CFC Indenture and as described herein under the heading “Subordinate Reserve Fund.”

“***Trust Estate***” means the Pledged Receipts and other rights assigned by the City to the Trustee under the CFC Indenture.

“***Trustee***” means the Bank of New York Mellon Trust Company, N.A., a national banking association, and its successor and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor Trustee at the time serving as successor trustee under the Indenture.

"***2023 CFC Bonds***" means the Chicago O'Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023, authorized to be issued pursuant to the Indenture.

"***Unassigned Rights***" means the rights of the City under each RAC Agreement, except, as long as any Bonds remain Outstanding, the right to receive and collect CFCs and Facility Rent.

"***USDOT***" means the United States Department of Transportation.

"***Variable Rate***" means an interest rate on a Series of Bonds which rate is subject to change from time to time as specified in the applicable Supplemental Indenture.

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SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE

Pledge and Assignment.

In order to secure the due payment of principal of and premium, if any, and interest on the Bonds and compliance by the City with its agreements contained in the CFC Indenture, the City will grant, pledge and assign to the Trustee for the benefit of the Bondholders all of its right, title and interest in and to the Pledged Receipts. The pledge thereof and the provisions, covenants and agreements set forth in the CFC Indenture to be performed by or on behalf of the City with respect to the Bonds (other than the Subordinate Bonds) shall be for the equal benefit, protection and security of the holders of any and all Bonds (other than the Subordinate Bonds), and the pledge hereof and the provisions, covenants and agreements set forth in the CFC Indenture to be performed by or on behalf of the City with respect to the Subordinate Bonds shall be for the equal benefit, protection and security of the holders of any and all Subordinate Bonds. Bonds (other than Subordinate Bonds) or Subordinate Bonds, respectively, regardless of the time or times of their respective issue or maturity, shall be of equal rank with the other Bonds (other than the Subordinate Bonds), or Subordinate Bonds, as the case may be, without preference, priority or distinction over any other thereof except as expressly provided in the CFC Indenture.

Defeasance of Lien.

When the City has paid or has been deemed to have paid, within the meaning of the CFC Indenture, to the holders of all of the Bonds the principal and interest and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and in the CFC Indenture, and all other obligations owing to the Trustee under the CFC Indenture have been paid or provided for, the lien of the CFC Indenture on the Trust Estate shall terminate, except that, notwithstanding termination of the lien thereof, the obligations to make all payments required and to take any other action as described herein under the heading “Rebate Fund” shall continue until all such obligations and actions have been paid and performed in full.

Outstanding Bonds shall be deemed to have been paid if the Trustee shall have paid to the holders of such Bonds, or shall be holding in trust for and shall have irrevocably committed to the payment of such Outstanding Bonds, moneys sufficient for the payment of all principal of and interest and premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; provided, that if any of such Bonds are Tax-Exempt Bonds, and are deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee and the City shall have received an unqualified opinion of Bond Counsel that such payment and the holding thereof by the Trustee shall not in and of itself cause interest on such Tax-Exempt Bonds to be included in gross income for federal income tax purposes; and provided, further, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Bondholders or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

Outstanding Bonds also shall be deemed to have been paid if the Trustee shall be holding in trust for and shall have irrevocably committed to the payment of such Outstanding Bonds Defeasance Obligations the principal installments of and/or the interest on which when due, without reinvestment, will provide moneys which, together with moneys, if any, so held and so committed, shall be sufficient for the payment of all principal of and interest and premium, if any, on such Bonds to the date of maturity or redemption, as the case may be and a report in form and substance acceptable to the Trustee and the City of a verification agent acceptable to the Trustee and the City verifying that the principal installments of and/or the interest on such Defeasance Obligations, if paid when due and without reinvestment, will, together with any moneys so deposited, be sufficient for the payment of all principal of and interest and premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; provided, that if any of such Bonds are Tax-Exempt Bonds and deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee and the City shall have received an unqualified opinion of

Bond Counsel that such payment and the holding of such Defeasance Obligations and moneys, if any, shall not in and of itself cause interest on such Tax-Exempt Bonds to be included in gross income for federal income tax purposes; and provided, further, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

Any moneys held by the Trustee for the defeasance of Bonds shall be invested by the Trustee only in Defeasance Obligations which do not contain provisions permitting redemption at the option of the issuer, the maturities or redemption dates, without premium, of which shall coincide as nearly as practicable with, but not be later than, the time or times at which said moneys will be required for the aforesaid purposes. The making of any such investments or the sale or other liquidation thereof shall not be subject to the control of the City and the Trustee shall have no responsibility for any losses resulting from such investment. Any income or interest earned by, or increment to, such investments, to the extent determined from time to time by the Trustee to be in excess of the amount required to be held by it for the defeasance of such Bonds, shall be paid first to the Trustee to the extent necessary to repay any unpaid obligations owing to the Trustee. The remainder, if any, shall be paid to the City.

After all of the Outstanding Bonds shall be deemed to have been paid and all other amounts required to be paid under the CFC Indenture shall have been paid, then upon the termination of the CFC Indenture any amounts in the Project Fund, the Debt Service Fund, the Reserve Funds (after application thereof as provided in the CFC Indenture), the Subordinate Debt Service Fund and the Subordinate Reserve Fund, shall be paid first to the Trustee to the extent necessary to repay any unpaid obligations owing to the Trustee, and thereafter the remainder, if any, shall be paid to the City.

Authorization of Additional Bonds.

In addition to the 2023 CFC Bonds initially issued, one or more Series of Additional Bonds may be issued on a parity with all Outstanding Bonds (other than Subordinate Bonds) for such purposes hereinafter described as may be requested by the City; provided, that the issuance of any Series of Additional Bonds shall be conditioned upon the Trustee's receipt of the following:

(i) an ordinance of the City Council of the City authorizing the issuance of such Series of Additional Bonds, and setting forth the relevant details of such Series of Bonds;

(ii) a written order from an Authorized Officer of the City directing the authentication and delivery of such Series of Additional Bonds to or upon the order of the purchaser or purchasers named therein upon payment of the purchase price set forth therein;

(iii) a certificate of the City requesting the issuance of such Additional Bonds, stating that no default exists with respect to the obligations to be performed by the City under the CFC Indenture and that all conditions precedent provided for in the CFC Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

(iv) an opinion of Bond Counsel addressed to the City and the Trustee:

(1) stating that all conditions precedent provided for in the CFC Indenture relating to the authentication and delivery of such Additional Bonds have been complied with, including any conditions precedent described under this heading;

(2) stating that the Series of Additional Bonds whose authentication and delivery are then applied for, when issued and executed by the City and authenticated and delivered by the Trustee, will be valid and binding obligations of the City in accordance with their terms and entitled to the benefits of and secured by the lien of the CFC Indenture; and

(3) if the interest on such Additional Bonds then proposed to be issued is intended to be exempt from federal income taxation, stating, subject to customary assumptions and qualifications, that the interest on such Bonds is not includable in gross income of the recipient thereof for federal income tax purposes;

(v) an executed counterpart of a Supplemental Indenture providing for such Additional Bonds, which Supplemental Indenture shall provide the means by which the Required Reserve Amount for each Reserve Fund will be satisfied upon issuance of the proposed Series of Additional Bonds;

(vi) Either

(1) a report of a Consultant to the effect that (i) CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least 1.25 times the Maximum Annual Debt Service for each such Fiscal Year on all Bonds Outstanding (including such proposed Additional Bonds, but excluding any Subordinate Bonds), and (ii) the CFCs, at the then current level and taking into account any other level that as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient, after the payment of such annual principal of an interest on all Bonds Outstanding (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture; or

(2) a certificate of the City to the effect that (i) CFCs received by the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such proposed Additional Bonds, but excluding any Subordinate Bonds), and (ii) CFCs received by the Trustee for any consecutive twelve (12) months out of the immediately preceding eighteen (18) months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient after the payment of such Aggregate Debt Service on all Bonds Outstanding (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture; and

(vii) so long as a TIFIA Loan is outstanding and, to the extent required under the terms of the loan agreement between the City and USDOT relating to such TIFIA Loan, the written approval of USDOT to the issuance of such Additional Bonds and as to compliance to the satisfaction of USDOT with any other requirements relating to the issuance of Additional Bonds which may be set forth in such loan agreement.

Purposes for Additional Bonds. The purposes for which Additional Bonds may be issued under the CFC Indenture are as follows:

(i) to finance or refinance the permitting, design, development, construction, equipping, furnishing and acquisition of any improvement or expansion of the Project (or any other facility related to the Project approved by the City);

(ii) to finance repairs, including without limitation repairs due to casualty or condemnation to the extent insurance proceeds or condemnation awards are insufficient to effect such repairs, or extraordinary maintenance with respect to the Project;

(iii) to refund all or any Outstanding Bonds;

(iv) to complete construction of the Project; and

(v) in each case, to pay capitalized interest and costs of issuance of such Additional Bonds and to provide for any contribution to the Reserve Funds required with respect thereto.

Refunding Bonds. All Refunding Bonds of any Series shall be executed and delivered following the receipt by the Trustee of:

(i) the documents described above in items (i), (ii), (iii), (iv), (v) and (vii) of the first paragraph under the heading "Authorization of Additional Bonds;"

(ii) a certificate of the City substantially to the effect that either (x) after the issuance of the proposed Refunding Bonds, the Aggregate Debt Service on all Outstanding Bonds (including the proposed Refunding Bonds), assuming that Refunding Bonds bearing interest at a Variable Rate will bear interest at a fixed rate determined by an investment banker selected by the City on the basis of then-current market conditions for long-term debt of similar tenor as the Outstanding Bonds and with a term substantially similar to the maturity dates of the Outstanding Bonds, will be less than that for each Bond Year within which any of the refunded Bonds would have been Outstanding but for their having been refunded or (y) that the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis; or alternatively Refunding Bonds may be issued by complying with the provisions of item (vi) of the first paragraph under the heading "Authorization of Additional Bonds" or, if such Refunding Bonds are Subordinate Bonds, by delivery by the City of the certificate required by item (y) of the first paragraph under the heading "Issuance of Subordinate Bonds;"

(iii) if a redemption of Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all the Bonds to be refunded and the redemption date or dates, if any, upon which such Bonds are to be redeemed;

(iv) if a redemption of Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 45 days, irrevocable instructions to the Trustee to give notice of redemption of such Bonds as provided in the applicable Supplemental Indenture on a specified date prior to their redemption date, which notice may include language giving notice that such redemption is conditioned upon the receipt of sufficient amounts to effect such noticed redemption;

(v) if a redemption of Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 90 days, a certificate of an independent accountant stating the amount of either (i) moneys (which may include all or a portion of such Series) in an amount sufficient to pay the Bonds to be refunded at the applicable redemption price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, or (ii) Defeasance Obligations the principal of, and interest on, which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the Bonds to be issued), if any, which must be contemporaneously deposited with the Trustee, to be sufficient to pay when due the applicable redemption price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date or dates or the date or dates of maturity thereof; and

(vi) such further documents and moneys as are required by the provisions of the CFC Indenture or any Supplemental Indenture.

Terms of Additional Bonds and Subordinate Bonds.

Additional Bonds and Subordinate Bonds (subject to the provisions of the CFC Indenture described under the heading "Issuance of Subordinate Bonds") of each Series, shall be dated, shall bear interest until their maturity at such rate or rates, determined in such manner and payable on such date or dates, shall be in such form and shall have such other terms and conditions not inconsistent with the terms of the CFC Indenture as shall be provided for in the Supplemental Indenture authorizing the issuance of such Series. All Additional Bonds shall be payable and secured equally and ratably and on a parity with the 2023 CFC Bonds and any Additional Bonds theretofore or thereafter issued and shall be entitled to the same benefits and security of the CFC Indenture. Subject to certain provisions described herein with respect to the TIFIA Loan and except as may be otherwise provided in the Supplemental Indenture providing for the issuance of a Series of Subordinate Bonds, Subordinate Bonds shall be payable from funds deposited to the Subordinate Debt Service Fund as provided in the CFC Indenture and amounts, if any, deposited in one or more Accounts within a Subordinate Reserve Fund established for the benefit of such Subordinate Bonds by the Supplemental Indenture.

Each Series of Additional Bonds or Subordinate Bonds shall be issued pursuant to the CFC Indenture and a Supplemental Indenture (subject to the provisions of the CFC Indenture described in the next to last paragraph under the heading "Issuance of Subordinate Bonds"), which shall prescribe expressly or by reference with respect to such Series:

(a) the authorized principal amount and Series designation of such Bonds;

(b) the purpose or purposes for which such Series is being issued;

(c) the manner in which the proceeds of the Bonds of such Series are to be applied;

(d) the date or dates, and the maturity date or dates, of the Bonds of such Series, or the manner of determining such dates;

(e) the interest rate or rates to be borne by the Bonds of such Series or the manner of determining such rate or rates, the Maximum Rate for any Series of Variable Rate Bonds and the Interest Payment Dates of such Series;

(f) the manner of dating, numbering and lettering the Bonds of such Series;

(g) the place or places of payment of the principal and premium, if any, of, and interest on, the Bonds of such Series or the manner of designating the same;

(h) the redemption premium, if any, of, and the redemption terms for the Bonds of such Series, or the manner of determining such premium and terms;

(i) the amount and due date of each sinking fund payment, if any, for Bonds of like maturity of such Series, or the manner of determining such amounts and dates;

(j) provisions as to registration of the Bonds of such Series;

(k) the form and text of the Bonds of such Series and provision for the Trustee's authentication thereof by certificate or otherwise;

(l) any other provisions deemed advisable by the City as shall not conflict with the provisions of the CFC Indenture;

(m) provision for (i) additional payments to the Debt Service Fund or Subordinate Debt Service Fund, as applicable, sufficient to provide for any principal and interest requirements resulting from the issuance of the Series of Bonds including, in the event that interest on the Series of Bonds is capitalized and/or to be paid from investment earnings, a requirement to deposit from the proceeds of the Series of Bonds to the fund specified in the Supplemental Indenture amounts fully sufficient to pay interest on such Series of Bonds during the period specified in the Supplemental Indenture, and (ii) specification and satisfaction of the Required Reserve Amounts, if any, for such Series of Bonds (other than Subordinate Bonds) by not later than the date required by the Supplemental Indenture authorizing such Series of Bonds, and (iii) creation, specification and satisfaction of the requirements relating to a Subordinate Reserve Fund for any Subordinate Bonds by not later than the date required by the Supplemental Indenture authorizing such Bonds;

(n) whether such Series of Bonds are intended to be Tax-Exempt Bonds;

(o) whether such Series of Bonds are Subordinate Bonds; and

(p) the credit facilities and liquidity facilities applicable to such Series of Bonds, if any;

provided, that with respect to the TIFIA Loan, the foregoing requirements described in (a) through (p) above shall be deemed satisfied by the provisions of the CFC Indenture described in the next to last paragraph under the heading "Issuance of Subordinate Bonds" and by the TIFIA Loan Agreement.

Issuance of Subordinate Bonds.

In addition to the 2023 CFC Bonds and any Additional Bonds, one or more Series of Subordinate Bonds may be issued for the purposes described under this heading, as may be requested by the City, provided that the issuance of any Series of Subordinate Bonds shall be conditioned upon the Trustee's receipt of (x) the items set forth as items (i), (ii), (iii), (iv), (v) and (vii) of the first paragraph under the heading "Authorization of Additional Bonds" (except that such items shall relate to such Subordinate Bonds rather than Additional Bonds), plus, for any issuance of Subordinate Bonds after the initial issuance of Subordinate Bonds,

(a) Either:

(1) a report of a Consultant to the effect that (i) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from

such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.10 times the Maximum Annual Debt Service on all Bonds Outstanding, and (ii) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds Outstanding, and (iii) the CFCs, at the then current level and taking into account any other level as has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture; or

(2) a certificate of the City to the effect that (i) the CFCs received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.10 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds) and (ii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds), and (iii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding (including such Subordinate Bonds) and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture.

One or more Series of Subordinate Bonds may be issued for any of the purposes described under the heading "Authorization of Additional Bonds -- Purposes for Additional Bonds."

If any Series of Subordinate Bonds is issued as Refunding Bonds, then, in addition to the items described in the first paragraph above, the City shall deliver to the Trustee the items set forth in items (ii) through (v) under the heading "Authorization of Additional Bonds -- Refunding Bonds," as applicable.

The City has obtained a TIFIA Loan from USDOT pursuant to the TIFIA Loan Agreement. The obligation of the City to repay such TIFIA Loan, as evidenced by the TIFIA Bond, is pursuant to the CFC Indenture deemed a Subordinate Bond, subject to the provisions noted below in this paragraph. The TIFIA Loan Agreement shall be a Supplemental Indenture for the purposes of the CFC Indenture. The TIFIA Bond shall be issued in such amount and be designated, dated, mature in such amount on such date or dates, bear interest payable at such rate or rates on such date or dates, be subject to redemption or prepayment prior to the stated maturity thereof and have such other terms and provisions described in the TIFIA Loan Agreement and/or in the TIFIA Bond. Notwithstanding any other provision to the contrary therein, upon the occurrence of any Bankruptcy Related Event (as defined in the TIFIA Loan Agreement), the TIFIA Bond will automatically and without action on the part of any Person (including, without limitation, without the delivery to the Trustee of any of the items described in the first paragraph under the heading "Authorization of Additional Bonds") immediately be deemed to be an Additional Bond instead of a Subordinate Bond and shall be of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, and shall be entitled to all rights thereunder of a holder of such Bonds and Additional Bonds; provided that so long as any Bonds (other than Subordinate Bonds) remain Outstanding, the provisions contained in this sentence shall be of no force or effect following a complete sale of the TIFIA Loan to a commercial entity, but shall remain in force and effect following an assignment or sale made to a Federal government agency or instrumentality.

If the City obtains any TIFIA loan in addition to the TIFIA Loan described in the preceding paragraph, all or a portion of the obligation to repay such TIFIA loan, at the direction of the City, shall be deemed a Subordinate Bond, subject to the provisions noted below in this paragraph, of such amount as so directed and designated by the City, and the City shall deliver to the Trustee the items described in the first paragraph above in connection with entering into such TIFIA loan; provided that the City shall not be required to execute a Supplemental Indenture if no such Supplemental Indenture is necessary or desirable in order to provide for the execution and performance of the TIFIA loan or to comply with the provisions thereof. Notwithstanding any other provision to the contrary in the CFC Indenture, if required by the provisions of the loan agreement between the City and the USDOT relating to such TIFIA loan, upon the occurrence of any Bankruptcy Related Event (if and as defined in such loan agreement), the obligation to repay such TIFIA loan will automatically and without action on the part of any Person (including without limitation, without the delivery to the Trustee of any of the items described in the first paragraph under the heading "Authorization of Additional Bonds") immediately be deemed to be an Additional Bond instead of a Subordinate Bond and shall be of equal rank and parity with the 2023 CFC Bonds and any Additional Bonds, and shall be entitled to all rights under the CFC Indenture of a holder of such Bonds and Additional Bonds; provided that so long as any Bonds (other than Subordinate Bonds) remain Outstanding, the provisions contained in this sentence shall be of no force or effect following a complete sale of the TIFIA loan to a commercial entity, but shall remain in force and effect following an assignment or sale made to a Federal government agency or instrumentality.

The Supplemental Indenture or other financing document providing for the issuance of any Subordinate Bonds may provide for establishing one or more Subordinate Reserve Funds and, within any such Fund, separate Accounts, for the benefit of such Subordinate Bonds, and if any such Fund or Account is created, such Supplemental Indenture or other financing document shall include provisions concerning the amount and means of funding such Funds and Accounts, all at the discretion of the City.

Establishment of Funds.

The City establishes the following Funds under the CFC Indenture:

(1) Project Fund;

(2) CFC Revenue Fund;

(3) Debt Service Fund;

(4) Debt Service Reserve Fund

(5) Rolling Coverage Fund;

(6) Supplemental Reserve Fund;

(7) Subordinate Debt Service Fund;

(8) Subordinate Reserve Fund;

(9) Rebate Fund;

(10) Operation and Maintenance Fund; and

(11) CFC Stabilization Fund.

All such Funds shall be established, maintained and accounted for as provided in the CFC Indenture so long as any Bonds remain Outstanding. The CFC Revenue Fund, the Project Fund, the Debt Service Fund, the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund, the Subordinate Debt Service Fund and the Subordinate Reserve Fund shall constitute trust funds which shall be held by the Trustee for the benefit of the Owners of the Bonds and are part of the Trust Estate. The Operation and Maintenance Fund, the CFC Stabilization Fund and the Rebate Fund do not constitute trust funds held for the benefit of the Owners of the Bonds and are not part of the Trust Estate. To the extent that any of the Operation and Maintenance Fund, the CFC Stabilization Fund or the Rebate Fund shall be held by the institution serving as the Trustee, each such Fund shall be held by it as a Depositary for the City and not as Trustee for the benefit of the Bondholders under the CFC Indenture.

The City and the Trustee reserve the right to establish additional Funds, sub-funds, Accounts and subaccounts from time to time under Supplemental Indentures; and any such Supplemental Indenture may provide that amounts on deposit in such Funds, sub-funds, Accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of a particular Series of Bonds as may be specifically designated in such Supplemental Indenture.

Project Fund; Costs of Issuance Account.

Within the Project Fund, the Series 2023 Costs of Issuance Account is established. The Trustee shall disburse funds on deposit in the Series 2023 Costs of Issuance Account only upon receipt of a Requisition Certificate executed by an Authorized Officer of the City. Such amount may be applied to pay costs of issuing the 2023 CFC Bonds. After paying all Costs of Issuance for the 2023 CFC Bonds, any surplus amounts remaining in the Series 2023 Costs of Issuance Account shall be deposited to the Series 2023 Debt Service Account within the Debt Service Fund.

Upon issuance of any Series of Additional Bonds or Subordinate Bonds, additional Accounts within the Project Fund may be created, and the funds within such Accounts applied, as may be provided in the Supplemental Indenture entered into in connection with the issuance of such Bonds.

Insurance Proceeds and Condemnation Awards. In the event that any proceeds of casualty insurance policies or condemnation awards are delivered to the Trustee pursuant to the CFC Indenture for the purpose of financing the repair, reconstruction, restoration or replacement of the Project or any portion thereof, the Trustee shall deposit such funds into a separate Account within the Project Fund and shall disburse such funds as provided for funds in the Project Fund. Any amounts remaining after the completion of any such restoration and provision for all costs thereof (as the same are certified by the City to the Trustee) shall be deposited in the applicable Account or Accounts within the Debt Service Fund and applied to the payment of principal of or interest on the Bonds next coming due.

CFC Revenue Fund; Flow of Funds.

Unless specifically directed otherwise in the CFC Indenture, all Revenues received by the Trustee shall be deposited upon receipt to the CFC Revenue Fund.

On or before the Draw Down Date each month, the Trustee shall transfer moneys then on deposit in the CFC Revenue Fund in the following order of priority in accordance with the written statement of the City, delivered on or before the Draw Down Date:

(1) First, the Trustee shall transfer, to each Account within the Debt Service Fund established for a Series of Bonds (other than Subordinate Bonds), (i) amounts sufficient to pay one-sixth of the interest due on Bonds of such Series on the next succeeding Interest Payment Date if such Series bears interest at a Fixed Rate, or an amount specified in the applicable Supplemental Indenture if such Series bears interest at a Variable Rate, as applicable, net of interest earnings on deposit in such Account, provided that payments prior to the first Interest Payment Date after the issuance of a Series of Bonds shall be adjusted to the extent necessary so that the total amount of interest due on such Bonds on that Interest Payment Date will have been paid into the applicable Debt Service Account in equal installments prior to that Interest Payment Date, and (ii) amounts sufficient to pay one-twelfth of the principal amount of the Bonds of such Series coming due on the next succeeding Principal Payment Date (including sinking fund installments), net of interest earnings on deposit in such Account, provided that payments prior to the first Principal Payment Date after the issuance of a Series of Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Bonds on that Principal Payment Date will have been paid into the applicable Debt Service Account in equal installments prior to that Principal Payment Date.

(2) Second, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve (12) months, (i) first, amounts necessary to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund for amounts drawn upon such Qualified Reserve Account Credit Instrument so as to cause the reinstatement of such Qualified Reserve Account Credit Instrument, and (ii) second, to the extent that no amounts are owing to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund, amounts necessary to cause the amount of cash retained in the Debt Service Reserve Fund to equal the DSRF Requirement not otherwise satisfied by any Qualified Reserve Account Credit Instrument issued for the benefit of the Debt Service Reserve Fund.

(3) Third, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve (12) months to the Rolling Coverage Fund amounts necessary to cause the amount on deposit therein to equal the Rolling Coverage Fund Requirement.

(4) Fourth, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve (12) months , (i) first, amounts necessary to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund for amounts drawn upon such Qualified Reserve Account Credit Instrument so as to cause the reinstatement of such Qualified Reserve Account Credit Instrument, and (ii) second, to the extent that no amounts are owing to reimburse the issuer of any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund, amounts necessary to cause the amount of cash retained in the Supplemental Reserve Fund to equal the Supplemental Reserve Fund Requirement not otherwise satisfied by any Qualified Reserve Account Credit Instrument issued for the benefit of the Supplemental Reserve Fund

(5) Fifth, the Trustee shall transfer, after taking into account any amounts representing capitalized interest therein, to each Account within the Subordinate Debt Service Fund established for a Series of Subordinate Bonds, (i) amounts sufficient to pay one-sixth of the interest due on Subordinate Bonds of such Series on the next succeeding Interest Payment Date if such Series bears interest at a Fixed Rate, or an amount specified in the applicable Supplemental Indenture if such Series bears interest at a Variable Rate, as applicable, provided that payments

prior to the first Interest Payment Date after the issuance of a Series of Subordinate Bonds shall be adjusted to the extent necessary so that the total amount of interest due on such Subordinate Bonds on that Interest Payment Date will have been paid into the applicable Subordinate Debt Service Account in equal installments prior to that Interest Payment Date, and (ii) amounts sufficient to pay one-twelfth of the principal amount of the Subordinate Bonds of such Series coming due on the next succeeding Principal Payment Date, provided that payments prior to the first Principal Payment Date after the issuance of a Series of Subordinate Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Subordinate Bonds on that Principal Payment Date will have been paid into the applicable Subordinate Debt Service Account in equal installments prior to that Principal Payment Date.

(6) Sixth, if and to the extent required by a Supplemental Indenture or other financing document providing for the issuance of one or more Series of Subordinate Bonds, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve (12) months to the applicable Accounts within the Subordinate Reserve Fund, if any, amounts necessary to cause the amount on deposit therein to equal one hundred percent (100%) of the average annual debt service on the Subordinate Bonds measured over the remaining term to maturity, calculated on an annual basis, or such other amount or amounts set forth in the applicable provisions of the Supplemental Indenture or other financing document that provided for the issuance of such Subordinate Bonds.

(7) Seventh, with respect to any Series of Tax-Exempt Bonds, the Trustee shall transfer to the Rebate Fund for such Series of Tax-Exempt Bonds the amounts calculated to be due to the Internal Revenue Service as arbitrage rebate for such Series of Tax-Exempt Bonds in accordance with any arbitrage rebate calculation provided to the Trustee with respect to a Series of Tax-Exempt Bonds as described under the heading "Rebate Fund," to the extent that funds are not already on deposit therein.

(8) Eighth, the Trustee shall transfer in substantially equal monthly installments over a period determined by the City of up to twelve (12) months to the Operation and Maintenance Fund amounts necessary to cause the amount on deposit therein to equal the Operation and Maintenance Fund Requirement.

(9) Ninth, the Trustee shall transfer all remaining moneys to the City for deposit in the CFC Stabilization Fund. Such moneys (a) on the Draw Down Date occurring each December, shall first be deposited in the Maintenance Reserve Account within the CFC Stabilization Fund, up to the Maintenance Reserve Account Requirement and (b) on all other Draw Down Dates, shall be, at the direction of the City, either (1) deposited in the Maintenance Reserve Account within the CFC Stabilization Fund, up to the Maintenance Reserve Account Requirement or (2) held in the CFC Stabilization Fund (but not within the Maintenance Reserve Account). On or prior to the Completion Date, the remaining moneys after any such deposit to the Maintenance Reserve Account shall be deposited to the CFC PAYGO Project Account within the CFC Stabilization Fund. The CFC PAYGO Project Account shall be closed on the Completion Date and any remaining amounts in such Account shall be transferred to the Debt Service Fund.

If on any Draw Down Date, the Revenues in the CFC Revenue Fund are insufficient to make the required deposit to any Fund (including any applicable Account therein), the Trustee shall provide notice to the City of such shortfall and the City shall transfer to the Trustee for deposit in such Fund or such Account any and all moneys in the CFC Stabilization Fund up to the amount of such shortfall, notwithstanding the CFC Stabilization Fund Minimum Requirement; provided, that no moneys in the Maintenance Reserve Account shall be transferred to the Operation and Maintenance Fund, the TIFIA Debt Service Account or the TIFIA Reserve Account.

If, two Business Days before any Payment Date, the amounts on deposit in the Debt Service Account established for any Series of Bonds (other than Subordinate Bonds) are insufficient to pay the interest or the principal or redemption price payable on the Bonds of such Series as the same shall become due, moneys held in the following Funds or Accounts shall be transferred to or by the Trustee from said Funds or Accounts in the following order to each such Debt Service Account in order to satisfy said deficiency therein:

(1) First, the Trustee shall provide notice to the City of such shortfall and the City shall transfer or cause to be transferred to the Trustee for deposit in the applicable Account within the Debt Service Fund any and all moneys in the CFC Stabilization Fund up to the amount of such shortfall, notwithstanding the CFC Stabilization Fund Minimum Requirement (except that no moneys in the Maintenance Reserve Account shall be transferred to the TIFIA Debt Service Account);

(2) Second, if available moneys in the CFC Stabilization Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the applicable Account within the Debt Service Fund moneys in the Rolling Coverage Fund;

(3) Third, if available moneys in the CFC Stabilization Fund and Rolling Coverage Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the applicable Account within the Debt Service Fund moneys in the Supplemental Reserve Fund; and

(4) Fourth, if available moneys in the CFC Stabilization Fund, Rolling Coverage Fund and Supplemental Reserve Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the applicable Account within the Debt Service Fund moneys in the Debt Service Reserve Fund.

If, two Business Days before any Payment Date, the amount on deposit in the Account established in the Subordinate Debt Service Fund for any Series of Subordinate Bonds is insufficient to pay the interest or the principal or redemption price payable on the Subordinate Bonds of such Series as the same shall become due, moneys held in the following Funds or Accounts shall be transferred to or by the Trustee from such Funds or Accounts in the following order to each such Account in the Subordinate Debt Service Fund in order to satisfy such deficiency therein:

(1) First, the Trustee shall provide notice to the City of such shortfall and the City shall transfer or cause to be transferred to the Trustee for deposit in the applicable Account within the Subordinate Debt Service Fund any and all monies in the CFC Stabilization Fund up to the amount of such shortfall, notwithstanding the CFC Stabilization Fund Minimum Requirement (except that no moneys in the Maintenance Reserve Account shall be transferred to the TIFIA Debt Service Account); and

(2) Second, if available moneys in the CFC Stabilization Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the applicable Account within the Subordinate Debt Service Fund moneys in the applicable Account within the Subordinate Reserve Fund.

Debt Service Fund.

Within the Debt Service Fund the following Account is created:

(1) the Series 2023 Debt Service Account.

On each Principal Payment Date, funds on deposit in the Series 2023 Debt Service Account shall be applied to pay principal of the 2023 CFC Bonds then due and on each Interest Payment Date, funds on deposit in the Series 2023 Debt Service Account shall be applied to pay interest on the 2023 CFC Bonds then due.

If, two (2) Business Days prior to any Payment Date, the amount on deposit in any Account within the Debt Service Fund is insufficient to pay the principal or redemption price of or interest on the applicable Series of Bonds for which such Account has been established, which is due on such Payment Date, the Trustee shall provide notice to the City of such shortfall and, to the extent that funds in the CFC Stabilization Fund are insufficient to fund such shortfall, the Trustee shall proceed to draw upon the other Funds and Accounts held under the CFC Indenture as described under the heading "CFC Revenue Fund; Flow of Funds."

Upon the issuance of any Series of Additional Bonds, such additional Accounts within the Debt Service Fund may be created, and the funds within such Accounts applied, as may be provided in the Supplemental Indenture entered into in connection with the issuance of such Bonds.

Notwithstanding any provision of the CFC Indenture to the contrary, on the date that the funds on deposit in the Reserve Funds, plus the amounts if any, on deposit in the Debt Service Fund, are sufficient to pay the remaining principal of, premium, if any, and interest on the Bonds (other than Subordinate Bonds) as and when due, the City may direct the Trustee to transfer the funds on deposit in the Reserve Funds to the Debt Service Fund and apply the same to the payment of the final maturities of principal of such Bonds, premium, if any, and interest thereon as and when due on the remaining Payment Dates.

Rolling Coverage Fund.

Upon the issuance of the 2023 CFC Bonds, the amount of the Rolling Coverage Fund Requirement for the 2023 CFC Bonds shall be deposited to the Rolling Coverage Fund. Funds on deposit in the Rolling Coverage Fund shall be transferred and applied by the Trustee as described under the heading "CFC Revenue Fund; Flow of Funds" to pay principal of and interest on the Bonds (other than Subordinate Bonds) in the event that the amount on deposit in the Debt Service Fund and available amounts from the CFC Stabilization Fund on any Payment Date are insufficient to pay the principal of or interest then due on any Series of Bonds (other than Subordinate Bonds).

Upon the issuance of any Series of Additional Bonds, additional amounts shall be deposited to the Rolling Coverage Fund so that the amount on deposit therein is equal to the Rolling Coverage Fund Requirement following the issuance of such Bonds.

On each Principal Payment Date, following payment of principal of and interest on the Bonds due on such Payment Date, if the amount on deposit in the Rolling Coverage Fund is in excess of the Rolling Coverage Fund Requirement as calculated on such Payment Date, the difference between the amount on deposit in such Fund and the Rolling Coverage Fund Requirement shall be withdrawn from the Rolling Coverage Fund and deposited to the CFC Revenue Fund.

Supplemental Reserve Fund.

Upon the issuance of the 2023 CFC Bonds, the amount of the Supplemental Reserve Fund Requirement applicable to the 2023 CFC Bonds shall be deposited to the Supplemental Reserve Fund. Funds on deposit in the Supplemental Reserve Fund shall be transferred and applied by the Trustee as described under the heading "CFC Revenue Fund; Flow of Funds" to pay principal of and interest on the Bonds (other than Subordinate Bonds) in the event that the amount on deposit in the Debt Service Fund and available amounts from the CFC Stabilization Fund and the Rolling Coverage Fund on any Payment Date are insufficient to pay the principal of or interest then due on any Series of Bonds (other than Subordinate Bonds). In lieu of the deposit of money in the Supplemental Reserve Fund in satisfaction of the Supplemental Reserve Fund Requirement, the City may deposit with the Trustee one or more Qualified Reserve Account Credit Instruments. Any such Qualified Reserve Account Credit Instrument shall be issued by a Qualified Issuer in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Supplemental Reserve Fund may be used. If the Supplemental Reserve Fund holds Qualified Reserve Account Credit Instruments issued by more than one issuer, draws shall be made under such Qualified Reserve Account Credit Instruments on a pro rata basis to the extent of available funds. Amounts deposited in the Supplemental Reserve Fund for the purposes of restoring amount withdrawn therefrom shall be applied first to reimburse the provider of the Qualified Reserve Account Credit Instrument and thereby reinstate the Qualified Reserve Account Credit Instrument.

Upon the issuance of any Series of Additional Bonds, additional amounts shall be deposited to the Supplemental Reserve Fund so that the amount on deposit therein is equal to the Supplemental Reserve Fund Requirement following the issuance of such Bonds.

On each Principal Payment Date, following payment of principal of and interest on the Bonds due on such Payment Date, if the amount on deposit in the Supplemental Reserve Fund is in excess of the Supplemental Reserve Fund Requirement as calculated on such Payment Date, the difference between the amount on deposit in such Fund and the Supplemental Reserve Fund Requirement shall be withdrawn from the Supplemental Reserve Fund and deposited to the CFC Revenue Fund.

Debt Service Reserve Fund.

Upon the issuance of the 2023 CFC Bonds, the amount of the DSRF Requirement applicable to the 2023 CFC Bonds shall be deposited to the Debt Service Reserve Fund. Funds on deposit in the Debt Service Reserve Fund shall be transferred and applied by the Trustee as described under the heading "CFC Revenue Fund; Flow of Funds" to pay principal of and interest on the Bonds (other than Subordinate Bonds) in the event that the amount on deposit in the Debt Service Fund and available amounts from the CFC Stabilization Fund, the Rolling Coverage Fund and the Supplemental Reserve Fund on any Payment Date are insufficient to pay the principal of or interest then due on any Series of Bonds (other than Subordinate Bonds). In lieu of the deposit of money in the Debt Service Reserve Fund in satisfaction of the DSRF Requirement, the City may deposit with the Trustee one or more Qualified Reserve Account Credit Instruments. Any such Qualified Reserve Account Credit Instrument shall be issued by a Qualified Issuer in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Fund may be used. If the Debt Service Reserve Fund holds Qualified Reserve Account Credit Instruments issued by more than one issuer, draws shall be made under such Qualified Reserve Account Credit Instruments on a pro rata basis to the extent of available funds. Amounts deposited in the Debt Service Reserve Fund for the purposes of restoring amount withdrawn therefrom shall be applied first to reimburse the provider of the Qualified Reserve Account Credit Instrument and thereby reinstate the Qualified Reserve Account Credit Instrument.

Upon the issuance of any Series of Additional Bonds, additional amounts shall be deposited to the Debt Service Reserve Fund so that the amount on deposit therein is equal to the DSRF Requirement following the issuance of such Bonds.

On each Principal Payment Date, following payment of principal of and interest on the Bonds due on such Payment Date, if the amount on deposit in the Debt Service Reserve Fund is in excess of the DSRF Requirement as calculated on such Payment Date, the difference between the amount on deposit in such Fund and the DSRF Requirement shall be withdrawn from the Debt Service Reserve Fund and deposited to the Debt Service Fund.

Subordinate Debt Service Fund.

Within the Subordinate Debt Service Fund the TIFIA Debt Service Account is created.

On each Principal Payment Date, funds on deposit in the TIFIA Debt Service Account shall be applied to pay principal of the TIFIA Bond then due and on each Interest Payment Date, funds on deposit in the TIFIA Debt Service Account shall be applied to pay interest on the TIFIA Bond then due.

If, two Business Days before any Payment Date, the amount on deposit in the TIFIA Debt Service Account is insufficient to pay the principal or prepayment or redemption price of or interest on the TIFIA Bond which is due on such Payment Date, the Trustee shall provide notice to the City of such shortfall and, to the extent that funds in the CFC Stabilization Fund (other than moneys in the Maintenance Reserve Account) are insufficient to fund such shortfall, the Trustee shall proceed to draw upon the TIFIA Reserve Account as described under the heading "CFC Revenue Fund; Flow of Funds."

In the event that the TIFIA Loan is deemed to be Additional Bonds instead of Subordinate Bonds as described in the next to last paragraph under the heading "Issuance of Subordinate Bonds," funds on deposit in the Subordinate Debt Service Fund (or within an Account therein) which are allocable to the TIFIA Loan shall be transferred and deposited in a new Account established in the Debt Service Fund for the TIFIA Loan.

Upon the issuance of any other Series of Subordinate Bonds, one or more Accounts within the Subordinate Debt Service Fund shall be created, and the funds within such Accounts applied, as may be provided in the Supplemental Indenture or other financing document that provided for the issuance of such Subordinate Bonds.

Subordinate Reserve Fund.

Within the Subordinate Reserve Fund the TIFIA Reserve Account is created. Upon the issuance of the TIFIA Bond, an amount shall be deposited in the TIFIA Reserve Account so that the amount on deposit therein is equal to the amount required to be deposited therein as set forth in the TIFIA Loan Agreement. Funds on deposit in the TIFIA Reserve Account shall be applied by the Trustee as described under the heading "CFC Revenue Fund; Flow of Funds" to pay principal of and interest on the TIFIA Bond in the event that the amount on deposit in the TIFIA Debt Service Account and available amounts from the CFC Stabilization Fund are insufficient to pay the principal of or interest then due on the TIFIA Bond.

Upon the issuance of any other Subordinate Bonds, one or more Accounts within the Subordinate Reserve Fund shall be created and amounts shall be deposited to therein so that the amount on deposit therein is equal to the amount or amounts required to be deposited therein as set forth in the applicable provisions of the Supplemental Indenture or other financing document that provided for the issuance of such Subordinate Bonds. Funds on deposit in the applicable Account of the Subordinate Reserve Fund shall be applied by the Trustee as described under the heading "CFC Revenue Fund; Flow of Funds" to pay principal of and interest on the applicable Subordinate Bonds in the event that the amount on deposit in the applicable Account of the Subordinate Debt Service Fund and available amounts from the CFC Stabilization Fund are insufficient to pay the principal of or interest then due on such Subordinate Bonds.

On each Principal Payment Date, following payment of principal of and interest on any Series of the Subordinate Bonds due on such Payment Date, if the amount on deposit in the applicable Account of the Subordinate Reserve Fund is in excess of the amount or amounts required to be deposited therein as set forth in the applicable provisions of the Supplemental Indenture or other financing document that provided for the issuance of such Subordinate Bonds as calculated on such Payment Date, the difference between the amount on deposit in such Account and such required amount shall be withdrawn from such Account of the Subordinate Reserve Fund and deposited to the applicable Account of the Subordinate Debt Service Fund corresponding to such Series of Subordinate Bonds.

In the event that the TIFIA Loan is deemed to be Additional Bonds instead of Subordinate Bonds as described in the next to last paragraph under the heading "Issuance of Subordinate Bonds," funds on deposit in the Subordinate Reserve Fund (or within an Account therein) which are allocable to the TIFIA Loan shall be transferred and deposited in the Debt Service Reserve Fund.

Operation and Maintenance Fund.

The Operation and Maintenance Fund shall be held by and be for the sole benefit of the City and shall not be subject to the lien of the CFC Indenture or to the claim of any other Person, including without limitation the Bondholders, and monies in such Fund shall not be commingled with moneys in any other Fund or Account established under the CFC Indenture. Revenues shall be deposited in the Operation and Maintenance Fund as described under the heading "CFC Revenue Fund; Flow of Funds." All interest earned on moneys and investments held within the Operation and Maintenance Fund shall be credited to such Fund. The Operation and Maintenance Fund shall be disbursed by the City, in the City's discretion, to pay operation and maintenance expenses of the CRCF, operation and maintenance expenses of the ATS allocated to the CRCF and Administrative Expenses.

CFC Stabilization Fund.

The City has established the CFC Stabilization Fund to be maintained and held by the City, into which Revenues shall be deposited as described under the heading "CFC Revenue Fund; Flow of Funds." Within the CFC Stabilization Fund, there is established the Maintenance Reserve Account. The CFC Stabilization Fund and the Accounts therein shall be for the sole benefit of the City and shall not be subject to the lien of the CFC Indenture or to the claim of any other Person, including without limitation the Bondholders, and monies in such Fund shall not be commingled with moneys in any other Fund or Account established under the CFC Indenture. So long as no TIFIA Bond is outstanding, amounts on deposit in the CFC Stabilization Fund on any Draw Down Date shall be applied by the City to make up deficiencies in amounts required to be on deposit in Funds, notwithstanding the CFC Stabilization Fund Minimum Requirement, and thereafter amounts on deposit in the CFC Stabilization Fund, if any, shall be applied by the City, in the City's discretion, for any legal purpose. So long as the TIFIA Bond is outstanding, amounts on deposit in the CFC Stabilization Fund (other than amounts in the Maintenance Reserve Account) on any Draw Down Date shall be applied by the City to make up deficiencies in amounts required to be on deposit in Funds and amounts on deposit in the Maintenance Reserve Account on any Draw Down Date shall be applied by the City to make up deficiencies in amounts required to be on deposit in Funds (other than the Operation and Maintenance Fund, the TIFIA Debt Service Account and the TIFIA Reserve Account), in each case notwithstanding the CFC Stabilization Fund Minimum Requirement. Any amounts remaining in the CFC Stabilization Fund on the first Draw Down Date following any determination made by the City in accordance with a RAC Agreement as described below, and after any such applications, in excess of the CFC Stabilization Fund Minimum Requirement may be withdrawn, in the City's discretion, from the CFC Stabilization Fund and deposited to the CFC Revenue Fund; provided that so long as the TIFIA Bond is outstanding, no such withdrawal shall be made if amounts constituting Excess Revenues are required to be paid to USDOT as described under the heading "PLAN OF FINANCE – TIFIA Loan – Prepayment of the TIFIA Loan – Mandatory Prepayment," in which event such Excess Revenues shall be paid to USDOT. So long as no Event of Default has occurred and is continuing under the TIFIA Loan Agreement, any amounts remaining after the payment of Excess Revenues, if any, described in the preceding sentence may be applied, in the City's discretion, to repay to any RAC any excess Facility Rent that the City has determined to so repay in accordance with a RAC Agreement as described in the third paragraph under the heading "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS – Select Form RAC Agreement Provisions – Facility Rent." The City may create additional Accounts within the CFC Stabilization Fund to assist in the administration of the application of funds for such purposes, subject to the TIFIA Loan Agreement.

Revenues shall be deposited in the Maintenance Reserve Account as described under the heading "CFC Revenue Fund; Flow of Funds." All interest earned on moneys and investments held within the Maintenance Reserve Account shall be credited to such Account. Amounts on deposit in the Maintenance Reserve Account in excess of the Maintenance Reserve Account Requirement shall be withdrawn from the Maintenance Reserve Account and deposited to the CFC Revenue Fund. Any amounts on deposit in the Maintenance Reserve Account which are not applied by the City to make up deficiencies in amounts required to be on deposit in other Funds, to the extent and as described above, shall be disbursed by the City, in the City's discretion, (i) so long as no TIFIA Bond is outstanding, for any legal purpose, or (ii) so long as the TIFIA Bond is outstanding, solely for (x) maintenance of the Project, including without limitation repair, replacement, renewal, remediation and, subject to the written approval of USDOT, acquisitions and additions, and (y) the City to pay or reimburse the Insurer for certain enumerated costs as and to the extent provided in the CFC Indenture, and not for any other purpose.

Notwithstanding the provisions described above, however, if on any (x) day that is two (2) days before any Rebate Installment Date, the amount on deposit in the Rebate Fund is insufficient to pay the amount then due to the United States, as determined as described under the heading "Rebate Fund," or (y) day that is two (2) days before any Payment Date, the amount on deposit in the Debt Service Fund is insufficient to pay the principal or redemption price of or interest on any Bond (other than a Subordinate Bond) coming due on such Payment Date, or (z) day that is two (2) days before any Payment Date, the amount on deposit in the Subordinate Debt Service Fund is insufficient to pay the principal or redemption price of or interest on any Subordinate Bond coming due on such Payment Date, then the City shall pay to the Trustee from the funds on deposit in the CFC Stabilization Fund, notwithstanding the CFC Stabilization Fund Minimum Requirement, the amount of such shortfall up to the full amount on deposit in the CFC Stabilization Fund (except that no moneys in the Maintenance Reserve Account shall be transferred to the TIFIA Debt Service Account).

Interest earned on moneys and investments held within the Maintenance Reserve Account shall be credited to such Account and applied as described above. Any other interest earned on moneys and investments held within the CFC Stabilization Fund shall be credited to such Fund so long as the amount on deposit in such Fund does not exceed the CFC Stabilization Fund Minimum Requirement, and shall be transferred by the City to the Trustee for deposit in the CFC Revenue Fund in the event and to the extent that the amount then on deposit in the CFC Stabilization Fund exceeds the CFC Stabilization Fund Minimum Requirement; provided that so long as the TIFIA Bond is outstanding, in the event that such Bond is required to be prepaid and redeemed pursuant to the TIFIA Loan Agreement as a result of the occurrence of the events described under the heading "PLAN OF FINANCE – TIFIA Loan – Prepayment of the TIFIA Loan – Mandatory Prepayment," no such withdrawal and transfer shall be made.

Rebate Fund.

The City has covenanted that it shall take all action necessary to comply with Section 148 of the Code, including the payments when due of all amounts payable to the United States of America thereunder, and shall refrain from taking any action contrary to Section 148 of the Code. For this purpose, a Rebate Fund has been established pursuant to the CFC Indenture, but to the extent any of the provisions of the CFC Indenture are inconsistent with Section 148 of the Code, the City shall not be required to comply with such provisions but shall be required to comply with Section 148 of the Code.

Establishment. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the CFC Indenture or to the claim of any other Person, including without limitation the Bondholders and the City, and monies in such Fund shall not be commingled with moneys in any other Fund or Account established under the CFC Indenture. The Rebate Fund is established for the purpose of compliance with Section 148(f) of the Code. The City agrees that the requirements of the CFC Indenture are subject to, and shall be interpreted in accordance with Section 148(f) of the Code. Within the Rebate Fund there is established the Series 2023 Rebate Account. Additional Accounts within the Rebate Fund shall be established for each Series of Additional Bonds or Subordinate Bonds that are Tax-Exempt Bonds in and to the extent provided in the Supplemental Indenture providing for such Series and shall be administered as provided therein.

Calculation of Rebate Deposits and Payments.

(i) Promptly upon the close of each Bond Year and also upon the retirement of each Series of Tax-Exempt Bonds, the Trustee shall provide the City with a statement of earnings on all Funds and Accounts with respect to the Tax- Exempt Bonds held in trust under the CFC Indenture which are subject to the requirements described under this heading during any period not covered by a prior statement delivered as described under this heading. The statement shall include the purchase and sale prices of each investment (including any commission paid thereon, which shall be separately stated if such information is available), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium, and such other information known to the Trustee as the City shall reasonable require.

(ii) At least 15 days prior to each Rebate Installment Date, the City shall cause a Rebate Professional, in accordance with the Regulations, to determine and report to the Trustee the amount, if any, payable to the United States with respect to each Series of Tax-Exempt Bonds as of such Rebate Installment Date (it being assumed for the purposes of such calculation that the Tax-Exempt Bonds are being paid in full on the last day of the Bond Year most recently ended prior to such Date) based upon the Nonpurpose Payments and Nonpurpose Receipts allocated to the Tax-Exempt Bonds. Such amount shall consist of: (1) the difference between the future values, as of the applicable Rebate Installment Date, of all Nonpurpose Payments (including, as authorized by the Regulations, any rebate previously paid) and Nonpurpose Receipts (whether held under the CFC Indenture or otherwise), reduced by (2) the amounts, if any, already on deposit in the applicable Account of the Rebate Fund. For purposes of calculating the foregoing future values, the yield on the Tax-Exempt Bonds, determined in accordance with the Regulations, shall be used. Except as may otherwise be provided by Law, the computation of the amounts to be deposited into the Rebate Fund need not take into account any earnings on any "tax exempt bond" under Section 150(a)(6) of the Code and Section 1.150-1 of the Regulations and which is not a specified private activity bond as defined in Section 57(a)(5)(C) of the Code or any earnings as to which exceptions are provided under Section 148(f)(4)(A), (B) or (C) or the Code or Section 1.148-7 of the Regulations. The City shall also determine the amount of any applicable "yield reduction payments," as provided under Section 1.148-5(c) of the Regulations, which are treated as rebated payments for purposes of the rebate requirement described under this heading.

Payment of Rebate.

(i) No earlier than 60 days, or later than 35 days, before each Rebate Installment Date, the Trustee shall notify the City by registered or certified mail, postage prepaid, or by Electronic Means, of its obligation to furnish the following with respect to each Series of Tax-Exempt Bonds which is a separate series for federal income tax purposes not later than 15 days prior to the applicable Rebate Installment Date: (w) a copy of Form 8038-T, if any rebate amount is owed to the federal government, (x) a statement of the amount due on the Rebate Installment Date, if any, (y) a certificate as to the accuracy of such determination of a certified public accountant (who may be an employee of the City) or a firm of accountants or other professionals, in each case having expertise in calculating the amount required to be paid pursuant to Section 148(f) of the Code (each, a ***"Rebate Professional"***) and (z) if the amount held in the applicable Account of the Rebate Fund is less than the amount so determined, an amount in cash or funds available on such day equal to the difference. The City shall notify promptly the Trustee of each date which it selects as a Rebate Installment Date. Upon receipt of the foregoing, the Trustee shall make the payment provided for in subsection (c)(ii) below, but if the Trustee shall not have received all of the foregoing on the date due, the Trustee shall pay over to the United States within the period prescribed in subsection (c)(ii) below all of the funds then held in the applicable Account of the Rebate Fund, together with a copy of the applicable Form 8038-T, if available, unless on or before such date, the City shall have provided to the Trustee an unqualified opinion of a Rebate Professional stating that no further action by the City or the Trustee is necessary for compliance as of such Rebate Installment Date with Section 148(f) of the Code.

(ii) On or before each Rebate Installment Date, the Trustee, at the direction of the City, shall pay to the United States from amounts on deposit in the applicable Account of the Rebate Fund or, to the extent of a shortfall in the amount on deposit in the applicable Account, from amounts on deposit in the CFC Stabilization Fund, any "yield reduction payments" as aforesaid and/or a rebate amount which is at least 90% of the amount required to be paid pursuant to the provisions of Section 148(f) of the Code as calculated by a Rebate Professional on behalf of the City, taking into account any credit permitted by the Regulations. On a date selected by the City no later than 60 days after the date on which the Tax-Exempt Bonds of any Series which is a separate series for federal income tax purposes have been paid in full, the Trustee, at the direction of the City, shall pay to the United States from the amount on deposit in the applicable Account of the Rebate Fund or, to the extent of a shortfall in the amount on deposit in the applicable Account, from amounts on deposit in the CFC Stabilization Fund, any "yield reduction payments" as aforesaid and/or a rebate equal to 100% of the entire amount then payable pursuant to Section 148(f) of the Code as calculated by a Rebate Professional on behalf of the City, including actual or imputed earnings and taking into account any credit, as provided by the Regulations. Unless otherwise provided by Law, each payment shall be made to the Internal Revenue Service Center, Ogden, UT 84201-0027 or any other address specified by the Internal Revenue Service and accompanied by a copy of From 8038-T signed by the City.

<u>Conclusive Compliance by Trustee</u>. The Trustee shall be deemed conclusively to have complied with the provisions of the CFC Indenture described under this heading if it executes documents or makes payments in accordance with the certifications and directions of the City provided in accordance with the CFC Indenture. By agreeing to give the notices and to make the payments referred to in the CFC Indenture, the Trustee assumes no responsibility whatsoever for compliance by the City with the requirements of Section 148(f) of the Code.

<u>Records</u>. The City and the Trustee shall keep such records as will enable them to fulfill their respective responsibilities under the CFC Indenture described under this heading and Section 148(f) of the Code, and the City shall engage, at the City's expense, a Rebate Professional. For purposes of the computation required as described under this heading, the Trustee shall make available to the City during normal business hours all information in the control of the Trustee which is necessary to make such computations.

<u>The City</u>. The City shall not take any action, or knowingly omit to take any action within its control, which, if taken or omitted, respectively, would violate its non-arbitrage certificate delivered upon the initial issuance of any Series of Tax-Exempt Bonds or any amendment thereof or supplement thereto.

<u>Rebate Provisions Survive Defeasance of Indenture</u>. The provisions of the CFC Indenture described under this heading, shall survive the defeasance of the CFC Indenture with respect to the Tax-Exempt Bonds. Upon (and only upon) (i) the retirement of all the Tax- Exempt Bonds of a Series which is a separate series for federal income tax purposes or provision for the same as described under the heading "Defeasance of Lien," (ii) the payment of all amounts due under Section 148 of the Code with respect to such Tax-Exempt Bonds, and (iii) presentation of a written statement of a Rebate Professional in a form satisfactory to the Trustee that the provisions of Section 148 of the Code have been satisfied, any amounts remaining in the applicable Account of the Rebate Fund shall be paid to the City; provided, however, that if at any time while Tax-Exempt Bonds are outstanding the Trustee shall receive a written

statement of a Rebate Professional in a form satisfactory to the Trustee that the balance of an Account in the Rebate Fund exceeds the amount owing or expected to be owing under Section 148 of the Code with respect to the applicable Series of Tax-Exempt Bonds, then the Trustee at the written request of the City shall pay the excess to the City.

Investment of Moneys in Funds.

The Trustee shall invest moneys in the Project Fund, the Debt Service Fund, the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund, the Subordinate Debt Service Fund and the Subordinate Reserve Fund in any Qualified Investments and shall sell or liquidate any such investment, in each case upon the written direction of the City, subject in each case to the restrictions on investments described under this heading. If at any time the Trustee shall hold the Rebate Fund, the Operation and Maintenance Fund or the CFC Stabilization Fund as Depositary for the City, the Trustee shall invest moneys in any such Fund in any Qualified Investments and shall sell or liquidate any such investment, in each case upon the written direction of the City, subject in each case to the restrictions on investments described under this heading. The Trustee shall have no responsibility for any losses resulting from such investment or liquidation, nor shall the Trustee be responsible if any payment is prohibited under Section 148 of the Code, provided that the Trustee shall have complied with the applicable investment instructions delivered to it by the City. Moneys in the Debt Service Fund and the Subordinate Debt Service Fund shall be invested by the Trustee only in Defeasance Obligations having a final maturity of one year or less from the date of purchase thereof, the maturities or redemption dates of all of which shall coincide as nearly as practicable with, but not be later than, the time or times at which said moneys will be required for the purposes of the CFC Indenture (or a money market fund satisfying the requirements of paragraph (g) of the list of Qualified Investments comprised of such Defeasance Obligations). Moneys in the Reserve Funds and the Subordinate Reserve Fund shall be invested only in Qualified Investments which either have an average maturity of five years or less from the date of purchase thereof or may be liquidated at a price of not less than par plus accrued interest when required for the purposes of the CFC Indenture. Qualified Investments may be registered or otherwise held in the name of the Trustee's nominee or nominees or, where the securities are eligible for a deposit in a central depository, such as DTC or the Federal Reserve Bank of New York, the Trustee may utilize any such depository and permit the registration of registered securities in the name of its nominee or nominees, and the City shall hold the Trustee and such nominees harmless from any liability as holders of record. Any investments may be purchased from the Trustee in its commercial capacity so long as such investments meet the applicable criteria set forth in the definition of "Qualified Investments". In the event that the City shall not have authorized the liquidation of Qualified Investments when required to meet the purposes of the CFC Indenture, the Trustee is authorized to sell or otherwise convert into cash investments credited to any Fund or Account created under the CFC Indenture at the times and in the amounts necessary to meet payments when due from such Fund or Account and shall include all proceeds from such investments. No order of the City shall restrict such authorization, and the Trustee shall not be liable for any loss occurring from any such sale or conversion to cash. Except as otherwise expressly provided in the CFC Indenture, all investments made from moneys credited to a specific Fund or Account, including all proceeds from such investments, shall be credited to the Debt Service Fund on the next succeeding Draw Down Date after they are received; provided that so long as a TIFIA Loan is outstanding all investments made from moneys credited to the TIFIA Debt Service Account, including all proceeds from such investment, shall be credited to the TIFIA Debt Service Account, and all investments made from moneys credited to the TIFIA Reserve Account, including all proceeds from such investment, shall be credited to the TIFIA Debt Service Account. For purposes of the CFC Indenture (other than purposes described under the heading "Rebate Fund"), such investments in the Reserve Funds and the Subordinate Reserve Fund shall be valued at the lower of amortized cost or market, and such investments in any other Fund shall be valued at market value. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of investment instructions from the City, the Trustee shall not be responsible or liable for keeping the moneys held by it under the CFC Indenture fully invested in Qualified Investments.

Authorized Application of Funds; Moneys to be Held in Trust.

The Trustee is authorized to apply each Fund as provided in the CFC Indenture. All moneys deposited with the Trustee under the CFC Indenture shall be held by the Trustee in trust but need not be segregated from other funds except as required by Law or by the CFC Indenture.

Nonpresentment of Bonds.

From and after any Payment Date, if moneys sufficient to pay principal of, premium, if any, and interest on any Bond then due have been deposited with the Trustee and irrevocably committed thereto, all liability of the City for the payment of such amount shall forthwith cease. The Trustee shall hold such funds, without liability for interest thereon, for the benefit of the registered owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim with respect to such amount. Unless otherwise required by Law, any such funds which remain unclaimed for three years after such due date shall be paid to the City without any interest thereon against written receipt therefor executed on behalf of the City, and the Trustee shall have no further responsibility with respect to such moneys, which thenceforth shall be the responsibility of the City.

Rights of City as Lessor; Enforcement of RAC Agreements.

Subject to the provisions of the CFC Indenture described under the heading "Rights of USDOT; Provisions of TIFIA Loan Agreement," the City's execution and delivery of the CFC Indenture the City's issuance of the Bonds and the terms and provisions of the CFC Indenture, the Bonds and any other agreement or instrument to which the City may be or hereafter become a party in connection with the CFC Indenture or the Bonds, are without prejudice to and shall not prohibit, restrict or derogate in any way from the City's exercise of any of the Unassigned Rights of the City as lessor under the RAC Agreements or from any other rights of the City as operator of the Airport. Notwithstanding any provision thereof to the contrary (except subject to the provisions of the CFC Indenture described under the heading "Rights of USDOT; Provisions of TIFIA Loan Agreement") the City, by executing the CFC Indenture, the Bonds or any other such agreement or instrument to which the City may be or hereafter become a party in connection with the CFC Indenture or the Bonds, is under no obligation, express or implied, to the Trustee, the Bondholders or any other Person to exercise or to refrain from exercising any Unassigned Right which the City may have now or hereafter under any RAC Agreement or from exercising any right, remedy or responsibility which the City may have now or hereafter as operator of the Airport, regardless of the effect of such exercise or non-exercise upon the rights and interests of the Trustee, the Bondholders or any other Person under the CFC Indenture, the Bonds or any other such agreement or instrument.

Under the CFC Indenture, the City covenants that so long as any of the Bonds remain Outstanding, it will require all RACs to collect and remit CFCs and Facility Rent, and the City will take all actions legally permitted to enforce compliance by the RACs with the RAC Agreements and of their obligations thereunder, including specifically seeking specific performance by each of the RACs, to charge, collect and remit CFCs and Facility Rent directly to the Trustee for the benefit of the City. The City covenants that so long as any of the Bonds remain Outstanding it will not consent to an amendment to the RAC Agreements which permits direct access to the Terminals by any Courtesy Vehicle of a RAC or Off-Airport RAC after the CRCF is open for business, or which otherwise materially adversely affects the rights of Beneficial Owners without consent of a Majority of the Bondholders and subject to the provisions of the CFC Indenture described under the heading "Rights of USDOT; Provisions of TIFIA Loan Agreement."

Collection of Customer Facility Charges; Rate Covenant.

As long as any Bond remains Outstanding, the City shall require each RAC to charge, collect and remit directly to the Trustee for the benefit of the City, CFCs for each Contract Day that a Motor Vehicle is rented by an Airport Customer, and to pay directly to the Trustee for the benefit of the City, Facility Rent, as described below, and the RAC Agreements shall require the RACs to segregate such CFCs as trust funds for the benefit of the City, and not as revenues of the RACs, as provided in the RAC Agreements.

Prior to the commencement of each Fiscal Year as long as any Bond is Outstanding, the City shall review and may adjust, effective on the first day of each Fiscal Year, the level of the CFC and Facility Rent, based upon factors including the projected Aggregate Debt Service for the coming Fiscal Year, amounts necessary to fund the other accounts provided for in the CFC Indenture, shortfalls in CFC revenue and Facility Rent that may have occurred in the then- current Fiscal Year, projections of the level of demand for rental car services at the Airport in the next Fiscal Year, and such other factors as the City may determine in its sole discretion. Notwithstanding the foregoing, the City may make an unscheduled adjustment to the level of the CFC and Facility Rent in any Fiscal Year in the event that the City determines in its sole discretion that there has been a material change in any of the assumptions utilized in the City's calculation of the CFC and Facility Rent, and that such change should not be addressed solely through withdrawals from the CFC Stabilization Fund or the imposition of Facility Rent as described below. As long as any of the Bonds remain Outstanding, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (i) to pay principal of and interest on the Bonds due in such Fiscal Year, (ii) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve (12) months, as determined by the City, (iii) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States as described herein under the heading "Rebate Fund" for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (iv) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve (12) months, as determined by the City, and (v) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Requirement over a period not to exceed twelve (12) months, as determined by the City (collectively, the sum of the amounts required by (i) through (v) above, the "***Minimum Annual Requirement***").

The City shall require each RAC to pay directly to the Trustee for the benefit of the City, Facility Rent as provided in each RAC Agreement in an amount, in the aggregate, that the City projects to be sufficient, together with CFCs projected to be collected in such Fiscal Year or portion thereof, to provide sufficient funds to meet the Minimum Annual Requirement for such Fiscal Year and provide additional funds equal to the difference between the CFCs and Facility Rent (if any) received in the prior Fiscal Year and the Minimum Annual Requirement for such prior Fiscal Year.

As long as any of the Bonds remain Outstanding, the aggregate amount of CFCs and Facility Rent required to be remitted by the RACs in each Fiscal Year, together with interest earned on any Fund or Account and deposited in the Debt Service Fund and Subordinate Debt Service Fund during such Fiscal Year which is available for payment of principal of or interest on such Bonds, shall be no less than the Aggregate Debt Service coming due in such Fiscal Year and, in the event that the amount of CFCs, Facility Rent and such interest for any Fiscal Year is less than the Aggregate Debt Service for such Fiscal Year, the City covenants to increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to be no less than an amount, in the aggregate, that the City projects to be sufficient, based upon projected Contract Days for such Fiscal Year, together with such interest, to pay Aggregate Debt Service coming due in such Fiscal Year. In addition to the foregoing, the aggregate amount of CFCs and

Facility Rent paid by the RACs in each Fiscal Year, together with interest earned on any Fund or Account and deposited to the Debt Service Fund (in the case of (i) below), or to the Debt Service Fund and the Subordinate Debt Service Fund (in the case of (ii) below) during such Fiscal Year which is available for payment of principal of or interest on Bonds payable from such Debt Service Fund or Subordinate Debt Service Fund (as applicable), plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed to 25% of the Aggregate Debt Service on the Bonds in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) shall equal or exceed (i) 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and (ii) 1.10 times the Aggregate Debt Service on the Bonds coming due in such Fiscal Year, and, in the event that the amount of CFCs, Facility Rent and such interest for any Fiscal Year, plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25% of the Aggregate Debt Service on the Bonds in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) (i) is less than 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), or (ii) is less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year, the City shall increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to be no less than an amount, in the aggregate, that the City projects to be sufficient, based on projected Contract Days for such Fiscal Year, together with such interest, plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25% of the Aggregate Debt Service on the Bonds in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) to provide (i) no less than 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and (ii) no less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year. Furthermore, in addition to the foregoing, the aggregate amount of Net Revenues in each Fiscal Year, together with amounts on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) shall be (A) no less than 1.35 times the Aggregate Debt Service of the Bonds (other than Subordinate Bonds), and (B) no less than 1.10 times the Aggregate Debt Service on the Bonds coming due in such Fiscal Year. In the event that the amount of Net Revenues for any Fiscal Year plus the amount on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) in such Fiscal Year (A) is less than 1.35 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), or (B) is less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year, the City shall increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to be no less than an amount, in the aggregate, that the City projects to be sufficient, based on projected Contract Days for such Fiscal Year, together with such interest, plus the amount on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) to provide (A) no less than 1.35 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds), and (B) no less than 1.10 times the Aggregate Debt Service on the Bonds for such Fiscal Year.

Status of Interest on Tax-Exempt Bonds.

The City covenants not to take any action or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, (i) would cause interest on any Tax- Exempt Bonds to be includable in gross income of their owners for federal income tax purposes other than an owner who is a "substantial user" or "related person" within the meaning of such terms as defined in Section 147(a) of the Code, or (ii) would cause interest on any Tax-Exempt Bond to become subject to any alternate minimum tax if those Tax-Exempt Bonds were not issued on that basis.

The City further covenants that it will not take any action or omit to take any action with respect to the investment of the proceeds of any Tax-Exempt Bonds or with respect to Revenues which would result in causing any Tax-Exempt Bonds to constitute "arbitrage bonds" within the meaning of such term as defined in Section 148 of the Code.

In furtherance of the foregoing, the Trustee shall, at the request of the City set forth in a certificate, (i) cause the moneys on deposit in any Fund or Account with respect to Tax-Exempt Bonds to be invested subject to such yield restrictions as are set forth in the certificate and (ii) subject to any restrictions set forth in any Supplemental Indenture with respect to the use or application of moneys on deposit in any Fund or Account with respect to Tax-Exempt Bonds, transfer the moneys on deposit in any Fund, Account, subfund or subaccount to each other Fund, Account, subfund or subaccount, as are directed in the certificate.

Construction of the Project.

The City shall use diligent efforts to cause the Project to be constructed and completed in accordance with the Consolidated Facility Plans, as set forth in the RAC Agreements, and shall cause to be done all things necessary or proper for completion of the Project in a timely manner in material compliance with all Laws. Upon completion or abandonment of the Project, the City shall deliver a Completion Certificate to the Trustee which shall include the Completion Date.

Operation of the Project.

Subject to the provisions described under the heading "Casualty and Condemnation," as long as any Bond remains Outstanding, the City shall operate and maintain the Project, or cause the Project to be operated and maintained, in good condition for the purposes for which it was constructed, reasonable wear and tear excepted.

Insurance.

The City shall maintain, or cause to be maintained, insurance with respect to the Project against such casualties and contingencies and in such amounts not less than is reasonably prudent for owners of comparable facilities. Such policies of insurance shall name the City and the Trustee as additional insureds as their interests may appear. Any premiums for such policies of insurance shall be paid by the RACs as provided in each RAC Agreement, or by the City.

Casualty and Condemnation.

In the event that the Project or any portion thereof is damaged, taken or condemned, the net proceeds of insurance (including without limitation self insurance) or condemnation award allocable to that portion of the Project financed with proceeds of the Bonds shall be applied as described below to restore such damaged or condemned portion of the Project to substantially the same condition as before such damage or condemnation occurred; provided, if the City (subject to the provisions of the CFC Indenture described under the heading "Rights of USDOT; Provisions of TIFIA Loan Agreement") reasonably determines that such damaged or condemned portion of the Project cannot be so restored, such net proceeds or condemnation award shall be deposited to the Debt Service Fund and/or the Subordinate Debt Service Fund and applied to the principal of and interest on the Bonds next coming due, pro rata. In the event the City so determines that such damage or condemnation cannot be so restored, the City shall provide the Trustee with written notice of such determination not less than 60 days following the date of such damage or condemnation.

If the damaged or condemned portion of the Project is to be restored, and the proceeds of an insurance or condemnation award with respect to the Project, net of the reasonable costs, fees and expenses incurred by the City in the collection of such proceeds or award (the "Net Proceeds") are less than $250,000, the Net Proceeds shall be paid directly to the City and shall be applied by the City promptly to the costs of restoring the Project. Any Net Proceeds remaining after the restoration of the Project shall be deposited to the Debt Service Fund and applied to the principal of and interest on the Bonds next coming due, on a pro rata basis.

If the damaged or condemned portion of the Project is to be restored, and the Net Proceeds are greater than or equal to $250,000, the Net Proceeds shall be paid to the Trustee and deposited to a separate account within the Project Fund and disbursed in the same manner and subject to the same conditions and limitations relating to the disbursement of funds from the Project Fund, as described herein under the heading "Project Fund, Costs of Issuance Account." In the event that the Net Proceeds are insufficient to restore the Project, the City shall either deposit the difference between the costs of restoration and the Net Proceeds to the Project Fund or issue Additional Bonds or Subordinate Bonds for such purpose.

Nothing in the CFC Indenture shall limit the City's power of eminent domain.

Rights of USDOT; Provisions of TIFIA Loan Agreement.

So long as a TIFIA Loan is outstanding, the City's rights and actions under the Indenture are subject to such rights of consent or approval given to USDOT or such restrictions on the City's rights and actions as provided for in the TIFIA Loan Agreement.

Events of Default; Defaults.

The occurrence of any of the following events shall constitute an "Event of Default" under the CFC Indenture:

(a) Failure to pay interest on any Bond when due and payable.

(b) Failure to pay any principal of, or premium on, any Bond when due and payable, whether at stated maturity or pursuant to any redemption or purchase requirement under the CFC Indenture or under any Supplemental Indenture.

(c) Failure by the City to observe or perform any other covenant, condition or agreement on its part to be observed or performed in the CFC Indenture or the Bonds for a period of 60 days after written notice of such failure shall have been given to the City by the Trustee; provided, however, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied which by its or their nature cannot reasonably be done, taken or remedied, as the case may be, within such 60-day period, no Event of Default under this subsection (c) shall be deemed to have occurred or to exist if and so long as the City shall have commenced such work, action or remediation within such 60-day period and provided written notice thereof to the Trustee and shall diligently and continuously prosecute the same to completion.

(d) An Event of Default under and as defined in the TIFIA Loan Agreement has occurred.

Within five days after actual knowledge by an Authorized Officer of the Trustee of an Event of Default under subsection (a) or (b) above, the Trustee shall give written notice, by registered or certified mail, to the City, all of the Bondholders, and upon notice from at least 25% of the Bondholders, shall give similar notice of any other Event of Default.

Remedies; Rights of Bondholders.

Upon the occurrence of an Event of Default as described in subparagraph (d) under the heading "Events of Default; Defaults" resulting from the occurrence of an Event of Default pursuant to the TIFIA

Loan Agreement as described in subparagraph (viii) under the heading "PLAN OF FINANCE – TIFIA Loan – TIFIA Events of Default," or the occurrence and continuance of any other Event of Default, if so requested by a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it (provided, in the case where USDOT is a Bondholder, such indemnity which would otherwise be payable by USDOT shall be paid by the City), the Trustee shall exercise such of the rights and powers conferred by the CFC Indenture or by any Supplemental Indenture as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders; provided that the exercise of any rights and remedies under the TIFIA Loan Agreement shall be directed solely by USDOT.

No remedy under the CFC Indenture or by any Supplemental Indenture is intended to be exclusive, and to the extent permitted by law each remedy shall be cumulative and in addition to any other remedy under the CFC Indenture or now or hereafter existing.

No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right and power pay be exercised as often as deemed expedient.

No waiver by the Trustee or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Right of Bondholders to Direct Proceedings.

Anything in the CFC Indenture to the contrary notwithstanding, a Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the CFC Indenture or for the appointment of a receiver or any other proceedings thereunder; provided that (i) such direction shall be in accordance with applicable Law and the CFC Indenture, (ii) the exercise of any rights and remedies under the TIFIA Loan Agreement shall be directed solely by USDOT and (iii) the Trustee shall be indemnified to its satisfaction; however in the case where USDOT is a Bondholder, such indemnification which would otherwise be payable by USDOT shall be paid by the City.

Application of Moneys After Event of Default.

Upon the occurrence of an Event of Default, there shall be deposited in the CFC Revenue Fund all moneys and proceeds held or received by the Trustee or any receiver pursuant to the CFC Indenture or any related document or the exercise of any rights granted by the CFC Indenture or thereby, except amounts in the Rebate Fund, and all moneys in the CFC Revenue Fund (except funds previously set aside for specific Bonds) shall be applied after first paying all Costs of Collection incurred by the Trustee or any receiver and any fees, compensation and reimbursement of expenses then owing to the Trustee under the CFC Indenture, (i) to the payment of interest then due on the Bonds (other than Subordinate Bonds) without regard to when such interest became due, (ii) then any remaining amounts shall be applied to the payment of principal and premium, if any, then due on the Bonds (other than Subordinate Bonds), without regard to when such principal or premium, if any, became due, (iii) then any remaining amounts shall be applied to the payment of interest then due on the Subordinate Bonds without regard to when such interest became due, (iv) then any remaining amounts shall be applied to the payment of principal and premium, if any, then due on the Subordinate Bonds, without regard to when such principal or premium, if any, became due; or in such other order as may be determined by the Trustee with the written consent of all the Bondholders; provided, however, that funds collected from any Account of the Project Fund shall be applied solely to the payment of principal of and interest on the Series of Bonds secured by such Account. Payments shall be made ratably, according to the amounts due respectively for interest and principal and premium, if any, among Bondholders entitled to receive the payment being made.

Remedies Vested in Trustee.

All rights of action (including the right to file proofs of claim) under the CFC Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or their production in any proceeding; and any such proceeding instituted by the Trustee shall be brought in its name, as Trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds; and any recovery of the judgment shall be for the benefit of the holders of the Bonds, subject, however, to the provisions of the CFC Indenture.

Rights and Remedies of Bondholders.

No Bondholder shall have any right to institute any proceedings for the enforcement of the CFC Indenture or any right or remedy granted thereby unless (i) an Event of Default is continuing, (ii) an Authorized Officer of the Trustee is deemed to have notice or knowledge thereof or has been notified by the holders of 25% of the aggregate principal amount of the Bonds, (iii) a Majority of the Bondholders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, (provided, in the case where USDOT is a Bondholder, such indemnity which would otherwise be payable by USDOT shall be paid by the City), and (iv) the Trustee shall have failed or refused to exercise its power or to institute such proceeding. Such notice, request and offer of indemnity shall at the option of the Trustee be conditions precedent to the execution of the powers and trusts of the CFC Indenture, and to any action for the enforcement of the CFC Indenture or of any right or remedy granted by the CFC Indenture; it being understood and intended that the holders of the Bonds shall have no right to affect or prejudice the lien of the CFC Indenture by their action or to enforce any right thereunder except in the manner in the CFC Indenture provided and that proceedings shall be instituted and maintained in the manner therein provided and for the benefit of the holders of all Bonds then outstanding. Notwithstanding the foregoing, each Bondholder shall have a right of action to enforce the payment of the principal of an premium, if any, and interest on any Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond.

Waivers of Events of Default.

The Trustee shall waive (in advance or otherwise) any Event of Default and its consequences and rescind any declaration of maturity of principal upon the written request of a Majority of the Bondholders or, in the case of an Event of Default whose waiver would constitute a violation of the CFC Indenture, the Bondholder or Bondholders whose consent is required by the CFC Indenture, but no such waiver (except as specifically provided therein) or rescission shall extend to any subsequent or other Event of Default.

Supplemental Indentures Not Requiring Consent of Bondholders.

The parties to the CFC Indenture may without the consent of, or notice to, any of the Bondholders enter into indentures of trust supplemental to the CFC Indenture and financing statements or other instruments evidencing the existence of a lien as shall not, in their opinion, be inconsistent with the terms and provisions thereof for any one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in the CFC Indenture;

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

(c) To subject to the lien and pledge of the CFC Indenture additional revenues or collateral;

(d) To evidence any succession to the City and the assumption by such successor of the agreements of the City contained in the CFC Indenture and the Bonds;

(e) To the extent required by law, to permit registration of the Bonds under the Securities Act, the Trust Indenture Act, or any applicable state securities law, and to permit qualification of the CFC Indenture under the Trust Indenture Act;

(f) To revise the provisions as described under the heading "Rebate Fund" or any other provision of the CFC Indenture or any related document or certificate relating to rebate of arbitrage profits to the United States, provided the Trustee shall have received an opinion of Bond Counsel that such revision does not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal income tax purposes;

(g) To effect any other change therein which, in the judgment of the Trustee, is not to the prejudice of the holders of the Bonds;

(h) To provide for the issuance of Additional Bonds or Subordinate Bonds, including without limitation to provide for the establishment of additional Accounts in the various Funds as necessary to reflect the parity or subordinate status of such Additional Bonds or Subordinate Bonds; and

(i) To modify the definition of Qualified Investments as directed by the City, provided that the City shall have provided evidence to the Trustee that the details of such modification have been provided in writing to each Rating Agency then assigning a rating to an Outstanding Bond and that each such Rating Agency has either (i) confirmed in writing that such modification will not adversely affect such ratings or (ii) issued a rating on a Series of Bonds to be issued which is not lower than the rating assigned by such Rating Agency to Outstanding Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Bonds by any Rating Agency.

Supplemental Indenture Requiring Consent of Bondholders.

In addition to Supplemental Indentures permitted as described under the heading "Supplemental Indentures Not Requiring Consent of Bondholders," a Majority of the Bondholders shall have the right, from time to time, to consent to and approve the execution by the parties to the CFC Indenture or other indentures of trust supplemental thereto for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the CFC Indenture or in any supplemental indenture of trust; provided, however, that nothing shall permit (i) an extension of the stated maturity of the principal of or the interest on any Bond without the consent of the holder of such Bond; (ii) a reduction in the principal amount of any Bond, the rate of interest thereon or the premium, if applicable, to be paid upon the redemption thereof prior to maturity without the consent of the holder of such Bond; (iii) an extension of the date for making any scheduled mandatory redemption under the CFC Indenture or in any Supplemental Indenture without the consent of all of the Bondholders of the affected Series; (iv) the establishment of a privilege or priority of any Bond or Bonds over any other Bond or Bonds (other than Subordinate Bonds) without the consent of all the Bondholders; (v) a reduction in the percentage of the aggregate principal amount of Bonds the holders of which are required to consent to any such supplemental indenture of trust without the consent of the holders of all the Bonds at the time outstanding which would be affected by the action to be taken; (vi) a release of collateral granted under the CFC Indenture without the consent of all of the Bondholders, except as expressly provided therein; or (vii) a modification of the rights, duties or immunities of the City or the Trustee without the written consent of the affected party.

If at any time the City shall request the Trustee to enter into any supplemental indenture of trust as described above, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution to be made in the manner required for redemption of principal of Bonds; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of the proceedings.

Such notice shall briefly set forth the nature of the proposed supplemental indenture of trust and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. Except as otherwise provided in the CFC Indenture, if, within 60 days or such longer period (not to exceed two years) as shall be prescribed by the City following the final mailing of such notice, not less than a Majority of the Bondholders at the time of the execution of any such supplemental indenture of trust shall have consented to and approved the execution thereof, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture of trust, the CFC Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purposes of the CFC Indenture, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may approve a supplemental indenture and may consent to a modification or amendment of the CFC Indenture or any supplemental indenture and other modifications permitted by the CFC Indenture in the manner provided in the CFC Indenture, except that no proof of ownership shall be required, and with the same effect as a consent given by the holder of such Bonds; provided, however, 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 official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the City.

Amendments to RAC Agreements.

The provisions of the CFC Indenture providing for Bondholder consent to certain Supplemental Indentures shall also apply to the modification provisions of the RAC Agreements and to the definitions of terms used therein as so used in a manner that could materially, adversely affect the Bondholders, but shall not apply to any other provisions of the RAC Agreements, including without limitation the Unassigned Rights; and with respect to the modification or waiver of such other provisions of the RAC Agreements, the consent of the Bondholders shall not be required (except, so long as a TIFIA Loan is outstanding, to the extent such consent of USDOT is required under the terms of the loan agreement between the City and USDOT relating to such TIFIA Loan).

Modification by Unanimous Consent.

Notwithstanding anything contained elsewhere in the CFC Indenture, the rights and obligations of the City, the Trustee and the holders of the Bonds, and the terms and provisions of the Bonds and the CFC Indenture, or any supplemental indenture of trust may be modified or altered in any respect with the consent of the City, the Trustee and the holders of all of the Bonds then outstanding (provided that the consent of such holders complies with the last paragraph under the heading, "Supplemental Indenture Requiring Consent of Bondholders," if applicable).

Certain Rights of Build America Mutual Assurance Company.

Pursuant to the CFC Indenture, BAM will be deemed to be the sole Owner of the 2023 CFC 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 2023 CFC Bonds are entitled to take pursuant to the CFC

Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In addition, the CFC Indenture contains provisions with respect to BAM relative to, among other things, covenants and restrictions of the City benefiting BAM and which may only be enforced by BAM, the payment of certain fees and expenses, and provisions directing the Trustee with respect to the mechanics of making claims on the Policy, including, but not limited to, the provisions that follow.

The following covenants shall apply only to the 2023 CFC Bonds and shall only be applicable during the period in which any 2023 CFC Bonds are Outstanding or any amounts are due to the Insurer under the Policy, and the Insurer's rights have not terminated pursuant to the CFC Indenture. The covenants contained in the CFC Indenture may only be enforced by the Insurer and may be modified, amended, or waived at any time with the prior written consent of the Insurer and without the consent of the Trustee (so long as such modification or amendment imposes no additional duties on the Trustee) or any holder of the 2023 CFC Bonds.

The existence of all rights given to the Insurer under the Second Supplemental Indenture or the CFC Indenture are expressly condition on the timely and full performance of the payment obligations of the Insurer under the Policy.

It shall constitute an Event of Default under the CFC Indenture if the City fails or refuses to comply with the provisions of the CFC Indenture, or defaults in the performance or observance of any covenants, agreements, or conditions on its part contained in the CFC Indenture, which materially affects the rights of the Owners of the 2023 CFC Bonds and the failure, refusal, or default continues for a period of 45 days after written notices of it by the Trustee or the Owners of not less than 25% in principal amount of the Outstanding 2023 CFC Bonds; provided, however, that in the case of any such default which can be cured by due diligence but which cannot be cured within the 45-day period, the time to cure is extended for such period as may be necessary to remedy the default with all due diligence, provided that such extension shall not exceed 45 days without the prior written consent of the Insurer (which consent shall not be unreasonably withheld).

To the extent that the Second Supplemental Indenture confers upon or gives or grants to the Insurer any right, remedy, or claim under the Second Supplemental Indenture, the Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy, or claim conferred, given, or granted hereunder.

No amendment or modification of any provision of the Second Supplemental Indenture giving any right, remedy, or claim to the Insurer may be made without the prior written consent of the Insurer (which consent shall not be unreasonably withheld).

No amendment of the CFC Indenture that materially and adversely alters the security for the 2023 CFC Bonds shall become effective without the prior written consent of the Insurer (which consent shall not be unreasonably withheld).

The rights granted to the Insurer under the Second Supplemental Indenture to request, consent to, or direct any action are rights granted to the Insurer in consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the holders of the 2023 CFC Bonds nor does such action evidence any position of the Insurer, positive or negative, as to whether Bondholder consent is required in addition to the consent of the Insurer.

Notwithstanding anything in the CFC Indenture to the contrary, in the event that the principal and/or interest due on the 2023 CFC Bonds shall be paid by the Insurer pursuant to the Policy, the 2023 CFC Bonds shall remain Outstanding for all purposes, not to be defeased or otherwise satisfied and not be considered paid by the City and all covenants, agreements, and other obligations of the City to the registered owners of the 2023 CFC Bonds shall continue to exist and shall run to the benefit of the

Insurer, and the Insurer shall be subrogated to the rights of such registered owners. The term "Outstanding" under the CFC Indenture includes 2023 CFC Bonds described in this paragraph. The lien of the CFC Indenture shall not be discharged unless all amounts due or to become due to the Insurer under the CFC Indenture have been paid in full or duly provided for.

The City shall pay or reimburse the Insurer, but only from Pledged Receipts and subject and subordinate to all then existing liens on and pledges of Pledged Receipts as security for the payment of the 2023 CFC Bonds under the CFC Indenture, any and all charges, fees, costs, and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the CFC Indenture; (ii) the pursuit of any remedies under the CFC Indenture or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture whether or not executed or completed; (iv) the violation by the City of any law, rule, regulation, or any judgement, order, or decree applicable to it or; (v) any litigation or other dispute in connection with the CFC Indenture or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of the CFC Indenture.

If moneys are withdrawn and transferred from the CFC Stabilization Fund, the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund, or the Subordinate Reserve Fund to pay principal of or interest on the 2023 CFC Bonds or the TIFIA Bond, the City shall promptly notify the Insurer, in writing, of the amount of such withdrawals and transfers.

The prior written consent of the Insurer shall be a condition precedent to the delivery of any Qualified Reserve Account Credit Instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund or the Supplemental Reserve Fund; provided, however, that the Insurer (as the provider of Qualified reserve Account Credit Instruments for the Debt Service Reserve Fund and the Supplemental Reserve Fund as of the date of issuance of the 2023 CFC Bonds) may be replaced as the issuer of a Qualified Reserve Account Credit Instrument in respect of either the Debt Service Reserve Fund or the Supplemental Reserve Fund by another Qualified Issuer, without the consent of the Insurer, to the extend that (x) the Insurer fails to perform fully under the terms of the applicable Qualified Account reserve Credit Instrument issued by the Insurer or (y) the Insurer ceases to be a Qualified Issuer.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE RAC AGREEMENTS AND OFF-AIRPORT RAC AGREEMENTS

The following is a summary of select provisions of the form RAC Agreement and the form Off-Airport RAC Agreement. This summary, together with all other descriptions of the RAC Agreements and the Off-Airport RAC Agreements contained in this Official Statement, are not intended as a substitute for a full review of the actual RAC Agreements and Off-Airport RAC Agreements, copies of which can be obtained from the City upon request. The RAC Agreements and Off-Airport RAC Agreements may be amended or supplemented in accordance with their terms.

I. SELECT DEFINITIONS FROM THE FORM RAC AGREEMENT

"ATS" or **"Airport Transit System"** means the Airport's automated people mover system which travels on a dedicated guideway providing passenger service at the Airport, including, without limitation, to Terminals, parking areas and the Joint Use Facility, and including, without limitation, the vehicles used for transport, stations, and all related equipment and associated improvements from time to time, together with any expansions or extensions thereof in connection with the Joint Use Facility.

"Base Rent" means an amount equivalent to RAC's Proportionate Share of the fair market rent on a certain portion of the Joint Use Facility Property, which fair market rent shall be calculated based upon 824,668.58 square feet, which square footage is calculated by multiplying the total square footage of the Joint Use Facility Property by a fraction, where the numerator is the square footage of that portion of the ES allocated to all of the RACs currently operating in the CRCF, and the denominator is the total square footage of the ES, including both that portion of the ES allocated to all of the RACs currently operating in the CRCF, plus that portion of the ES allocated to the Public Parking Area. Based on the foregoing, Base Rent during the initial five (5) years of the Term of the RAC Agreement (being the period commencing on November 1, 2018 and continuing through and including October 31, 2023) shall be the sum of the product of $2.00 per rentable square foot times 824,668.58 times RAC's Proportionate Share. Base Rent payable shall be subject to adjustment on the fifth (5th) anniversary of the Rent Commencement Date, and thereafter at the commencement of each subsequent five (5) year period during the Term of the RAC Agreement. The City reserves the right to re-measure the total area of the Joint Use Facility at any time and from time to time from and after the Effective Date of the RAC Agreement, and in the event that any such subsequent re-measurement requires a reasonable adjustment to the calculations set forth above, the City shall so notify RAC in writing, the Base Rent payable shall be modified to account for such difference, and the parties shall execute a written amendment to the RAC Agreement confirming such revised calculations, and the modified Base Rent thereafter payable.

"CFC(s)" or **"Customer Facility Charge(s)"** means the customer facility charge or customer facility charges to be collected by the RACs and the Off-Airport RACs and remitted to the Trustee (or, if so directed by the City in writing, to the City) for the benefit of the City, pursuant to the CFC Ordinance, and as further defined and provided in each RAC Agreement and Off-Airport RAC Agreement.

"CFC Collections" means the aggregate amount of CFCs collected by the RACs from time to time and required to be remitted to the Trustee (or, if so directed by the City in writing, to the City) for the applicable payment period.

"Commissioner" means, for the purposes of the RAC Agreement, the Commissioner of Aviation of the City (or any successor thereto in whole or in part as to his or her duties as the person in charge of the operation of the Airport on behalf of the City).

“Common Use Transportation System” means, collectively, the ATS, together with such buses, bussing systems, and other vehicles as may be used and made available only and exclusively during such time or times as the ATS is not then in operation for any reason.

“Contract” means the written contract or other agreement under which a Motor Vehicle is rented at the Airport or the CRCF to an Airport Customer by a RAC.

“Contract Day” means, with respect to rentals of Motor Vehicles, up to a 25-hour period (or fraction thereof) for the first Contract Day, and successive 24-hour periods (or fractions thereof) for each successive Contract Day.

“CRCF” means that portion of the new Joint Use Facility to be constructed at the Southeast corner of the intersection of Zemke Road and Mannheim Road (which area is currently designated as the Airport's Surface Parking Lot F) in the City of Chicago, County of Cook, State of Illinois consisting of: (i) the ES (but specifically excluding those portions of the ES allocated as the Public Parking Area); (ii) the QTA, together with a dedicated roadway for rental vehicle use only connecting the ES and QTA; and (iii) the portion of the common areas of the Joint Use Facility allocated and dedicated to the CRCF from time to time, as reasonably determined by the City. The CRCF does not include (a) the Public Parking Area, or (b) the Common Use Transportation System.

“CRCF Project” means the permitting, design, development, construction, equipping, furnishing, and acquisition of: (i) (a) the CRCF, including the associated structures, roadways, facilities, infrastructure improvements to utilities, and other infrastructure to support the CRCF, and (b) additions, extensions, and improvements to the ATS, in each case to the extent that such purposes are permitted under the CFC Statute; and (ii) such other purposes related to the CRCF as are permitted under the CFC Statute and determined by the Commissioner.

“Debt Service” means the principal and interest payments on the Bonds and/or the TIFIA Loan, from time to time, and any related required costs, payments, or deposits in connection with any of the foregoing, including, without limitation, costs of issuance, credit and liquidity fees, financing costs and charges, and reserves, and further including, specifically, the amounts of any required deposits into each of the Funds specifically referenced and defined in the Bond Documents from time to time, as well as any and all reserve or escrow funds or deposits required under the TIFIA Loan Documents from time to time, and any amount required from time to time to meet the coverage requirements of the Bond Documents or the TIFIA Loan Documents, together with all deposits required in connection with any of the foregoing from time to time (except to the extent that any such costs, payments, deposits, credit and liquidity fees, or reserves are funded from the initial proceeds of the Bonds and comprise part of the principal and interest payments, it being understood and agreed that there shall be no “double counting” of any such amounts for purposes of the RAC Agreement).

“Default Rate” means the rate of ten percent (10%) per annum compounded daily, unless a lesser interest rate shall then be the maximum rate permissible by Law with respect thereto, in which event said lesser rate shall be the Default Rate.

“Eligible Costs” means the sum of (a) Debt Service; (b) any and all costs incurred by the City in connection with or otherwise relating to the design, construction, and financing of the Joint Use Facility any and all costs incurred by the City in connection with or otherwise relating to the operation, maintenance, and repair of the Common Use Transportation System, and including, specifically and without limitation, the capital cost of acquisition of ATS transit cars and Common Use Transportation System buses, bussing systems, and other vehicles, to the extent related to the Joint Use Facility (other than the Public Parking Area); (d) any and all costs incurred by the City in connection with or otherwise relating to the operation, maintenance, repair, and replacement of the Joint Use Facility, or any portion or portions thereof, from time to time; (e) such reasonable, actual, and documented costs incurred by the RAC Consortium in connection with or otherwise relating to a third party construction representative to represent the interests of the RAC Consortium during construction of the CRCF Project as may be first approved in writing by the City, not to exceed Five Hundred Thousand and No/100 Dollars ($500,000.00) in the aggregate; (f) such reasonable, actual, and documented costs incurred by RAC in connection with or otherwise relating to construction of the RAC Improvements as may be first approved in writing by the City, and (g) such other permitted costs as may be identified in the CFC Ordinance, the Bond Ordinance, the Bond Documents, and/or the TIFIA Loan Documents from time to time, and such other costs as may be expressly approved by the Commissioner pursuant to authority granted under the CFC Ordinance, the Bond Ordinance, or any other ordinance enacted by the City from time to time (except to the extent that any of the foregoing costs described in Clauses (b) through (g) are funded from the initial proceeds of the Bonds and comprise part of the Debt Service, it being the intention of the parties that there shall be no "double counting" of any such costs).

"ES" means that certain elevated structure located on the Joint Use Facility Property containing multiple stories and comprising approximately 2,417,224 square feet in the aggregate, and whereby (i) a portion of such ES comprising approximately 1,502,184 square feet shall be allocated to RAC and the other RACs for vehicle ready-return operations, vehicle storage, a customer service center, including customer service counters, waiting areas, and office space, and (ii) a portion of such ES comprising approximately 915,040 square feet shall be allocated as and to the Public Parking Area.

"Expiration Date" means the later of (i) the thirtieth (30th) anniversary of the Rent Commencement Date, (ii) the thirtieth (30th) day after the date on which the Bonds shall have matured, been retired, or been paid in full in accordance with the Bond Documents, or (iii) the thirtieth (30th) day after the date on which the TIFIA Loan shall have matured, been discharged, and been paid in full in accordance with the TIFIA Loan Documents.

"Gross Revenues" means all revenues paid or due to RAC arising out of or in connection with its operations at the Airport, including, without limitation: (a) all time and mileage revenues and all revenues from the sale of personal accident insurance, or any insurance of a similar nature; (b) all Concession Recovery Fees; (c) sums received by the RAC for damage to Motor Vehicles or RAC's property or premises, or from loss, conversion, or abandonment of Motor Vehicles (without mark-up or additional fees); and (d) all other revenues paid or due to RAC arising out of or in connection with its operations at the Airport. Gross Revenues shall not include: (i) amounts of any Federal, State, or municipal taxes; (ii) any CFCs collected by RAC; (iii) amounts for credits, refunds, or adjustments to customers for transactions made at the Airport at the time of, or prior to, the close-out of the rental transaction and shown on the customer Contract (without mark-up or additional fees); (iv) sums received by reason of RAC's disposal of personal property (capital assets) (without mark-up or additional fees); (v) sums received by RAC from its customers for traffic tickets, parking tickets, highway tolls, towing charges, impound fees, and other similar governmental fines and charges actually paid by RAC on behalf of such customers (without mark-up or additional fees); and (vi) sums received by RAC for pass-through charges collected by RAC from its customers with respect to damage repair, parts replacement, and extraordinary cleaning of vehicles, and towing and transporting of damaged vehicles, rented by such customers, and replacement of keys for such vehicles (without mark-up or additional fees). The retroactive adjustment by RAC of Gross Revenues designated as volume discounts or rebates, corporate discounts or rebates, or any other designation of any nature, or for any purpose, is prohibited.

"Impositions" means all real property taxes, assessments, license fees, license taxes, business license fees, commercial rental taxes, levies, charges, improvement bonds, taxes, water and sewer rents and charges, utilities and communications taxes and charges, and similar or dissimilar impositions imposed by any authority having the direct power to tax, including any city, county, state, or federal government, or any school, agricultural, lighting, drainage, or other improvement or special assessment district thereof, or any other governmental charge, general and special, ordinary and extraordinary, foreseen and unforeseen, which may be assessed against any legal or equitable interest of the City in the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof, including, without limitation, (i) any tax on the City's "right" to rent or "right" to other income from the Joint Use Facility (other than the Public Parking Area) or as against the City's business of leasing the Joint Use Facility (other than the Public Parking Area); (ii) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by RAC and the City that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, it being the intention of RAC and the City that all such new and increased assessments, taxes, fees, levies, and charges be included within the definition of "Impositions" for the purposes of the RAC Agreement; (iii) any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or other premises in the Joint Use Facility (other than the Public Parking Area), or the rent payable by RAC or other RACS of the Joint Use Facility (other than the Public Parking Area), including, without limitation, any gross receipts tax or excise tax levied by state, city, or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use, or occupancy by RAC of the Premises, or any portion thereof, but not on the City's other operations; (iv) any assessment, tax, fee, levy or charge upon this transaction or any document to which RAC is a party, creating or transferring an interest or an estate in the Premises; (v) any assessment, tax, fee, levy, or charge by any governmental agency related to any transportation plan, fund, or system (including assessment districts) instituted within the geographic area of which the Joint Use Facility (other than the Public Parking Area) is a part; and/or (vi) any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Impositions.

"Joint Use Facility" means, collectively, the CRCF, the Public Parking Area, and the Joint Use Facility Property, together with the Common Use Transportation System (including ATS vehicles) associated therewith.

"Joint Use Facility Property" means the land underlying the Joint Use Facility.

"Off-Airport RAC" means a rental car company that (i) is not a RAC, (ii) serves customers at the Airport, and (iii) is a party to a valid Off-Airport RAC Agreement with the City.

"Off-Airport RAC Agreement" means an Off-Airport Rental Car Concession License Agreement between the City, as licensor, and an Off-Airport RAC, as licensee, pursuant to which such Off-Airport RAC has the right to operate a rental car concession providing rental car services to customers at the Airport, or any successor License and Concession Agreement between the City and such Off-Airport RAC, pursuant to which such Off-Airport RAC has the right to operate a rental car concession providing rental car services to customers at the Airport.

"Operating Expenses" means any and all costs, expenses, and obligations incurred by the City in connection with the operation, ownership, management, repair, and replacement, as and when necessary, of the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof, including, without limitation, the following: (i) the maintenance, repair, and replacement, as and when necessary, of the downspouts, gutters, roof, and structural components; (ii) the paving, repaving, striping, restriping, patching, repair, and replacement of any or all parking facilities or areas, access roads, driveways, truck ways, sidewalks, and passageways; (iii) loading docks and access ramps, trunk-line plumbing (as opposed to branch-line plumbing); (iv) common utilities and exterior lighting; (v) landscaping; (vi) snow and ice removal; (vii) fire protection; (viii) exterior painting and interior painting of the common areas of the Joint Use Facility (other than the Public Parking Area); (ix) property management fees; (x) additions or alterations made by the City to the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof, in order to comply with Laws (other than those expressly required in the RAC Agreement to be made by RAC), or that are necessary or appropriate to the continued operation of the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof, as a consolidated rental car facility; provided, however, that the cost of additions or alterations that are required to be capitalized for federal income tax purposes shall be amortized on a straight line basis over a period equal to the lesser of the useful life thereof for federal income tax purposes or ten (10) years; (xi) premiums for liability, property damage, fire, workers compensation, earthquake, terrorism, wind and/or hurricane, rent, and any and all other insurance which the City deems necessary to carry on, for, or in connection with the City's ownership and operation of the Joint Use Facility (other than the Public Parking Area); and (xi) any and all other costs or expenses incurred by the City for or on behalf of the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof, and all other similar maintenance and repair expenses incurred by the City for or on behalf of the Joint Use Facility (other than the Public Parking Area), or any portion or portions thereof. Operating Expenses shall not include any costs, expenses, or obligations to the extent incurred solely in connection with the QTA, which QTA costs, expenses, and obligations shall be the sole responsibility of the RAC Consortium as hereinafter defined.

"Permitted Use" means the operation and management of the Premises for Rental Car Purposes (as hereinafter defined), only, and for uses incidental and reasonably related thereto, and except to the extent not reasonably practicable during construction of any RAC Improvements or the CRCF Project, the Premises shall be used continuously by RAC only for Rental Car Purposes, and for uses incidental and reasonably related thereto.

"Public Parking Area" means that portion of the ES consisting of the floors, parking areas, improvements, offices, and other areas dedicated solely to public parking from time to time, together with that portion of the common areas of the Joint Use Facility allocated and dedicated to the Public Parking Area from time to time, as reasonably determined by the City, and not otherwise comprising part of the CRCF or the ATS.

"QTA" means a multi-story fuel/car wash quick turn-around vehicle service facility comprising a portion of the CRCF and located on that portion of the Joint Use Facility Property located adjacent to the ES.

"RAC" shall mean a person (including the RAC) that operates a rental car business serving Airport Customers under terms of a RAC Agreement with the City and who leases space within the CRCF.

"RAC Agreement" means, for any RAC, the agreement between such RAC and the City for the lease of premises within the CRCF, and the use thereof by such RAC, to carry out its Rental Car Purposes at the Airport, and payments to the City relating thereto, as supplemented, amended, modified, or superseded from time to time in accordance with its terms.

"RAC Agreement Year" means the twelve (12) month period commencing on the Rent Commencement Date and each subsequent 12-month period falling wholly or partly within the Term.

"RAC Access Date" means the date on which the City authorizes RAC to access the CRCF for the purpose of commencing construction of the RAC Improvements (as defined in the RAC Agreements) within the Premises.

"RAC Consortium" means RAC, together with the other RACs operating and occupying a portion or portions of the CRCF from time to time pursuant to valid RAC Agreements, which RAC Consortium shall be organized by, and shall remain subject to, the Operating Agreement.

"RAC Delay" means any delay attributable to the acts or omissions of RAC or RAC's officers, agents, employees, contractors, consultants, subtenants, or licensees from time to time.

"RACs' CUTS Proportionate Share" means a percentage, reasonably estimated for each RAC Agreement Year, by dividing reasonable estimations of (i) the aggregate number of all customers (including any additional persons in each customer's party) of each of the RACs then operating in the CRCF who rode the Common Use Transportation System during such RAC Agreement Year; by (ii) the total ridership of the Common Use Transportation System during such RAC Agreement Year. RACs' CUTS Proportionate Share shall be calculated annually, in good faith by the City using commercially reasonable estimations, developed in consultation with RAC and all other RACs, and in conjunction with the City's delivery of the Annual Operating Expense and Tax Statement to RAC.

"RAC's Proportionate Share" means the percentage determined by dividing the aggregate square footage of RAC's individual Premises by 1,502,184 square feet, being the aggregate square footage of that portion of the ES allocated to all of the RACs currently operating in the CRCF (but specifically excluding that portion of the ES allocated to the Public Parking Area).

"Rent" means the Base Rent, Facility Rent, the Minimum Annual Guarantee Fee, the Concession Fee, and any other amount RAC is obligated to pay under the terms of the RAC Agreement.

"Rent Commencement Date" means November 1, 2018.

"Rental Car Contract" means the written contract or other agreement under which a Motor Vehicle is rented at the Airport or the CRCF to a customer by a RAC.

"Rental Car Purposes" means the rental of Motor Vehicles, support functions such as the washing, fueling, and storage of Motor Vehicles held for rental, and the related provision of gasoline, collision damage waiver protection, insurance (including, but not limited to, personal injury insurance), the rental of children's car seats, mobile telephones, and such other services, items, and equipment are reasonably associated with the rental of Motor Vehicles.

"Term" means the term of effective RAC Agreement shall commence on the Effective Date and shall expire on the Expiration Date.

"Terminal" means the existing terminal building(s) at the Airport that are open to the public for the purpose of flight ticket purchase, public lobby, waiting, baggage check-in, and those other services related to public air travel.

II. SELECT FORM RAC AGREEMENT PROVISIONS

Premises. Each RAC is allocated a certain portion of the Joint Use Facility Property as identified in each RAC Agreement.

Use of Premises. Each RAC is granted the following rights: (a) The use of the Premises for Rental Car Purposes; (b) Subject to the rules and regulations promulgated by the City from time to time, RAC shall(i) have the non-exclusive right to use common area space at the CRCF, (ii) be obligated to maintain the Premises, and (iii) be obligated to use the ATS (or the Common Use Transportation System, as applicable) in connection with its use of the CRCF (provided, RAC shall be permitted to provide direct transportation to the Terminal solely with respect to RAC customers that have bona fide and verifiable physical disabilities which reasonably preclude use of the ATS); (c) All of the operations of RAC, including all Airport-related rental car transactions conducted by RAC, shall take place at the CRCF and from no other location at or on the Airport; (d) RAC shall not permit parking on the Premises and/or the CRCF Property of Motor Vehicles of persons (other than employees, agents, licensees, members, and invitees of RAC at the Premises), it being acknowledged and agreed that no public parking shall be allowed therein; (e) RAC shall also have a non-exclusive right and license during the Term of the RAC Agreement for use of the ATS (and the Common Use Transportation System, as applicable); provided, (i) RAC shall permit other RACs and their customers to use the ATS (and the Common Use Transportation System, as applicable), (ii) RAC shall permit Off-Airport RACs and their customers to use the ATS (and the Common Use Transportation System, as applicable), and (iii) solely in the event of an emergency, temporary shutdown or inaccessibility of other transportation systems or means of ingress and egress to and from the Airport, or other exigent circumstances, RAC shall permit such other parties as the City shall reasonably direct from time to time to so utilize the ATS (and the Common Use Transportation System, as applicable); provided, in such instance, (1) such use shall not unreasonably disrupt the use of the ATS (and the Common Use Transportation System, as applicable) by RAC, (2) the City shall charge such other parties directly for use of the ATS (and the Common Use Transportation System, as applicable) in an amount equivalent to the amounts then being charged to Off-Airport RACs for such usage, and (3) the City shall thereafter provide RAC with a credit equal to the RAC's Proportionate Share of the amount of charges collected by the City pursuant to Clause (2) above against RAC's obligations for Base Rent next coming due and payable until such charges have been credited in full.

ATS/Common Use Transportation System. RAC agrees that, commencing on the Rent Commencement Date (or such other date as may be directed by the City) and continuing for the remainder of the Term of the RAC Agreement, RAC shall transport all rental car customers of RAC between the CRCF and the Terminal exclusively by use of the ATS (or if the ATS is unavailable for any reason, by use of the Common Use Transportation System), which ATS (or Common Use Transportation System, as the case may be) shall be operated by the City, and which ATS shall use the common train or transit stations designated by the City from time to time to serve the Joint Use Facility and the Terminal. RAC shall fully cooperate with the City's efforts to impose this requirement on all Off-Airport RACs.

Allocation of Counter Space, Back Office Space and Parking Spaces within CRCF. The size, location, and configuration of available counter space, back office space, ready/return parking spaces, and Motor Vehicle storage spaces in the CRCF shall be subject in all cases to the terms and provisions of the CFC Ordinance, the RAC Agreement, and the direction and approval of the Commissioner. Subject to the foregoing, available counter space, back office space, ready/return parking spaces, and Motor Vehicle storage spaces in the CRCF will initially be allocated among the RACs according to their respective point award allocations and packages pursuant to and as more specifically set forth in that certain "Request for Proposals (RFP) for Rental Car Concessions for Future Joint Use Rental Car and Public Parking Facility at Chicago O'Hare International Airport" heretofore issued by the City in connection with the Joint Use Facility. Available counter space, back office space, ready/return parking spaces, and Motor Vehicle storage spaces in the CRCF shall be subject to reallocation among the RACs based upon their respective Market Share Percentages (as hereinafter defined) every five (5) years following the Rent Commencement Date.

Allocation of Space in the QTA. The size, location, and configuration of available QTA space and vehicle staging lanes in the CRCF shall be subject in all cases to the direction and approval of the Commissioner. Subject to the foregoing, available QTA space and vehicle staging lanes in the CRCF will initially be allocated among the RACs in increments of bays according to respective point award allocations and packages pursuant to and as more specifically set forth in that certain "Request for Proposals (RFP) for Rental Car Concessions for Future Joint Use Rental Car and Public Parking Facility at Chicago O'Hare International Airport" heretofore issued by the City in connection with the Joint Use Facility. Notwithstanding the foregoing, the Commissioner may, at any time and from time to time during the Term of the RAC Agreement and in his or her sole and absolute discretion, require the RACs with the three (3) lowest MAG amounts to share QTA space and vehicle staging areas. Available QTA space and vehicle staging areas in the CRCF shall be subject to reallocation every five (5) years following the Rent Commencement Date.

Reconstitution of RACs. Notwithstanding anything in the RAC Agreement to the contrary, in the event that any RAC from time to time ceases to operate at the CRCF at any time during the Term of the RAC Agreement, the City shall have the right to require that a reasonably comparable replacement RAC be substituted therefor (subject to such replacement RAC executing a valid RAC Agreement with the City). In the event that no reasonably comparable replacement RAC is substituted therefor, the available counter space, back office space, ready/return parking spaces, Motor Vehicle storage spaces, QTA space, and vehicle staging areas may be reallocated among the remaining RACs based upon their respective Market Share Percentages, or as such remaining RACs may otherwise agree, but subject in all cases to the review and reasonable approval of the Commissioner. In the event that the remaining RACs fail to agree on such reallocation, the City may, but shall not be required, to reallocate such available counter space, back office space, ready/return parking spaces, Motor Vehicle storage spaces, QTA space, and vehicle staging areas in accordance with the respective Market Share Percentages of such remaining RACs.

Option to Require Re-Bidding; No Assurance of Continued Participation. The City shall have the right and option, to be exercised in its sole and absolute discretion, to require the re-bidding of the RAC Agreement and the rights granted once every ten (10) years during the Term, and, in such event, RAC may be required to re-bid for the rights and license granted as part of the City's then-applicable public bidding process therefor (and, in the event that RAC elects not to re-bid as aforesaid, the City shall be entitled in such instance to terminate the RAC Agreement in the event that the City determines to award the rights and license granted to a third party, failing which the RAC Agreement shall remain in full force and effect). The terms of such re-bidding may include, without limitation, a modified Minimum Annual Guarantee Fee, a modified Concession Fee, a modified definition of "Gross Revenues", and such other terms as the City shall deem appropriate, but shall not include the right to modify the Facility Rent or Base Rent provisions contained in the RAC Agreement, or establish a modified Facility Rent or modified Base Rent. RAC hereby acknowledges and agrees that the City has advised RAC of the City's right and option to require the periodic rebidding of the RAC Agreement as aforesaid, and RAC further acknowledges that the City has not given RAC any assurances that RAC will be given the opportunity to continually participate in the CRCF or the Airport pursuant to the RAC Agreement. In the event that RAC is outbid in connection with any such periodic re-bidding, the City shall have the right to terminate the RAC Agreement upon not less than thirty (30) days' written notice to RAC. Upon such termination, the obligations of each of RAC and the City shall thereupon terminate (except for any obligations accruing prior to such termination or which expressly survive the termination of the RAC Agreement). In the event that RAC is the successful bidder in any such periodic re-bidding, RAC and the City shall execute a written amendment to the RAC Agreement confirming the modified terms and provisions applicable hereto.

Base Rent. Base Rent for the Premises shall be payable commencing on the Rent Commencement Date and thereafter during the Term.

Facility Rent. In addition to the Base Rent payable by RAC, RAC shall pay an amount equivalent to the sum of (i) RAC's Proportionate Share of any and all Debt Service for each RAC Agreement Year under the RAC Agreement, plus (ii) RAC's Proportionate Share of Operating Expenses and Impositions for each RAC Agreement Year under the RAC Agreement, plus (iii) any and all other costs and expenses for which RAC is expressly responsible or liable for each RAC Agreement Year under the RAC Agreement, to the extent that such aggregate sum for the applicable payment period is in excess of total CFC Collections from all RACs for such payment period (and the other RAC Agreements then in effect), and available in the CFC Revenue Fund (as defined in the Bond Documents) to be applied to such costs (collectively, **"Facility Rent"**). Any and all Facility Rent shall be paid by RAC as and when provided, and in all events without set-off, deduction, credit, or discount, except for such credits for overpayments as are expressly permitted under the RAC Agreement

The City shall, within a reasonable time following the Effective Date of the RAC Agreement, and as soon as reasonably possible after the commencement of each RAC Agreement Year thereafter, provide RAC with a statement of the estimated monthly installments of Facility Rent which will be due for the remainder of such initial or subsequent RAC Agreement Year under the RAC Agreement, as the case may be (the **"Facility Rent Estimate"**). Such Facility Rent Estimate shall be based on, among other things, the estimated or forecasted number of Contract Days for such RAC Agreement Year under the RAC Agreement, and shall be projected to be sufficient, together with the estimated or forecasted CFC Collections for such RAC Agreement Year, to enable the City to cover Debt Service and the other components of Facility Rent. RAC shall pay to Trustee (or, if so directed by the City in writing, to the City), concurrently with its monthly payment of Base Rent, the estimated monthly installment of Facility Rent for the RAC Agreement Year in question as set forth in such Facility Rent Estimate.

As soon as reasonably practicable following the end of each RAC Agreement Year during the Term of the RAC Agreement, the City shall provide RAC with a statement (the **"Facility Rent Statement"**) indicating (i) the total amount of Debt Service, Operating Expenses and Impositions, and related costs attributable to such RAC Agreement Year, (ii) the total CFC Collections received by the City and attributable to such RAC Agreement Year, and (iii) the available balance of the CFC Revenue Fund for such RAC Agreement Year. If such Facility Rent Statement indicates that the total amount of Debt Service, Operating Expenses and Impositions, and related costs for such RAC Agreement Year exceeds the sum of (A) the total amount of CFC Collections attributable to such RAC Agreement Year, plus (B) the then-available CFC Revenue Fund sums for such RAC Agreement Year applied thereto, plus (C) the estimated monthly installments of Facility Rent theretofore paid by RAC and all other RACs for such RAC Agreement Year, RAC shall pay to the City RAC's Proportionate Share any such deficiency (herein, a **"Facility Rent Deficiency"**) within sixty (60) days after RAC receives the Facility Rent Statement for such RAC Agreement Year, and such sums shall be deemed additional Rent. Any such Facility Rent Deficiency which remains unpaid from and after such 60-day period shall bear interest at the Default Rate from the date due until paid. If such Facility Rent Statement indicates that the total amount of Debt Service and related costs for such RAC Agreement Year is less than the total amount of CFC Collections attributable to such RAC Agreement Year, the City shall apply such excess, at the City's discretion, first to Eligible Costs and then as otherwise permitted under the terms and provisions of the CFC Ordinance, the Bond Ordinance, or the Bond Indenture, as the case may be (provided, the City shall advise RAC of any excess CFC Collections which are to be applied to items other than Eligible Costs). The City hereby acknowledges that under each RAC Agreement between each RAC, as tenant/licensee, and the City, as landlord/licensor, each RAC will be required to pay its share of any Facility Rent Deficiency payable directly to the Trustee (or, if directed by the City in writing, to the City), and the City, without limitation of its other rights and remedies for the non-payment of any such Facility Rent Deficiency or other sums, and without limitation or modification of the liability of RAC and each such other RAC for the payment of such Facility Rent Deficiency or other sums, hereby agrees to accept payment of such Facility Rent Deficiency from each such RAC.

Operating Expenses and Impositions. RAC shall pay, in addition to the Base Rent payable by RAC, and as a component of Facility Rent, the following: (i) RAC's Proportionate Share of Operating Expenses and Impositions incurred by the City for or in connection with the Joint Use Facility (other than the Public Parking Area and the Common Use Transportation System); and (ii) RAC's Proportionate Share of RACs' CUTS Proportionate Share of Operating Expenses and Impositions incurred by the City for or in connection with the Common Use Transportation System.

Minimum Annual Guarantee Fee; Concession Fee. In addition to the Base Rent and Facility Rent payable by RAC, RAC shall also pay the Minimum Annual Guarantee Fee and the Concession Fee. RAC shall pay to the City on the Rent Commencement Date and on the first day of each calendar month thereafter during the Term, in equal monthly installments in advance, without demand, setoff, reduction, or credit, an amount equal to one-twelfth (1/12) of the Minimum Annual Guarantee Fee applicable for the RAC Agreement Year in which such month falls. The "Minimum Annual Guarantee Fee" for the first RAC Agreement Year shall be the amount set for each RAC under each RAC Agreement, or (ii) eighty percent (80%) of the amount of the Concession Fee and the Minimum Annual Guarantee Fee, collectively, due to the City from RAC for the previous RAC Agreement Year. With respect to each RAC Agreement Year, and in addition to the Minimum Annual Guarantee Fee payable, RAC shall pay to the City an amount (the **"Concession Fee"**) equal to ten percent (10%) of Gross Revenues for each RAC Agreement Year which are in excess of the Minimum Annual Guarantee Fee applicable to such RAC Agreement Year.

Concession Recovery Fee. RAC acknowledges that Concession Fee payments by RAC to the City under the RAC Agreement are for RAC's privilege to use the Airport facilities and access the Airport market and are not fees imposed by the City upon RAC's customers. The City does not require, but will not prohibit, a separate statement of and charge for the Concession Fee on customer invoices or rental agreements (such separate charge being referred to herein as the **"Concession Recovery Fee"**), provided that such Concession Recovery Fee meets all of the following conditions: (a) such Concession Recovery Fee is permitted by the Laws of the State of Illinois and all other applicable Laws, including, without limitation, Federal Trade Commission requirements, as such Laws exist as of the Commencement Date of the RAC Agreement, or as such Laws may hereafter be amended, as well as any commitment to or contractual obligation by RAC with the Attorney General of the State of Illinois or any group of State Attorneys General; (b) such Concession Recovery Fee shall be titled "Concession Recovery Fee", "Concession Recoupment Fee", or such other name as is first approved by the City in writing; (c) the Concession Recovery Fee must be shown on the customer rental car agreement and invoiced with other RAC charges (i.e. "above the tax line"); (d) the Concession Recovery Fee as stated on the invoice and charged to the customer shall be no more than Eleven and 11/100 percent (11.11%) of Gross Revenues (and specifically included in Gross Revenues for purposes of this calculation the Concession Recovery Fee); (e) RAC shall neither identify, treat, or refer to the Concession Recovery Fee as a tax or levy, nor state or imply that the City is requiring the pass-through or collection of such Concession Recovery Fee; and (0 RAC shall not pass through, unbundle, or list any fees (other than a Concession Recovery Fee, vehicle license fee payable to the City and/or the State of Illinois, and CFC) as a separate item on its customer invoices, except with the City's prior written approval in each instance.

CFC Collections. The City adopted the CFC Ordinance imposing a CFC on rental car customers at the Airport. RAC's obligations with respect to CFCs shall be in addition to, and not in substitution for, RAC's obligations for Base Rent, Facility Rent, the Minimum Annual Guarantee Fee, and Concession Fee, and other charges. RAC shall be required to collect the CFC in accordance with the terms and provisions of the CFC Ordinance, the Bond Indenture, and the RAC Agreement. RAC shall promptly remit to Trustee (or, if so directed by the City in writing, to the City) the CFCs required to be charged, and at the times required, under the CFC Ordinance, the Bond Indenture, and the RAC Agreement, as the case may be (regardless of whether such amounts are actually collected), and shall provide written confirmation thereof to the City. The amount of the CFC will be established by the Commissioner from time to time on a "per Contract Day" basis in an amount determined prior to the commencement of each Fiscal Year as long as any Bond is Outstanding, taking into account, among other things, the projected aggregate Debt Service for the current or ensuing RAC Agreement Year, amounts necessary to fund the other accounts provided for in the Bond Indenture, shortfalls in CFC revenue that may have occurred in the then-current RAC Agreement Year, projections of the level of demand for Motor Vehicle rental services at the Airport in the ensuing RAC Agreement Year, and such other factors (including Eligible Cost determinations) as the City may determine in its sole discretion. Notwithstanding the foregoing, the City may make an unscheduled adjustment to the level of the CFC in any RAC Agreement Year in the event that the City determines, in its sole discretion, that there has been a material change in any of the assumptions utilized in the City's prior calculation of the CFC, and that such change should not (or cannot) be addressed solely through withdrawals from the CFC Stabilization Fund (as defined in the Bond Documents) or the imposition of Facility Rent as provided in the RAC Agreement. Notwithstanding the foregoing, with respect to any RAC Agreement Year in which Facility Rent payable by RAC and all other RACs is projected by the City in the Facility Rent Estimate to exceed $18,000,000.00 in the aggregate, the City shall be obligated to adjust the level of the CFC by such amount as necessary to cause Facility Rent payable by RAC and all other RACs to be less than, or equal to, $18,000,000.00 for such RAC Agreement Year; provided however, the foregoing obligation may be waived in writing by RACs whose Market Share Percentage for such RAC Agreement Year is greater than seventy-five percent (75%) in the aggregate at any time upon written notice to the City within thirty (30) days of the City's issuance of such projection.

On or before the twentieth (20th) day of each calendar month during the Term (provided, however, with respect to the month in which the Commencement Date falls, RAC may furnish such report at the time its next monthly report is due), and on or before the twentieth (20th) day of the calendar month immediately following the expiration or other termination of the RAC Agreement, RAC shall submit to the City, in form and substance approved by and acceptable to the Commissioner from time to time, a written report (the "CFC Report") specifying for the prior calendar month (i) the total number of Contracts entered into by RAC with Airport Customers, (ii) the total number of Contract Days thereunder, and (iii) and the total amount of CFCs payable by RAC in connection with such Contracts. RAC shall remit to Trustee (or, if so directed by the City in writing, to the City) concurrently with such CFC Report the total amount of CFCs due and payable for such calendar month. Any such CFCs which are not paid on such date shall bear interest at the Default Rate from the date due until paid. In the event RAC shall fail to timely furnish to the City any CFC Report, the City shall have the right (but shall not be obligated) without notice, to conduct an audit of RAC's books and records (which books and records shall be prepared and maintained in accordance with, and shall include all of the information required to prepare such reports at RAC's expense. Moreover, in the event that RAC fails to timely furnish any such CFC Report or fails to make available its books and records, the City shall have the right to estimate the CFCs due and payable. The City shall furnish to RAC from time to time on a monthly basis a report showing, in the aggregate, the total number of Contract Days and the total amount of CFCs payable in connection with such Contract Days.

The audit rights set forth in each RAC Agreement shall apply and shall be available to the City with respect to the CFCs and collections thereof; provided, (i) if any such audit with respect to CFCs shall disclose that RAC's CFC Report(s) understated CFC collections to the extent of two percent (2%) or more, RAC shall promptly pay to the City the cost of said audit in addition to the deficiency (together with interest on such deficiency at the Default Rate from the date due until paid), which deficiency shall be payable in any event, or (ii) if any such audit with respect to CFCs and collections thereof shall disclose that RAC's CFC report(s) understated CFC collections by less than two percent (2%), RAC shall promptly pay to the City one-half ('A) the cost of said audit in addition to the deficiency (together with interest on such deficiency at the Default Rate from the date due until paid), which deficiency shall be payable in any event. If the City requires or performs more than one (1) audit during any RAC Agreement Year during the Term of the RAC Agreement, the cost of any audit during such RAC Agreement Year following the initial audit for such RAC Agreement Year shall be paid by the City (except to the extent that the initial or prior audit for such RAC Agreement Year revealed a deficiency of two percent (2%) or more, in which case the aforementioned provisions shall apply).

The Commissioner is authorized to mandate the manner in which RAC identifies the CFC on Contracts from time to time, and RAC shall so identify the CFC within thirty (30) days following notification thereof from the Commissioner. RAC shall charge each Airport Customer the total amount of the CFC due under the Airport Customer's Contract at the time the final number of Contract Days is determined thereunder, and shall remit such total amount of CFCs to Trustee (or, if so directed by the City in writing, to the City), pursuant to the terms and provisions of the RAC Agreement (and any failure of RAC to so charge or collect such CFCs shall not relieve RAC for its responsibility to remit the full amount of such CFCs to Trustee (or, if so directed by the City in writing, to the City)).

RAC shall not intentionally divert Motor Vehicle rentals to other locations to avoid the imposition or collection of CFCs. Intentional diversion shall include, without limitation, RAC advising, directing, or otherwise suggesting to a customer or prospective customer arriving at the Airport that such customer or prospective customer rent a Motor Vehicle at any off-Airport location, whether from RAC or some other rental car provider, regardless of the basis or reason for such advice, direction, or suggestion. All CFCs which would otherwise have been imposed upon and collected from such intentionally diverted rentals may, at the option of the City, be charged to and due and payable by RAC as additional CFCs.

RAC covenants and agrees that RAC will not be entitled to any rights to offset or other reduction in the requirements in the RAC Agreement and shall be required to remit to Trustee (or, if so directed by the City in writing, to the City) all CFCs imposed and payable regardless of any amounts that may be owed or due to RAC by the City. Any and all CFCs collected by RAC prior to remittance to Trustee or the

City, as the case may be, shall be subject at all times to a first lien for the repayment of the Bonds and the TIFIA Loan. In no event shall RAC grant to any third party (other than the City) any liens or encumbrances on CFCs, and any and all liens or encumbrances on CFCs so granted by RAC to any third party, or otherwise purported to be obtained by any third party, shall be null, void, and of no force or effect. In no event shall any CFCs collected by RAC constitute, or be deemed to constitute, income, revenue, or any other asset of RAC, it being acknowledged, understood, and agreed that (i) RAC shall have no legal or equitable ownership or property interest in or to the CFCs, and (ii) RAC has waived, and hereby waives, any and all claims to a possessory or legal or equitable ownership interest in or to the CFCs. Prior to remittance to Trustee or the City, as the case may be, CFCs shall be held by RAC as funds in trust for the benefit of Trustee and the City, as the case may be, and Trustee and the City, as the case may be, shall have full and complete possessory and legal and equitable ownership rights in and to the CFCs. RAC shall not be entitled to any compensation for collection and remittance of the CFCs, but RAC may retain any interest earned on the CFCs between the time of collection and remittance to Trustee (or, if so directed by the City in writing, to the City).

Personal Property Taxes. RAC shall pay all taxes, assessments, license fees, license taxes, business license fees, commercial rental taxes, levies, charges, improvement bonds, taxes, water and sewer rents and charges, utilities and communications taxes and charges, and similar or dissimilar impositions imposed by any authority having the direct power to tax, including any city, county, state, or federal government, or any school, agricultural, lighting, drainage, or other improvement or special assessment district thereof, or any other governmental charge, general and special, ordinary and extraordinary, foreseen and unforeseen, which may be assessed against any legal or equitable interest of RAC in or to, or otherwise relating to, RAC's leasehold interest, or against the trade fixtures, equipment, installations, improvements, inventory, and personal property of RAC from time to time on or before the same shall become delinquent, and the City shall have no liability or responsibility in connection therewith.

Utilities. As part of the CRCF Project to be constructed by or at the direction of the City, the City shall cause utility lines and connections to be brought to the Premises. RAC shall thereafter be responsible for connecting, at its sole cost and expense, the Premises to the available utility lines and connections and to obtain from the applicable utility service providers utilities for all required services; provided, however, RAC may not enter into any agreement with any other municipality or local government to provide utility services without notice to, and approval by, the City of the conditions for furnishing such utility service. RAC shall promptly pay for all utility services directly to the appropriate utility companies. The City has no responsibility to furnish RAC with any utilities and makes no representations or warranties as to the availability of utilities, except as expressly provided to the contrary in the RAC Agreement. The City shall, however, supply water, gas, electricity, and sewer service to the common areas of the CRCF (subject to inclusion of the costs thereof as part of Operating Expenses). The City does not warrant that any utility services will be free from interruptions caused by war, insurrection, civil commotion, riots, acts of God, Government action, repairs, renewals, improvements, alterations, strikes, lockouts, picketing, whether legal or illegal, accidents, inability to obtain fuel or supplies, or any other causes. Any such interruption of utility service shall never be deemed an eviction or disturbance of RAC's use and possession of the Premises or any part thereof, or render the City liable to RAC for damages, or relieve RAC from the performance of RAC's obligations under the RAC Agreement.

Other Charges. RAC covenants and agrees that the Rent shall be absolutely net to the City, except as expressly provided in the RAC Agreement, to the end that the RAC Agreement shall yield net to the City the entire Rent, and so that all costs, fees, interest, charges, maintenance and operating expenses, utility charges, water rates, electricity charges, gas charges, and Impositions (as hereinafter defined) levied, assessed upon, or related to the Premises, or any part thereof, or the use or occupancy thereof, or upon any buildings or improvements at any time situated thereon, or levied or assessed upon the leasehold interest created hereby, during the Term, shall be deemed additional rent due and payable by RAC. Notwithstanding the foregoing, it is specifically understood and agreed that there shall be no “double counting” of any obligations of RAC.

Interest on Overdue Amounts. Rent and any additional rent or other charges not paid when due shall bear interest at the Default Rate from the due date until paid; provided, however, that interest on overdue Taxes or insurance premiums or other additional rent not payable to the City shall not accrue unless and until the City has expended such amounts following RAC's failure to pay them.

Reimbursement of Eligible Costs. Subject to the terms and provisions of the RAC Agreement, Eligible Costs incurred by RAC will be reimbursed by the City upon submission of properly completed invoices from RAC.

Liability for Facility Rent. In the event that RAC defaults under the RAC Agreement, or in the event that any other RAC defaults under its respective RAC Agreement during the Term of the RAC Agreement, by failing to pay the full aggregate amount of Facility Rent due or thereunder, then RAC and/or the remaining RACs shall be and remain liable, on a proportional basis based upon the pro-rata share of the rentable square footage allocated to RAC and/or each of the remaining, non-defaulting RACs in the CRCF, for any and all Facility Rent payable by the defaulting RAC(s) under its (or their) respective RAC Agreement(s). The payment of such Facility Rent by RAC and the remaining RACs shall not relieve the defaulting RAC and/or RAC, as the case may be, of any of its obligations to the City, whether arising under the RAC Agreement or such other RAC Agreement, as the case may be, and in the event that the City thereafter actually receives all or any portion of such unpaid Facility Rent from the defaulting RAC and/or RAC, as the case may be, which RAC and/or any remaining RACs have theretofore paid to the City, the City shall, as soon as reasonably practicable thereafter, provide RAC with a credit against RAC's obligations for Base Rent (but specifically excluding Facility Rent) next coming due and payable in an amount equal to such portion of the unpaid Facility Rent so received by the City to the extent paid by RAC. In addition, upon payment by RAC and/or the remaining RACs of all such unpaid Facility Rent pursuant to the foregoing, any counter space, back office space, ready/return parking spaces, Motor Vehicle storage spaces, QTA space and vehicle staging lanes in the CRCF then allocated to the defaulting RAC shall be relocated to RAC and/or each of the remaining, non-defaulting RACs in the CRCF, on a proportional basis based upon the pro-rata share of the then rentable square footage allocated to RAC and/or such remaining, non-defaulting RACs in the CRCF, and otherwise generally in accordance with the manner of reallocation contemplated in the RAC Agreements as the City sees fit. The Operating Agreement shall expressly provide for and authorize the proportional liability and the other obligations set forth.

Security Deposit. RAC shall deposit with the City, on or before the RAC Access Date, cash security for the full and prompt performance by RAC of all of RAC's obligations in the initial amount equal to three monthly payments of the Minimum Annual Guaranty Fee (the **"Security Deposit"**). If RAC defaults under the RAC Agreement, the City may use all or any part of the Security Deposit to make any defaulted payment, to pay for the City's cure of any defaulted obligation, or to compensate the City for any loss or damage resulting from any default. To the extent any portion of the Security Deposit is so used, RAC shall, within five (5) days after demand from the City, restore the Security Deposit to its full amount. The City may keep the Security Deposit in its general funds and shall not be required to pay interest to RAC on the Security Deposit. If RAC shall perform all of its obligations under the RAC Agreement and return the Premises to the City at the end of the Term in the condition required, the City shall return all of the remaining Security Deposit (or the original remaining Letter of Credit, as hereinafter defined, as the case may be) to RAC, within thirty (30) days after the end of the Term. The Security Deposit shall not serve as an advance payment of Rent or a measure of the City's damages for any default under the RAC Agreement.

Alternatively, and in lieu of the Security Deposit hereinabove provided, RAC may deposit with the City, upon RAC's execution and delivery of the RAC Agreement, as security for the full and prompt performance by RAC of all of RAC's obligations, an irrevocable, unconditional, transferable letter of credit (the **"Letter of Credit"**), in favor of the City from a bank approved by the City (which bank shall have a Fitch rating of "A+" or better, shall have a branch office located in the Chicago, Illinois metropolitan area, and shall not appear on any "troubled" or "distressed" bank or financial institution lists maintained or published by the FDIC, any other governmental entity or agency with jurisdiction over the issuing bank, or any generally-recognized private bank rating entity or company). The Letter of Credit shall provide for security in the initial amount equal to three monthly payments of the Minimum Annual Guaranty Fee. Whether or not the RAC Agreement or RAC's right to possession has been terminated, (a) in the event of a default under any of the terms, covenants and conditions of the RAC Agreement, (b) in the event RAC has filed (or there has been filed against RAC) a petition for bankruptcy protection or other protection from its creditors under any applicable and available law which has not been dismissed or discharged, or in the event RAC files a general assignment for the benefit of its creditors, or (c) the issuing bank is placed in receivership or similar position by the FDIC or any other governmental entity or agency with jurisdiction over the issuing bank, or otherwise appears on any "troubled" or "distressed" bank or financial institution lists maintained or published by the FDIC, any other governmental entity or agency with jurisdiction over the issuing bank, or any generally-recognized private bank rating entity or company, then, in any such event, the City may at once and without any notice whatsoever to RAC be entitled to draw down on the Letter of Credit and apply such resulting sums toward the cure of any default by RAC under the RAC Agreement or toward any damages to which the City is entitled pursuant to the terms of the RAC Agreement. Notwithstanding the foregoing, in the event that the Fitch rating of the issuing bank of the Letter of Credit is downgraded to a rating of "A-" or below, or if the issuing bank thereafter appears or is placed on any "troubled" or "distressed" bank or financial institutions lists as aforesaid, then RAC shall be obligated, within ten (10) business days of receiving notice of the same, to replace the Letter of Credit with a new Letter of Credit from an issuing bank meeting all of the criteria set forth in the RAC Agreement and otherwise acceptable to the City.

The foregoing Letter of Credit shall provide for an original expiration date not earlier than twelve (12) months following the date of issuance and shall be automatically extended without amendment for additional successive twelve (12) month periods from the original expiration date or any future expiration date thereof through the expiration or earlier termination of the RAC Agreement, unless not less than sixty (60) days prior to any such expiration date, the issuing bank sends to the City by certified/registered mail, return receipt requested, or by overnight courier written advice that the bank has elected not to consider the Letter of Credit renewed for any such additional 12-month period. In the event such bank so advises the City that such Letter of Credit will not be so renewed, or in the event that the issuing bank is placed in receivership or similar position by the FDIC or any other governmental entity or agency with jurisdiction over the issuing bank or otherwise appears on any "troubled" or "distressed" bank or financial institution lists maintained or published by the FDIC, any other governmental entity or agency with jurisdiction over the issuing bank, or any generally-recognized private bank rating entity or company, the City shall promptly thereafter notify RAC thereof in writing, and RAC shall obtain a substitute Letter of Credit from a bank reasonably approved by the City meeting all of the terms and conditions described in under the heading "Security Deposit", which substitute Letter of Credit ("Substitute Letter of Credit") shall be reasonably satisfactory to the City and delivered to the City no later than thirty (30) days prior to the expiration date of the Letter of Credit then in effect. In the event RAC fails to deliver such Substitute Letter of Credit to the City at least thirty (30) days prior to the expiration date of the Letter of Credit then in effect (or within ten (10) days following the date of Landlord's notice advising RAC that the issuing bank was placed in receivership or similar position or otherwise appears on any "troubled" or "distressed" bank or financial institution lists, as the case may be), the City shall in such instance have the right, without further notice to RAC, to immediately draw down on the entire amount of the Letter of Credit then available to the City; and in such instance, the City shall retain such resulting sum as a cash security deposit and the City shall have the right to use such cash security deposit to the same extent that Landlord would be entitled to draw down on the Security Deposit or the Letter of Credit (and RAC shall replenish such cash security deposit in the same manner as required for the Letter of Credit); provided, in the event that a Substitute Letter of Credit meeting the conditions set forth in the RAC Agreement is subsequently submitted by RAC, the cash security deposit then being held by the City shall be returned to RAC as soon as reasonably practicable following the City's receipt of such Substitute Letter of Credit. Notwithstanding the foregoing, in the event that the Fitch rating of the issuing bank of the Substitute Letter of Credit is downgraded to a rating of "A-" or below, or if the issuing bank thereafter appears or is placed on any "troubled" or "distressed" bank or financial institutions lists as aforesaid, then RAC shall be obligated, within ten (10) business days of receiving notice of the same, to replace the Substitute Letter of Credit with a new Substitute Letter of Credit from an issuing bank meeting all of the criteria set forth in the RAC Agreement and otherwise acceptable to the City. The City shall not, unless required by law, keep the cash security deposit separate from its general funds or pay interest thereon to RAC. No trust relationship is created in the RAC Agreement between the City and RAC with respect to such security deposit, and the security deposit may be commingled with other funds of the City.

If MAG is increased at any time during the Term of the RAC Agreement, the Security Deposit or Letter of Credit, as the case may be, shall be increased by the same percentage as the percentage of increase of the MAG so that RAC at all times during the Term of the RAC Agreement has on deposit with the City a sum equal to three (3) monthly installments of MAG payable. In no event, however, shall the Security Deposit or Letter of Credit, as the case may be, be subject to reduction. RAC shall deposit with the City the increased amount of the Security Deposit or Letter of Credit, as the case may be, within thirty (30) days after the date on which the MAG has so increased.

Event of Default. The occurrence of any of the following shall constitute an "Event of Default":

(a) The failure by RAC to pay any Rent or other sums payable, including, without limitation, any Impositions, as required under the RAC Agreement when due, and the failure to cure same within five (5) days after the giving of written notice thereof to RAC;

(b) The failure by RAC on or after the Effective Date of the RAC Agreement to perform any representation, warranty, covenant, agreement, or final court order applicable to the Premises required to be performed by RAC under the RAC Agreement and the failure of RAC to remedy such default within a period of thirty (30) days after written notice to RAC, or such additional time as may be reasonably necessary to remedy such default so long as RAC is at all times diligently and expeditiously proceeding to cure such default and in fact cures such default within a reasonable time, but in any event, such additional time shall not extend more than ninety (90) days after the initial written notice to RAC; provided, however, that such additional time beyond thirty (30) days shall not apply to a default that creates a present danger to persons or property or that materially or adversely affects the City's interest in the Premises or the Airport, or if the failure or default by RAC is one for which the City (or any official, employee or other agent) may be subject to fine or imprisonment.

(c) The abandonment or vacation of the Premises during the Term for a period in excess of seven (7) consecutive days;

(d) If RAC shall suffer or permit any lien or encumbrance to attach to the Premises and/or CRCF or the leasehold interest of RAC and RAC shall not discharge said lien or encumbrance within thirty (30) days following written notice thereof, or within ten (10) days prior to any sale or disposition or forfeiture pursuant to such execution, whichever date shall first occur;

(e) If RAC shall fail to carry all required insurance under the RAC Agreement and such failure continues for (i) thirty (30) days after written notice by the City to RAC, so long as the City receives at least sixty (60) days' written notice from the insurer of any change, cancellation or non-renewal thereof, or (ii) ten (10) days after written notice by the City to RAC, in the event that the City receives less than sixty (60) days' written notice from the insurer of any change, cancellation or non-renewal thereof;

(f) Any material misrepresentation (including by omission) made by RAC in the RAC Agreement or by RAC or any Person having more than a seven and one-half percent (7.5%) direct or indirect ownership interest in RAC in any affidavit, certification, disclosure, or representation made by RAC or any such person relied upon by the City in execution of the RAC Agreement or in approving any request by RAC submitted to the City in accordance with the RAC Agreement;

(g) Failure to comply with an order of a court of competent jurisdiction or proper order of a governmental agency relating to the RAC Agreement within the required time period.

(h) The failure to deliver the estoppel certificate requested within five (5) days after written notice of failure to deliver within the time period required therein;

(i) The default of RAC under any lease agreement, indemnity agreement, or other agreement RAC may presently have or may enter into with the City during the Term of the RAC Agreement, and failure to cure said default within any applicable cure period. RAC agrees that in case of an Event of Default under the RAC Agreement, the City also may declare a default under any such other agreements;

(j) Any material permit of RAC allowing it to do business in the City or the County has been revoked and is not reinstated within ten (10) days following such revocation;

(k) The filing by RAC of a voluntary petition in bankruptcy occurring on or after the date of the RAC Agreement, or if after the date of the RAC Agreement any involuntary petition in bankruptcy shall be filed against RAC under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the filing thereof;

(1) On or after the date of the RAC Agreement, the admission, in writing, by RAC of its inability to meet its debts generally as they mature;

(m) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of RAC's assets pursuant to proceedings brought under the provisions of any federal reorganization act on or after the date of the RAC Agreement when possession is not restored to RAC within sixty (60) days after such taking;

(n) The appointment of a receiver on or after the date of the RAC Agreement of all or substantially all of RAC's assets and RAC's failure to vacate such appointment within sixty (60) days thereafter;

(o) The assignment by RAC on or after the date of the RAC Agreement of all or substantially all its assets for the benefit of its creditors; or

(p) Any failure of RAC to comply with the terms and provisions of either the CFC Ordinance or the Bond Ordinance, and the failure of RAC to cure the same within ten (10) days after the giving of written notice thereof to RAC.

Remedies. If the City so elects, with or without notice or demand, if an Event of Default occurs, the City may exercise any one or more of the following described remedies, in addition to all other rights and remedies provided elsewhere in the RAC Agreement or at law or equity:

(a) The City may terminate the RAC Agreement and the Term created hereby, in which event the City may forthwith repossess the Premises and be entitled to recover forthwith as damages: (i) all of the Rent accrued and unpaid for the period up to and including such termination date; (ii) any other sums for which RAC is liable or in respect of which RAC has agreed to indemnify the City under any provisions of the RAC Agreement which may be then due and owing; (iii) an amount equal to nine (9) months of the total Rent then payable by RAC at the time of such termination (it being acknowledged and agreed by RAC and the City that, in the event of a termination of the RAC Agreement following a RAC default, the City will suffer damages in an amount which, due to the special and unique nature of the transaction contemplated by the RAC Agreement and the special and unique nature of the negotiations which preceded the RAC Agreement, will be impractical or extremely difficult to determine, and such amount represents a reasonable estimate of the damages which the City will sustain in the event of a termination of the RAC Agreement following a RAC default), provided, however, if the City enters into an agreement for the Premises with a new RAC (a **"New RAC Agreement"**), the amount payable under this clause (iii) shall in no event exceed the amount of Rent that would otherwise be due and payable by RAC for the period commencing on the date of termination of the RAC Agreement and continuing through and including the date on which rent commences under such New RAC Agreement; and (iv) any damages in addition thereto, including reasonable attorneys' fees and court costs, which the City sustains as a result of the breach of any of the covenants of the RAC Agreement other than for the payment of Rent;

(b) The City may terminate RAC's right of possession and may repossess the Premises by taking peaceful possession or otherwise as provided under the heading "Remedies" without terminating the RAC Agreement or releasing RAC, in whole or in part, from RAC's obligation to pay Rent for the full Term. Upon and after entry into possession without termination of the RAC Agreement, the City may relet the Premises or any part thereof for the account of RAC, for such rent, for such time, and upon such terms as shall be satisfactory to the City, and the City shall not be required to accept any RAC offered by RAC nor to observe any instructions given by RAC about such reletting. For the purpose of such reletting, the City is authorized to make any reasonably necessary repairs, alterations or additions in or to the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the costs and expenses of such repairs, changes, alterations, and additions and the other expenses of such reletting and of the collection of the rent accruing therefrom to equal or exceed the Rent provided for in the RAC Agreement for the balance of its Term, RAC shall satisfy and pay such deficiency upon demand therefor;

(c) The right to specific performance, an injunction, or other appropriate remedy;

(d) The right to money damages, including special and consequential damages;

(e) The right to deem RAC non-responsible in future procurements by the City;

(f) In case of a default relating to RAC's applicable obligations the right to take over construction of work, at RAC's cost. Without limiting any other rights of the City, in the event the City takes over the work, the City shall be entitled to exercise all rights under the collateral assignments and other security granted to or available to City under the RAC Agreement, and sureties thereunder shall remain liable to the City upon such other security, and the proceeds thereof shall become the property of the City;

(g) The right to draw under the Security Deposit or the Letter of Credit, as the case may be, and to use the proceeds thereof, to pay or reimburse the City for performance of RACs' obligations or compensate the City for any damages owed to the City by RAC. The City agrees that, with respect to any Event of Default which can be cured to completion by the payment of money, the City shall, before exercising any of its other rights and remedies, but without prejudice to any such other rights and remedies, and without limiting RAC's obligation to replenish the same, first draw upon or attempt to draw upon the Security Deposit or the Letter of Credit, as the case may be, and apply the proceeds of such draw towards the cure of such monetary Event of Default; and

(h) The right (but not the obligation) to cure any Event of Default, and if the City so elects, any and all costs and expenses incurred by the City in curing such default shall be deemed additional Rent, and shall be paid by RAC to the City within thirty (30) days following the City's invoice therefor, and if not paid within such 30-day period, shall bear interest at the Default Rate.

Sublease and Assignment. Except as otherwise set forth in the RAC Agreement, RAC shall not, without the prior written consent of the City in each instance: (a) assign, transfer, mortgage, pledge, hypothecate, or encumber, or subject to or permit to exist upon or be subjected to any lien or charge, the RAC Agreement or any interest under it (including any sublease or easement); (b) allow to exist or occur any transfer of or lien upon the Premises, the RAC Agreement, or RAC's interest in the RAC Agreement by operation of law; (c) sublet the Premises or any part thereof; or (d) permit the use or occupancy of the Premises or any part thereof for any purpose not provided for in the RAC Agreement or by anyone other than RAC.

Subordination and Modification. RAC agrees that the RAC Agreement shall be subject and subordinate (i) to the Bonds, the Bond Documents, the TIFIA Loan, the TIFIA Loan Documents, to any and all rights and security interests thereunder, and to all advances which are or may be hereafter made thereunder, to the full extent of all sums secured thereby, and to all renewals or extensions of any part thereof, and to any other financing or security interest as the City may hereafter, at any time, elect to place on the CRCF, or any portion thereof; (ii) to any assignment of the City's interest in the RAC Agreement, or any other RAC Agreements and rents from the CRCF, which now exists or which the City may hereafter, at any time, elect to place on the Property; and (iii) to any Uniform Commercial Code Financing Statement or other fixture filing or security interest covering the personal property rights of the City which either now exists or which the City may hereafter, at any time, elect to place on the foregoing personal property (all of the foregoing instruments set forth in Clauses (i), (ii), and (iii) above being hereafter collectively referred to as **"Security Documents"**). RAC agrees, upon request of the trustee, holder, or beneficiary of any Security Documents (each, a **"Holder"**) to hereafter execute any documents which counsel for the City or Holder, as the case may be, may reasonably deem necessary to evidence the subordination of the RAC Agreement to the Security Documents. Within ten (10) days after written request therefor, if RAC fails to execute any such requested documents, the City or Holder is hereby empowered to execute such documents in the name of RAC evidencing such subordination, as the act and deed of RAC, and this authority is hereby declared to be coupled with an interest and not revocable. In the event of a foreclosure or enforcement action pursuant to any Security Documents, RAC shall, at the sole option of the City or Holder, thereafter remain bound pursuant to the terms of the RAC Agreement. RAC agrees, however, to execute and deliver at any time and from time to time, upon the written request of the City or of Holder, any instrument or certificate that may be necessary or appropriate in any such foreclosure or enforcement proceeding or otherwise. If the Holder of any Security Document shall succeed to the interest of the City under the RAC Agreement, such Holder shall have the same remedies, by entry, action, or otherwise, for the non-performance of any agreement contained in the RAC Agreement, for the recovery of Rent, or for any other default or event of default that the City had or would have had if any such Holder had not succeeded to the interest of the City. If the City, Trustee, or any Holder at any time requires a modification of or to the RAC Agreement which shall not materially and adversely increase the obligations, or materially and adversely decrease the rights, of RAC or the City, whether required under the terms of the Bond Indenture, the TIFIA Loan Documents, or otherwise, then RAC agrees that the RAC Agreement may be so modified, and shall execute such documents as may be reasonably necessary to effectuate such modification.

Off-Site Storage and Service Facility Leases. Notwithstanding anything in the RAC Agreement to the contrary, it is hereby acknowledged, understood, and agreed that the City and RAC, and that the City and other RACs, shall enter into separate, off-site storage and service facility leases or licenses (each a **"Storage/Service Facility Lease"**) upon the following general terms: (i) the term thereof does not exceed the then-remaining term of the RAC Agreement (or such other RAC Agreement, as the case may be); (ii) the lessee or licensee thereunder shall be a RAC and a party to a valid and existing RAC Agreement; (iii) the base rent (**"Storage/Service Facility Base Rent"**) applicable to premises to be leased or licensed thereunder shall be calculated using an annual rental value of $2.00 per rentable square foot for years one (1) through ten (10) during the initial term of each Storage/Service Facility Lease, such value thereafter being adjusted to $2.25 per rentable square foot for years eleven (11) through twenty (20) during the initial term of each Storage/Service Facility Lease, and such value thereafter being adjusted at the end of the twentieth (20th) year of such term, and every fifth (5th) year thereafter, based on the fair market rental value of such premises, as determined by appraisal pursuant to the appraisal and adjustment process described Exhibit A attached hereto, and other charges applicable to such premises during such term shall be on a "triple net" basis, with the lessee or licensee under such Storage/Service Facility Lease being solely responsible for any and all taxes, maintenance, repairs, insurance, construction, and other obligations thereunder; and (iv) the premises to be leased or licensed thereunder shall be generally permitted to be used for such purposes pursuant to the Airport Layout Plan then applicable to the Airport (the **"ALP"**). Further, each Storage/Service Facility Lease shall include a provision whereby the City shall agree that, in the event that the aggregate of the Facility Rents payable by each of the RACs under each of the then-effective RAC Agreements in any given RAC Agreement Year exceeds $12,000,000.00, the City shall then reduce the aggregate of the Storage/Service Facility Base Rents payable by each of the RACs under each of the then-effective Storage/Service Facility Leases in such RAC Agreement Year in an amount equal to the amount by which such aggregate Facility Rents exceed $12,000,000.00, provided however, in no event shall such aggregate Storage/Service Facility Base Rents be reduced below $0.00. Additionally, when allocating space among each of the RACs pursuant to each of the Storage/Service Facility Leases, the City shall initially allocate a certain portion of space to the RACs deemed by the City to be "large operators," and a certain, separate portion of space to the RACs deemed by the City to be "small operators," each initial allocation being made in accordance with the then current needs of the City at the City's sole discretion; such initially allocated portions of space shall then be sub-allocated based upon the pro-rata share of the rentable square footage allocated to each of the "large operator" RACs and the "small operator" RACs, as the case may be, in the CRCF. With respect to the foregoing, the City shall endeavor to ensure that the initial allocation of space to all "large operators" shall be no less than fifty (50) acres in the aggregate, and the initial allocation of space to all "small operators" shall be no less than ten (10) acres in the aggregate. Further, the City shall negotiate an equitable allocation amongst all RACs which intend to enter into a Storage/Service Facility Lease with respect to costs associated with the demolition of the existing service facilities, construction of new service facilities and construction of necessary infrastructure improvements. To the extent feasible, the City and such RACs will work to preserve any existing structures that are permitted to be used for such purposes pursuant to the ALP. In the event that the RAC Agreement is terminated pursuant to the City's termination right with respect to the periodic rebidding of the RAC Agreement, the City shall cause that certain successful bidder RAC to pay to RAC any straight line unamortized construction costs (to be calculated based on a 30-year amortization schedule) incurred by RAC in relation to any construction of the off-site storage and service facility pursuant to RAC's Storage/Service Facility Lease. Further, the City acknowledges that the City's option to require rebidding of the RAC Agreement shall not alter the procedures for calculating Storage/Service Facility Base Rent (or any reduction thereof, if applicable).

RAC Agreement Modification. In the event that the Commissioner and no less than five (5) RACs then operating and occupying a portion or portions of the CRCF from time to time pursuant to valid RAC Agreements, provided that the aggregate Market Share Percentage of such five (5) or more RACs is greater than sixty percent (60%), agree to modify the RAC Agreement, and the other RAC Agreements then in effect, at any time, and from time to time, the RAC Agreement and such other RAC Agreements shall be so modified, in which event the parties hereto shall enter into a written supplement confirming such modifications.

III. SELECT FORM OFF-AIRPORT RAC AGREEMENT PROVISIONS

License. The City does license to Licensee during the Term of the RAC Agreement the non-exclusive right to utilize the Pick-Up/Drop-Off Area. The **"Pick-Up/Drop-Off Area"** means that certain area located at or adjacent to the Joint Use Facility, such area being designated by the City from time to time for the picking up and dropping off of Licensee's customers at the Airport.

Use. Licensee shall utilize the Pick-Up/Drop-Off Area for the sole and limited purpose of picking up and dropping off Licensee's customers when transporting such customers between the Airport and Licensee's Storefront. Further, Licensee's customers shall have the right to utilize the ATS (or the Common Use Transportation System, as the case may be) for transportation between the Pick-Up/Drop-Off Area and the Terminal. All of Licensee's operations hereunder, shall take place at the Pick-Up/Drop-Off Area only and from no other location at or on the Airport or the Joint Use Facility.

Airport Transit System/Common Use Transportation System. Licensee agrees that, commencing on the Commencement Date (or such other date as may be directed by the City) and continuing for the remainder of the Term of the RAC Agreement and except as expressly agreed to the contrary in writing by the City, Licensee shall cause all of its rental car customers to be transported between the Pick-Up/Drop-Off Area and the Terminal exclusively by use of the ATS (or if the ATS is unavailable for any reason, by use of the Common Use Transportation System). Notwithstanding anything written in the RAC Agreement to the contrary, until such time that the ATS (or the Common Use Transportation System, as the case may be) is operational between the Joint Use Facility and the Terminal, Licensee may utilize its own shuttle buses to transport its rental car customers between Licensee's Storefront and the curbside drop-off areas of the Terminal, as may be designated by the City from time to time. Upon receipt of written notice from the City that the operation of the ATS (or the Common Use Transportation System, as the case may be) has commenced between the Joint Use Facility and the Terminal, Licensee's rights under the preceding sentence shall be of no further force or effect.

Concession Recovery Fee. Licensee is permitted to charge a Concession Recovery Fee in the same manner On-Airport RACs are permitted to do so.

Term. The term of the existing Licenses commence on August 1, 2013 and shall expire on the fifteenth (15th) anniversary of such commencement date.

Concession Fee. With respect to each License Year, Licensee shall pay to the City an amount (the "Concession Fee") equal to ten percent (10%) of Gross Revenues for each License Year.

Customer Facility Charge. Off Airport RACs are required to collect CFCs in the same manner as the On-Airport RACs.

Security Deposit. A Security Deposit or Letter of Credit is required of Off-Airport RACs in the same manner as required of On-Airport RACs.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

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City of Chicago, Illinois
Chicago O'Hare
International Airport

Basic Financial Statements as of and for the
Year Ended December 31, 2022, Required
Supplementary Information, Additional
Supplementary Information, Statistical
Information, and Independent Auditor's Report

CITY OF CHICAGO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Brandon Johnson, Mayor
and Members of the City Council
City of Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chicago O'Hare International Airport (the "Airport"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Airport'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 Chicago O'Hare International Airport, as of December 31, 2022, and the respective 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). 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 Airport, 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.

Emphasis of Matters

As discussed in Note 1, the basic financial statements present only Chicago O'Hare International Airport, an enterprise fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of December 31, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the Airport presented its financial statements to reflect the effects of the adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*, on January 1, 2022. Our opinion is not modified with respect to this matter.

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.

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 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, 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 Airport'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.

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 Management's Discussion and Analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the statistical section 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 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.

Deloitte & Touche LLP

June 30, 2023

The following discussion and analysis of Chicago O'Hare International Airport's (the "Airport" or "O'Hare") financial performance provides an introduction and overview of the Airport's financial activities for the fiscal year ended December 31, 2022. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

Operating revenues for 2022 increased by $114,281 (10.0%) compared to prior year operating revenues due to an increase in terminal use charges and landing fees of $24,390; increases in concessions and other rental revenues of $66,695; and an increase in hotel revenues of $23,196, all due to an increase in passenger and flight activity as the Airport continued to recover from the impacts of the COVID-19 pandemic on travel.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by $117,438 (15.2%) compared to 2021, primarily due to the increase salary and wages of $12,592 due to contractual increases and the increase in fringe benefit costs, increases in professional and engineering expenses of $23,321 (15.6%) due to ongoing planning efforts related to the O'Hare 21 program, which includes the Terminal Area Plan expansion, Terminal 5 expansion, major airfield projects including the completion of the O'Hare Modernization Program, on airport hotel developments and other capital projects, and planning of new facilities which increased during 2022, hotel expenses of $11,364 (46.9%) due to the ongoing recovery of hotel business from the impact of the COVID-19 pandemic on travel and tourism, the completion of the majority of the Terminal 5 expansion and upgrades, and an increase in pension expense of $101,531 (162.6%) primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments, offset by a decrease in repairs and maintenance of $16,654 (9.8%) due to the impact of upgrades to existing infrastructure which require less maintenance, such as the Terminal 5 upgrades, and $14,716 (10.0%) for other operating maintenance expense for expenses related to concessions relief during 2021 that were not incurred in 2022.

The Airport's total net position at December 31, 2022, was $909,951, which is a decrease of $168,132 (15.6%) over total net position at December 31, 2021 primarily due to increases in pension expense of $101,531 due to changes in allocation of pension expense, changes in pension assumptions and the impact of pension investments, and increase in investment loss of $91,819 due to the impact of the global market volatility on investments, offset by increases in PFC and CFC balances totaling $33,501 as the collection of PFC and CFC balances increased during 2022.

Capital asset additions for 2022 were $703,333, which primarily included additions related to the continuing construction of new runway projects, ongoing work related to the Terminal 5 expansion including TAP Phase 1 utilities, parking garage, baggage handling systems; parking structure improvements, completion of the expansion of the Automated Train System (ATS), terminal improvements and capital maintenance. Completed projects totaling $552,352 were transferred from construction in progress to applicable buildings and other facilities.

During 2022, the Airport implemented GASB Statement No. 87, *Leases* ("GASB 87"). Due to this implementation, the Airport had a right to use asset of $13,081 and lease receivable of $494,702 (short-term and long-term portion), lease liability of $13,219 (short-term and long-term portions) and deferred inflow on leases of $493,158 related to the lessor and lessee activity of the Airport as of December 31, 2022.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Airport's basic financial statements. The Airport is included in the City of Chicago, Illinois' (the "City") reporting entity as an enterprise fund. The Airport's basic financial statements comprise the basic financial statements and the notes to basic financial statements. In addition to the basic financial statements, this report also presents additional and statistical information after the notes to basic financial statements.

The Statement of Net Position present all of the Airport's assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as Net Position. The increase or decrease in net position may serve as an indicator, over time, whether the Airport's financial position is improving or deteriorating. However, the consideration of other non-financial factors, such as changes within the airline industry, may be necessary in the assessment of overall financial position and health of the Airport.

The Statement of Revenues, Expenses and Changes in Net Position present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in Net Position.

The Statement of Cash Flows report how cash and cash equivalents were provided and used by the Airport's operating, capital financing, and noncapital financing and investing activities. These statements present the cash received and disbursed, the net increase or decrease in cash and cash equivalents for the year and the cash and cash equivalents balance at year-end.

The Notes to Basic Financial Statements are an integral part of the basic financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the basic financial statements.

The Required Supplementary Information section presents the schedule of changes in the net pension liability and related ratios and the schedule of contributions.

In addition to the basic financial statements, this report includes the Additional Supplementary Information and Statistical Information. The Additional Supplementary Information section presents the debt service coverage calculations, and the Statistical Information section includes certain information related to the Airport's historical financial and non-financial operating results and capital activities.

The basic financial statements include all of the Airport's funds and all the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019, as the 30-year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The Airport has entered into a 10-year operating agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC and food and beverage operations.

FINANCIAL ANALYSIS

Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the Airline Use and Lease Agreement ("AULA"). In 2018, the City Council approved the new AULA for airlines operating at O'Hare, which went into effect as of July 1, 2018, for provisions regarding rates and charges. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

At December 31, 2022, the Airport's financial position included total assets and deferred outflows of $14,998,333, total liabilities and deferred inflows of $14,088,382 and net position of $909,951.

A comparative condensed summary of the Airport's net position at December 31, 2022 and 2021, is as follows (dollars in thousands):

	Net Position	
	2022	**2021**
Current unrestricted assets	$ 533,442	$ 426,072
Restricted and other assets—noncurrent	3,772,147	2,736,795
Capital assets—net	10,474,618	10,146,677
Total assets	14,780,207	13,309,544
Deferred outflows	218,126	213,352
Total assets and deferred outflows	$14,998,333	$13,522,896
Current unrestricted liabilities	$ 249,610	$ 222,731
Liabilities payable from restricted assets and noncurrent liabilities	13,291,643	12,148,413
Total liabilities	13,541,253	12,371,144
Deferred inflows	53,971	73,669
Deferred inflows of resources for leases	493,158	-
Total liabilities and deferred inflows	$14,088,382	$12,444,813
Net position:		
Net investment in capital assets	$ 945,118	$ 1,301,406
Restricted	1,318,135	1,123,192
Unrestricted	(1,353,302)	(1,346,515)
Total net position	$ 909,951	$ 1,078,083

Current unrestricted assets increased by $107,370 (25.2%) primarily due to an increase in cash and cash equivalents of $52,192 due to timing of payments and better collections and investments of $7,281, due to funds received from COVID-19 relief grants that have been set aside to use in future years, and lease receivables of $34,393 due to the implementation of the lessor portion of GASB 87 related to future cash collections from active leases. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2022 and 2021 was 2.14:1 and 1.91:1, respectively. This increase in the current ratio was primarily due to an increase of cash and cash equivalents and investments, combined with a decrease in unearned revenue, as amounts due to the airlines related to 2022 were less than in previous years. Restricted and other assets—Noncurrent increased by $1,035,352 (37.8%), primarily due to an increase in the construction funds for capital improvement projects of $391,806 in cash and cash equivalents and $89,407 investments from 2022 bond issuances related to the ongoing O'Hare 21 program, and $460,309 in lease receivables due to the implementation of GASB 87, which is related to future cash collections for existing leases where the Airport is a lessor. Net capital assets increased by $327,941 (3.2%) primarily due to ongoing capital activities of the O'Hare 21 Program, including the Terminal 5 expansion, baggage handling systems, landside improvements and repurposing; Terminal Area Plan Phase 1 Utilities; Terminal 2 O'Hare Global Terminal planning, ongoing Capital Improvement Program upgrades and the final additions to complete the ATS.

The increase in unrestricted current liabilities of $26,879 (12.1%) is mainly related to the increase of due to other city funds of $45,330 for employee benefit and reimbursement costs due to the City Corporate Fund and lease liability of $2,078 due to the implementation of GASB 87 (short-term portion), offset by the decrease in accounts payable and accrued liabilities of $1,239, due to timing differences of payments, advances for terminal and hangar rents of $11,938 related to 2023 advance rent collections as there was a decrease in prepaid rents compared to 2021, and a decrease of $7,352 of unearned revenue calculated under the residual rate setting making methodology in the AULA as there was a reduction in the amounts due to the airlines for 2021 and 2022.

Liabilities payable from restricted assets and noncurrent liabilities increased by $1,143,230 (9.4%) due primarily to the issuance of O'Hare General Airport Revenue Bonds (GARB) issued during 2022, which increased the balance by $987,443. The net pension liability in the amount of $1,665,864 increased by $95,896 (6.1%) compared to 2021 primarily as a result of changes in actuarial assumptions, impacts of investment returns, and the increase in allocation of pension costs to the Airport compared to Governmental funds and certain Enterprise funds. This was offset by a net decrease in Line of Credit Payable of $71,100, of which $568,400 was refunded through the Series 2022 O'Hare GARB issuance and $497,300 of line of credit was issued during 2022.

Deferred outflows slightly increased by $4,774 (2.2%) and deferred inflows decreased by $19,698 (26.7%) during 2022 due to changes in assumptions and the difference between 2022 projected and actual earnings on pension plan investments. Deferred inflows related to leases was $493,158 at December 31, 2022 due to the implementation of GASB 87.

As of December 31, 2022, total net position was $909,951, which was a decrease of $168,132 (15.6%) from 2021 primarily due to increases in investment loss of $91,819 due to the global market volatility on recognized earnings which impact short-term market value, increase in interest expense of $12,281 related to scheduled bond interest payments, and reduction of grant revenues of $32,519 as the need for COVID-19 relief funds reduced during 2022.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2022 and 2021 is as follows (dollars in thousands):

	Changes in Net Position	
	2022	2021
Operating revenues:		
Landing fees and terminal charges	$ 840,343	$ 815,953
Rents, concessions, and other	363,307	296,612
Hilton O'Hare revenues	55,783	32,587
Total operating revenues	1,259,433	1,145,152
Operating expenses:		
Salaries and wages	232,514	219,922
Pension expense	163,979	62,448
Repairs and maintenance	153,522	170,176
Professional and engineering	172,740	149,419
Other operating expenses	132,016	146,732
Hilton O'Hare expenses	35,598	24,234
Depreciation and amortization	375,346	314,122
Loss on capital asset disposals	-	4,754
Total operating expenses	1,265,715	1,091,807
Operating income (Loss)	(6,282)	53,345
Nonoperating Revenues (Expenses)		
Passenger facility charge revenue	134,920	110,689
Customer facility charge revenue	34,329	25,059
Other nonoperating revenues	8,522	21,024
Noise mitigation	(16,129)	(3,804)
Cost of issuance	(11,789)	-
Investment income (loss)	(106,997)	(15,178)
Interest expense	(420,612)	(408,331)
Interest income (expense) on Leases	20,139	-
Grant revenues	144,931	177,450
Total nonoperating revenues (expenses)	(212,686)	(93,091)
Income (loss) before capital grants	(218,968)	(39,746)
Capital grants	50,836	81,539
Change in net position	(168,132)	41,793
Net position beginning of year	1,078,083	1,036,290
Net position end of year	$ 909,951	$ 1,078,083

Landing fees and terminal area use charges for the years 2022 and 2021 were $840,343 and $815,953, respectively. Rents, concessions, and other revenues were $363,307 and $296,612 for the years 2022 and 2021, respectively. The increase in 2022 operating revenues of $114,281 (10.0%) compared to 2021 was primarily due to increase of terminal area use charges of $74,757, hotel revenues of $23,196 and other rentals and fueling systems of $5,562 as passenger and flight activity increased as the Airport continued to recover from the impact of the COVID-19 pandemic on travel and tourism.

Salaries and wages increased by $12,592 (5.7%) in 2022 compared to 2021, which was due to contractual wage increases. Repairs and maintenance expenses decreased by $16,654 (9.8%) due to the reduction of maintenance as existing upgrades were placed into service, such as the extension of the ATS and upgrades to parking structures. Professional and engineering costs increased $23,321 (15.6%) due to ongoing planning work for the $8.5 billion O'Hare 21 Program. Other operating expenses decreased by $14,716 (10.0%) due to the reduction of the provision of doubtful accounts as outstanding collections from tenants were received. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases and the provision for doubtful accounts.

Pension expense was $163,979 in 2022 and $62,448 in 2021, which is an increase of $101,531 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments, changes in allocation of pension contributions and increase in the City's pension contribution compared to 2021. During 2022, the Airport made cash contributions of $107,472 toward the pension plans.

The 2022 nonoperating revenues of $342,841 are comprised of PFCs of $134,920 (an increase of $24,231, or 21.9%), CFCs of $34,329 (an increase of $9,270, or 37.0%), other nonoperating revenue of $8,522 (a decrease of $12,502, or 59.5%) due to a reduction in the Build America Bonds subsidy and lease interest income of $20,139 due to the implementation of the lessor portion of GASB 87. The increases were impacted by the increase of passenger traffic as the Airport continued to recover from the impact of the COVID-19 pandemic and more passengers purchased tickets and rented cars. The Airport recognized ARP Act grant revenue of $144,931 during 2022 from the Federal Aviation Administration (FAA) to help mitigate losses in revenue and provide relief to concessionaires due to the impact of the COVID-19 pandemic on air travel and tourism. This was a decrease of $32,519 (18.3%) compared to 2021 as the need for COVID-19 relief funds reduced during 2022.

Nonoperating expenses were $555,527 and $427,313 for the years 2022 and 2021, respectively. The increase of $128,214 (30.0%) from 2021 to 2022 was mainly due to the increase in interest expense of $12,281 due to schedule increases in debt service payments, $11,789 related to the cost of issuance for the Series 2022 GARBs, an increase of $12,325 related to increases in noise mitigation costs as the airport and investment loss of $106,997, an increase of $91,819 (604.9%), due to global market volatility that impacted the fair market value of investments at December 31, 2022.

Capital grants, comprised mainly of federal grants, decreased from $81,539 in 2021 to $50,836 in 2022, a 37.7% decrease, mainly as a result of the timing associated with when capital expenditures became eligible for grant reimbursement from the federal government and a one-time increase in the allotment of Airport Improvement Program (AIP) grant funding from the FAA during 2020 and 2021 as a part of COVID-19 relief efforts.

A comparative summary of the Airport's changes in cash flows for the years ended December 31, 2022 and 2021 is as follows (dollars in thousands):

	Cash Flows	
	2022	2021
Cash provided by (used in) activities:		
Operating	$ 381,422	$ 378,148
Capital and related financing	202,641	(1,157,965)
Noncapital financing	177,652	173,660
Investing	(210,148)	257,413
Net change in cash and cash equivalents	551,567	(348,744)
Cash and cash equivalents:		
Beginning of year	845,955	1,194,699
End of year	$ 1,397,522	$ 845,955

As of December 31, 2022, the Airport's cash and cash equivalents of $1,397,522 increased by $551,567 compared to $845,955 at December 31, 2021 due to current year debt proceeds from the issuance of bonds (Series 2022 O'Hare GARBs) during 2022 and increase in cash collections from revenues as the Airport continued to recover from the impacts of the COVID-19 pandemic, offset by expenditures on capital projects and purchases of investments. Total cash and cash equivalents at December 31, 2022, were comprised of unrestricted and restricted cash and cash equivalents of $258,590 and $1,138,932, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2022 and 2021, the Airport had $10,474,618 and $10,146,677, respectively, invested in net capital assets. During 2022, the Airport had additions of $703,333 related to capital activities. This included construction Terminal 5 expansion and upgrades, concourse improvement, ATS rail, terminal improvements and runway and taxiway improvements.

During 2022, completed projects totaling $552,352 were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to elevated parking structure upgrades, Terminal 5 additional gates and upgrades, ATS, HVAC upgrades, terminal improvements, and runway and taxiway improvements.

The Airport's capital assets at December 31, 2022 and 2021 are summarized as follows (dollars in thousands):

	Capital Assets at Year-End	
	2022	2021
Capital assets not depreciated:		
Land	$ 893,044	$ 892,998
Construction in progress	1,637,420	1,486,485
Total capital assets not depreciated	2,530,464	2,379,483
Capital assets depreciated:		
Buildings and other facilities	13,001,426	12,449,216
Less accumulated depreciation for:		
Buildings and other facilities	(5,057,272)	(4,682,022)
Total capital assets depreciated—net	7,944,154	7,767,194
Total property and facilities—net	$ 10,474,618	$ 10,146,677

The Airport's capital activities are funded through Airport revenue bonds, federal and state grants, PFC revenue and CFC revenue. Additional information on the Airport's capital assets is presented in Note 5 of the notes to the basic financial statements.

During 2022, the Airport drew $497,300 and paid off $568,400 million of its revolving line of credit to finance certain capital projects at the O'Hare through the proceeds from the issuance of Series 2022 O'Hare GARBs. There was no outstanding line of credit balance at December 31, 2022.

The Airport's outstanding debt at December 31, 2022 and 2021 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End	
	2022	2021
Revenue bonds, notes and TIFIA Loan	$ 10,567,896	$ 9,486,016
Unamortized— Bond premium	581,744	569,446
Total outstanding debt—net	11,149,640	10,055,462
Current portion	(265,378)	(99,825)
Total long-term revenue bonds and notes payable—net	$ 10,884,262	$ 9,955,637

Additional information on the Airport's long-term debt is presented in Note 4 of the notes to basic financial statements, and the Statistical Information section of this report.

The Airport's revenue bonds at December 31, 2022, had credit ratings with each of the four major rating agencies as follows:

	Moody's Investor Services	Standard & Poor's	Fitch Ratings	Kroll Ratings
Senior Lien General Airport Revenue Bonds	A2	A+	A+	A+
PFC Revenue Bonds	A2	A+	A	NR
CFC Revenue Bonds	Baa1	BBB	NR	NR

At December 31, 2022, the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

In June 2022, Standard & Poor's revised the outlook for the O'Hare Customer Facility Charge Bonds to Positive from Stable.

In August 2022, Standard & Poor's upgraded O'Hare General Airport Revenue Bonds and Passenger Facility Charge Bonds to A+ from A.

In August 2022, Fitch upgraded O'Hare General Airport Revenue Bonds to A+ from A.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

In 2022, despite the impact of the COVID-19 pandemic on travel and tourism, the Airport was ranked as the second busiest airport in the world, measured in terms of total aircraft operations, fourth in the United States in terms of total passengers, and seventh in the United States in terms of cargo. The Airport had 34.1 million and 26.9 million enplaned passengers in 2022 and 2021, respectively. The strong origin-destination passenger demand and the Airport's central geographical location near the center of the United States and along the most heavily traveled east/west air routes make the Airport a natural hub location, which has been beneficial as the Airport continues to recover from the COVID-19 pandemic.

United Airlines and American Airlines each use the Airport as one of their major hubs. United Airlines (including its regional affiliates) comprised 45.6% of the Airport's enplaned passengers in 2022 and 42.9% of the enplaned passengers in 2021, while American Airlines (including its regional affiliates) comprised 32.6% of the Airport's enplaned passengers in 2022 and 37.8% of the enplaned passengers in 2021.

Based on the Airport's rates and charges for fiscal year 2023, total budgeted Operating and Maintenance Expenses (including Allowable Airline Liaison Office Expenses) are projected at $800,969 (including $35,015 of ARP Act funds credits applied to reduce Operating and Maintenance Expenses) and total Capital Costs (including net debt service, coverage requirements, program fees and pre-approved allowances) and fund deposit requirements, are projected at $674,914. Additionally, 2023 nonairline revenues and credits are budgeted at $438,002, of which $7,522 relates to the application of the ARP Act funds to supplement impacts to revenue, which were allocated to the Airport by the FAA, resulting in a net airline requirement of $1,037,881 that will be funded through landing fees, terminal area use charges, common use and joint use charges.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with a general overview of the Airport's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Chicago Department of Finance.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022
(Dollars in thousands)

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note 2)	$ 258,590
Investments (Note 2)	93,369
Accounts receivable—net of allowance for doubtful accounts of approximately $14,034	74,402
Due from other City funds	64,639
Prepaid expenses	6,947
Interest receivable	1,102
Lease receivable	34,393
Cash and cash equivalents (Note 2)—restricted	730,376
Prepaid expenses—restricted	4,989
Total current assets	1,268,807
NONCURRENT ASSETS:	
Cash and cash equivalents (Note 2)—restricted	408,556
Investments (Note 2)—restricted	2,068,050
Lease receivable	460,309
Right of use lease asset (Note 5)	13,081
Passenger facility charges and other receivables—restricted	39,965
Interest receivable—restricted	9,942
Prepaid expenses—restricted	21,314
Due from other governments—restricted	10,480
Other assets	5,085
Property and facilities (Note 5):	
Land	893,044
Buildings and other facilities	13,001,426
Construction in progress	1,637,420
Total property and facilities	15,531,890
Less accumulated depreciation	(5,057,272)
Property and facilities—net	10,474,618
Total noncurrent assets	13,511,400
Total assets	14,780,207
DEFERRED OUTFLOWS (Note 10)	218,126
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 14,998,333

LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	$ 113,333
Due to other City funds	63,990
Advances for terminal and hangar rent	14,249
Billings over amounts earned	55,960
Lease liability (Note 6)	2,078
Liabilities payable from restricted assets:	
Accounts payable	220,655
Current portion of revenue bonds and notes payable (Note 4)	265,378
Interest payable	229,098
Advance from Federal	15,245
Total current liabilities	979,986
NONCURRENT LIABILITIES:	
Revenue bonds payable—net of premium (Note 4)	10,593,224
Net pension liability (Note 7)	1,665,864
TIFIA loan (Note 4)	291,038
Lease liability (Note 6)	11,141
Total noncurrent liabilities	12,561,267
Total liabilities	13,541,253
DEFERRED INFLOWS (Note 10)	53,971
DEFERRED INFLOWS OF RESOURCES FOR LEASES	493,158
NET POSITION (Note 1):	
Net investment in capital assets	945,118
Restricted net position (Note 1):	
Debt service	241,753
Capital projects	113,985
Passenger facility charges	316,250
Airline use agreement*	384,788
Airport general fund (Note 3)	218,940
Customer facility charge	30,849
Other restricted funds	11,570
Total restricted net position	1,318,135
Unrestricted Net Position (Deficit)	(1,353,302)
Total net position	909,951
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 14,998,333

* Airline Use Agreements includes Aeronautical Real Estate Fund, Commercial Real Estate Fund, O&M Reserve, Supplemental O&M Reserve and Maintenance Reserve Funds

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Dollars in thousands)

OPERATING REVENUES:	
Landing fees and terminal area use charges	$ 840,343
Rents, concessions, and other (Note 6)	363,307
Hilton revenues (Note 1)	55,783
Total operating revenues	1,259,433
OPERATING EXPENSES:	
Salaries and wages	232,514
Pension expense (Note 7)	163,979
Repairs and maintenance	153,522
Professional and engineering services	172,740
Other operating expenses	132,016
Hilton expenses (Note 1)	35,598
Total operating expenses before depreciation and amortization	890,369
Depreciation and amortization	375,346
Total operating expenses	1,265,715
OPERATING (LOSS)	(6,282)
NONOPERATING REVENUES (EXPENSES):	
Passenger facility charge revenue	134,920
Customer facility charge revenue	34,329
Other nonoperating revenue	8,522
Noise mitigation costs	(16,129)
Costs of issuance	(11,789)
Investment (loss)	(106,997)
Interest expense (Note 4)	(420,612)
Lease interest income	20,139
Grant revenues (Note 1)	144,931
Total nonoperating (expenses) revenues	(212,686)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(218,968)
CAPITAL GRANTS	50,836
CHANGE IN NET POSITION	(168,132)
TOTAL NET POSITION—Beginning of year	1,078,083
TOTAL NET POSITION—End of year	$ 909,951

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Landing fees and terminal area use charges	$ 834,597
Rents, concessions, and other	401,486
Payments to vendors	(440,035)
Payments to employees	(222,628)
Transactions with other City funds—(used in)	(191,998)
Cash flows provided by operating activities	381,422
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from issuance of bonds	1,839,142
Proceeds from line of credit	497,100
Payments to line of credit	(568,200)
Proceeds from TIFIA	12,282
Proceeds from O'Hare 2010B Senior Lien Build America Bonds subsidy	6,343
Payments to refund bonds	(537,499)
Principal paid on bonds	(99,825)
Bond issuance and other related costs	(9,054)
Interest paid on bonds and note	(453,306)
Acquisition and construction of capital assets	(766,922)
Capital grants	50,111
Interest income from leases	20,139
Principal payment on leases	(2,031)
Principal received from leases	62,184
Customer facility charge revenue	34,329
Passenger facility charge revenue and other receipts	117,848
Cash flows provided by capital and related financing activities	202,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Proceeds from miscellaneous settlements and agreements	65
Proceeds from COVID-19 Relief Funds	193,716
Cash paid for noise mitigation program	(16,129)
Cash flows provided by noncapital financing activities	177,652
CASH FLOWS FROM INVESTING ACTIVITIES:	
Sales (purchases) investments—net	(247,534)
Investment interest	37,386
Cash flows (used in) investing activities	(210,148)
NET CHANGE IN CASH AND CASH EQUIVALENTS	551,567
CASH AND CASH EQUIVALENTS—Beginning of year	845,955
CASH AND CASH EQUIVALENTS—End of year	$ 1,397,522

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Dollars in thousands)

RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENT OF NET ASSETS:	
Unrestricted	$ 258,590
Restricted:	
Current	730,376
Noncurrent	408,556
TOTAL	$ 1,397,522
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	$ (6,282)
Adjustments to reconcile:	
Depreciation and amortization	375,346
Amortization of right-of-use asset	2,169
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	(1,259)
Due from other City funds	(7,676)
Prepaid expenses	1,609
Accounts payable	(1,239)
Due to other City funds	45,330
Deferred inflows	(7,221)
Prepaid terminal rent	(12,003)
Billings over amounts billed	(7,352)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 381,422

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:

Property additions in 2022 was $210,100 are included in accounts payable.

The fair value adjustments gain (loss) to investments for 2022 was ($168,789).

See notes to basic financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago O'Hare International Airport (the "Airport" or "O'Hare") is operated by the City of Chicago Illinois (the "City") Department of Aviation. The Airport is included in the City's reporting entity as an enterprise fund. The City is a member of the Chicago-Gary Regional Airport Authority, which was created in 1995 to address the air transportation needs of the Chicago-Northwest Indiana Region. The Airline Use and Lease Agreement ("AULA") authorized by City Council that includes the provisions regarding rates and charges became effective on July 1, 2018. The AULA expiration date is December 31, 2033.

The basic financial statements of the Airport includes the Hilton O'Hare hotel. The Airport has entered into a 10-year operating agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC for food and beverage operations.

Basis of Accounting and Measurement Focus—The accounting policies of the Airport are based upon accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Airport are reported using the flow of economic resources measurement focus.

The Airport uses the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred.

Annual Appropriated Budget—The Airport has a legally adopted annual budget, which is not required to be reported.

Management's Use of Estimates—The preparation of basic 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, deferred outflows, liabilities, and deferred inflows and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash, Cash equivalents, and Investments—Cash, cash equivalents, and investments generally are held with the City treasurer as required by the Municipal Code of Chicago (the "Code"). Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Due to contractual agreements or legal restrictions, the cash and investments of certain funds are segregated and earn and receive interest directly.

The Code permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal or state savings and loan associations, located within the City, whose deposits are federally insured.

Investments are limited to those authorized by the Code. Investments authorized by the Code include, but are not limited to, interest-bearing general obligations of the City, the State of Illinois (the “State”), and the U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; commercial paper; domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City (see Note 2). The City is prohibited by ordinance from investing in derivative instruments, as defined, without City Council approval.

The Airport values its investments at fair value or amortized cost as applicable. U.S. government securities and commercial paper purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Repurchase agreements can be purchased only from banks and certain other institutions authorized to do business in the State. The City Treasurer requires that securities pledged to secure these agreements have a fair value equal to the cost of the repurchase agreements plus accrued interest.

Investments, generally, do not have a maturity in excess of 30 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

Cash equivalents include investments with maturities of three months or less when purchased.

Accounts Receivable Allowance—Management has provided an allowance for amounts recorded at year-end, which may be uncollectible.

Due from other Governments—These are receivables due from federal and state agencies, related to grants receivable. These funds are for reimbursement of capital improvements under the Airport Improvement Program.

Transactions with the City—The City’s general fund provides services to the Airport. The amounts allocated to the Airport for these services are treated as operating expenses by the Airport and consist mainly of employee benefits, self-insured risks, and administrative expenses.

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, donated works of art and similar items, and capital assets received in a consortium arrangement at acquisition value. Expenditures greater than $5,000 for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized. Expenditures for vehicles and other movable equipment are expensed as incurred.

Depreciation and amortization are provided using the straight-line method and begin in the year following the year of acquisition or completion. Estimated useful lives are as follows:

Runways, aprons, tunnels, taxiways, and paved roads	30 years
Water drainage and sewer system	20–50 years
Refrigeration and heating systems	30 years
Buildings	40 years
Building/land improvements	8–40 years
Electrical system	15–20 years
Other	3–30 years

Deferred Outflows—Deferred outflows represent unamortized loss on bond refundings and differences between estimated and actual investment earnings related to pensions, and changes in actuarial assumptions related to pensions.

Debt—Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include leases, except for contracts reported as financed purchase of the underlying asset, or accounts payable.

Deferred Inflows and Deferred Inflows of Resources for Leases—Deferred inflows represent the differences between projected and actual actuarial experience and changes in assumptions related to pensions. Deferred inflows of resources for leases represents the resources related to the lease arrangements that will be recognized as revenue in future years over the terms of the leases between the City and the lessors.

Net Position—Net position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Net position is displayed in three components—net investment in capital assets; restricted for debt service, capital projects, PFCs, airline use agreement and airport general fund, CFCs, and other assets; and unrestricted. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt, net of debt service reserve and unspent proceeds. Restricted net position consists of net position on which constraints are placed by external parties (such as lenders and grantors), laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not categorized as either of the above.

Employee Benefits—Employee benefits are granted for vacation and sick leave, workers' compensation, and health care. Specified unused vacation leave is accrued and may be carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities. The Airport maintains insurance from a commercial carrier for workers' compensation claims. Settlements in each of the past three years have been less than insurance coverage maintained.

Employees are eligible to defer a portion of their salaries until future years under the City's deferred compensation plan created in accordance with Internal Revenue Code Sections 457 and 401(a). The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Third-party administrators who maintain the investment portfolio administer the Plan. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the City.

The City is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. Under this option, the City reimburses the State for claims paid by the State.

Bond Insurance Costs, and Bond Premiums, and Discounts—Bond insurance costs and bond premiums and discounts are deferred and amortized over the term of the related debt. Other debt issuance costs are expenses in the period incurred.

Capitalized Interest—Interest expense on construction bond proceeds are expensed as incurred.

Capital Grants—The Airport reports capital grants as revenue on the statement of revenues, expenses, and changes in net position. Capital grants are on a reimbursement basis and revenues are recognized when associated capital expenditures become eligible and are spent for grant reimbursement.

Noise Mitigation Costs—Funds expended for the noise mitigation program are recorded as nonoperating expenses in the period they are incurred.

Revenue Recognition—Revenues from landing fees, terminal area use charges, fueling system charges, aeronautical real estate revenue, parking revenue, hotel revenue and concessions are reported as operating revenues. The Airport adheres to the guidelines outlined in the FAA revenue use policy. Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the AULA. As noted above, in 2018, the City Council approved the new AULA for airlines operating at O'Hare. Provisions regarding rates and charges became effective on July 1, 2018. The structure of rates and charges was updated to better align costs to airlines based on their preferential versus common use status. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned. In addition, the revenues earned by the Hilton O'Hare are included in the financials, as Hilton O'Hare was transferred back to the Airport on January 1, 2019.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFCs of $4.50 per eligible enplaned passenger for the year ended December 31, 2022. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Customer Facility Charge (CFC) Revenue—The Airport imposed a CFC of $8.00 per contract day on each customer for motor vehicle rentals at the Airport for the year ended December 31, 2022. CFCs are available to finance specific eligible capital projects. The City reports CFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Grants and Federal Reimbursements—Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met to receive reimbursement of federal funds.

The Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") and American Rescue Plan ("ARP") Acts funds approved by the United States Congress and signed by the President in 2021, are actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports (collectively, the COVID-19 Relief Funds). The Airport was eligible to receive $253.6 million of ARP Act funds and drew down $61.5 million of cash in 2021 and $185.0 million in 2022; $8.8 million of CRRSA Act funds allocated to Concessions Relief and drew down the entire amount in 2022; and $35.0 million of ARP Act funds allocated to Concessions Relief during 2021, which will be drawn down in the future. The COVID-19 Relief Funds allow airports to request reimbursement of any lawful expense. For ease of administration, the Airport requested reimbursement for payroll and anticipates doing so beyond 2022.

Leases—The Airport follows GASB Statement No. 87, *Leases*, which defines the Airport's leasing arrangement as the right to use an underlying asset as a lessor or lessee.

As lessee, the Airport recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. As there is no implicit rate per the lease agreements, the right-of use lease assets are measured based on the net present value of the future lease payments at inception using the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Airport calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

As a lessee or lessor, the Airport does not consider variable lease payments in the lease liability and lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

For lease contracts that are short-term, the Airport recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

As lessor, the Airport recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications including, but not limited to, changes in the contract price, lease term and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

Expenses—Salaries and wages, pension expense, repair and maintenance, professional and engineering services, hotel expenses and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, PFC expenses, financing costs, and noise mitigation costs are reported as nonoperating expenses.

Adopted and Upcoming Accounting Standards

GASB Statement	Impact
GASB Statement No. 87, *Leases* (“GASB 87”)	This statement will better meet the information needs of financial statement users by improving accounting and financial reporting for leases. The statement introduces a single lease model that defines a lease as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. A lessor recognizes a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease payable and an intangible right-to-use lease asset. The Airport adopted GASB 87 as of January 1, 2022. The adoption of GASB 87 resulted in a right to use asset, leases liability, leases receivable, and deferred inflows of resources. Right to use assets and leases liability were $15,249, whereas leases receivable and deferred inflows of resources were $557,748 as of January 1, 2022. The adoption of GASB 87 had no impact on the beginning net position.
GASB Statement No. 91, Conduit Debt Obligations (“GASB 91”)	Establishes a single method of reporting conduit debt obligations by issuers and clarifies associated accounting requirements. The Airport adopted GASB 91 as of and for the year ended December 31, 2022. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 93, Replacement of Interbank Offered Rates (“GASB 93”) – Remaining provisions	Addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Airport adopted GASB 93 as of and for the year ended December 31, 2022. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (“GASB 97”) – Remaining provisions	Requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan. The Airport adopted the remaining provisions of GASB 97 as of and for the year ended December 31, 2022. There was no material impact to the basic financial statements upon adoption.

Upcoming Accounting Standards—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the Airport upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (“GASB 94”)	2023
GASB Statement No. 96, *Subscription-based Information Technology Arrangements* (“GASB 96”)	2023
GASB Statement No. 99, *Omnibus 2022* (“GASB 99”) – Remaining provisions	2023 & 2024
GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* (“GASB 100”)	2024
GASB Statement No. 101, *Compensated Absences* (“GASB 101”)	2024

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents and Investments—The Airport had investments as of December 31, 2022, as follows (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
US agencies	$ 47,796	$ 1,062,285	$ 4,779	$ -	$ 1,114,860
Corporate ABS		10,727	-	-	10,727
Commercial paper	899,698	-	-	-	899,698
Corporate bonds	9,562	308,029	149,853	32,834	500,278
Municipal bonds	491	94,854	20,139	15,825	131,309
Money market funds	901,864	-	-	-	901,864
Subtotal	$ 1,859,411	$ 1,475,895	$ 174,771	$ 48,659	$ 3,558,736

US agencies include investments in government-sponsored enterprises, such as Federal National Mortgage Association, Federal Home Loan Banks, and Federal Home Loan Mortgage Corp.

Investments Fair Value Measurements—The City categorizes the fair value measurements of its investments based the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation techniques used to measure fair value.

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets

Level 2—Observable inputs other than quoted market prices, and

Level 3—Unobservable Inputs

The investments measured at fair value as of December 31, 2022, were (dollars in thousands):

	Level 1	Level 2	Level 3
US agencies	$ -	$ 1,091,859	$ -
Corporate ABS	-	10,727	-
Corporate bonds	-	494,715	-
Municipal bonds	-	131,309	-
Total investments at fair value	$ -	$ 1,728,610	$ -

Investments that are valued through other observable inputs (Level 2), are valued using methods that include, but are not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for O'Hare are $1.8 billion as of December 31, 2022.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that investments generally may not have a maturity date in excess of 30 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Credit Risk—With regard to credit risk, the Code limits the investments in securities to:

(1) Interest-bearing general obligations of the United States and the State of Illinois;

(2) United States treasury bills and other non-interest-bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City of Chicago;

(4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;

(5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;

(6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in Custodial Credit Risk—Cash and Certificates of Deposit below;

(7) Bankers' acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;

(8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;

(9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;

(10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;

(11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest-bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest-bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;

(12) Bonds of companies organized in the United States with assets exceeding $500 million that, at the time of purchase, are rated not less than two ratings above investment grade, or equivalent rating, by at least two accredited ratings agencies;

(13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an "international financial institution" means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;

(14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;

(15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;

(16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;

(17) Bonds, notes, debentures, or other similar obligations of agencies of the United States.

Total holdings across all funds held by the Airport shall have no less than an overall average rating. The Airport's exposure to credit risk as of December 31, 2022, is as follows (dollars in thousands):

Quality Rating	
Moody's/S & P:	
AAA	$ 2,093,925
AA+	491
AA	273,539
AA-	3,103
A	129,609
A1	761,643
A2	150,124
BBB	146,302
Total funds	$ 3,558,736

Custodial Credit Risk—Cash and Certificates of Deposit—This is the risk that in the event of a bank failure, the City's Deposits may not be returned. The City's Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

For certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 100% by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102% by an irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.

The collateral required to secure City funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written notification and authorization of the City Treasurer. The final maturity of acceptable collateral pledged shall not exceed 120 months.

The bank balance of cash and certificates of deposit with the City's various municipal depositories was $307.6 million. 100% of the bank balance was either insured or collateralized with securities held by City agents in the City's name. There were no uncollateralized bank balances at December 31, 2022.

Custodial Credit Risk—Investments—For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

The investments reported in the basic financial statements as of December 31, 2022, is as follows (dollars in thousands):

Per Note 2—Investments—airport	$3,558,736
Per financial statements:	
Restricted investments	$2,068,050
Unrestricted investments	93,369
Investments classified as cash and cash equivalents on the statement of net position	1,397,317
	$3,558,736

3. RESTRICTED ASSETS

The General Airport Revenue Bond Ordinance ("Bond Ordinance"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Second Lien Obligations ("Second Lien Indenture"), the Master Indenture of Trust Securing Chicago O'Hare International Airport Third Lien Obligations ("Third Lien Indenture"), the Use Agreement, and federal regulations contain various limitations and restrictions which, among other things, require the creation and maintenance of separate accounts, certain of which must be held by a trustee and into which required deposits are made by the Airport on a periodic basis to fund construction, debt retirement, operation and maintenance, and contingencies.

Restricted cash, cash equivalents, and investment balances in accordance with the Bond Ordinance, the Second Lien Indenture, and the Third Lien Indenture requirements are as follows (dollars in thousands):

Account	
Construction	$ 847,495
Capitalized interest	86,903
Debt service reserve	845,004
Debt service interest	430,375
Debt service principal	36,924
Operation and maintenance reserve	123,497
Maintenance reserve	3,000
Supplemental operation and maintenance reserve	43,718
Customer Facility Charge	41,329
Airport General Fund	226,198
Aeronautical Real Estate Fund	130,237
Commercial Real Estate Fund	55,254
Pre-Approved Allowances Fund	41,291
Other funds	18,428
Subtotal—Bond Ordinance, Master Indenture Accounts	2,929,653
Passenger Facility Charge	277,329
Total	$3,206,982

Construction and capitalized interest accounts are restricted for authorized capital improvements and payment of interest costs during construction.

The debt service reserve account is restricted to the payment of debt service in the event that the balance in the debt service account is insufficient.

The debt service principal and interest accounts are restricted to the payment of bond principal and interest.

The operation and maintenance reserve account is restricted to make loans to the operation and maintenance account, as needed, which are to be repaid as funds become available. The maintenance reserve account is restricted to extraordinary maintenance expenditures.

The City has entered into arbitrage agreements under which the City has agreed to comply with certain requirements of the Internal Revenue Code of 1986, as amended, in order to maintain the exclusion of the interest on the bonds from the gross income of the recipients thereof for federal income tax purposes. The rebate account relating to each series of the bonds has been established to account for any liability of the City to make arbitrage rebate payments to the federal government relating to such series of bonds.

The Airport General Fund is restricted and may be used by the Airport for any lawful Airport purpose. Pursuant to section 301 in the O’Hare 2018 Master Indenture, the Special Capital Projects Fund and the Airport Development Fund are discontinued. The monies held in the Special Capital Projects Fund and the Airport Development Fund have been transferred to the Airport General Fund.

Other funds include the federal and state grant funds and the special capital projects fund. The Passenger Facility Charge account is restricted to fund eligible and approved PFC projects.

The Aeronautical Real Estate Fund is restricted and may be used by the Airports for the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

The Commercial Real Estate Fund is restricted and may be used by the Airport for the parcels and other areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations not otherwise located in facilities included in the Parking and Ground Transportation Cost Center, and other real estate development occur, including all roads, utilities and facilities serving such areas and associated air rights.

The Customer Facility Charge account is restricted to fund eligible and approved CFC projects.

At December 31, 2022, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Bond Ordinance and Master Indenture.

4. LONG-TERM DEBT

Long Term Debt—Long-term debt at December 31, 2022, consisted of the following (dollars in thousands):

Senior lien bonds (formerly third lien):	
$21,000 Series 2004 F third lien revenue refunding bonds issued December 2, 2004, due through 2023; interest at 5.35%	$ 2,825
$578,000 Series 2010 B third lien revenue bonds issued April 29, 2010, due through 2040; interest at 6.145%–6.845%	328,000
$336,350 Series 2013 A senior lien revenue refunding bonds issued October 17, 2013, due through 2026; interest at 2.00%–5.00%	34,005
$165,435 Series 2013 B senior lien revenue refunding bonds issued October 17, 2013 due through 2029; interest at 2.00%–5.25%	17,620
$98,375 Series 2013 C senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 5.00%–5.50%	2,245
$297,745 Series 2013 D senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 3.00%–5.25%	6,900
$428,640 Series 2015 A senior lien revenue refunding bonds issued October 15, 2015 due through 2037; interest at 2.00%–5.00%	414,400
$1,191,540 Series 2015 B senior lien revenue refunding bonds issued October 15, 2015 due through 2035; interest at 4.00%–5.00%	971,380

(Continued)

\$195,690 Series 2015 C senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 3.625%–5.000%	\$ 187,645
\$131,510 Series 2015 D senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 4.000%–5.000%	126,005
\$27,335 Series 2016 A senior lien revenue refunding bonds issued December 5, 2016 due through 2037; interest at 3.00%–5.00%	23,740
\$461,945 Series 2016 B senior lien revenue refunding bonds issued December 5, 2016 due through 2041; interest at 4.00%–5.00%	279,190
\$525,055 Series 2016 C senior lien revenue refunding bonds issued December 5, 2016 due through 2038; interest at 5.00%	446,990
\$739,335 Series 2016 D senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	723,495
\$156,575 Series 2016 E senior lien revenue bonds issued January 10, 2017 due through 2028; interest at 5.000%–5.250%	156,575
\$156,090 Series 2016 F senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 2.000%–5.250%	145,910
\$65,250 Series 2016 G senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	63,900
\$55,915 Series 2017 A senior lien revenue refunding bonds issued June 28, 2017 due through 2040; interest at 3.125%–5.000%	55,065
\$356,385 Series 2017 B senior lien revenue refunding bonds issued June 28, 2017 due through 2039; interest at 5.000%	354,565
\$122,120 Series 2017 C senior lien revenue refunding bonds issued June 28, 2017 due through 2041; interest at 4.000%–5.000%	98,205
\$278,075 Series 2017 D senior lien revenue bonds issued June 28, 2017 due through 2052; interest at 5.000%	274,145
\$600,785 Series 2018 A senior lien revenue refunding bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	594,365
\$612,095 Series 2018 B senior lien revenue bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	612,095
\$800,000 Series 2018 C senior lien revenue bonds issued December 12, 2018, due through 2054; interest at 4.472%–4.572%	800,000
\$494,360 Series 2020 A senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	494,360
\$137,150 Series 2020 B senior lien revenue refunding bonds issued October 7, 2020, due through 2035; interest at 4.000%–5.000%	137,150

(Continued)

$59,865 Series 2020 C senior lien revenue refunding bonds issued October 7, 2020, due through 2039; interest at 4.000%	$ 59,865
$465,785 Series 2020 D senior lien revenue refunding bonds issued October 7, 2020, due through 2038; interest at 0.959%–3.006%	465,785
$61,955 Series 2020 E senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	61,955
$1,110,055 Series 2022 A senior lien revenue bonds issued October 4, 2022 due through 2055; interest at 4.500% to 5.500%	1,110,055
$150,450 Series 2022 B senior lien revenue bonds issued October 4, 2022 due through 2056; interest at 4.500% to 5.250%	150,450
$164,420 Series 2022 C senior lien revenue refunding bonds issued October 4, 2022 due through 2044; interest at 5.000%	164,420
$343,080 Series 2022 D senior lien revenue refunding bonds issued October 4, 2022 due through 2044; interest at 4.000% to 5.000%	343,080
Subtotal—senior lien bonds	9,706,385
Passenger Facility Charge Revenue Bonds:	
$48,495 Series 2010 C Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2031; interest at 5.272%–6.395%	38,150
$12,190 Series 2011 A Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2032; interest at 5.00%–5.625%	1,520
$33,815 Series 2011 B Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2033; interest at 5.0%–6.0%	3,170
$114,855 Series 2012 A Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 3.0%–5.0%	84,715
$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	216,270
Subtotal—Passenger Facility Charge Revenue Bonds	343,825
Customer Facility Charge Revenue Bonds—$248,750 Series 2013 A Senior Lien CFC Bonds issued August 22, 2013, due through 2043; interest at 3.0%–5.75%	222,725
TIFIA Loan outstanding at December 31, 2018, due through 2052; interest at 3.86%	294,961
Total revenue bonds, notes and loan	10,567,896
Unamortized premium	581,744
Total revenue bonds payable—net of unamortized premium (discount)	11,149,640
Current portion	(265,378)
Total long-term revenue bonds payable, line of credit payable & TIFIA loan payable	$ 10,884,262

(Concluded)

Long-term debt during the year ended December 31, 2022, changed as follows (dollars in thousands):

	Balance January 31	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds, notes, LOC & loan	$ 9,486,016	$ 2,281,310	$ (1,199,430)	$ 10,567,896	$ 265,378
Unamortized premium (discount)	569,446	71,137	(58,839)	581,744	-
Total long-term debt	$ 10,055,462	$ 2,352,447	$ (1,258,269)	$ 11,149,640	$ 265,378

Interest expense includes amortization of the deferred loss on bond refunding for 2022 of $9.1 million, and amortization of $50.5 million of premium, net.

Issuance of Debt—In December 2021, the Airport entered into a Revolving Line of Credit Agreement (AMT) with Bank of America, N.A. that allows the Airport to draw on the line of credit in an aggregate amount not to exceed $300.0 million. In April 2022, the Airport increased its revolving line of credit agreement from $300.0 million to $500.0 million. In 2022, the Airport drew $424.0 million from its line of credit to finance certain capital projects at O'Hare. As of December 31, 2022, O'Hare had an unused line of credit of $500.0 million. The line of credit was paid off through the issuance of the O'Hare 2022 A&B Senior Lien Revenue Bonds, as mentioned below, and thus had no outstanding balance at December 31, 2022. The line of credit expires December 4, 2024.

In July 2022, the Airport entered into a Revolving Line of Credit Agreement (AMT) with Wells Fargo Bank, N.A. that allows the Airport to draw on the line of credit in an aggregate amount not to exceed $100.0 million. In 2022, the Airport drew $73.1 million from its line of credit to finance certain capital projects at O'Hare. As of December 31, 2022, O'Hare had an unused line of credit of $100.0 million. The line of credit was paid off through the issuance of the O'Hare 2022 A&B Senior Lien Revenue Bonds, as mentioned below, and thus had no outstanding balance at December 31, 2022. The line of credit expires July 22, 2024.

In October 2022, the Airport sold $1,110.1 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2022 A (AMT) at a premium of $34.3 million. The bonds have interest rates ranging from 4.500% to 5.500% and mandatory redemption maturity dates from January 1, 2025, through January 1, 2053. Certain net proceeds were used to pay a portion of the Revolving Line of Credit ($564.7 million). Certain net proceeds of $434.3 million will be used to finance various airport projects; certain net proceeds of $79.3 million were used to fund the debt service reserve requirement; certain net proceeds of $56.5 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $9.6 million were used to pay the cost of the issuance of the bonds.

In October 2022, the Airport sold $150.5 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2022 B (Non-AMT) at a premium of $.1 million. The bonds have interest rates ranging from 4.500% to 5.250% and has a final maturity date on January 1, 2056. Certain net proceeds were used to pay a portion of the Revolving Line of Credit ($3.5 million). Certain net proceeds of $123.4 million will be used to finance various airport projects; certain net proceeds of $10.4 million were used to fund the debt service reserve requirement; certain net proceeds of $12.2 million were used to fund the capitalized interest deposit requirement; and certain net proceeds of $1.1 million were used to pay the cost of the issuance of the bonds.

In October 2022, the Airport sold $164.4 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2022C (AMT) at a premium of $8.5 million. The bonds have an interest rate of 5% and have maturity dates from January 1, 2023, through January 1, 2044. Certain net proceeds of $84.0 million were used to partially defease the Series 2013A General Airport Revenue Bonds ($82.5 million of principal and $1.5 million of interest); certain net proceeds of $88.0 million were used to partially defease the Series 2013C General Airport Revenue Bonds ($86.4 million of principal and $1.6 million of interest); and certain net proceeds of $0.9 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $0.3 million that will be charged to the operations over 2 years using the straight-line method. The current refunding decreased the Airport's total debt service by $10.6 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $10.0 million.

In October 2022, the Airport sold $343.0 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2022 D (Non-AMT) at a premium of $28.2 million. The bonds have an interest rate ranging from 4% to 5% and have maturity dates from January 1, 2023, through January 1, 2044. Certain net proceeds of $103.5 million were used to partially defease the Series 2013B General Airport Revenue Bonds ($101.7 million of principal and $1.8 million of interest); certain net proceeds of $265.5 million were used to partially defease the Series 2013D General Airport Revenue Bonds ($260.9 million of principal and $4.6 million of interest); and certain net proceeds of $2.2 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $.8 million that will be charged to the operations over 2 years using the straight-line method. The current refunding decreased the Airport's total debt service by $35.1 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $33.0 million.

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions, and improvements to the Airport Transit System (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of $288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86% and the final maturity of the loan is January 1, 2052. A disbursement of $16.2 million was made in 2022. As of December 31, 2022, the total disbursements for the TIFIA loan were $288.1 million and the outstanding loan amount including $6.9 million of accrued interest, was $295.0 million.

Defeased Bonds—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide an amount sufficient for payment of all principal and interest. Defeased bonds at December 31, 2022 are as follows (dollars in thousands):

	Defeased	Outstanding
Chicago O'Hare General Airport Revenue Bonds, Series 2012A	$ 167,435	$ -
Chicago O'Hare General Airport Revenue Bonds, Series 2012B	186,000	-
Chicago O'Hare General Airport Revenue Bonds, Series 2013A	115,320	82,475
Chicago O'Hare General Airport Revenue Bonds, Series 2013B	117,955	101,650
Chicago O'Hare General Airport Revenue Bonds, Series 2013C	88,550	86,415
Chicago O'Hare General Airport Revenue Bonds, Series 2013D	267,435	260,865
Chicago O'Hare General Airport Revenue Bonds, Series 2015B	53,490	-
Chicago O'Hare General Airport Revenue Bonds, Series 2015D	2,820	-
Chicago O'Hare General Airport Revenue Bonds, Series 2016B	2,105	-
Total	$ 1,001,110	$ 531,405

Debt Redemption—Following is a schedule of debt service requirements to maturity of the senior lien bonds. For issues with variable rates, interest is imputed at the effective rate as of December 31, 2022, as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2023	$ 227,980	$ 435,609	$ 663,589
2024	222,920	448,953	671,873
2025	267,300	438,215	705,515
2026	279,150	425,983	705,133
2027	291,765	412,981	704,746
2028–2032	1,541,030	1,855,934	3,396,964
2033–2037	1,866,045	1,443,086	3,309,131
2038–2042	1,412,485	1,021,117	2,433,602
2043–2047	961,235	761,826	1,723,061
2048–2052	1,485,920	459,340	1,945,260
2053–2056	1,150,555	101,182	1,251,737
Total	$ 9,706,385	$ 7,804,226	$ 17,510,611

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2022, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2023	$ 27,475	$ 16,292	$ 43,767
2024	28,880	14,855	43,735
2025	30,355	13,340	43,695
2026	31,905	11,742	43,647
2027	33,545	10,169	43,714
2028–2032	188,495	25,035	213,530
2033	3,170	95	3,265
Total	$ 343,825	$ 91,528	$ 435,353

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2022, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2023	$ 6,000	$ 12,129	$ 18,129
2024	6,295	11,818	18,113
2025	6,625	11,474	18,099
2026	6,980	11,102	18,082
2027	7,365	10,708	18,073
2028–2032	42,975	47,310	90,285
2033–2037	55,680	34,124	89,804
2038–2042	73,510	15,788	89,298
2043	17,295	490	17,785
Total	$ 222,725	$ 154,943	$ 377,668

The debt service requirements to maturity of the TIFIA Loan as of December 31, 2022, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2023	$ 3,923	$ 11,310	$ 15,233
2024	4,041	11,157	15,198
2025	4,159	10,999	15,158
2026	4,336	10,835	15,171
2027	4,513	10,664	15,177
2028–2032	25,308	50,516	75,824
2033–2037	30,588	45,136	75,724
2038–2042	36,987	38,636	75,623
2043–2047	77,870	28,280	106,150
2048–2052	103,236	10,278	113,514
Total	$ 294,961	$ 227,811	$ 522,772

Debt Covenants—The Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of O'Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and fifteen-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2020.

The Master Trust Indenture securing Chicago O'Hare International Airport Passenger Facility Charge (PFC) Obligations requires PFC Revenues, as defined, received by the City to be deposited into the PFC Revenue Fund. The City covenants to pay from the PFC Revenue Fund not later than the twentieth day of each calendar month the following amounts in the following order of priority: (1) to the Trustee for deposit in the Bond Fund, the sum required to make all of the Sub-Fund Deposits and Other Required Deposits to be disbursed from the Bond Fund [to meet debt service and debt service reserve requirements] in the calendar month pursuant to the Master Indenture; (2) to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and (3) all moneys and securities remaining in the PFC Revenue Fund shall be transferred by the City (or the Trustee if it then holds the PFC Revenue Fund pursuant to the Master Indenture) to the PFC Capital Fund.

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

During 2022, the Airport received cash of $185.0 million of ARP Act Funds, which are available for any airport purpose, including debt service payments, plus $8.8 million of CRRSA Act funds related to Concessions, which were applied as revenues. Thus, ARP and CRRSA Acts Funds have been included in the calculation of the debt service covenant.

Conduit Debt— The Airport from time-to-time, issues special facility revenue bonds on behalf of various airlines, as well as certain non-airline parties, as third-party obligors of such bonds, to finance or refinance a portion of the capital improvements at the Airport. These special facility revenue bonds are secured separately from general airport revenue bonds and customer facility charge revenue bonds and are secured solely by amounts received by a debt trustee from such airlines and non-airline parties pursuant to the terms of related special facility financing agreements. Further, with respect to the special facility revenue bonds, airline or non-airline party, respectively, and not the Airport, is responsible for fulfilling the debt service obligations of such bonds and ensuring the tax-exempt status of such bonds. Given the Airport's limited commitment, there has been no obligation recognized as of December 31, 2022.

5. CHANGES IN CAPITAL ASSETS

Capital assets during the year ended December 31, 2022 changed as follows (dollars in thousands):

	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 892,998	$ 46	$ -	$ 893,044
Construction in progress	1,486,485	703,287	(552,352)	1,637,420
Total capital assets not depreciated	2,379,483	703,333	(552,352)	2,530,464
Capital assets depreciated—buildings and other facilities[1]	12,449,216	552,307	(97)	13,001,426
Less accumulated depreciation for—buildings and other facilities	(4,682,022)	(375,347)	97	(5,057,272)
Total capital assets depreciated—net	7,767,194	176,960	-	7,944,154
Total property and facilities—net	$ 10,146,677	$ 880,293	$ (552,352)	$ 10,474,618

1 Reference Note 1—Property and Facilities Significant Accounting Policies.

As of December 31, 2022, the total amount of right-to-use lease assets by major class, and the related accumulated amortization, disclosed separately from other capital assets, is as follows (in thousands):

	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022
Leased assets being amortized:				
Leased—Building	$ 5,044	$ -	$ -	$ 5,044
Leased—Equipment	10,205	-	-	10,205
Total leased assets not depreciated	15,249	-	-	15,249
Less accumulated amortization:				
Leased—Building		(196)		(196)
Leased—Equipment	-	(1,972)	-	(1,972)
Total accumulated amortization	-	(2,168)	-	(2,168)
Total—net of accumulated amortization	$15,249	$(2,168)	$ -	$13,081

6. LEASES

As Lessee:

The Airport leases equipment from other vendors. These leases have terms between one and five years. The long-term lease liability as of December 31, 2022, is as follows (in thousands):

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due within One Year
Lease liability	$ 15,249	$ -	$ (2,030)	$ 13,219	$ 2,078

The expected future principal and interest payments that are included in the measurement of the lease liability as of December 31, 2022 are as follows (in thousands):

Years Ending December 31	Principal	Interest	Amount
2023	$ 2,078	$ 272	$ 2,350
2024	2,559	406	2,965
2025	2,400	321	2,721
2026	2,168	237	2,405
2027	166	189	355
2028–2032	705	848	1,553
2033–2037	1,015	643	1,658
2038–2042	1,282	368	1,650
2043–2045	846	56	902
Total	$ 13,219	$ 3,340	$ 16,559

As Lessor:

The Airport leases terminal square footage (except for regulated leases), aircraft maintenance, cargo facilities, hangars, and other structures to air carriers and other tenants under various operating leases, a majority of which is non-cancellable and terminate no later than August 2055. Certain provisions of the leases provide for fixed and variable rental payments to be received by the Airport, and all are generally designed to allow the Airport to meet its debt service requirements and recover certain operating, maintenance and fund deposit costs. In addition, certain agreements under which the Airport receives revenue under concessions operations at the Airport provide for payment of fee based on the greater of an aggregated percentage of gross receipts or guaranteed minimum.

In accordance with GASB 87, the Airport recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with exceptions for regulated leases, and short-term leases. This provision was implemented as of January 1, 2022.

a) Regulated Leases

Regulated leases comprise certain agreements with airline tenants that govern the use of airport gates, aprons, airline ticket counters, ticketing and check-in stations, baggage claim facilities, and other aeronautical uses (e.g. cargo and hangar). These agreements are subject to the U.S. Department of Transportation and the Federal Aviation Administration regulations and oversight that set limits on lease rates and require consistent terms to tenants. The regulations require leasing opportunities are made available to any potential lessee should a facility become vacant. In accordance with GASB 87, the Airport recognizes lease payments related to regulated leases as inflows of resources (revenues) based on payment provisions of those agreements.

The Airport operates under signatory airlines use and lease agreements and non-signatory airlines lease agreements. These agreements define the responsibilities of the Airport, and the airlines, and establish a cost structure to operate airfield and terminal facilities primarily through charges to airlines in the forms of landing fees, terminal rentals, joint use fees, common use fees (check-in counter, baggage make-up, baggage claim and gate) and federal inspection service fees. Landing fees are charged for each landing at the Airport based on the maximum weight of the aircraft. Terminal rents are set at the beginning of each fiscal year and adjusted during the year to estimate the annual cost to operate terminal buildings. They are allocated to airlines based on square footage occupied. Joint use and common use fees are calculated based on a combination of terminal square footage and activity. Federal inspection service fees are charged for each arriving applicable international passenger. The total revenues related to regulated leases was $840,343 plus $97,638 which is included in the Rentals, Concessions and other revenue of $363,307.

Expected future minimum lease payments to be received from Regulated Leases at December 31, 2022 are as follows (in thousands), projected by the City using the following assumptions: 1) Revenues earned from the Signatory Airlines (long-term and short-term) for the year ended December 31, 2022, 2) through the expiration of the agreements with the Signatory Airlines, 3) without considering future expansion changes in operations by the Airport.

Years Ending December 31	**Amount**
2023	$ 350,734
2024	345,058
2025	345,058
2026	345,058
2027	345,058
2028–2032	1,621,980
2033–2037	731,487
2038–2042	147,566
2043–2047	135,958
2048–2052	17,634
Total future minimum rental income	$ 4,385,591

b) Non-regulated Leases

These contracts allow control of the right to use the Airport’s assets and facilities to lessees for non-aeronautical uses. They are not subject to external laws, regulations, or legal rulings. Lease inflows for non-regulated leases with maximum possible term greater 12 months at commencement of the leases are recognized in accordance with the provisions of GASB 87. Lease inflows for non-regulated leases with maximum possible term of 12 months or less at commencement of the leases are recognized in accordance with the payment provisions of those leases. The Airport’s non-regulated leases are grouped into the following categories:

i. Ground and facilities

The Airport is a lessor for agreements with tenants that develop the Airport’s real estate for airport-related uses, and concurrent commercial development. The agreements require periodic payments based on ground and facilities rental rates or other

amounts as specified in each lease agreement and is based on square footage. In addition, these agreements may require payment of reimbursable costs and other variable payments. These variable inflows were not included in the measurement of the lease receivable.

ii. Concessions

The Airport is a lessor on contracts that provide concessionaires the right to operate at the Airport. These agreements typically require an operator to pay a minimum guaranteed annual rent amount plus a percentage of the concession operator’s gross receipts above a certain threshold. The agreements may also require the operator to reimburse the Airport costs it incurs to maintain areas and facilities used for operations. Performance based and other variable inflows are not included in the measurement of the lease receivable.

iii. Rent-A-Car

The Airport leases square footage to car rental companies at the on-site car rental facility. These agreements require payment of ground rents based on the Airport's ground rental rate and acreage leased. Inflows for ground rents were included in the measurements of the lease receivable. Additionally, these agreements require certain payments based on the lessees' gross receipts in the form of minimum annual guaranteed rents and percent rents, and reimbursement to the Airport of certain costs it incurs to maintain the car rental facility and transportation to and from the terminal areas. Lessees that conduct rental operations from other facilities outside of the Airport's boundaries are required to pay a percent rent based on their gross receipts and certain reimbursable costs to the Airport. The performance-based and variable inflows are not included in the measurement of the lease receivable.

The expected future principal and interest payments that are included in the measurement of the lease receivable as of December 31, 2022 are as follows (in thousands):

Years Ending December 31	**Principal**	**Interest**	**Amount**
2023	$ 34,394	$ 20,903	$ 55,297
2024	18,752	19,970	38,722
2025	19,496	19,147	38,643
2026	20,139	18,293	38,432
2027	21,029	17,404	38,433
2028–2032	117,573	72,403	189,976
2033–2037	115,305	46,020	161,325
2038-2042	131,620	19,270	150,890
2043-2047	15,284	497	15,781
2048-2052	656	169	825
2053-2055	454	27	481
Total	$ 494,702	$ 234,103	$ 728,805

The inflows (revenues) recognized in the year ended December 31, 2022, are as follows (in thousands):

	Amortization of deferred inflows of resources for leases	**Inflows from short-term Leases and variable lease payments**	**Total**
Ground and Facilities	$ 1,779	$ 8,345	$ 10,124
Concessions	21,644	180,252	201,896
Rent-A-Car	29,399	23,686	53,085
Total	$ 52,822	$ 212,283	$ 265,105

7. PENSION PLANS

General Information about the Pension Plan

Plan Description—Eligible O'Hare Fund employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees' Annuity and Benefit Fund of Chicago (Municipal Employees'); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers'); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees' or Laborers'. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org, www.labfchicago.org, www.chipabf.org, and www.fabf.org.

Benefits Provided—The Plans provide retirement, disability, and death benefits as established by State of Illinois law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen's and Firemen's, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2% to 2.5% per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For Tier 1 Employees, the annual adjustments for Municipal Employees' and Laborers' are 3.0%, compounded, and for Policemen's and the majority of participants in Firemen's 3.0%, simple, for annuitants born before January 1, 1966 and 1.5%, simple, born after January 1, 1966 or later. For Tier 2 Employees and Tier 3 Employees, the annual adjustments are equal to the lesser of 3.0% and 50% of CPI-U of the original benefit.

Employees Covered by Benefit Terms—At December 31, 2022, the following City employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries currently receiving benefits	25,894	3,527	14,639	5,300	49,360
Inactive employees entitled to but not yet receiving benefits	22,586	1,388	1,151	139	25,264
Active employees	35,369	2,624	11,868	4,767	54,628
	83,849	7,539	27,658	10,206	129,252

Contributions—For the Municipal Employees' and Laborers' Plans, P.A. 100-0023 was enacted on July 6, 2017. P.A. 100-0023 requires the City to contribute specific amounts to the Municipal Employees' and the Laborers' Plans in the aggregate amounts as follows: in payment year 2019, $392.0 million; in payment year 2020, $481.0 million; in payment year 2021, $571.0 million; in payment year 2022, $660.0 million. Additionally, P.A. 100-0023 requires that the City's contributions are at actuarially determined rates beginning in payment year 2023 and future funding be sufficient to produce a funding level of 90% by the year end of 2058.

For Policemen's and Firemen's, Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99-0506 requires the City to contribute specific amounts to Policemen's and Firemen's Plans in the aggregate amounts as follows: in payment year 2019, $792.0 million; in payment year 2020, $824.0 million. Additionally, P.A. 99-0506 requires that the City's contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90% by the year end of 2055. In 2021, P.A. 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for Firemen's.

The City's contributions are budgeted in the same year as the applicable levy year for the property taxes funding the contributions. The City's contributions are then paid to the pension funds in the following year (which is when the levied property taxes are collected and paid to the City by the Cook County Treasurer).

The contribution to all four pension plans from the Airport was $107.4 million for the year ended December 31, 2022.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Airport reported a liability of $1,665.9 million for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in Actuarial Assumptions—Changes in the municipal bond rate resulted in an increase in the single discount rate for Laborers' and Policemen's and a decrease in the single discount rate for Municipal Employees'. See discount rate section below.

The change in the single discount rate and other assumptions decreased the net pension liability by $12.1 million for Policemen and $7.5 million for Laborers' and increased in the net pension liability by $2.7 million for Firemen and $9.9 million for Municipal Employees. These changes are being amortized into expense over a 4-year period for Municipal Employees' Laborers' and a 6-year period for Policemen's and Firemen's.

The Airport's proportion of the net pension liability was determined based on the rates of the Airport's salaries within each corresponding pension plan to the total budgeted salaries for 2022. At December 31, 2022, the Airport's proportion was 6.8% of the Municipal Employees' Plan, 6.8% of the Laborer's Plan, 1.7% of the Policemen's Plan and 5.0%, of the Firemen's Plan.

For the year ended December 31, 2022, the Airport recognized pension expense of $164.0 million.

At December 31, 2022, the reported deferred outflows of resources of $99.9 million and deferred inflows of resources of $35.8 million related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,782	$ -
Changes of assumptions	7,886	-
Net difference between projected and actual earnings on pension plan investments	22,345	-
Total	$ 42,013	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Municipal Employees' pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2023	$ 7,982
2024	11,855
2025	9,432
2026	12,744
Total	$ 42,013

Laborers' (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,874
Changes of assumptions	1,575	5,740
Net difference between projected and actual earnings on pension plan investments	7,667	-
Total	$ 9,242	$ 8,614

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Laborers' pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2023	$ (1,808)
2024	(743)
2025	518
2026	2,661
Total	$ 628

Policemen's (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,464	$ 1,436
Changes of assumptions	10,808	10,947
Net difference between projected and actual earnings on pension plan investments	5,661	-
Total	$ 24,933	$ 12,383

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Policemen's pensions will be recognized in pension expense as follows:

Year Ended December 31	
2023	$ 2,726
2024	4,425
2025	4,152
2026	2,363
2027	(1,117)
Thereafter	1
Total	$ 12,550

Firemen's (dollars in thousands):

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 7,980	$ 2,888
Changes of assumptions	9,536	11,950
Net difference between projected and actual earnings on pension plan investments	6,228	-
Total	$ 23,744	$ 14,838

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Firemen's pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2023	$ 4,090
2024	2,433
2025	1,872
2026	1,478
2027	(1,107)
Thereafter	140
Total	$ 8,906

Deferred Outflows Related to Changes in Proportionate Share of Contributions—For the year ended December 31, 2022, the Airport reported pension charge/(benefit) of $11.4 million, related to changes in its proportionate share of contributions. As of December 31, 2022, the Airport Funds reported deferred inflows of $18.1, and deferred outflows of $13.6 million, related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension charge/(benefit) over a period of five years.

Actuarial Assumptions—The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation	2.50 %	2.25 %	2.25 %	2.50 %
Salary Increases	2.50%-14.00% (a)	3.00 % (b)	3.50 % (c)	3.50%-25.00% (d)
Investment Rate of Return	6.75 % (e)	7.25 % (e)	6.75 %	6.75 % (e)

(a) varying by years of service and employer
(b) Plus a service—based increase in the first 9 years
(c) Plus service based increases consistent with bargaining contracts
(d) Varying by years of service
(e) Net of investment expense

Mortality Assumptions

Bargaining Plan Members		Mortality Table Name	Mortality Improvement
Municipal Employees'	Post Retirement	PubG-2010 Retiree Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	Beneficiary	PubG-2010 Contingent Survivor Table Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
	Pre-Retirement	PubG-2010 Employee Amount-weighted Below Median Mortality Table (sex-specific)	Generational – Scale MP-2021
Laborers'	Post Retirement	Pub-2010 Amount-weighted Below Median Income General Healthy Retiree Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
	Pre-Retirement	Pub-2010 Amount-weighted Below Median Income General Employee Mortality Tables, Sex Distinct	Generational – Scale MP-2020 2-dimensional
Policemen's	Post Retirement	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimentional
	Disabled	Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimentional
	Pre-Retirement	Pub-2010 Amount-weighted Safety Employee Mortality Table, Sex Distinct	Generational – Scale MP-2018 2-dimentional
Firemen's	Post Retirement	PubS-2010 Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	Disabled	PubS-2010 Disabled Retiree Amount-weighted Mortality Table	Generational – Scale MP-2021
	Beneficiary	Pub-2010 Contingent Survivor Amount-weighted Mortality Table	Generational – Scale MP-2021
	Pre-Retirement	PubS-2010 Employee Amount-weighted Mortality Table	Generational – Scale MP-2021

The mortality actuarial assumptions used in the December 31, 2022 valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal Employees'	January 1, 2017–December 31, 2021
Laborers'	January 1, 2017–December 31, 2019
Policemen's	January 1, 2014–December 31, 2018
Firemen's	January 1, 2017–December 31, 2021

The long term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2022, are summarized in the following table:

	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Asset class:								
Equity	- %	- %	29.5 %	57.0 %	- %	- %	7.85 %	7.40 %
Domestic equity	26.0	-	-	-	7.10	-	-	-
U.S. equity	-	25.0	-	-	-	5.20	-	-
Non U.S. equity	-	20.0	19.5	-	-	5.40	9.65	-
Global equity	5.0	-	-	-	6.80	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.50	-	-
International equity	17.0	-	-	-	7.40	-	-	-
Fixed income	22.0	20.0	15.0	22.0	4.90	1.60	3.62	4.60
Hedge funds	10.0	10.0	5.00	-	5.30	3.10	5.48	-
Infrastructure	3.0	-	-	-	6.90	-	-	-
Private debt	4.0	3.0	-	-	10.10	8.20	-	-
Private equity	4.0	4.0	-	-	11.40	9.30	-	-
Private markets	-	-	20.0	-	-	-	11.20	-
Real estate	9.0	10.0	-	-	6.80	4.50	-	-
Real assets	-	-	11.0	-	-	-	5.99	-
Private real assets	-	3.0	-	-	-	4.80	-	-
Other investments	-	-	-	21.0	-	-	-	6.50
Total	100 %	100 %	100 %	100 %				

Discount Rate

Municipal Employees'—

The Single Discount Rate used to measure the total pension liability as of December 31, 2022 was 6.57%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the year 2078. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to projected benefits for all periods through 2077 and the municipal bond index rate of 3.72% was applied thereafter to determine total pension liability.

Laborers'—A Single Discount Rate of 7.13% was used to measure the total pension liability as of December 31, 2022. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25% as of December 31, 2022, and a municipal bond rate of 4.05% as of December 31, 2022 (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 6.64% was used to measure the total pension liability as of December 31, 2022. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2022, and a municipal bond rate of 4.05% as of December 31, 2022 (based on the most recent date available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2079. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2079, and the municipal bond rate was applied to all benefit payments after that date.

Firemen's—A Single Discount Rate of 6.75% was used to measure the total pension liability as of December 31, 2022. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2022, and a municipal bond rate of 3.72% and as of December 31, 2022 (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on the assumptions as of December 31, 2022, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. As a result, as of December 31, 2022, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods.

Sensitivity of the Airport's Net Pension Liability to Changes in the Discount Rate

Municipal Employees'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2022, calculated using the discount rate of 6.57%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.57%) or 1 percentage point higher (7.57%) than the current rate (dollars in thousands):

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	5.57 %	6.57 %	7.57 %
Municipal Employees' net pension liability	$ 1,196,670	$1,037,514	$ 904,555

Laborers'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2022, calculated using the discount rate of 7.13% as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.13%) or 1% point higher (8.13%) than the current rate (dollars in thousands):

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	6.13 %	7.13 %	8.13 %
Laborers' net pension liability	$ 137,361	$ 115,444	$ 96,978

Policemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2022, calculated using the discount rate of 6.64%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.64%) or 1% point higher (7.64%) than the current rate (dollars in thousands):

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	5.64 %	6.64 %	7.64 %
Policemen's net pension liability	$ 253,202	$ 219,516	$ 191,394

Firemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2022, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate (dollars in thousands):

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.75 %	6.75 %	7.75 %
Firemen's net pension liability	$ 335,823	$ 293,390	$ 257,750

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Pension Plans reports.

8. RELATED-PARTY TRANSACTIONS

Included in operating expenses are reimbursements to the general fund of the City for services provided by other City departments, employee fringe benefits, and certain payments made on behalf of the Airport. Such reimbursements amounted to $175.6 million in 2022.

9. COMMITMENTS AND CONTINGENCIES

The Airport has certain contingent liabilities resulting from litigation, claims, and commitments incident to its ordinary course of business. Management expects that the final resolution of these contingencies will not have a material adverse effect on the financial position or results of operations of the Airport.

The Airport provides employee health benefits under a self-insurance program, administered by the City. Such claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the basic financial statements.

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the year ended December 31, 2022 are as follows (dollars in thousands):

Beginning balance—January 1	$ 2,765
Total claims incurred (expenditures)	27,260
Claims paid	(27,195)
Claims liability—December 31	$ 2,830

The City's property and liability insurance premiums are approximately $14.5 million per year. The City maintains property and liability insurance coverage for both O'Hare and Midway and allocates the cost of the premiums between the two airports. The property coverage was renewed on December 31, 2022, with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2023, with a limit of $1 billion and includes $1 billion in war and terrorism liability coverage.

At December 31, 2022, the Airport had commitments in the amounts of approximately $201.2 million in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources:	
Deferred outflows from pension activities	$ 99,917
Changes in proportionate share of pension contribution	13,555
Unamortized deferred bond refunding costs	104,654
Total deferred outflows of resources	$ 218,126
Deferred Inflows of resources—deferred inflows from pension activities	$ 53,971
Deferred inflows of leases	493,158

Refer to Note 7 Pension Plans—Deferred Outflows and Deferred Inflows Related to Pension Activities and to Changes in Proportionate Share of Contributions sections.

11. SUBSEQUENT EVENTS

There were no subsequent events as of the date of this report.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
(Dollars are in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':								
Total pension liability:								
Service cost*	$ 263,993	$ 246,066	$ 236,302	$ 228,465	$ 223,528	$ 572,534	$ 619,743	$ 226,816
Interest	1,269,645	1,228,905	1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	-	-	-	-	2,140,009
Differences between expected and actual experience	84,258	121,988	100,938	16,676	95,540	(177,755)	(127,119)	(109,865)
Assumption changes	143,996	-	-	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	(1,055,585)	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Net change in total pension liability	706,307	586,768	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,746
Total pension liability—beginning	18,401,580	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
Total pension liability—ending (a)	19,107,887	18,401,580	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,840
Plan fiduciary net position:								
Contributions—employer	959,550	573,198	496,992	418,269	349,574	261,764	149,718	149,225
Contributions—employee	176,339	163,411	157,798	146,645	138,400	134,765	130,391	131,428
Net investment income	(429,912)	498,299	335,403	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(1,055,585)	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(6,873)	(6,687)	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other	-	-	-	-	-	5,394	-	-
Net change in plan fiduciary net position	(356,481)	218,030	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	4,308,269	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
Plan fiduciary net position—ending (b)	3,951,788	4,308,269	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427
NET PENSION LIABILITY—Ending (a)-(b)	$ 15,156,099	$ 14,093,311	$ 13,724,573	$ 13,179,714	$ 12,894,434	$ 11,728,378	$ 18,855,044	$ 18,617,413
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	20.68 %	23.41 %	22.96 %	23.64 %	23.29 %	27.97 %	19.05 %	20.30 %
ALLOCATED COVERED PAYROLL**	$ 148,286	$ 138,259	$ 131,080	$ 127,065	$ 119,395	$ 114,809	$ 99,483	$ 95,705
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	699.67 %	704.25 %	737.13 %	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %
ALLOCATED NET PENSION LIABILITY	$ 1,037,514	$ 973,686	$ 966,221	$ 928,935	$ 887,542	$ 798,400	$ 1,138,937	$ 1,084,148
ALLOCATED PERCENTAGE	6.85 %	6.91 %	7.05 %	7.05 %	6.88 %	6.80 %	6.04 %	5.82 %

* Includes pension plan administrative expense.
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.

(Continued)

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
(Dollars are in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
LABORERS':								
Total pension liability:								
Service cost *	$ 39,331	$ 40,411	$ 39,216	$ 38,522	$ 40,801	$ 80,232	$ 82,960	$ 38,389
Interest	193,347	192,343	191,099	188,347	183,135	154,047	150,166	153,812
Benefit changes	-	-	-	-	-	150	-	384,033
Differences between expected and actual experience	(27,236)	(31,083)	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	(109,355)	21,870	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(177,162)	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,607)	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	(84,682)	47,190	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,905,524	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	2,162,905
Total pension liability—ending (a)	2,820,842	2,905,524	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
Plan fiduciary net position:								
Contributions—employer	116,176	84,969	73,744	59,346	47,844	35,457	12,603	12,412
Contributions—employee	19,069	17,637	18,064	18,143	17,837	17,411	17,246	16,844
Net investment income	(161,680)	138,105	163,057	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(177,162)	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,607)	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other	-	-	-	-	661	-	-	-
Net change in plan fiduciary net position	(207,204)	64,360	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,334,102	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position—ending (b)	1,126,898	1,334,102	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
NET PENSION LIABILITY—Ending (a)-(b)	$ 1,693,944	$ 1,571,422	$ 1,588,592	$ 1,588,100	$ 1,598,721	$ 1,362,553	$ 2,525,905	$2,473,958
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	39.95 %	45.92 %	44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
ALLOCATED COVERED PAYROLL**	$ 14,590	$ 14,922	$ 14,495	$ 13,751	$ 13,288	$ 13,172	$ 12,408	$ 12,730
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	791.25 %	740.81 %	766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	128.15 %
ALLOCATED NET PENSION LIABILITY	$ 115,444	$ 110,542	$ 111,135	$ 103,200	$ 100,454	$ 86,106	$ 150,573	$ 153,802
ALLOCATED PERCENTAGE	6.82 %	7.03 %	7.00 %	6.50 %	6.28 %	6.30 %	5.96 %	6.22 %

* Includes pension plan administrative expense.
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
(Dollars are in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
POLICEMEN'S:								
Total pension liability:								
Service cost*	$ 294,515	$ 284,707	$ 286,537	$ 240,383	$ 242,998	$ 237,333	$ 220,570	$ 213,585
Interest	1,011,977	963,417	942,623	944,739	931,731	917,720	851,098	832,972
Benefit changes	40,210	-	-	24,216	-	-	606,250	-
Differences between expected and actual experience	179,968	450,528	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	(700,065)	37,029	260,021	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(947,589)	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(4,394)	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	(125,378)	845,268	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	16,340,008	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability—ending (a)	16,214,630	16,340,008	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
Plan fiduciary net position:								
Contributions—employer	801,706	788,770	739,441	581,936	588,035	494,483	272,428	572,836
Contributions—employee	114,403	136,225	113,622	110,792	107,186	103,011	101,476	107,626
Net investment income	(324,259)	370,141	271,891	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(947,589)	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(4,394)	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	368	91	472	32	1,600	97	1,413	3,092
Net change in plan fiduciary net position	(359,765)	404,814	279,469	257,340	(216,886)	257,047	(193,930)	(3,065)
Adjustment—beginning	(119)	(48)	-	(91)	-	-	-	-
Plan fiduciary net position—beginning	3,846,664	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,486,780	3,846,664	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	$ 12,727,850	$ 12,493,344	$ 12,052,842	$ 11,627,173	$ 10,408,078	$ 10,332,396	$ 10,248,072	$ 8,973,784
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	21.50 %	23.54 %	22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
ALLOCATED COVERED PAYROLL**	21,973	20,962	20,226	21,481	16,965	16,071	15,834	14,540
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	999.03 %	992.86 %	1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	219,516	208,124	203,837	203,224	146,498	144,344	144,940	120,078
ALLOCATED PERCENTAGE	1.72 %	1.67 %	1.69 %	1.75 %	1.41 %	1.40 %	1.41 %	1.34 %

* Includes pension plan administrative expense
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
(Dollars are in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
FIREMEN'S:								
Total pension liability:								
Service cost	$ 111,917	$ 112,730	$ 109,487	$ 102,141	$ 97,143	$ 93,367	$ 94,115	$ 87,203
Interest	466,819	429,630	410,128	408,586	410,821	371,622	342,085	338,986
Benefit changes	11,737	196,531	-	-	-	-	227,213	-
Differences between expected and actual experience	(30,667)	93,928	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes	53,665	(340,370)	30,468	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(401,968)	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Pension plan administrative expense	-	-	-	-	(3,285)	(3,172)	(3,217)	(3,149)
Net change in total pension liability	211,503	103,775	358,640	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	7,004,906	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability—ending (a)	7,216,409	7,004,906	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
Plan fiduciary net position:								
Contributions—employer	399,210	367,481	368,423	255,382	249,684	228,453	154,101	236,104
Contributions—employee	53,031	52,268	54,414	46,623	45,894	47,364	48,960	46,552
Net investment income	(155,590)	129,513	105,367	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(401,968)	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,390)	(3,082)	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	5	5	13	507	6	22	(53)	7
Net change in plan fiduciary net position	(108,702)	157,511	159,066	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,466,398	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position—ending (b)	1,357,696	1,466,398	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	$ 5,858,713	$ 5,538,508	$ 5,592,244	$ 5,392,670	$5,216,570	$4,619,997	$4,130,244	$3,780,983
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	18.81 %	20.93 %	18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
ALLOCATED COVERED PAYROLL*	$ 26,315	$ 26,067	$ 25,077	$ 992	$ 23,293	$ 23,419	$ 23,680	$ 22,654
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL**	1,114.92 %	1,065.01 %	1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	$ 293,390	$ 277,616	$ 280,262	$ 271,256	$ 265,904	$ 230,490	$ 204,414	$ 184,109
ALLOCATED PERCENTAGE	5.01 %	5.01 %	5.01 %	5.03 %	5.10 %	4.99 %	4.95 %	4.87 %

* Includes pension plan administrative expense.
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.

(Concluded)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Municipal Employees'

Years Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll*	Contributions as a Percentage of Covered Payroll
2013	$ 820,023	$148,197	$671,826	$1,580,289	9.38 %
2014	839,039	149,747	689,292	1,602,978	9.34
2015	677,200	149,225	527,975	1,643,481	9.08
2016	961,770	149,718	812,052	1,646,939	9.09
2017	1,005,457	261,764	743,693	1,686,533	15.52
2018	1,049,916	349,574	700,342	1,734,596	20.15
2019	1,117,388	418,269	699,119	1,802,790	23.20
2020	1,167,154	496,992	670,162	1,861,905	26.69
2021	1,218,361	573,198	645,163	2,001,181	28.64
2022	1,262,413	959,550	302,863	2,166,182	44.30

* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

Laborers'

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2013	$ 106,199	$ 11,583	$ 94,616	$ 200,352	5.78 %
2014	106,019	12,161	93,858	202,673	6.00
2015	79,851	12,412	67,439	204,773	6.06
2016	117,033	12,603	104,430	208,155	6.05
2017	124,226	35,457	88,769	208,442	17.01
2018	129,247	47,844	81,403	211,482	22.62
2019	148,410	59,346	89,064	211,608	28.05
2020	155,794	73,744	82,050	207,195	35.59
2021	155,245	84,969	70,276	212,122	40.06
2022	153,023	116,176	36,847	214,083	54.27

* The LABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded liability using dollar payments and a 30 year open amortization period.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Policemen's

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2013	$ 474,177	$179,521	$294,656	$1,015,426	17.68 %
2014	491,651	178,158	313,493	1,074,333	16.58
2015	785,501	575,928	209,573	1,086,608	53.00
2016	785,695	273,840	511,855	1,119,527	24.46
2017	910,938	494,580	416,358	1,150,406	42.99
2018	924,654	589,635	335,019	1,205,324	48.92
2019	933,770	581,968	351,802	1,228,987	47.35
2020	1,037,582	739,913	297,669	1,195,980	61.87
2021	1,047,839	788,770	258,978	1,258,338	62.69
2022	1,085,159	802,074	283,085	1,274,050	62.95

* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, the 2015 and after, the actuarially determined contribution is equal to the normal cost plus a 30-year dollar amortization of the unfunded actuarial liability. Prior to 2015 the actuarially determined contribution was equal to the "ARC" which was equal to normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

Firemen's

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2013	$ 294,878	$103,669	$191,209	$ 416,492	24.89 %
2014	304,265	107,334	196,931	460,190	23.32
2015	323,545	236,104	87,441	465,232	50.75
2016	333,952	154,101	179,851	478,471	32.21
2017	372,845	228,453	144,392	469,407	48.67
2018	412,220	249,684	162,536	456,969	54.64
2019	442,045	255,382	186,663	457,082	55.87
2020	466,556	368,423	98,133	500,368	73.63
2021	476,498	367,481	109,017	520,047	70.66
2022	509,936	399,210	110,726	525,480	75.97

* The FABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the Actuarially Determined Contribution is equal to the normal cost plus an amount to amortize the unfunded liability using level dollar payments and a 30 year open amortization period. Amounts for fiscal years prior to 2015 were based on the "ARC" which was equal to normal cost plus an amount to amortize the unfunded liability using a 30-year open period level dollar amortization.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Actuarial Methods and Assumptions	**Municipal Employees'**		**Laborers'**		**Policemen's**		**Firemen's**	
Actuarial valuation date	12/31/2021		12/31/2021		12/31/2021		12/31/2021	
Actuarial cost method	Entry age normal		Entry age normal		Entry age normal		Entry age normal	
Asset valuation method	5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market		5-yr. Smoothed Market	
Actuarial assumptions:								
Inflation	2.50%		2.25%		2.25%		2.50%	
Salary increases	3.50%–7.75%	(a)	3.00%	(b)	3.50%	(c)	3.5%–25.00%	(d)
Investment rate of return	7.00%	(e)	7.25%	(f)	6.75%		6.75%	(e)
Retirement age	(g)		(h)		(i)		(j)	
Mortality	(k)		(l)		(m)		(n)	
Other information	(o)		(p)		(q)		(o)	

(a) Varying by years of service and employer.
(b) Plus a service-based increase in the first 9 years.
(c) Plus service based increases consistent with bargaining contracts.
(d) Varying by years of service.
(e) Net of investment expense
(f) Net of investment expense, including inflation
(g) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund (effective December 31, 2022). For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011). For employees first hired on or after July 6, 2017, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).
(h) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020, valuation pursuant to an experience study of the period January 1, 2017, through December 31, 2019.
(i) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
(j) Retirement rates are based on the recent experience of the Fund (effective December 31, 2022).
(k) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
(l) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements. Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

(m) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females. Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.
(n) Post-retirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 106% for males and 98% for females, and projected generationally using scale MP-2017. Disabled mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 107% for males and 99% for females, and projected generationally using scale MP-2017. Pre-retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality, scaled by 92% for males and 100% for females, projected generationally using scale MP-2017.

(o) Other assumptions: Same as those used in the December 31, 2021, actuarial funding valuations.
(p) The actuarial valuation is based on the statutes in effect as of December 31, 2020.
(q) The actuarially determined contribution for fiscal year ending December 31, 2022 was determined in the funding actuarial valuation as of December 31, 2021 and the statutory contribution (upon which the actual contribution was based) for fiscal year ending December 31, 2022 was determined in the funding actuarial valuation as of December 31, 2020, which were both based on the assumptions summarized above.

(Concluded)

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVERAGE COVENANT
FOR THE YEAR ENDED DECEMBER 31, 2022
(Dollars in thousands)

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	$ 1,259,748	$ 1,259,748
Other available moneys (PFC for debt service, BAB Subsidy and COVID-19 Relief Funds)	167,739	167,739
Cash balance in revenue fund on the first day of fiscal year (Note 2)	99,421	-
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,526,908	$ 1,427,487
COVERAGE REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	$ 8,514	
Maintenance reserve	2,325	
Supplemental O & M Reserve	23,897	
Senior lien debt service fund	543,990	
TOTAL DEPOSITS REQUIREMENTS	$ 578,726	
AGGREGATE SENIOR LIEN DEBT SERVICE	$ 637,483	$ 637,483
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	(18,765)	(18,765)
NET AGGREGATE DEBT SERVICE	618,718	$ 618,718
COVENANT REQUIREMENT	1.25x	
NET AGGREGATE DEBT SERVICE	$ 773,398	
COVERAGE REQUIREMENT (Greater of total deposit requirements or 125% of net aggregate debt service)	$ 773,398	
OPERATION AND MAINTENANCE EXPENSES—As defined	597,704	597,704
TOTAL REQUIREMENT	$ 1,371,102	$ 1,216,422
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,526,908	$ 1,427,487

See notes to calculations of coverage.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
NOTES TO CALCULATIONS OF COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2022

1. RATE COVENANT

In the Master Indenture of Trust securing Chicago O'Hare International Airport Senior Lien Obligations:

The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates, and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all Outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (B) one and twenty-five-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.

The City further covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of (i) any passenger facility charges deposited with the Trustee for that Fiscal Year, and (ii) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year, and (ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

O'Hare contributed $107.5 million to the pension funds. In addition, COVID-19 Relief Funds of $110.0 million were applied to reduce the airline-based operating and maintenance costs in 2022 and $30.0 million were applied as revenues in 2022.

2. REVENUE FUND BALANCE

The Revenue Fund balance includes all cash, cash equivalents and investments held in any Airport account which were available to the Revenue Fund to satisfy the coverage requirement under the terms of the Bond Ordinance. This balance also includes airfield credits, ARE and CRE net revenues from prior years that are required to be applied to the 2022 rates and charges in accordance with Section 8 of the 2018 O'Hare Airport Airline Use and Lease Agreement.

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STATISTICAL INFORMATION

STATISTICAL INFORMATION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the Airport's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Airport's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Airport's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Airport's current levels of outstanding debt and the Airport's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities takes place.

Operating Information

These schedules contains data to help the reader understand how the information in the Airport's financial report relates to the services the Airport provides and the activities it performs.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL OPERATING RESULTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OPERATING REVENUES:										
Landing fees	$169,323	$211,982	$ 253,347	$ 301,285	$ 300,247	$ 336,168	$ 370,945	$ 365,580	$ 562,241	$ 511,873
Rental revenues:										
Terminal rental and use charges	273,611	340,449	292,706	333,939	350,727	373,765	440,325	274,283	253,713	328,470
Other rentals and fueling system fees	44,813	45,330	48,199	52,870	62,905	84,513	113,567	90,646	121,473	127,035
Subtotal rental revenues	318,424	385,779	340,905	386,809	413,632	458,278	553,892	364,929	375,186	455,505
Concessions:										
Auto parking	95,614	97,834	99,210	103,813	106,620	103,975	103,459	39,624	73,599	107,913
Auto rentals	26,274	27,863	29,176	28,436	28,028	29,971	32,559	28,372	27,591	19,775
Restaurants	42,662	45,432	49,366	52,786	54,657	57,972	61,690	28,819	34,330	50,655
News and gifts	18,367	24,086	24,355	25,082	24,354	25,465	25,012	23,309	12,325	21,921
Hilton Revenues	-	-	-	-	-	-	66,614	18,365	32,587	55,783
Other	40,337	45,082	41,908	43,074	43,762	43,240	32,813	30,163	21,415	30,257
Subtotal concessions	223,254	240,297	244,015	253,191	257,421	260,623	322,147	168,652	201,847	286,304
Reimbursements	6,679	6,466	6,961	6,532	4,879	6,844	6,501	6,451	5,878	5,751
Total operating revenues (1)	717,680	844,524	845,228	947,817	976,179	1,061,913	1,253,485	905,612	1,145,152	1,259,433
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages (2)	192,744	212,576	203,216	208,578	210,649	227,219	221,763	228,173	213,023	225,303
Pension expense	-	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448	163,979
Repairs and maintenance	85,484	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176	153,522
Energy	32,895	34,519	34,090	39,500	34,773	35,027	42,297	35,350	35,004	34,430
Materials and supplies	8,961	10,573	9,876	10,886	6,937	16,284	14,647	7,670	13,876	16,368
Engineering and other professional services	81,070	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419	172,740
Hilton Expenses	-	-	-	-	-	-	43,021	20,157	24,234	35,597
Other operating expenses	24,895	38,268	36,773	46,611	57,035	59,166	84,478	68,999	104,751	88,430
Total operating and maintenance expenses before depreciation and amortization (3)	426,049	495,007	805,710	751,210	652,494	710,266	842,584	691,725	772,931	890,369
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION (4)	$291,631	$349,517	$ 39,518	$ 196,607	$ 323,685	$ 351,647	$ 410,901	$ 213,887	$ 372,221	$ 369,064
FIRST AND SECOND LIEN BONDS—Net revenues for calculating coverage less fund deposit requirements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AGGREGATE DEBT SERVICE LESS DISBURSEMENTS FROM CAPITALIZED INTEREST ACCOUNTS (5)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
DEBT SERVICE COVERAGE RATIO (6)	-	-	-	-	-	-	-	-	-	-
THIRD LIEN BONDS—Net revenues for calculating coverage per master indenture third lien	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COVERAGE REQUIRED PER MASTER INDENTURE—Third lien	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL AVAILABLE SOURCES FOR CALCULATING COVERAGE PER MASTER INDENTURE—Senior Lien	$853,216	$989,929	$1,010,311	$1,130,225	$1,183,777	$1,277,670	$1,456,750	$1,351,388	$1,358,971	$ 1,526,908
TOTAL REQUIREMENT PER MASTER INDENTURE—Senior lien (7)	$825,116	$985,375	$ 981,095	$1,091,007	$1,126,312	$1,193,799	$1,290,806	$1,173,826	$1,209,820	$ 1,371,102
COVERAGE COVENANT RATIO PER MASTER INDENTURE—Senior Lien	1.10	1.10	1.10	1.10	1.10	1.10	1.13	1.15	1.12	1.11
OPERATION AND MAINTENANCE EXPENSES PER MASTER INDENTURE—Senior Lien (8)	$415,749	$484,448	$ 468,426	$ 508,531	$ 506,323	$ 579,040	$ 632,686	$ 556,633	$ 654,742	$ 597,704
NET REVENUES AVAILABLE FOR SENIOR LIEN DEBT SERVICE	$437,467	$505,481	$ 541,885	$ 621,694	$ 677,454	$ 698,630	$ 824,064	$ 794,755	$ 704,229	$ 929,204
AGGREGATE DEBT SERVICE—Senior Lien (8)	$372,152	$455,388	$ 466,063	$ 529,524	$ 563,626	$ 558,872	$ 572,278	$ 514,327	$ 444,062	$ 618,718
COVERAGE RATIO (8)	1.18	1.11	1.16	1.17	1.20	1.25	1.44	1.55	1.59	1.50

(1) Average annual compound growth rate for 2013–2022 for total operating revenues is 6.4%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits.
(3) Average annual compound growth rate for 2013–2022 for total operating and maintenance expenses before depreciation and amortization is 8.5%.
(4) Amount for 2022 may be reconciled to operating loss of $6,282 reported in the 2022 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $375,346. Amount for prior years may be reconciled through similar calculation.
(5) Represents debt service on first and second lien bonds.
(6) Represents debt service coverage ratio on first and second lien bonds.
(7) Represents Total Requirement for Operation and Maintenance Expenses and Aggregate Debt Service per Senior Lien Master Indenture.
(8) Represents calculations per Section 404(a) of the Senior Lien Master Indenture.
Note: $107.5 million is the portion of the City's pension cash contribution payable in 2022 to the pension funds and allocable to O'Hare Airport.
This portion is included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Dollars in thousands)

The following table sets forth aggregate annual debt service for outstanding General Airport Revenue Bonds (GARB), PFC revenue bonds and CFC revenue bonds:

Year Ending December 31	Total Debt Service on Senior Lien Bonds	Total GARB Debt Service	Total PFC Debt Service	Total CFC Debt Service	Total TIFIA Loan Debt Service	Total Debt Service
2023	$ 663,589	$ 663,589	$ 43,767	$ 18,129	$ 15,233	$ 740,718
2024	671,873	671,873	43,735	18,113	15,197	748,918
2025	705,515	705,515	43,695	18,099	15,157	782,466
2026	705,133	705,133	43,647	18,082	15,171	782,033
2027	704,746	704,746	43,714	18,072	15,177	781,709
2028	694,787	694,787	43,670	18,081	15,176	771,714
2029	673,442	673,442	43,625	18,073	15,169	750,309
2030	676,605	676,605	43,468	18,059	15,154	753,286
2031	676,238	676,238	43,411	18,043	15,162	752,854
2032	675,892	675,892	39,356	18,029	15,162	748,439
2033	676,500	676,500	3,265	18,014	15,154	712,933
2034	713,680	713,680	-	17,976	15,167	746,823
2035	729,939	729,939	-	17,955	15,142	763,036
2036	594,409	594,409	-	17,939	15,137	627,485
2037	594,603	594,603	-	17,920	15,124	627,647
2038	593,333	593,333	-	17,902	15,131	626,366
2039	591,348	591,348	-	17,881	15,127	624,356
2040	479,866	479,866	-	17,862	15,141	512,869
2041	423,622	423,622	-	17,838	15,116	456,576
2042	345,433	345,433	-	17,815	15,110	378,358
2043	345,274	345,274	-	17,785	15,120	378,179
2044	344,933	344,933	-	-	22,785	367,718
2045	344,418	344,418	-	-	22,759	367,177
2046	344,319	344,319	-	-	22,737	367,056
2047	344,117	344,117	-	-	22,749	366,866
2048	343,840	343,840	-	-	22,732	366,572
2049	573,567	573,567	-	-	22,718	596,285
2050	342,934	342,934	-	-	22,704	365,638
2051	342,622	342,622	-	-	22,689	365,311
2052	342,297	342,297	-	-	22,672	364,969
2053	332,980	332,980	-	-	-	332,980
2054	432,927	432,927	-	-	-	432,927
2055	331,811	331,811	-	-	-	331,811
2056	154,019	154,019	-	-	-	154,019
	$17,510,611	$17,510,611	$435,353	$377,667	$522,772	$18,846,403

Note: The annual debt service tables in the Official Statements for the above debt were presented with a year ended January 1. The information above is presented with a year ended December 31. The change has been made to facilitate reconciliation to revenue bonds payable at December 31, 2022.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PLAN (CIP), 2023–2027
(Dollars in thousands)

ESTIMATED USES—Five-Year Capital Improvement Program:	
Airfield improvements	$ 707,154
Terminal improvements	800,403
Noise mitigation	107,381
Fueling system	28,901
Parking/roadway projects	191,291
Heating and refrigeration	168,954
Safety and security	35,155
Infrastructure and land support	100,000
Total estimated uses	$ 2,139,239
ESTIMATED SOURCES:	
Federal AIP discretionary grants	$ 123,243
Federal AIP entitlement grants	50,000
Bipartisan Infrastructure Law	50,000
Airport Development Funds	33,755
TSA funds	-
State grants	16,780
Prior Airport revenue bond proceeds	24,971
2022 Bonds	170,227
Future Airport obligation proceeds	1,670,263
Total estimated sources	$ 2,139,239

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

Airport Activity

According to statistics compiled by Airport Council International (ACI), for the 12-month period ended December 31, 2022, the Airport was ranked as the second busiest airport in the world for total aircraft operations. According to the U.S. Department of Transportation, the Airport was fourth in the world in terms of total passengers, and seventh in the United States in terms of cargo volume. According to Innovata, during 2022, nonstop service was provided from the Airport to 260 destinations, 189 domestic airports and 71 foreign airports.

Chicago O'Hare International Airport Historical Connecting Passengers

Year	Total Enplanements	Total Originating Enplanements [1]	Total Connecting Enplanements [1]	Connecting Enplanements Percentage
2013	33,297,578	17,044,643	16,252,935	48.8 %
2014	34,952,762	17,115,535	17,837,227	51.0
2015	38,395,905	20,096,191	18,299,714	47.7
2016	38,872,669	20,991,241	17,881,428	46.0
2017	39,815,888	22,429,433	17,386,455	43.7
2018	41,563,343	23,483,289	18,080,054	43.5
2019	42,248,370	23,836,209	18,412,161	43.6
2020[2]	15,351,046	8,550,533	6,800,513	44.3
2021	26,945,359	15,259,775	11,685,584	43.4
2022	34,095,710	20,484,251	13,611,459	39.9
	Average Annual Compound Growth Rates			
2013–2022	0.3%	2.1%	-2.0%	

[1] Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.
[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

	2013		2014		2015		2016		2017	
Airline [1]	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
United Airlines	8,293,334	24.9 %	9,227,495	26.4 %	10,556,509	27.5 %	11,722,663	30.2 %	12,534,578	31.5 %
American Airlines	7,209,709	21.7	7,064,555	20.2	8,668,309	22.6	9,606,479	24.7	9,763,126	24.5
Envoy Airlines (dba American Eagle)	4,022,596	12.1	2,868,392	8.2	2,992,870	7.8	3,494,513	9.0	2,606,809	6.5
Sky West (dba United Express, Delta, American)	1,386,813	4.2	1,873,838	5.4	2,363,825	6.2	2,279,699	5.9	3,997,933	10.0
Mesa (dba United Express)	540,671	1.6	454,299	1.3	2,365	-	-	-	76	-
Shuttle America (dba United Express)	903,682	2.7	816,617	2.3	716,874	1.9	619,873	1.6	23,061	0.1
Continental Airlines	697,398	2.1	-	-	-	-	-	-	-	-
US Airways	1,068,630	3.2	1,024,772	2.9	1,025,863	2.7	-	-	-	-
Go Jet (UA Express, Delta)	795,407	2.4	783,363	2.2	867,993	2.3	750,452	1.9	709,925	1.8
Delta Airlines	716,938	2.1	844,445	2.4	972,132	2.5	906,920	2.3	898,063	2.3
Trans State Air (dba United Express)	475,863	1.4	637,489	1.8	279,635	0.7	353,453	0.9	486,191	1.2
Air Canada	80,190	0.2	6,664	-	33,773	0.1	78,189	0.2	206,178	0.5
Chautauqua (dba United Express)	6,086	-	51,553	0.1	-	-	-	-	-	-
Air Wisconsin (dba United Express)	1	-	2	-	-	-	-	-	106,052	0.3
All other [2]	7,100,260	21.3	9,299,278	26.8	9,915,757	25.7	9,060,428	23.3	8,483,896	21.3
Total	33,297,578	100.0 %	34,952,762	100.0 %	38,395,905	100.0 %	38,872,669	100.0 %	39,815,888	100.0 %

	2018		2019		2020		2021		2022	
Airline [1]	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
United Airlines	12,831,523	30.9 %	12,915,154	30.6 %	4,055,574	26.4 %	9,892,279	36.7 %	12,332,209	36.2%
American Airlines	10,053,968	24.2	10,153,179	24.0	3,651,968	23.8	7,480,403	27.8	8,327,290	24.4
Envoy Airlines (dba American Eagle)	2,890,716	7.0	3,211,822	7.6	1,270,603	8.3	1,753,714	6.5	2,145,486	6.3
Sky West (dba United Express, Delta, American)	3,781,224	9.1	3,222,470	7.6	430,071	2.8	1,049,239	3.9	2,660,758	7.8
Mesa (dba United Express)	-	-	-	-	-	-	67,923	0.3	55,869	0.2
Shuttle America (dba United Express)	-	-	-	-	-	-	-	-	-	-
Continental Airlines	-	-	-	-	-	-	-	-	-	-
US Airways	-	-	-	-	-	-	-	-	-	-
Go Jet (UA Express, Delta)	694,348	1.7	609,533	1.4	466,546	3.0	743,699	2.8	250,532	0.7
Delta Airlines	1,080,185	2.6	1,456,569	3.4	430,071	2.8	897,678	3.3	1,287,158	3.8
Trans State Air (dba United Express)	361,901	0.9	524,954	1.2	86,554	0.6	-	-	-	-
Air Canada	-	-	-	-	-	-	13,717	0.1	49,281	0.1
Chautauqua (dba United Express)	-	-	-	-	-	-	-	-	-	-
Air Wisconsin (dba United Express)	223,405	0.5	1,552,041	3.7	505,815	3.3	856,582	3.2	1,153,660	3.4
All other [2]	9,646,073	23.2	8,602,648	20.4	4,453,844	29.0	4,190,125	15.6	5,833,467	17.1
Total	41,563,343	100.0 %	42,248,370	100.0 %	15,351,046	100.0 %	26,945,359	100.0 %	34,095,710	100.0%

(1) Each airline listed is a signatory to a 1983 Airport Use Agreement and/or 2018 Airline Use Agreement

(2) Other includes airlines with minimal shares and those no longer operating at the Airport

AIRLINES PROVIDING SERVICE AT THE AIRPORT

As of December 31, 2022, the Airport had scheduled air service by 49 airlines, including 19 domestic airlines, and 30 foreign flag airlines. Passenger service to the Airport is provided by 11 of the 13.

"Group III Carriers," which are defined by the U.S. Department of Transportation, Bureau of Transportation Statistics, Office of Airline Information to include domestic air carriers with annual operating revenues in excess of $1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for approximately 78.1% of the enplaned commercial passengers at the Airport in 2022.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PASSENGER TRAFFIC
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
2013	56,728,189	84.8 %	10,181,394	15.2 %	66,909,583	0.1 %
2014	59,321,544	84.7	10,753,660	15.3	70,075,204	4.7
2015	65,943,490	85.7	11,006,014	14.3	76,949,504	9.8
2016	66,210,437	84.9	11,750,192	15.1	77,960,629	1.3
2017	67,362,667	84.4	12,465,516	15.6	79,828,183	2.4
2018	69,298,241	83.2	13,947,231	16.8	83,245,472	4.3
2019	70,450,326	83.2	14,198,789	16.8	84,649,115	1.7
2020(1)	27,227,540	88.3	3,619,262	11.7	30,846,802	(63.6)
2021	48,410,636	89.6	5,614,148	10.4	54,024,784	75.1
2022	57,065,945	83.5	11,274,724	16.5	68,340,669	26.5
	Average Annual Compound Growth Rates					
2013–2022	0.1%		1.1%		0.2%	

(1) Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

	Chicago O'Hare International Airport		Chicago Midway International Airport		
Year	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements
2013	17,044,643	72.4 %	6,505,206	27.6 %	23,549,849
2014	17,115,535	72.6	6,446,497	27.4	23,562,032
2015	20,096,191	75.0	6,682,549	25.0	26,778,740
2016	20,991,241	74.5	7,181,858	25.5	28,173,099
2017	22,429,433	75.1	7,446,996	24.9	29,876,429
2018	23,483,289	76.5	7,197,512	23.5	30,680,801
2019	23,836,209	77.4	6,944,982	22.6	30,781,191
2020[2]	8,550,533	74.6	2,912,068	25.4	11,462,601
2021	15,259,775	75.1	5,054,877	24.9	20,314,652
2022	20,491,251	76.6	6,266,354	23.4	26,757,605
	Average Annual Compound Growth Rates				
2013–2022	2.1%		-0.4%		1.4%

[1] Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.
[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANEMENT SUMMARY
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

	Total O'Hare Enplanements				
Year	Total Domestic Air Carrier Enplanements	Percent of Total O'Hare	Total International Enplanements	Percent of Total O'Hare	Total[1] Enplanements
2013	28,195,077	84.7 %	5,102,501	15.3 %	33,297,578
2014	29,559,975	84.6	5,392,787	15.4	34,952,762
2015	32,877,967	85.6	5,517,938	14.4	38,395,905
2016	33,015,851	84.9	5,856,818	15.1	38,872,669
2017	33,587,845	84.4	6,228,043	15.6	39,815,888
2018	35,598,046	83.2	6,965,297	16.8	41,563,343
2019	35,168,714	83.2	7,079,656	16.8	42,248,370
2020[2]	13,549,416	88.3	1,801,630	11.7	15,351,046
2021	24,169,431	89.7	2,775,928	10.3	26,945,359
2022	28,459,387	83.5	5,636,323	16.5	34,095,710
	Average Annual Compound Growth Rates				
2013–2022	0.1%		1.1%		0.3%

[1] Total Enplanements equals Total Domestic Air Carrier Enplanements plus Total Domestic Commuter Enplanements plus Total International Enplanements.
[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRCRAFT OPERATIONS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

	Annual Aircraft Operations					
Year	Domestic Air Carrier	International Air Carrier	Total Air Carrier	All-Cargo	General Aviation	Total
2013	784,681	71,858	856,539	16,326	10,422	883,287
2014	779,708	76,258	855,966	15,433	10,534	881,933
2015	775,091	70,729	845,820	17,698	11,618	875,136
2016	762,664	75,395	838,059	17,932	11,644	867,635
2017	759,810	77,524	837,334	19,083	10,632	867,049
2018	785,629	83,628	869,257	24,052	10,438	903,747
2019	785,618	99,545	885,163	24,411	10,130	919,704
2020[1]	460,757	41,966	502,723	30,402	5,086	538,211
2021	584,907	59,458	644,365	31,752	8,084	684,201
2022	593,533	76,839	670,372	30,913	10,276	711,561
	Average Annual Compound Growth Rates					
2013–2022	-3.1%	0.7%	-2.7%	7.4%	-0.2%	-2.4%

[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
FOR THE YEAR ENDED DECEMBER 31, 2022
(Dollars in thousands)

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses [1]	$ 597,704
Net debt service [1]	570,689
Debt service coverage requirement [2]	43,664
Fund deposits [3]	34,735
Total airport expenses [1]	1,246,792
Less:	
Non-airline revenue [1]	(245,971)
COVID-19 Relief Funds applied to Revenue and shortfall of PFCs	(29,950)
2021 ARE and CRE Net Revenues applied to 2022 Rates and Charges	(54,020)
Airfield Credit from 2020 Final Accounting	(11,785)
Other	1,307
Net airline requirement [4]	906,373
Enplaned passengers	34,095,710
Cost per enplaned passenger	$ 26.58

[1] This analysis excludes the Airport General Fund, CFC Fund and PFC Fund.
[2] Incremental adjustment required which provides 1.25x coverage on aggregate debt service.
[3] Deposits to the Operations and Maintenance Reserve, Supplemental Operations and Maintenance Reserve, Maintenance Reserve.
[4] Revenue required to be collected from all Airline Parties under the ORD Airport Use Agreement.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PFC REVENUES
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

Year	Total Enplanements	PFC Enplanements (1)	PFC Revenues (Net of Airline Collection Fees) (2)	PFC Interest Income	Total PFC Revenues
2013	33,297,578	29,516,583	129,578	1,527	131,105
2014	34,952,762	31,962,719	140,316	1,275	141,591
2015	38,395,905	32,425,502	142,348	918	143,266
2016	38,872,669	34,993,891	153,623	941	154,564
2017	39,815,888	34,753,751	152,569	1,306	153,875
2018	41,563,343	37,088,975	162,871	3,230	166,101
2019	42,248,370	41,138,976	180,600	5,193	185,793
2020(3)	15,351,046	15,713,735	68,983	3,922	72,905
2021	26,945,359	22,507,518	98,808	1,750	100,558
2022	34,095,710	30,390,783	133,416	2,390	135,806

(1) Historical collection information reflects an actual percentage of eligible PFC enplanements of 89.1% in 2022.

(2) Actual amounts above are recorded on a cash basis but are reported in the Airport's audited financial statements on an accrual basis. The cash basis PFC audit for 2022 has not yet been issued.

(3) Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

Bond Year Ended	PFC Revenues	PFC Bonds Debt Service	Coverage by PFC Revenues [1]
January 1, 2014	$ 131,105	$ 70,860	1.85
January 1, 2015	141,591	65,307	2.17
January 1, 2016	143,266	66,791	2.14
January 1, 2017	154,564	66,425	2.33
January 1, 2018	153,875	66,425	2.32
January 1, 2019	166,101	50,358	3.30
January 1, 2020	185,793	48,293	3.85
January 1, 2021[2]	72,905	47,661	1.53
January 1, 2022	100,558	44,471	2.26
January 1, 2023	135,806	44,466	3.05

[1] Actual amounts above are recorded on a cash basis and includes interest earnings.
[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET POSITION BY COMPONENT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

	2013*	2014	2015	2016**	2017	2018	2019	2020	2021	2022
Net position:										
Net investment in capital assets	$ 582,175	$ 644,430	$ 707,991	$ 1,001,744	$ 1,117,543	$ 1,243,830	$ 1,362,522	$ 1,437,834	$ 1,301,406	$ 945,118
Restricted	709,665	780,514	828,216	679,180	623,642	700,023	898,995	1,031,864	1,123,192	1,318,135
Unrestricted (deficit)	35,559	35,140	(1,061,607)	(1,298,327)	(1,325,243)	(1,394,984)	(1,510,345)	(1,433,408)	(1,346,515)	(1,353,302)
Total net position	$1,327,399	$1,460,084	$ 474,600	$ 382,597	$ 415,942	$ 548,869	$ 751,172	$ 1,036,290	$ 1,078,083	$ 909,951

* Amounts were restated due to the implementation of GASB 65.
** Amounts were restated due to the implementation of GASB 68.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CHANGE IN NET POSITION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

	2013*	2014	2015	2016**	2017	2018	2019	2020[1]	2021	2022
TOTAL OPERATING REVENUES	$ 717,680	$ 844,524	$ 845,228	$ 947,816	$ 976,179	$ 1,061,913	$ 1,253,485	$ 905,612	$ 1,145,152	$ 1,259,433
OPERATING EXPENSES:										
Salaries and wages	162,233	182,984	191,842	204,136	205,957	222,550	214,069	222,855	219,922	232,514
Pension expense	-	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448	163,979
Repairs and maintenance	85,484	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176	153,522
Professional and engineering services	81,070	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419	172,740
Other operating expenses	97,262	112,952	92,112	101,439	103,437	115,146	149,116	117,337	146,732	132,016
Hilton expenses	-	-	-	-	-	-	43,021	20,157	24,234	35,598
Depreciation and amortization	196,352	218,211	231,670	254,689	262,331	259,467	287,648	292,212	314,122	375,346
Loss on capital asset disposal	205	-	3,320	-	18,711	22,218	37,505	-	4,754	-
Total operating expenses	622,606	713,218	1,040,700	1,005,899	933,536	991,951	1,167,737	983,937	1,091,807	1,265,715
OPERATING (LOSS) INCOME	95,074	131,306	(195,472)	(58,083)	42,643	69,962	85,748	(78,325)	53,345	(6,282)
NONOPERATING REVENUES (EXPENSES):										
Passenger facility charge revenue	127,235	136,351	147,697	154,044	158,175	163,263	171,993	61,279	110,689	134,920
Customer facility charges	34,898	36,284	39,204	39,930	39,094	38,837	40,315	14,992	25,059	34,329
Passenger facility charge expenses	(9,159)	(4,630)	(2,341)	(2,410)	(6,359)	(42)	(2,495)	(21)	-	-
Other nonoperating revenues	27,071	30,845	18,315	15,553	26,860	19,267	15,792	9,320	21,024	8,522
Final settlement of 1983 AULA	-	-	-	-	-	-	-	122,668	-	-
Noise mitigation	(19,639)	(15,892)	(8,998)	(2,310)	(16,445)	(6,097)	(2,475)	(5,872)	(3,804)	(16,129)
Cost of issuance	(8,008)	(154)	(11,441)	(5,912)	(12,193)	(14,192)	(31)	(9,333)	-	(11,789)
Investment income	(7,699)	29,838	19,328	12,640	32,771	36,707	66,102	45,054	(15,178)	(106,997)
Interest expense	(270,528)	(300,295)	(319,373)	(316,119)	(313,202)	(305,798)	(319,369)	(320,370)	(408,331)	(420,612)
Lease interest income	-	-	-	-	-	-	-			20,139
Grant revenues	-	-	-	-	-	-	-	294,442	177,450	144,931
Total nonoperating revenue (expenses)	(125,829)	(87,653)	(117,609)	(104,584)	(91,299)	(68,055)	(30,168)	212,159	(93,091)	(212,686)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(30,755)	43,653	(313,081)	(162,667)	(48,656)	1,907	55,580	133,834	(39,746)	(218,968)
CAPITAL GRANTS	203,536	89,032	76,689	70,664	82,001	131,020	77,923	151,284	81,539	50,836
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	68,800	-	-	-
CHANGE IN NET POSITION	$ 172,781	$ 132,685	$ (236,392)	$ (92,003)	$ 33,345	$ 132,927	$ 202,303	$ 285,118	$ 41,793	$ (168,132)

* Amounts were restated due to the implementation of GASB 65.

** Amounts were restated due to the implementation of GASB 68.

[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

LONG-TERM DEBT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022
(Dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020[1]	2021	2022
First lien bonds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second lien bonds	-	-	-	-	-	-	-	-	-	-
Third lien bonds	-	-	-	-	-	-	-	-	-	-
Senior lien bonds	6,696,365	6,563,780	6,586,490	6,404,030	7,564,355	9,296,015	9,034,660	8,702,045	8,537,745	9,706,385
Commercial paper notes	20,000	51,026	-	-	102,239	-	-	-	-	-
Passenger facility	-	-	-	-	-	-	-	-	-	-
Passenger facility charge revenue bonds	700,090	663,780	631,245	595,630	558,635	519,790	495,070	394,905	369,990	343,825
Customer facility	-	-	-	-	-	-	-	-	-	-
Customer facility charge revenue bonds	248,750	248,750	248,750	248,750	248,750	244,025	239,065	233,860	228,425	222,725
Revolving line of credit-AMT	-	-	-	-	-	-	-	-	71,100	-
Revolving line of credit	-	-	-	12,098	12,098	-	-	-	-	-
TIFIA Loan	-	-	-	-	159,803	258,150	278,756	278,756	278,756	294,961
Total revenue bonds and notes	7,665,205	7,527,336	7,466,485	7,260,508	8,645,880	10,317,980	10,047,551	9,609,566	9,486,016	10,567,896
Unamortized premium	224,056	199,169	374,179	453,456	607,459	610,467	559,884	620,589	569,446	581,744
Total revenue bonds payable, net of unamortized premium (discount)	$ 7,889,261	$ 7,726,505	$ 7,840,664	$ 7,713,964	$ 9,253,339	$10,928,447	$10,607,435	$10,230,155	$10,055,462	$11,149,640
Enplanements	33,297,578	34,952,762	38,395,905	38,872,669	39,815,888	41,563,343	42,248,370	15,351,046	26,945,359	34,095,710
Debt per enplanement	$ 230	$ 215	$ 194	$ 187	$ 217	$ 248	$ 238	$ 626	$ 352	$ 310

[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

FULL-TIME EQUIVALENT CHICAGO O'HARE AIRPORT EMPLOYEES BY FUNCTION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration (pre-2009 executive directions)	110	-	-	-	-	-	-	-	-	-
Capital development	34	18	18	20	61	67	70	79	65	77
Financial administration	-	35	36	38	44	44	46	42	43	43
Human resources management	-	-	-	-	-	-	-	-	-	-
Capital finance management	-	-	-	-	-	-	-	-	-	-
Contract administration	-	12	12	13	12	12	14	15	15	15
Business information services	-	-	-	-	-	-	-	-	-	-
Business communication	-	-	-	-	-	-	-	-	-	-
Commercial development and concessions	3	13	13	13	18	17	17	18	17	24
Administration	-	47	46	46	43	43	48	67	60	73
Airfield operations	305	306	306	346	461	463	488	512	506	511
Landside operations	22	239	240	237	225	223	212	218	207	209
Security management	236	361	306	305	317	345	338	424	421	470
Facility management	504	311	324	322	345	323	349	349	338	344
Safety management	7	-	-	-	-	-	-	-	-	
Total	1,221	1,342	1,301	1,340	1,526	1,537	1,582	1,724	1,672	1,766

Source: City of Chicago's Program and Budget Summary.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
PRINCIPAL EMPLOYERS (NONGOVERNMENT)
CURRENT YEAR AND NINE YEARS AGO (NOTE AT THE END OF THIS PAGE)

	2022 (1)			2013 (3)		
Employer	Number of Employees	Rank	Percentage of Total City Employment (2)	Number of Employees	Rank	Percentage of Total City Employment
Amazon.Com Inc	28,994	1	2.2%	-	-	- %
Advocate Health (4)	26,841	2	2.03	-	-	-
Northwestern Memorial Healthcare	24,120	3	1.83	-	-	-
University of Chicago	21,618	4	1.64	-	-	-
Walgreens Boots Alliance Inc. (5)	17,344	5	1.31	2,869	9	0.26
Walmart Inc.	17,300	6	1.31	-	-	-
United Continental Holdings Inc. (6)	15,565	7	1.18	8,199	2	0.75
JPMorgan Chase & Co. (7)	14,293	8	1.08	8,499	1	0.78
North Shore Edward-Elmhurst Health (8)	14,216	9	1.08	-	-	-
Jewel-Osco (9)	11,436	10	0.87	4,441	6	0.41
Accenture LLP	-	-	-	5,821	3	0.53
Northern Trust	-	-	-	5,353	4	0.49
Ford Motor Company	-	-	-	5,103	5	0.47
ABM Janitorial Services—North Central	-	-	-	3,399	7	0.31
Bank of America NT & SA (10)	-	-	-	3,392	8	0.31
American Airlines	-	-	-	2,749	10	0.25

NOTES:

(1) Source: Reprinted with permission from the February 27, 2023 issue of Crain's Chicago Business.

(2) Source: Bureau of Labor Statistics data used in calculation of Total City Employment.

(3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue Tax–Division report which is no longer available.

(4) Advocate Health formerly known as Advocate Aurora Health.

(5) In 2014, Walgreens purchased 55% of Alliance Boots forming Walgreens Boots Alliance, Inc.

(6) United Continental Holdings Inc. formerly known as United Airlines.

(7) JP Morgan & Co. formerly known as J.P. Morgan Chase.

(8) North Shore Edward-Elmhurst Health formerly known as NorthShore University HealthSystem.

(9) Jewel-Osco formerly known as Jewel Food Stores, Inc.

(10) Bank of America NT & SA formerly known as Bank of America NT.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
POPULATION AND INCOME STATISTICS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

Year	Population [1]	Median Age [2]	Number of Households [2]	City Employment	Unemployment Rate [3]	Per Capita Income [4]	Total Income
2013	2,695,598	33.5	1,062,029	1,153,725	8.3 %	49,071	$132,275,689,458
2014	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015	2,695,598	34.2	1,053,229	1,273,733	5.7	53,886	145,254,993,828
2016	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017	2,695,598	34.6	1,047,695	1,289,325	4.7	58,315	157,193,797,370
2018	2,695,598	34.9	1,077,886	1,288,755	4.0	61,089	164,671,386,222
2019	2,695,598	35.2	1,080,345	1,286,484	3.2	65,306	176,038,722,988
2020	2,695,598	34.8	1,081,143	1,165,441	8.2	67,671	182,413,812,258
2021	2,746,388	35.8	1,139,537	1,247,060	4.1	71,992	197,717,964,896
2022	2,746,388	N/A [5]	N/A [5]	1,319,764	4.2	N/A [5]	N/A [5]

Notes:

[1] Source: U.S. Census Bureau.

[2] Source: U.S. Census Bureau—American Community Survey data estimates. Data not available in 2022.

[3] Source: Bureau of Labor Statistics 2022, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

[4] Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area.

[5] N/A means not available at time of publication.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SUMMARY—2022 TERMINAL RENTALS, FEES AND CHARGES
ANNUALIZED RATES

AIRFIELD AND TERMINAL RATES

Description:	
Landing fee (rate/1,000 lbs.)	$ 10.553
Base rent/sq. ft.	159.35
Discount rent/sq. ft.	119.51

TERMINAL COMMON USE CHARGES

Description:	
Domestic Common Use Gate Fee per delivered seat	$ 1.15
Domestic Common Use Baggage Make-Up Fee per outbound checked bag	2.20
Common Use Baggage Claim Fee per arriving domestic seat (incl pre-cleared)	0.43
Domestic Common Use Check-in Fee per check-in hour	12.04
International Common Use Gate Fee per departing seat and arriving international seat without FIS User	2.49
International Common Use Baggage Make-Up Fee per outbound checked bag	3.21
International Common Use Check-In Fee per check-in hour	23.72
Federal Inspection Services (FIS) Facility Fee	14.60

Source: City of Chicago Department of Aviation.

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON-AIRPORT

	Brand(s)	2022 Airport Market
Corporate Entity [1]:		
On-airport		
Enterprise Holdings, Inc.	Enterprise Rent-A-Car [1]	33.19
		33.19
Avis Budget Group, Inc.	Avis (Incl. ZIPCAR)	30.14
	Payless-Avis Budget	1.58
	Budget Rent-A-Car	-
		31.72
Hertz Global Holdings, Inc.	Hertz Rent A Car	26.46
	DTG dba Dollar/Thrifty	-
		26.46
Fox Rent a Car		3.80
Sixt Rent A Car LLC		4.65
Off-airport:		
Routes Car Rental USA Inc		0.18
Total		100.00

[1] Alamo and National are reported jointly.

Sources: City of Chicago Department of Aviation

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL VISITING O&D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2013–2022

Year	Total Enplaned Passengers	Total O & D Enplaned Passengers [1]	Total O & D Percentage of Total	Resident O & D Enplaned Passengers	Resident Percentage of Total O & D	Visiting O & D Enplaned Passengers [1]	Visitor Percentage of Total O & D
2013	33,284,788	17,038,092	51.2 %	9,541,332	56.0 %	7,496,761	44.0 %
2014	34,952,762	17,115,535	49.0	9,534,351	55.7	7,491,276	43.8
2015	38,395,905	19,469,276	50.7	10,902,795	56.0	8,566,481	44.0
2016	38,872,669	20,991,241	54.0	11,545,183	55.0	9,446,059	45.0
2017	39,815,888	22,429,433	56.3	12,380,081	55.2	10,049,352	44.8
2018	41,563,343	23,480,691	56.5	12,397,298	52.8	11,083,393	47.2
2019	42,248,870	23,836,209	56.6	13,159,926	55.2	10,676,283	44.8
2020	15,351,046	8,550,533	55.7	4,856,703	56.8	3,693,830	43.2
2021	26,945,359	17,444,606	64.7	10,300,884	59.0	7,143,722	41.0
2022 [2]	34,095,710	20,484,251	60.1	11,532,364	56.3	8,951,887	43.7

[1] Certain estimations were used by Ricondo & Associates to derive visiting O & D enplaned passengers, as data for foreign flag carriers were not available.

[2] The O & D percent share is calculated for the four quarters ending with the fourth quarter of 2022 O&D and connecting enplanements are based upon that share. Includes GA, Military and Misc.

Source: City of Chicago, Department of Aviation Management Records (historical total, resident, and visitor O & D enplaned passengers), June 2023.
US Department of Transportation (historical total, resident, and visitor O & D enplaned passengers) June 2023.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	$ 2,021,728	$ 2,095,216	$ 2,058,208	$ 2,160,680	$ 2,063,208	$ 2,170,560	$ 2,165,344	$ 2,106,352	$ 801,040	$ 1,678,712
February	2,023,816	2,037,496	1,975,312	2,096,296	2,072,496	2,170,704	2,138,949	2,060,648	802,304	1,771,160
March	2,380,208	2,365,224	2,411,096	2,528,296	2,551,656	2,711,416	2,629,384	1,405,448	1,124,792	2,296,408
First quarter total	6,425,752	6,497,936	6,444,616	6,785,272	6,687,360	7,052,680	6,933,677	5,572,448	2,728,136	5,746,280
Annual percent change	(3.5)%	1.1 %	(0.8)%	5.3 %	(1.4)%	5.5 %	(1.7)%	(19.6)%	(51.0)%	110.6 %
April	2,532,288	2,663,448	2,833,576	2,978,640	2,721,344	2,939,824	2,984,248	303,616	1,340,640	2,556,808
May	3,161,456	3,403,440	3,457,424	3,554,312	3,337,584	3,579,464	3,740,304	429,152	1,776,464	3,099,800
June	3,335,392	3,575,576	3,512,048	3,554,312	3,672,320	3,733,568	3,916,008	696,008	2,094,120	3,180,768
Second quarter total	9,029,136	9,642,464	9,803,048	10,087,264	9,731,248	10,252,856	10,640,560	1,428,776	5,211,224	8,837,376
Annual percent change	0.3 %	6.8 %	1.7 %	2.9 %	(3.5)%	5.4 %	3.8 %	(86.6)%	264.7 %	69.6 %
July	3,362,504	3,579,976	3,920,712	3,999,848	3,855,952	4,119,976	4,364,512	952,600	2,611,376	3,689,080
August	3,764,952	3,579,976	3,979,920	4,078,696	4,019,608	4,211,240	4,522,104	1,078,760	2,672,832	3,829,384
September	3,496,664	3,579,976	3,756,256	3,771,264	3,569,744	3,671,400	3,911,672	1,093,664	2,408,840	3,408,232
Third quarter total	10,624,120	10,739,928	11,656,888	11,849,808	11,445,304	12,002,616	12,798,288	3,125,024	7,693,048	10,926,696
Annual percent change	4.0 %	4.2 %	5.3 %	1.7 %	(3.4)%	4.9 %	6.6 %	(75.6)%	146.2 %	42.0 %
October	3,456,280	3,612,656	3,815,136	3,684,456	3,534,248	3,645,920	3,829,296	1,157,616	2,545,016	3,420,104
November	2,798,264	2,891,736	2,937,088	2,939,008	2,905,032	2,997,032	3,000,800	887,928	2,221,288	2,887,544
December	2,564,448	2,572,952	2,478,696	2,419,432	2,441,312	2,592,224	2,781,152	776,856	1,938,680	2,510,584
Fourth quarter total	8,818,992	9,077,344	9,230,920	9,042,896	8,880,592	9,235,176	9,611,248	2,822,400	6,704,984	8,818,232
Annual total	$34,898,000	$35,957,672	$37,135,472	$37,765,240	$36,744,504	$38,543,328	$39,983,773	$12,948,648	$22,337,392	$34,328,584
Annual Percent Change	4.0 %	4.2 %	5.3 %	1.7 %	(2.7)%	4.9 %	3.7 %	(67.6)%	72.5 %	53.7 %
Year to date total (through May)	12,119,496	12,564,824	12,735,616	13,318,224	12,746,288	13,571,968	13,658,229	6,305,216	5,845,240	11,402,888
Annual percentage change	(2.1)%	3.7 %	1.4 %	4.6 %	(4.3)%	6.5 %	0.6 %	(53.8)%	(7.3)%	95.1 %

Source: City of Chicago Comptroller's Office

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON AND OFF SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	$ 2,021,728	$ 2,095,216	$ 2,190,072	$ 2,366,544	$ 2,179,944	$ 2,195,136	$ 2,193,032	$ 2,358,816	$ 946,688	$ 1,678,712
February	2,023,816	2,037,496	2,091,544	2,287,024	2,168,312	2,200,168	2,165,325	2,329,552	947,648	1,771,160
March	2,380,208	2,365,224	2,531,080	2,692,120	2,717,168	2,731,144	2,652,600	1,569,744	1,298,920	2,296,408
First quarter total	6,425,752	6,497,936	6,812,696	7,345,688	7,065,424	7,126,448	7,010,957	6,258,112	3,193,256	5,746,280
Annual percent change	(3.5)%	1.1 %	4.8 %	7.8 %	(3.8)%	0.9 %	(1.6)%	(10.7)%	(49.0)%	80.0 %
April	2,532,288	2,663,448	2,962,240	3,143,320	2,929,808	2,960,600	3,012,680	373,848	1,537,080	2,556,808
May	3,161,456	3,403,440	3,623,328	3,741,768	3,551,752	3,602,744	3,768,256	520,320	2,009,176	3,099,800
June	3,335,392	3,575,576	3,691,640	3,780,904	3,862,184	3,757,056	3,947,280	825,216	2,351,000	3,180,768
Second quarter total	9,029,136	9,642,464	10,277,208	10,665,992	10,343,744	10,320,400	10,728,216	1,719,384	5,897,256	8,837,376
Annual percent change	0.3 %	6.8 %	6.6 %	3.8 %	(3.0)%	(0.2)%	4.0 %	(84.0)%	243.0 %	49.9 %
July	3,362,504	3,579,976	4,127,848	4,185,472	4,051,040	4,149,976	4,391,640	1,120,216	2,903,160	3,689,080
August	3,764,952	3,948,912	4,188,848	4,289,320	4,260,320	4,244,320	4,551,608	1,321,240	2,970,720	3,829,384
September	3,496,664	3,537,496	3,934,624	3,947,136	3,838,864	3,695,336	3,939,360	1,274,824	2,646,952	3,408,232
Third quarter total	10,624,120	11,066,384	12,251,320	12,421,928	12,150,224	12,089,632	12,882,608	3,716,280	8,520,832	10,926,696
Annual percent change	4.0 %	4.2 %	10.7 %	1.4 %	(2.2)%	(0.5)%	6.6 %	(71.2)%	129.3 %	28.2 %
October	3,456,280	3,612,656	4,012,344	3,868,232	3,818,288	3,667,592	3,856,736	1,330,576	2,791,232	3,420,104
November	2,798,264	2,891,736	3,144,944	3,094,176	3,131,064	3,018,440	3,026,960	1,054,232	2,460,776	2,887,544
December	2,564,448	2,572,952	2,705,784	2,533,912	2,585,976	2,614,808	2,809,896	913,656	2,194,992	2,510,584
Fourth quarter total	8,818,992	9,077,344	9,863,072	9,496,320	9,535,328	9,300,840	9,693,592	3,298,464	7,447,000	8,818,232
Annual total	$34,898,000	$36,284,128	$39,204,296	$39,929,928	$39,094,720	$38,837,320	$40,315,373	$14,992,240	$ 25,058,344	$ 34,328,584
Annual Percent Change										
Year to date total (through May)	$12,119,496	$12,564,824	$13,398,264	$14,230,776	$13,546,984	$13,689,792	$13,791,893	$ 7,152,280	$ 6,739,512	$ 11,402,888
Annual percentage change	(2.1)%	3.7 %	6.6 %	6.2 %	(4.8)%	1.1 %	0.7 %	(48.1)%	(5.8)%	69.2 %

Source: City of Chicago Comptroller's Office

RACS AND OFF-AIRPORT AND RELATED BRANDS OPERATING AT THE AIRPORT

RAC Legal Entity	Rental Car Brands	Legal Organization	Current Status of Brand(s) at Airport
Enterprise Leasing Company of Chicago LLC	Enterprise Rent-A-Car Alamo Rent-A-Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc	Existing On-Airport
The Hertz Corporation	Hertz Rent-A-Car Dollar Rent-A-Car Thrifty Car Rental	Delaware limited liability company and subsidiary of Hertz Global Holdings, Inc (NYSE: HTZ)	Existing On-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent-A-Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc (NASDAQ: CAR)	Existing On-Airport
Routes Car Rental USA, Inc.	Routes	Delaware limited liability company	Existing Off-Airport
Fox Rent A Car, Inc.	Fox Rent-A-Car	Delaware limited liability company	Existing On-Airport
Sixt Rent A Car, LLC	Sixt Rent-A-Car	Delaware limited liability company	Existing On-Airport

Source: City of Chicago Department of Aviation

APPENDIX D

FORM OF OPINIONS OF CO-BOND COUNSEL FOR THE 2023 CFC BONDS

August 29, 2023

City of Chicago
Chicago, Illinois

The Bank of New York Mellon Trust Company, N.A.
Chicago, Illinois

Re: City of Chicago, Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Refunding Bonds, Series 2023

Ladies and Gentlemen:

We have acted as co-bond counsel to the City of Chicago, Illinois (the "City"), in connection with the issuance of $171,800,000 aggregate principal amount Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Refunding Bonds, Series 2023 (the "Bonds"), of the City. We have examined a record of proceedings relating to the issuance of the Bonds. The Bonds are limited obligations of the City issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of the ordinance adopted by the City Council of the City on October 27, 2021, authorizing the Bonds (the "Bond Ordinance"). Terms used herein that are defined in the Indenture and the Second Supplemental Indenture (each as hereinafter defined) shall have the meanings set forth therein unless otherwise defined herein.

The Bonds are authorized by the City for the purpose of providing funds to (i) refund prior to maturity the Series 2013 Bonds, (ii) pay costs of issuance of the Bonds, (iii) purchase Qualified Reserve Account Credit Instruments for deposit to each of the Debt Service Reserve Fund and the Supplemental Reserve Fund, each established under the Indenture and (iv) pay the premium for an insurance policy for the Bonds.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2013 (the "Indenture"), from the City to The Bank of New York Mellon Trust Company, N.A. (the "Trustee") and a Second Supplemental Indenture, dated as of August 1, 2023 (the "Second Supplemental Indenture"), from the City to the Trustee, relating to the Bonds.

The Bonds are Additional Bonds of the City permitted to be issued under the Indenture and are payable solely from and secured by a pledge of Pledged Receipts as, and to the extent, provided in the Indenture and the Second Supplemental Indenture.

Under the terms of the Indenture, the City may hereafter authorize and issue further Additional Bonds or Subordinate Bonds as permitted by the Indenture. Additional Bonds are entitled to the benefit and security of the Indenture, including the pledge of Pledged Receipts and other funds maintained for the benefit of any such Additional Bonds by the Trustee.

The Bonds are issuable only as fully registered bonds without coupons in authorized denominations of $5,000 or any integral multiple thereof. The Bonds are dated the date hereof, mature, bear interest from their date as set forth in the Second Supplemental Indenture. The Bonds are subject to optional and mandatory redemption at the times, in the manner and upon the terms specified in the Second Supplemental Indenture.

In connection with the issuance of the Bonds we have examined the following:

(a) a certified copy of the Bond Ordinance;

(b) executed or certified counterparts of the Indenture and the Second Supplemental Indenture; and

(c) such other documents and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Illinois and is a home rule unit of local government within the meaning of Section 6(a) of Article VII of the 1970 Illinois Constitution. The City has all requisite power and authority under the Constitution and the laws of the State of Illinois, the Indenture and the Bond Ordinance (i) to enter into the Indenture and the Second Supplemental Indenture with the Trustee and to issue the Bonds thereunder and (ii) to perform all of its obligations under the Indenture and the Second Supplemental Indenture.

2. The Bond Ordinance is in full force and effect and is valid and binding upon the City in accordance with its terms. The Indenture and the Second Supplemental Indenture have been duly authorized, executed and delivered by the City, constitute valid and binding obligations of the City and are legally enforceable in accordance with their respective terms.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the City, are entitled to the benefits and security of the Indenture and the Second Supplemental Indenture and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Pledged Receipts deposited in the CFC Revenue Fund maintained by the Trustee under the Indenture and the Second Supplemental Indenture, and certain other amounts, including amounts on deposit in the Debt Service Reserve Fund, as provided in the Indenture and the Second Supplemental Indenture. The Bonds and the interest thereon are limited obligations of the City and do not constitute an indebtedness of the City within the meaning of any state constitutional or statutory limitation or give rise to a charge against its general credit or taxing powers. Neither the faith and credit nor the taxing power of the State of Illinois, the City or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. The Indenture and the Second Supplemental Indenture create the valid and binding pledge of Pledged Receipts, moneys and securities which they purport to create.

6. Under existing law and assuming continuing compliance with certain covenants made by the City to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds (i) is excluded from the gross income of the owners thereof for federal income tax purposes and (ii) will not be treated as a specific item of tax preference for purposes of the federal alternative

minimum tax imposed on individuals, although such interest is included in the adjusted financial statement income of corporations with respect to the alternative minimum tax under sections 55 and 56A of the Code. Failure by the City to comply with such covenants could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may also result in collateral federal income tax consequences to certain taxpayers, and we express no opinion regarding any such collateral tax consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon and assume the correctness of certain representations and certifications of the City with respect to certain material facts solely within the City's knowledge relating to the property financed or refinanced with the proceeds of the Bonds and the application of the proceeds of the Bonds.

7. Interest on the Bonds is not exempt from present Illinois income taxes.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds, the Indenture and the Second Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully submitted,

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APPENDIX E

REPORT OF THE AIRPORT CONSULTANT

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August 7, 2023 APPENDIX E

Report of the Airport Consultant

Chicago O'Hare International Airport

Customer Facility Charge (CFC) Senior Lien Refunding Bonds, Series 2023

Prepared for:

City of Chicago

Prepared by:

RICONDO

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RICONDO®

August 7, 2023

Ms. Jaime L. Rhee
Commissioner
Chicago Department of Aviation
10510 West Zemke Road
Chicago, Illinois 60666

RE: City of Chicago, Chicago O'Hare International Airport
Customer Facility Charge Senior Lien Refunding Bonds, Series 2023

Dear Ms. Rhee:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Report of the Airport Consultant (the Report) for inclusion as Appendix E in the Official Statement for the City of Chicago (City), Chicago O'Hare International Airport (the Airport), Customer Facility Charge (CFC) Senior Lien Refunding Bonds, Series 2023 (the Series 2023 CFC Senior Lien Bonds). The Series 2023 CFC Senior Lien Bonds will be issued pursuant to Bond Ordinances adopted by the Chicago City Council on March 13, 2013, June 5, 2013, and October 27, 2021, and an Indenture of Trust, as supplemented, between the City, which operates the Airport through the Chicago Department of Aviation (CDA), and the Bank of New York Mellon Trust Company, N.A., as Trustee (the CFC Indenture). The Series 2023 CFC Senior Lien Bonds are payable solely from and secured by a pledge of Pledged Receipts and certain funds and accounts held under the CFC Indenture, as described in the Report. These Pledged Receipts include CFCs collected by Rental Car Companies (RACs) that serve Airport Customers from on-Airport and off-Airport locations (the RACs and Off-Airport RACs, respectively) whether or not these collections are remitted to the Trustee for the benefit of the City, Facility Rent payable by the RACs, and interest earnings derived from certain funds on deposit (together, the Pledged Receipts). Proceeds of the Series 2023 CFC Senior Lien Bonds along with other available funds will be used to:

i) refund the City's Chicago O'Hare International Airport CFC Senior Lien Revenue Bonds, Series 2013 (defined herein);
ii) purchase a Debt Service Reserve Fund Surety;
iii) purchase a Supplemental Reserve Fund Surety;
iv) purchase a bond insurance policy; and
v) pay certain costs of issuing the Series 2023 CFC Senior Lien Bonds.

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the Series 2023 CFC Senior Lien Bonds or in the CFC Indenture.

This Report presents the analysis undertaken by Ricondo to demonstrate the ability of the City to comply with the requirements of the CFC Indenture on a pro forma basis for Fiscal Year 2023 through Fiscal Year 2032 (the Projection Period) based on the assumptions regarding the planned issuance of the Series 2023 CFC Senior Lien Bonds established by the City through consultation with its financial advisor, underwriter, and the financing team. In developing its analysis, Ricondo reviewed historical trends and formulated projections based on the assumptions put forth in this Report, which were reviewed by the City, regarding the ability of the Air Trade Area (as defined herein) to generate demand for airline service and rental cars at the Airport; the amount of air service, passenger activity, and rental car activity at the Airport; and the generation of CFC Revenues remitted to the Trustee and Facility Rent paid by the RACs (together, Revenues) at the Airport through the Projection Period.

The Report is organized as follows:

- Summary of Findings
- Chapter 1: The Series 2023 CFC Senior Lien Bonds
- Chapter 2: The Airport and Rental Car Facilities
- Chapter 3: Demographic and Economic Analysis
- Chapter 4: Air Traffic
- Chapter 5: The Airport Rental Car Market
- Chapter 6: Financial Analysis

On the basis of the analysis put forth in this Report, Ricondo is of the opinion that the Revenues generated in each year of the Projection Period are expected to be sufficient to comply with the Rate Covenant established in the CFC Indenture and defined herein.

Ricondo is also of the opinion that the amount of total Facility Rents projected to be payable by the RACs each year of the Projection Period is reasonable. This opinion reflects the City's agreement, pursuant to the RAC Agreements, that in any year in which annual Facility Rents are projected to exceed $18.0 million it will raise the CFC to an amount necessary to offset such excess of the $18.0 million.

Founded in 1989, Ricondo is a full-service aviation consulting firm providing airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. Ricondo has prepared Reports of the Independent Airport Consultant in support of over $42 billion of airport-related revenue bonds since 1996. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. Ricondo is not acting as a municipal advisor and has not been engaged by the City to provide advice with respect to the structure, timing, terms, or other similar matters regarding the issuance of municipal securities. The assumptions about such matters included in this Report were provided by the City or the City's financial advisors, or, with the City's approval, were derived from general, publicly available data approved by the City. Ricondo owes no fiduciary duty to the City. Ricondo recommends that the City discuss the information and analyses contained in this Report with internal and external advisors and experts that the City deems appropriate before taking any action. Any opinions, assumptions, views, or information contained herein are not intended to be, and do not constitute, "advice" within the meaning set forth in Section 15B of the Securities Exchange Act of 1934.

The techniques and methodologies used by Ricondo in preparing this Report and the analyses therein are consistent with industry practices for similar studies in connection with the issuance of CFC and airport revenue bond sales. While Ricondo believes that the approach and assumptions are reasonable, some assumptions regarding future trends and events discussed in this Report including the implementation schedule, forecasts of passenger activity, and the projections of rental car activity and financial performance, may not materialize. Therefore, actual performance will likely differ from the forecasts and projections set forth in this Report and the variations may be material. In developing our analysis, Ricondo used information from various sources including, the City, the underwriter, the financial advisors, federal and local governmental agencies, and independent private providers of economic and aviation industry data, as identified in the notes accompanying the related tables and exhibits in this Report. Ricondo believes these sources to be reliable but has not audited the data and does not warrant their accuracy. The analyses presented are based on conditions known as of the date of this letter. Ricondo has no obligation to update this Report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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SUMMARY OF FINDINGS

The City of Chicago (City) commissioned Ricondo & Associates, Inc. (Ricondo) to prepare this Report of the Airport Consultant (the Report) to provide an independent assessment of the City's ability to meet its obligations regarding its Chicago O'Hare International Airport (O'Hare or the Airport) Customer Facility Charge (CFC) Senior Lien Refunding Bonds, Series 2023 (the Series 2023 CFC Senior Lien Bonds) under an Indenture of Trust and Second Supplemental Indenture between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee (collectively the CFC Indenture), including but not limited to the Rate Covenant, on a *pro forma* basis from 2023 through 2032 (the Projection Period) and the additional Senior Lien Bonds Test described in the CFC Indenture. In developing our analysis, Ricondo reviewed the terms of the CFC Indenture, proposed amendments to the CFC Indenture, and related documents that govern the Series 2023 CFC Senior Lien Bonds; the structure of the Series 2023 CFC Senior Lien Bonds as provided by the City's financing team; the economic and demographic characteristics of the Air Trade Area (defined herein) and the resultant demand for air service and rental cars at the Airport.

On-Airport rental car companies operate out of a Consolidated Rental Car Facility (CRCF) within the Multi-Modal Facility (MMF) that is located separate from the terminals and served by the Airport Transit System (ATS) and shuttle buses. The MMF opened in 2018 and combines airport rental car operations, public parking, and an ATS station. An ATS extension and modernization was substantially complete in November 2021, is in the final testing stage, and is operating twenty-four hours a day, seven days a week. The ATS project included an update to the operating system, new vehicle fleet, an extension of the ATS to the MMF, and a maintenance and storage facility.

In developing our *pro forma* analysis regarding the financial performance of the Project, as defined in the CFC Indenture, Ricondo reviewed the agreements that establish the business arrangements between the City and the rental car businesses that operate from CRCF (RACs) and those that serve the Airport from off-site locations (Off-Airport RACs). Visiting passengers represent the majority of customers for rental cars at the Airport (Airport Customers).

The Series 2023 CFC Senior Lien Bonds, and any additional Senior Lien Bonds subsequently issued on parity with the Series 2023 CFC Senior Lien Bonds, are secured solely by the Trust Estate created under the CFC Indenture. The Trust Estate consists of Pledged Receipts and the interest of the City in the Funds created in the CFC Indenture as the Flow of Funds and are further described in Chapter 1 of this Report. The Series 2023 CFC Senior Lien Bonds are not secured by or payable from the general airport revenues or tax revenues of the City.

CFC collections, a primary component of the Pledged Receipts, are in large measure driven by passenger demand for air service and rental cars at the Airport, which is a function of national and local economic conditions, and the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, Ricondo reviewed the historical relationships between economic activity and demand for air service, the airlines' provision of air service to meet this demand, and the relationship between passenger activity and rental car activity at the Airport. Based on this historical review, Ricondo developed assumptions regarding these factors and relationships through the Projection Period, which provide the basis for the projections of passenger activity, rental car demand, and the generation of Revenues presented in this Report. The following sections present a summary of Ricondo's assumptions, projections and findings that are detailed in the body of the Report, which should be read in its entirety. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement and/or the CFC Indenture.

THE SERIES 2023 CFC SENIOR LIEN BONDS

The City intends to issue the Series 2023 CFC Senior Lien Bonds to refund the City's outstanding Series 2013 CFC Senior Lien Bonds. The Series 2023 CFC Senior Lien Bonds are being issued pursuant to bond ordinances adopted by the City Council on March 13, 2013, June 5, 2013, and October 27, 2021, (collectively Bond Ordinance), an Indenture of Trust, dated as of August 1, 2013 (2013 CFC Indenture), and a Second Supplement Indenture dated as of August 1, 2023 (Second Supplemental Indenture). The 2013 CFC Indenture and Second Supplemental Indenture are referred to collectively herein as the CFC Indenture. As described in further detail in Chapters 1 and 6, the CFC Indenture establishes the Revenues and Rate Covenant of the City in regards to the Series 2023 CFC Senior Lien Bonds.

TIFIA LOAN

The City received approval from the United States Department of Transportation (USDOT) for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to fund a portion of the costs associated with the MMF, associated site development, and ATS extension and modernization. The City has drawn down the entirety of the TIFIA Loan to cover project costs. The City also funded, in part, the costs of the design, development, construction and equipping of the MMF and ATS extension and modernization from the proceeds of the Series 2013 CFC Senior Lien Bonds. The TIFIA Loan constitutes a Subordinate Bond under the CFC Indenture.

Pursuant to the TIFIA Loan Agreement between the City and USDOT, so long as the TIFIA Loan is outstanding, USDOT possesses certain notice and approval rights. The City cannot issue or incur indebtedness of any kind secured by or payable from Pledged Receipts without prior written consent from the USDOT. The City must also receive written approval of the USDOT to the issuance of Additional or Subordinate Bonds. In April 2023. the City received TIFIA Bondholder Consent as defined and required in the TIFIA Loan Agreement for the issuance of the Series 2023 Senior Lien Bonds.

THE AIRPORT RENTAL CAR MARKET AND PROJECTED TRANSACTION DAYS

The Airport is currently served by five on-Airport RACs, which provide service through 11 different rental car brands, and two Off-Airport RACs. As of January 1, 2023, one national rental car company ranked the Airport's rental car market as the 11th largest in the US based on total transactions.

The RACs and their associated brands that operate on-Airport are as follows:

- Avis Budget Group, Inc., d/b/a Avis Car Rental, Budget Rent a Car, and Payless Car Rental
- Enterprise Holdings, Inc., d/b/a Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental
- Europcar Mobility Group, d/b/a Fox Rent A Car
- The Hertz Corporation, d/b/a Hertz Rent a Car, Dollar Rent A Car, and Thrifty Car Rental
- SIXT Rent a Car, LLC, d/b/a SIXT rent a car

The Off-Airport RACs and their associated brands that operate off-Airport are as follows:

- Routes Car Rental USA, Inc., d/b/a Routes Car Rental
- Auto Rental, LLC, d/b/a ACE Rent A Car[1]

[1] ACE Rent A Car, Inc. operated as an Off-Airport RAC from 2013 to 2014. In 2014, the company sold its rental operations to Avis Budget Group, while retaining ownership of the ACE Rent A Car brand, licensee system and proprietary software (acerentacar.com/Static/OurStory, accessed July 2023). Auto Rental, LLC, d/b/a ACE Rent A Car entered into an Off-Airport RAC license agreement with the City of Chicago in July 2023.

Historically, demand for rental cars at the Airport has been a function of visitor passenger activity and represented a consistent mode of transportation to or from the Airport. The introduction of Transportation Network Providers (TNPs), such as Uber and Lyft, impacted the way passengers accessed the airport, which can be seen in **Exhibit S-1**. As the use of TNPs increased, the rental car activity, as a percent of ground transportation modes shifted, but appeared to stabilize prior to the impact of the novel coronavirus (COVID-19), an infectious disease first identified in December 2019 that spread globally resulting in a pandemic. Based on historical transactions and average length of transactions, the shift from rental cars to the use of TNPs appeared to be for short duration trips where a visitor may have opted for the use of TNPs rather than a rental car. The largest impact from the growth in TNPs was on taxis and livery vehicles.

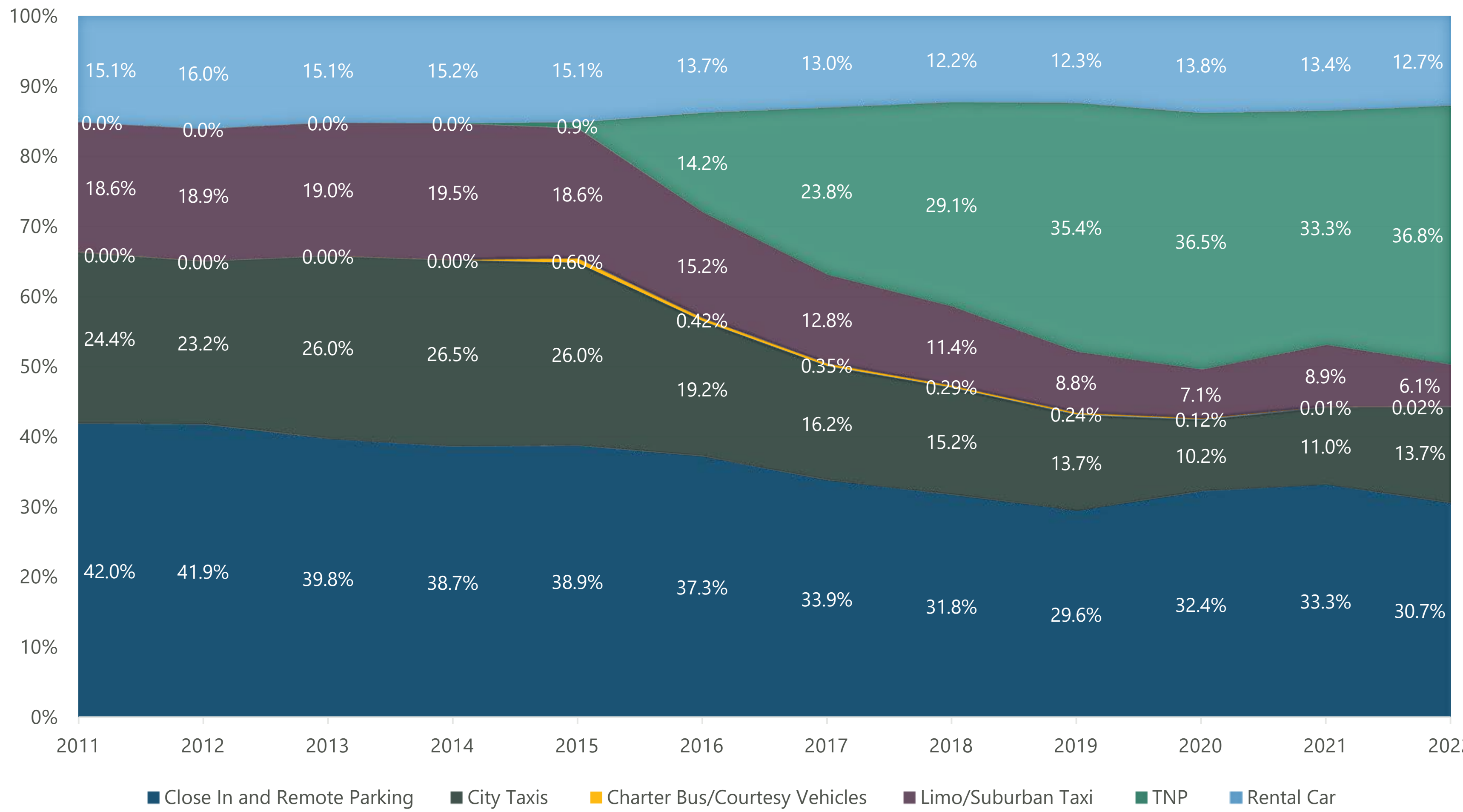
Ricondo developed a projection of rental car transactions days. In the near-term (through 2025) the projection was based on a continued trend of cars rented by visiting passengers and the average rental length. For the long-term projection, a strong correlation between certain economic variables and rental car transaction days was demonstrated. This relationship was used to project activity through 2032. The long-term projection was further validated by assessing how this forecast approach compared to trends in visiting passenger car rentals and average rental length. The comparison demonstrated the results were in-line with historical trends. The projection of rental car transactions days is presented in **Exhibit S-2,** which also includes actual rental car transactions and CFC collections data at the Airport from FY 2013 through FY 2022. Chapter 5 includes additional information on the forecast approach and validation.

FINANCIAL ANALYSIS

The Airport first implemented the on-Airport CFC in August 2010 of $8.00 per transaction day. Based on the projection of total transaction days presented in Chapter 5, annual CFC collections are projected to increase from $35.7 million in 2023 to approximately $55.6 million in 2032, which equals a 5.0 percent CAGR. As shown in **Table S-1**, the CFC rate is projected to increase to $8.50 in FY 2028 and then increase through the Projection Period reaching $10.00 in FY 2030 in order to be in compliance with the Consolidated Rental Car Facility Lease and License Concession Agreement (RAC Agreement) (as described in Chapter 6 of this Report) and maintain total projected Facility Rent payable by all of the RACs less than or equal to $18.0 million in each year.

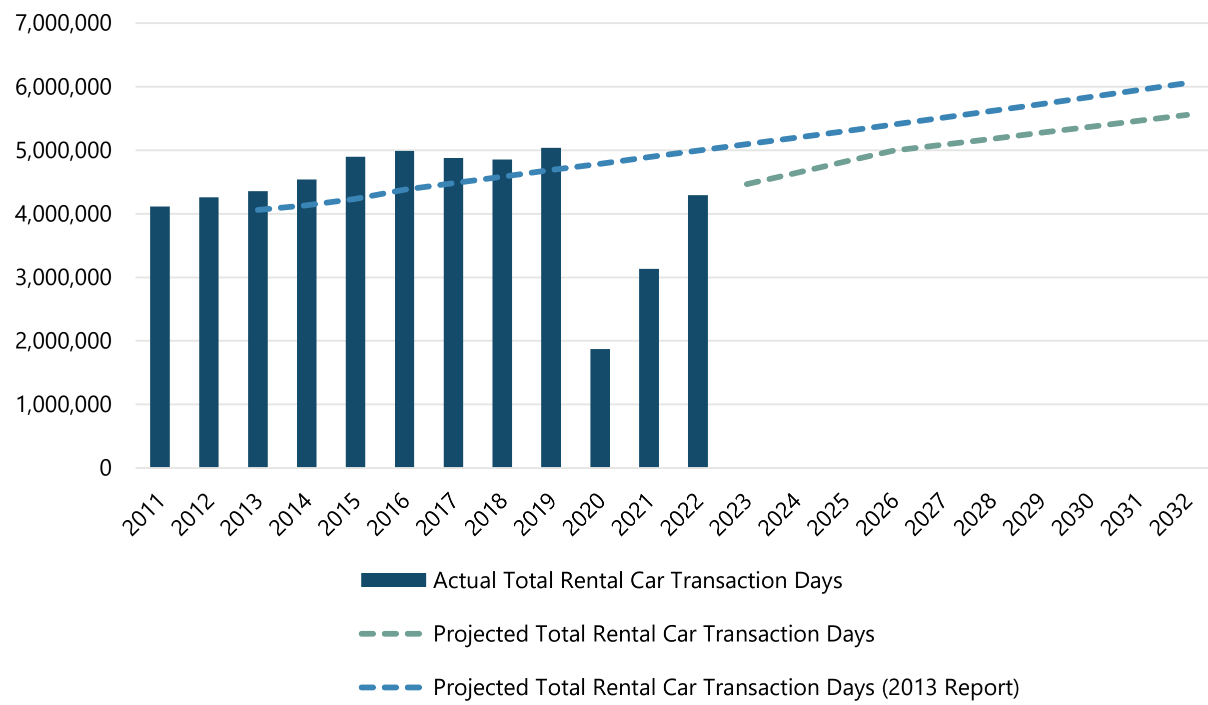
In addition to CFCs, the Series 2023 CFC Senior Lien Bonds are also secured by certain payments pursuant to the RAC Agreement. The RACs are obligated to pay annual Facility Rent to the Trustee to recover annual Debt Service (as defined by the RAC Agreement), operating expenses, and other costs associated with the MMF and ATS that are not paid for with CFC collections. If the amount of total Facility Rent projected to be payable by all RACs is greater than $18.0 million in any year, the City has agreed to raise the CFC to an amount necessary to reduce total annual Facility Rent to be less than or equal to $18.0 million. The CDA Commissioner is authorized by City ordinance to adjust the level of the CFC upon 30 days' notice to the RACs. Facility Rent will be apportioned among the RACs according to their amount of proportionate rental car space within the CRCF. Facility Rent will be applied pursuant to the CFC Indenture Flow of Funds as described in Chapter 1 of this Report. Pursuant to the RAC Agreement, the RACs will also pay Base Rent, the Minimum Annual Guarantee Fee, and a Concession Fee, which do not secure the Series 2023 CFC Senior Lien Bonds. For additional information on the RAC Agreement, refer to Chapter 6 of this Report and Appendix B of the Official Statement.

EXHIBIT S-1 HISTORIC GROUND TRANSPORTATION TRANSACTION SHIFT



NOTE:
Percentages are representative of actual commercial ground transportation transactions, not passengers.
SOURCES: City of Chicago, Department of Innovation and Technology (TNP data), Chicago Department of Aviation and Standard Parking (parking, taxi, charter bus, courtesy vehicle, limo, and rental car data); Ricondo & Associates, Inc., January 2023.

EXHIBIT S-2 COMPARISON OF RENTAL CAR TRANSACTION DAY PROJECTIONS



SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

TABLE S-1 PROJECTED SERIES 2023 CFC SENIOR LIEN BOND DEBT SERVICE COVERAGE

(Dollars for Fiscal Years Ending December 31)

		PROJECTION									
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUES AND OTHER AVAILABLE FUNDS											
Revenues											
CFC Rate		$8.00	$8.00	$8.00	$8.00	$8.00	$8.50	$9.50	$10.00	$10.00	$10.00
CFC Collections		$35,734,929	$37,141,275	$38,547,620	$39,953,966	$40,695,625	$44,030,332	$50,098,968	$53,675,167	$54,618,170	$55,564,055
Facility Rent		13,905,695	15,047,030	15,822,865	16,020,708	17,307,031	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Federal Relief [1]		5,600,000	3,400,000	1,000,000	700,000	2,500,000	1,300,000	-	-	-	-
Interest Earnings [2]		117,645	55,077	55,274	89,743	89,976	90,226	90,496	90,789	91,110	91,462
Total Revenues [3]	**[A]**	$55,358,270	$55,643,382	$55,425,759	$56,764,417	$60,592,632	$63,420,558	$68,189,464	$71,765,957	$72,709,280	$73,655,516
Other Available Funds											
Rolling Coverage Fund [4]		$2,324,028	$2,323,672	$2,323,672	$2,323,672	$2,769,922	$3,128,859	$3,876,234	$4,566,672	$4,566,047	$4,566,984
Supplemental Reserve Fund		299,567	-	-	-	-	-	-	-	-	-
Total Other Available Funds	**[B]**	$2,623,595	$2,323,672	$2,323,672	$2,323,672	$2,769,922	$3,128,859	$3,876,234	$4,566,672	$4,566,047	$4,566,984
Total Revenues and other available funds	**[C] = [A] + [B]**	$57,981,865	$57,967,054	$57,749,431	$59,088,089	$63,362,554	$66,549,417	$72,065,698	$76,332,629	$77,275,327	$78,222,500
Series 2013 CFC Senior Lien Bonds	[D]	$5,991,334	$-	$-	$-	$-	$-	$-	$-	$-	$-
Series 2023 CFC Senior Lien Refunding Bonds	[E]	3,304,778	9,294,688	9,294,688	9,294,688	11,079,688	12,515,438	15,504,938	18,266,688	18,264,188	18,267,938
Subordinate Bonds (TIFIA Loan)	[F]	15,233,409	15,197,493	15,157,453	15,170,506	15,176,729	15,175,870	15,168,679	15,154,408	15,162,236	15,161,805
Debt Service	**[G] = [D] + [E] + [F]**	**$24,529,521**	**$24,492,181**	**$24,452,140**	**$24,465,194**	**$26,256,416**	**$27,691,308**	**$30,673,617**	**$33,421,095**	**$33,426,424**	**$33,429,742**
Debt Service Coverage pursuant to the 2013 CFC Indenture											
1.30x Coverage (Including Total Revenues and Senior Lien Bonds)	**[H] = [C] / [D + E]**	6.24x	6.24x	6.21x	6.36x	5.72x	5.32x	4.65x	4.18x	4.23x	4.28x
1.10x Coverage (Including Total Revenues and Senior and Subordinate Bonds)	**[I] = [C] / [G]**	2.36x	2.37x	2.36x	2.42x	2.41x	2.40x	2.35x	2.28x	2.31x	2.34x
O&M Expenses	[J]	$25,649,999	$26,885,702	$27,861,108	$29,412,010	$30,982,038	$32,014,838	$32,789,372	$33,584,617	$34,401,132	$35,239,488
TIFIA Reserve Fund Deposits	[K]	148,608	75,597	82,280	89,858	96,268	103,720	112,399	122,486	134,270	146,685
Net Revenues	**[L] = [A] - [J] - [K]**	$29,559,662	$28,682,082	$27,482,371	$27,262,549	$29,514,326	$31,302,000	$35,287,693	$38,058,854	$38,173,879	$38,269,344
Debt Service Coverage pursuant to the CFC Indenture											
1.35x Coverage (Including Net Revenues and Senior Lien Bonds)	**[M] = [L] / [D + E]**	3.18x	3.09x	2.96x	2.93x	2.66x	2.50x	2.28x	2.08x	2.09x	2.09x
1.10x Coverage (Including Net Revenues and Senior and Subordinate Bonds)	**[N] = [L] / [G]**	1.21x	1.17x	1.12x	1.11x	1.12x	1.13x	1.15x	1.14x	1.14x	1.14x
CFC Discretionary Reserve Ending Balance		$-	$-	$2,448,274	$4,931,694	$7,620,094	$10,688,299	$15,072,271	$19,658,426	$24,394,458	$29,264,059

NOTES:
1 Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and American Rescue Plan Act (ARPA) funding applied as revenues.
2 Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Supplemental Reserve Fund (through 2023), the Maintenance Reserve Account, the Debt Service Reserve Fund (through 2023), and the Subordinate Reserve Fund.
3 Between FY 2023 and FY 2024, approximately $8.4 million of remaining project expenses are assumed, which is accounted for in the FY 2023 and FY 2024 Revenues.
4 Pursuant to the CFC Indenture, this includes amounts in the Rolling Coverage Fund not to exceed 25.0% of Series 2023 CFC Senior Lien Bond debt service.
SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

Table S-1 presents the calculation of projected debt service coverage for the Series 2023 CFC Senior Lien Bonds in accordance with the Rate Covenant of the CFC Indenture in each year through 2032. The projection of the annual coverage ratio is based on the projected Revenues (CFC collections, Facility Rent paid by the RACs, and interest earnings on certain funds) and Other Available Funds (amounts on deposit in the Rolling Coverage Fund (up to 25.0 percent of the Maximum Annual Debt Service (MADS) on the Series 2023 CFC Senior Lien Bonds), established pursuant to the CFC Indenture. As shown, debt service coverage pursuant to the CFC Indenture, and calculated on Aggregate Debt Service excluding Subordinate Bonds and on Aggregate Debt Service including Subordinate Bonds, exceeds the requirement in each year of the Projection Period. The results in Table S-1 incorporate CFC Indenture changes further described in Chapter 1.

Revenues that remain after the payment of annual O&M expenses and debt service is assumed to be deposited into a CFC discretionary reserve account held by the City. From FY 2027 to FY 2032, CFC revenues available after the payment of annual O&M expenses and debt service is assumed to be deposited into the CFC discretionary reserve account. At the end of FY 2032, the balance in the CFC discretionary reserve fund is anticipated to be approximately $29.3 million based on the assumptions described in this Report. For the purposes of the financial analysis, no use of CFC discretionary reserve account funds is assumed.

Total Facility Rent payable by the RACs are projected to be between $13.9 million and $18.0 million in each year of the Projection Period.

THE AIRPORT AND AIR TRAFFIC DEMAND

Historically, the Airport has always ranked at the top of the world's busiest airports in terms of passenger and operational activity. The Airport is the primary commercial service airport in Chicago and the surrounding region and occupies over 7,200 acres of land 18 miles northwest of downtown Chicago. Based on USDOT survey data, the Chicago market[2] was ranked fourth in the nation in terms of domestic origin and destination (O&D) passengers for the year 2019 – following the New York[3], Los Angeles[4], and San Francisco[5] markets. Given its proximity to the center of the United States, its facilities to accommodate domestic and international passengers, and its status as the only major "dual hub" airport in the United States, the Airport is a key component of the national air transportation system.

In 2022, the Airport Council International (ACI) ranked the Airport second worldwide in total aircraft operations, with 711,561 takeoffs and landings; fourth worldwide and globally in 2022 in terms of total passengers, with approximately 68.3 million total passengers served; and in the top 20 airports worldwide in total cargo, with approximately 2.2 million enplaned and deplaned metric tonnes.[6] Additional information on historical activity, including the impacts of the COVID-19 pandemic, is included in Chapter 4.

Chicago's location, along the heavily traveled east/west air routes and its large population base, make it a natural location for airline "hubbing" operations. United Airlines (United) and American Airlines (American), two of the world's largest air carriers in terms of revenue passenger miles, operate major connecting hub facilities at the Airport. United and American's use of the Airport as a hub is described in more detail later in this Report in Chapter 4.

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2 Includes Chicago O'Hare International and Chicago Midway International Airports.

3 Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

4 Includes Los Angeles International, John Wayne Airport-Orange County, Ontario International, Bob Hope, and Long Beach Airports.

5 Includes San Francisco International, Metropolitan Oakland International, and Norman Y. Mineta San Jose International Airports.

6 Airports Council International, *2022 World Air Traffic Report*, July 2023.

Air Traffic

The Airport serves as an important O&D market for the passenger airlines serving the Airport. Additionally, it serves as a major hub for both United and American, which accounted for 45.6 percent and 32.5 percent of enplaned passengers at the Airport in 2022, respectively, inclusive of their regional affiliates. Passenger service is provided at the Airport by 11 of the nation's 13 major passenger airlines.[7] In addition to American and United, these airlines include Alaska Airlines (Alaska), Delta Air Lines (Delta), Envoy Air (Envoy), Frontier Airlines (Frontier), JetBlue (JetBlue), Republic Airways (Republic), SkyWest Airlines (SkyWest), Southwest Airlines (Southwest), and Spirit Airlines (Spirit).[8]

Based on published airline schedules through 2023, 20 US-flag airlines provide scheduled passenger service at the Airport and 34 foreign-flag airlines provide scheduled and nonscheduled passenger service.

Enplaned passengers at the Airport increased by a compound annual rate of 3.5 percent from 2012 to 2019. The compound annual rate for enplaned passengers for 2012 to 2022 was 0.3 percent. Specific points regarding enplaned passengers are as follows:

- In 2012, the Airport enplaned 33.2 million passengers.
- From 2012 to 2017, the total enplaned passengers increased from approximately 33.2 million to 39.8 million, and compound annual growth rate (CAGR) of 3.7 percent. During the same period, domestic and international enplaned passenger increased at CAGR of 3.5 percent and 4.7 percent, respectively.
- In 2019, the Airport set a record for enplaned passengers with approximately 42.2 million. Total enplaned passengers at the Airport increased 1.6 percent from the prior year, with domestic enplaned passengers increasing by 1.7 percent to approximately 35.2 million and international enplaned passengers increasing by 1.6 percent to approximately 7.1 million.
- In 2020, total enplaned passengers decreased 63.7 percent as airlines reduced flying due to the COVID-19 pandemic's impact on demand. Domestic enplaned passengers decreased 61.7 percent to approximately 13.5 million and international enplaned passengers decreased 73.7 percent to approximately 1.9 million.
- In 2021, total enplaned passengers increased 75.5 percent to 26.9 million during the recovery from the low point experienced in 2020. Domestic enplaned passengers increased 78.6 percent to 24.0 million and international enplaned passengers increased 53.4 percent to 2.9 million.
- In 2022, total enplaned passengers increased 26.5 percent to 34.1 million as demand for air travel continued to recover. Domestic enplaned passengers increased 17.8 percent while international passengers, which lagged domestic activity in recovering from the impacts of COVID-19, increased 102.6 percent in 2022.

Of the passengers served by the Airport in 2022, approximately 59 percent utilize the Airport as an origination or destination point of their journey (O&D passengers), and approximately 41 percent utilize the Airport as an intermediate point to connect to or from other airports (connecting passengers) Of the O&D passengers served by the Airport, approximately 44 percent originated their travel from airports outside of the Chicago region between 2012 and 2019. The percentage of O&D passengers that originated their travel from airports outside of the Chicago region decreased to approximately 40 percent in 2021 due to impacts of travel patterns related to the COVID-19 pandemic, but increased to approximately 42 percent in 2022. This segment of passengers, which represents the segment of passengers that is most likely to rent automobiles, is forecast to return to approximately 44 percent of

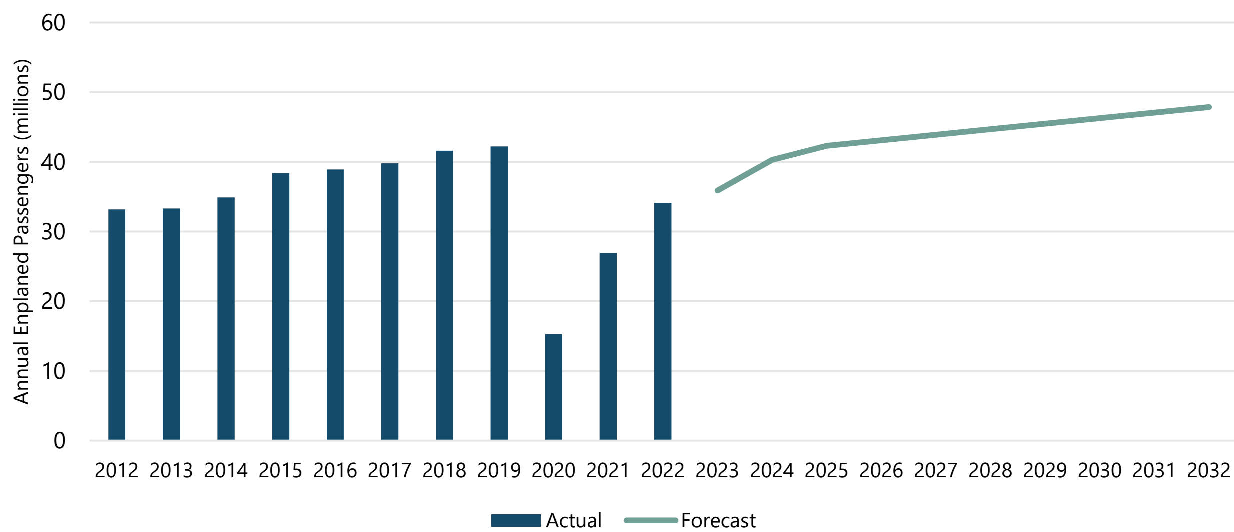
[7] As defined by the USDOT, a major US passenger airline has more than $1 billion in gross operating revenues during any calendar year (the largest group of US passenger airlines in terms of their total revenues). The current group of major US passenger airlines attained "major" status effective January 1, 2023 based on their total revenues for the 12 months ending December 2022.

[8] Allegiant Air and Hawaiian are the only major US passenger airlines that do not serve the Airport.

total O&D passengers during the Projection Period. Our projections of future passenger activity focus primarily on this traffic segment.

Long-term passenger activity is projected to increase as a result of the expected growth in socioeconomic indicators both nationally and in the Air Trade Area as shown on **Exhibit S-3**. It is also assumed that approximately 57 percent of the Airport's total passengers will be O&D passengers during the Projection Period, and that the composition of its air carrier base will continue to foster competitive pricing and scheduling diversity. As discussed in Section 4.5.3 (Visiting O&D Passenger Forecasts), growth in passenger activity is expected through the Projection Period and visiting O&D enplaned passenger activity (non-Chicago region based passengers traveling to the Airport) is expected to increase at a CAGR of 3.3 percent from 2022 through 2032.

EXHIBIT S-3 HISTORICAL AND PROJECTED ENPLANED PASSENGERS



NOTE:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
SOURCES: Chicago Department of Aviation, July 2023 (actual passengers); Ricondo & Associates, Inc., July 2023 (forecast passengers).

Chapter 3 presents data indicating that the Airport's Air Trade Area has an economic base that attracts both business and tourist visitors, which, in turn, positively impacts the demand for both inbound air travel and rental car activity at the Airport during the Projection Period. **Table S-2** presents selected 2021 and 2032 economic figures for the Air Trade Area and for the United States as projected by Woods & Poole Economics, Inc. In several instances, the growth expectations are similar for the Air Trade Area and the United States, and in all cases growth rates of the economic data show optimistic growth. Notably, per capita measures of income and gross domestic product (GDP) and gross regional product (GRP) are higher for the Air Trade Area than for the United States on average, indicating a continued relative ability of passengers in the Air Trade Area to utilize air travel as a means of transportation. Additional details on the demographics and economic characteristics of the Air Trade Area are described in Chapter 3.

TABLE S-2 PROJECTIONS OF ECONOMIC VARIABLES USED IN PASSENGER DEMAND FORECAST (2021-2032)

VARIABLE	2021	2032	CAGR 2021-2032
ATA Population	9,626,190	9,770,521	0.1%
US Population	332,031,563	355,532,031	0.6%
ATA Total Employment	6,054,579	7,068,483	1.4%
US Total Employment	201,142,594	237,718,844	1.5%
ATA Total Personal Income ($billion)	$679	$802	1.5%
US Total Personal Income ($billion)	$20,928	$25,722	1.9%
ATA Per Capita Personal Income	$70,495	$82,054	1.4%
US Per Capita Personal Income	$63,029	$72,349	1.3%
ATA Gross Regional Product ($billion)	$759	$936	1.9%
US Gross Domestic Product ($billion)	$22,154	$27,839	2.1%
ATA Per Capita GRP	$78,824	$95,839	1.8%
US Per Capita GDP	$66,723	$78,301	1.5%

NOTES:
ATA – Air Trade Area
All dollar amounts are in 2021 dollars.
2032 data are Woods & Poole, Inc. projections.
SOURCE: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023.

FINDINGS

Based on the information and analysis described herein, Ricondo finds the following relevant to the Series 2023 CFC Senior Lien Bonds:

- The Airport will remain a key component of the national air transportation system and, in addition to serving the O&D traffic, the airport will serve as a major connecting hub strengthening air service to and from the Airport.
- The Air Trade Area's economy, including its strong tourism sector and business market, can support a demand for car rentals at the Airport that is generally in-line with economic variables of the Air Trade Area and the United States during the Projection Period.
- The Airport's rental car market is anticipated to remain strong, with major brands operating serving the Airport.
- Debt service coverage pursuant to the CFC Indenture exceeds the requirement in each year of the Projection Period.
- Facility Rent is expected throughout the Projection Period. It remains at or below the $18.0 million limit and is in-line with prior projections of Facility Rent to be paid by the rental car companies.
- The CFC will remain at a reasonable level within the Projection Period, remaining at or within $2.00 of the $8.00 CFC level set in 2010.

1. THE SERIES 2023 CFC SENIOR LIEN BONDS

The City of Chicago (City) intends to issue the Series 2023 Customer Facility Charge (CFC) Senior Lien Bonds to achieve debt service savings in the near term through the refunding of the City's outstanding Series 2013 CFC Senior Lien Bonds. Additionally, the City is implementing several amendments to the 2013 CFC Indenture that are defined in the Second Supplemental Indenture and would become effective upon the issuance of the Series 2023 CFC Senior Lien Bonds. **Table 1-1** details the uses of the proceeds of the Series 2023 CFC Senior Lien Bonds, which include the funding of certain reserves and the costs of issuance. The Series 2023 CFC Senior Lien Bonds will be issued pursuant to ordinances adopted by the City Council and pursuant to the CFC Indenture.

The CFC Indenture sets forth the obligations of the City to the Trustee and bondholders relative to the Series 2023 CFC Senior Lien Bonds and any subsequent bonds issued on parity with the Series 2023 CFC Senior Lien Bonds or Subordinate Bonds, including the pledge of security, covenants regarding CFCs, requirements precedent to the issuance of additional Senior Lien Bonds, and the creation of certain funds and accounts and the order of priority for the use of Revenues. Capitalized terms used in these descriptions are consistent with defined terms in the CFC Indenture or in the Official Statement for the Series 2023 CFC Senior Lien Bonds. Key aspects of the CFC Indenture related to the repayment of the Series 2023 CFC Senior Lien Bonds are discussed in the following subsections.

TABLE 1-1 SUMMARY OF THE SERIES 2023 CFC SENIOR LIEN BONDS

	SERIES 2023 CFC SENIOR LIEN BONDS
Use	Refund Series 2013 CFC Senior Lien Bonds
Security	Pledged Receipts
Status	Tax-Exempt

NOTE:
CFC – Customer Facility Charge
SOURCE: Barclays, July 2023.

1.1 THE SERIES 2013 CFC SENIOR LIEN BONDS AND TIFIA LOAN

The City funded, in part, the costs of the design, development, construction and equipping of a MMF at Chicago O'Hare International Airport (O'Hare or the Airport) and the associated projects from the proceeds of the Series 2013 CFC Senior Lien Bonds and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan.

The MMF and associated projects include a structure with a Consolidated Rental Car Facility (CRCF) and public parking, which is located on the top floors of the structure; an extension and modernization of the Airport Transit System (ATS), including the purchase of new ATS vehicles; a rental car Quick Turn Around (QTA) facility used for servicing rental cars; and roadways providing access to the MMF. Additional information on the MMF is included in Chapter 2 of this Report of the Airport Consultant (Report).

In August 2013, the City received approval for a TIFIA Loan in the amount of approximately $288.1 million, or 33.0 percent of the project costs that were TIFIA Loan eligible. As of May 2022, the City has drawn down the entirety of the TIFIA Loan to cover costs of the MMF and associated projects. Per the CFC Indenture, the TIFIA Loan is a Subordinate Bond, with an inferior claim to that of the Series 2023 CFC Senior Lien Bonds to the security pledged under the CFC Indenture.

Pursuant to the TIFIA Loan Agreement between the City and United States Department of Transportation (USDOT), so long as the TIFIA Loan is outstanding, USDOT possesses certain notice and approval rights. The City cannot issue or incur indebtedness of any kind secured by or payable from Pledged Receipts without prior written consent from the USDOT. The City must also receive written approval of the USDOT to the issuance of Additional or Subordinate Bonds. In April 2023, the City received TIFIA Bondholder Consent as defined and required in the TIFIA Loan Agreement for the issuance of the Series 2023 Senior Lien Bonds.

1.1.1 INDENTURE OF TRUST

1.1.1.1 SUMMARY OF INDENTURE CHANGES

The City intends to modify the requirements of 2013 CFC Indenture. In general, the changes include reduction of certain reserve fund requirements, allowing the use of qualified credit instruments, and adding a net revenue requirement to the Rate Covenant. The City intends to use the reserve funds released in conjunction with these changes to redeem Series 2013 CFC Senior Lien Bonds and reduce the principal amount of the Series 2023 CFC Senior Lien Bonds. The changes in the Rate Covenant are incorporated into the calculation of the CFC rate and Facility Rent included in financial analysis included in this Report. Annual revenues available after all necessary accounts under the CFC Indenture are funded are assumed to be transferred to a CFC discretionary reserve account held by the City. **Table 1-2** shows the indenture changes.

This Report and the included financial analysis assume the intended indenture changes are implemented.

1.1.1.2 SECURITY FOR THE SERIES 2023 CFC SENIOR LIEN BONDS

The Series 2013 Senior Lien Bonds until the issuance of the 2023 CFC Senior Lien Bonds, the Series 2023 CFC Senior Lien Bonds, and any additional Senior Lien Bonds subsequently issued on parity with the Series 2023 CFC Senior Lien Bonds, are secured solely by the Trust Estate created under the CFC Indenture. The Trust Estate consists of Pledged Receipts and the interest of the City in the Funds created in the CFC Indenture and presented below in the Flow of Funds. Payment of the principal of and premium, if any, and interest of the Series 2023 CFC Senior Lien Bonds is secured by and payable solely from Pledged Receipts.

Pledged Receipts are defined in the CFC Indenture as the following:

- The right to payment of all monetary obligations constituting CFCs, whether or not remitted to the Trustee or the City, owed to the City;
- The right to payment of all monetary obligations constituting Facility Rent payable by the Rental Car Companies (RACs);
- All casualty insurance proceeds and condemnation awards required to be applied pursuant to the CFC Indenture;
- Other amounts collected from Off-Airport RACs or from users of the MMF other than the RACs and designated by an Authorized Officer of the City as Pledged Receipts;
- All moneys, investments, and proceeds on deposit in the Project Fund, the Debt Service Fund, the Reserve Funds (Rolling Coverage Fund, Supplemental Reserve Fund, and Debt Service Reserve Fund), the Subordinate Debt Service Fund, the Subordinate Reserve Fund, and interest and investment earnings thereon (and excluding moneys, investments, and proceeds on deposit in the Rebate Fund, the Operation and Maintenance (O&M) Fund, and the CFC Stabilization Fund) and shall not include the Unassigned Rights.

The Series 2023 CFC Senior Lien Bonds are not secured by or payable from the general airport revenues or tax revenues of the City.

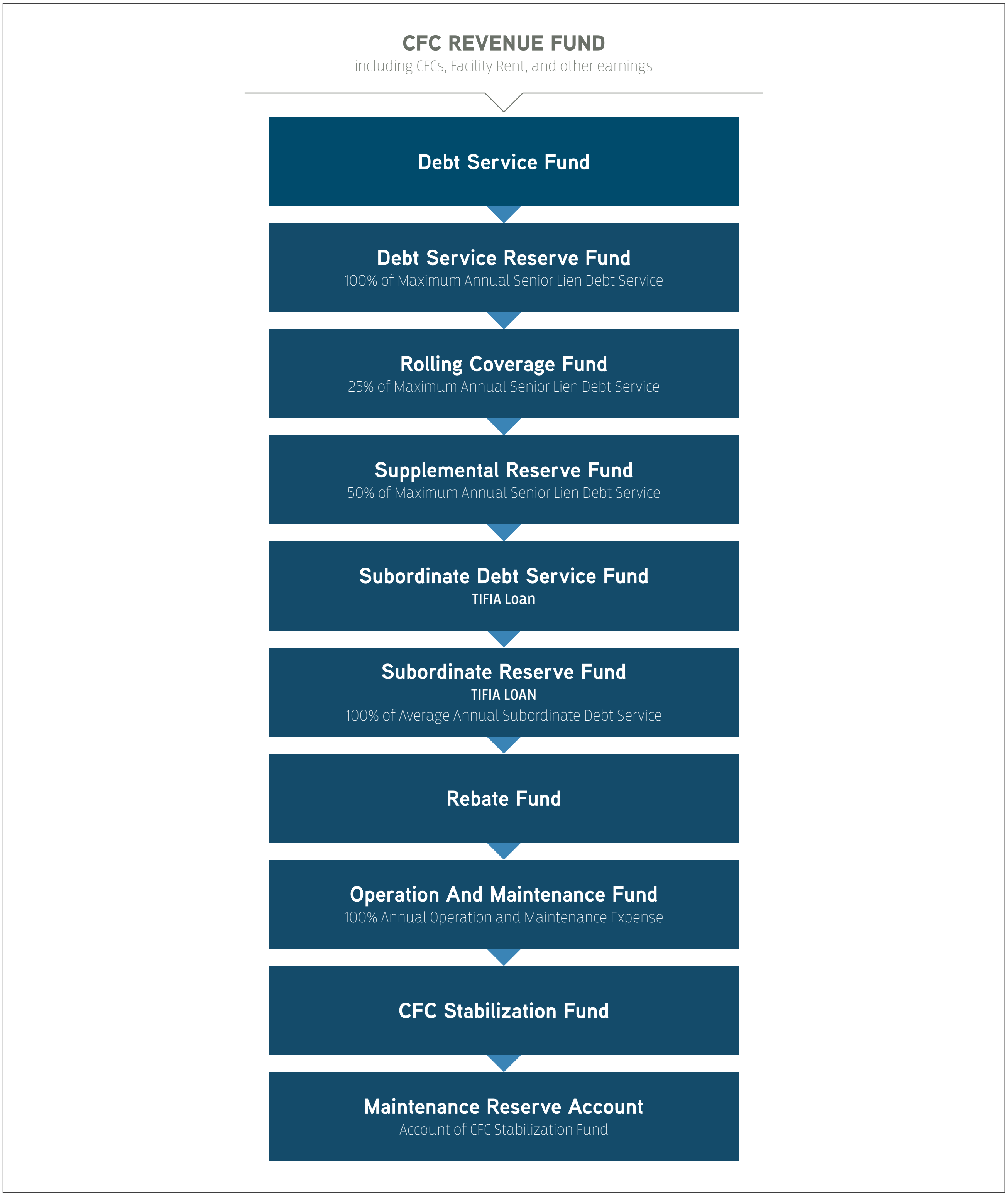
TABLE 1-2 SUMMARY OF INDENTURE CHANGES

	2013 CFC INDENTURE	SECOND SUPPLEMENTAL INDENTURE
Debt Service Reserve Fund	100% MADS (Cash)	100% MADS (Cash or qualified credit instruments)
Supplemental Reserve Fund	50% MADS (Cash)	50% MADS (Cash or qualified credit instruments)
Maintenance Reserve Account	$20.0 million requirement	During Fiscal Year 2023, $12.0 million and for Fiscal Year 2024 and thereafter, an amount equal to the greater of (A) $12.0 million and (B) the amount equal to fifty percent (50%) of the prior year Operation and Maintenance Expenses.
Rate Covenant	▪ 1.30x coverage of CFC Revenue, Facility Rent, Rolling Coverage Fund (25% of Senior Debt Service) and a portion of Supplemental Lien Reserve Fund (5% of debt service) to Aggregate Debt Service (excluding Subordinate Bonds) in any given year ▪ 1.10x coverage of CFCs, Facility Rent, Rolling Coverage Fund (25% of debt service) and a portion of Supplemental Lien Reserve Fund (5% of debt service) to Aggregate Debt Service (including Subordinate Bonds)	▪ 1.30x coverage of CFC Revenue, Facility Rent, Rolling Coverage Fund (25% of Senior Debt Service) and a portion of Supplemental Lien Reserve Fund (5% of debt service) to Aggregate Debt Service (excluding Subordinate Bonds) in any given year (*existing requirement*) ▪ 1.10x coverage of CFCs, Facility Rent, Rolling Coverage Fund (25% of debt service) and a portion of Supplemental Lien Reserve Fund (5% of debt service) to Aggregate Debt Service (including Subordinate Bonds) (*existing requirement*) ▪ 1.35x coverage of net revenues (CFCs, Facility Rent, less O&M expenses) and Rolling Coverage Fund (25% of Senior Debt Service) to Senior Debt Service (excluding Subordinate Bonds) in any given year *(new requirement)* ▪ 1.10x coverage of net revenues (CFCs, Facility Rent, less O&M expenses) and Rolling Coverage Fund (25% of debt service) to Aggregate Debt Service (including Subordinate Bonds) *(new requirement)*

NOTE:
All forward looking tests are the later of three fiscal years following the date of issuance or the date of final expenditure of capitalized interest funded.
SOURCE: City of Chicago, July 2023.

1.1.1.3 FLOW OF FUNDS

Article 5 of the CFC Indenture creates certain funds and establishes the priority of amounts transferred from the Revenue Fund (the Flow of Funds). The Flow of Funds identified in the CFC Indenture is illustrated graphically on **Exhibit 1-1** and is further described as follows.



SOURCE: 2013 CFC Indenture of Trust as amended by the Second Supplement Indenture upon issuance of the Series 2023 CFC Senior Lien Bonds.

EXHIBIT 1-1

CFC INDENTURE FLOW OF FUNDS

ricondo:Shared:oDrive:Corporate:Creative Services:01 Projects:01 Client Projects:2023:CDA:ORD_CFC_Exhibit 1-1:ORD_CFC_Exhibit.indd

The CFC Indenture provides that all CFCs, Facility Rent, and other sums paid to the Trustee for deposit in the CFC Revenue Fund (collectively, Revenues) shall be deposited in the CFC Revenue Fund upon receipt.

Prior to the issuance of the Series 2023 CFC Senior Lien Bonds, the funds on deposit in the CFC Revenue Fund were transferred to the following funds and accounts in the following order of priority:

1. To the Debt Service Fund all amounts sufficient to pay Aggregate Debt Service applicable to the Series 2013 CFC Senior Lien Bonds.
2. To the Debt Service Reserve Fund amounts necessary to cause the amount on deposit therein to equal 100 percent of the Maximum Annual Debt Service on the Series 2013 CFC Senior Lien Bonds (the Debt Service Reserve Fund Requirement).
3. To the Rolling Coverage Fund amounts necessary to cause the amount then on deposit therein to equal 25 percent of the Maximum Annual Debt Service on the Series 2013 CFC Senior Lien Bonds (the Rolling Coverage Fund Requirement).
4. To the Supplemental Reserve Fund amounts necessary to cause the amount then on deposit therein to equal 50 percent of the Maximum Annual Debt Service on the Series 2013 CFC Senior Lien Bonds (the Supplemental Reserve Fund Requirement).
5. To the Subordinate Debt Service Fund all amounts sufficient to pay Aggregate Debt Service applicable to the Subordinate Bonds.
6. To the Subordinate Reserve Fund amounts necessary to cause the amount then on deposit therein to equal 100 percent of the average annual debt service on the Subordinate Bonds (the Subordinate Reserve Fund Requirement).
7. To the Rebate Fund all amounts calculated to be due to the Internal Revenue Service as arbitrage rebate associated with any Series of Tax-Exempt Bonds.
8. To the O&M Fund all amounts sufficient to pay required O&M expenses associated with the MMF and ATS.
9. All remaining amounts the Trustee shall transfer to the City for deposit in the CFC Stabilization Fund. Such amounts shall be first deposited in the Maintenance Reserve Account within the CFC Stabilization Fund up to the Maintenance Reserve Account Requirement, and then to the CFC Stabilization Fund but not the Maintenance Reserve Account and may be applied by the City for only legal purposes.

Following both the issuance of the Series 2023 CFC Senior Lien Bonds, the funds on deposit in the CFC Revenue Fund shall be transferred to the following funds and accounts in the following order of priority:

1. To the Debt Service Fund all amounts sufficient to pay Aggregate Debt Service applicable to the Series 2023 CFC Senior Lien Bonds.
2. To the Debt Service Reserve Fund amounts necessary to cause the amount on deposit therein to equal 100 percent of the Maximum Annual Debt Service on the Series 2023 CFC Senior Lien Bonds (the Debt Service Reserve Fund Requirement).
3. To the Rolling Coverage Fund amounts necessary to cause the amount then on deposit therein to equal 25 percent of the Maximum Annual Debt Service on the Series 2023 CFC Senior Lien Bonds (the Rolling Coverage Fund Requirement).

4. To the Supplemental Reserve Fund amounts necessary to cause the amount then on deposit therein to equal 50 percent of the Maximum Annual Debt Service on the Series 2013 CFC Senior Lien Bonds (the Supplemental Reserve Fund Requirement).
5. To the Subordinate Debt Service Fund all amounts sufficient to pay Aggregate Debt Service applicable to the Subordinate Bonds.
6. To the Subordinate Reserve Fund amounts necessary to cause the amount then on deposit therein to equal 100 percent of the amount or amounts required to be on deposit as set forth in the Supplemental Indentures or other financing document that provided for the issuance of the Subordinate Bonds.
7. To the Rebate Fund all amounts calculated to be due to the Internal Revenue Service as arbitrage rebate associated with any Series of Tax-Exempt Bonds.
8. To the O&M Fund all amounts sufficient to pay required O&M expenses associated with the MMF and ATS, as described in Chapter 6 of this Report.
9. All remaining amounts the Trustee shall transfer to the City for deposit in the CFC Stabilization Fund. Such amounts shall be first deposited in the Maintenance Reserve Account within the CFC Stabilization Fund up to the Maintenance Reserve Account Requirement, and then to the CFC Stabilization Fund.

In lieu of the deposit of money in the Debt Service Reserve Fund or Supplemental Reserve Fund to meet reserve fund requirements, the City may deposit with the Trustee one or more Qualified Reserve Account Credit Instruments.[9]

1.1.1.4 THE RATE COVENANT

The City has covenanted in Section 6.04 of the CFC Indenture to determine the amount of the CFC and Facility Rent at least once each Fiscal Year. Under the CFC Indenture, the City has covenanted that, so long as any of the Bonds remain Outstanding, the aggregate amount of CFCs and Facility Rent required to be remitted by the rental car businesses serving Airport Customers (i.e., RACs) in each Fiscal Year, together with interest earned on any Fund or Account and deposited to the Debt Service Fund and Subordinate Debt Service Fund during such Fiscal Year that is available for payment of principal of or interest on such Bonds, shall be no less than the Aggregate Debt Service coming due in such Fiscal Year.

"Aggregate Debt Service" is defined in the CFC Indenture to mean, with respect to one or more designated Series of Outstanding Bonds or, if no Bonds are designated, all Bonds Outstanding under the CFC Indenture, for any period, the amount of all interest accrued in such period (but excluding any interest being paid from proceeds of such Bonds) plus the amount required to pay principal coming due in such period on such Bonds; provided, however, that if the stated period is a Fiscal Year, the amount of principal shall be the principal payable on any date commencing with January 2 in such Fiscal Year and ending with January 1 in the following Fiscal Year.

Prior to the commencement of each Fiscal Year as long as any Bond is Outstanding, the City shall review and may adjust, effective on the first day of each Fiscal Year, the level of the CFC and Facility Rent, based upon factors including the projected Aggregate Debt Service for the coming Fiscal Year, amounts necessary to fund the other accounts provided for in the CFC Indenture, shortfalls in CFC revenue and Facility Rent that may have occurred in the then-current Fiscal Year, projections of the level of demand for rental car services at the Airport in the next Fiscal Year, and such other factors as the City may determine in its sole discretion. Notwithstanding the foregoing, the

[9] "Qualified Reserve Account Credit Instrument" means a letter of credit, standby bond purchase agreement, line of credit, surety instrument or similar instrument, any bond insurance policy or any agreement relating to the reimbursement of any payment thereunder.

City may make an unscheduled adjustment to the level of the CFC and Facility Rent in any Fiscal Year in the event that the City determines in its sole discretion that there has been a material change in any of the assumptions used in the City's calculation of the CFC and Facility Rent, and that such change should not be addressed solely through withdrawals from the CFC Stabilization Fund or the imposition of Facility Rent.

The City has covenanted in the CFC Indenture, for so long as any Bonds remain Outstanding to set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level to provide sufficient funds:

1. to pay the principal of and interest on the Bonds due in such Fiscal Year;
2. to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period of not to exceed 12 months as determined by the City;
3. to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States for which funds in the Rebate Fund or CFC Stabilization Fund are not otherwise available;
4. to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed 12 months, as determined by the City; and
5. to maintain the balance of the O&M Fund in an amount of no less than the O&M Fund Requirement and to reimburse any drawings below the O&M Fund Requirement over a period not to exceed 12 months, as determined by the City (collectively, the sum of the amounts required by [1] through [5], the "Minimum Annual Requirement").

In addition to the foregoing, the aggregate amount of CFCs and Facility Rent paid by the RACs in each Fiscal Year, together with interest earned on any Fund or Account and deposited to the Debt Service Fund (in the case of [i] below), or to the Debt Service Fund and the Subordinate Debt Service Fund (in the case of [ii] below) during such Fiscal Year that is available for payment of principal of or interest on Bonds payable from such Debt Service Fund or Subordinate Debt Service Fund (as applicable); plus the amounts on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25.0 percent of the Aggregate Debt Service on the CFC Bonds in such Fiscal Year) plus amounts on deposit in the Supplemental Reserve Fund, if any, at the beginning of such Fiscal Year (up to an amount not to exceed 5% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year); shall equal or exceed:

- (i) 1.30 times the Aggregate Debt Service on the Bonds (other than Subordinate Bonds); and
- (ii) 1.10 times Aggregate Debt Service on Bonds coming due in such Fiscal Year.

Furthermore, in addition to the foregoing, and following the implementation of the planned changes to the indenture, the aggregate amount of Net Revenues in each Fiscal Year, together with amounts on deposit in the Rolling Coverage Fund (but only in the case of (A) immediately below and only up to an amount equal to 25% of the Aggregate Debt Service on the Bonds (other than Subordinate Bonds) in such Fiscal Year) shall be (collectively the "Coverage Requirement"):

- (A) no less than 1.35 times the Aggregate Debt Service of the Bonds (other than Subordinate Bonds), and
- (B) no less than 1.10 times the Aggregate Debt Service on the Bonds coming due in such Fiscal Year.

"Net Revenues" following the implementation of the planned changes to the indenture will be defined as the Revenues deposited in the CFC Revenue Fund during such period less sum of (A) the operating and maintenance expenses of the CRCF during such period, (B) the operating and maintenance expenses of the ATS allocated to the CRCF during such period, and (C) Administrative Expenses during such period.

In the event the Coverage Requirement is not satisfied for any Fiscal Year, the City shall increase either the CFC or the Facility Rent, or both, for the next succeeding Fiscal Year to no less than an amount, in the aggregate, that the City projects to be sufficient, based upon projected Contract Days for such Fiscal Year, together with such interest, plus the amount on deposit in the Rolling Coverage Fund (up to an amount not to exceed 25 percent of the Aggregate Debt Service on the CFC Bonds in such Fiscal Year), plus amounts on deposit in the Supplemental Reserve Fund at the beginning of such Fiscal Year (up to an amount not to exceed 5.0 percent of the Aggregate Debt Service on the CFC Bonds in such Fiscal Year) to satisfy the Coverage Requirement for such Fiscal Year.

1.1.1.5 ADDITIONAL BONDS

Section 3.02 of the CFC Indenture permits the City to issue one or more series of Additional Bonds (other than Subordinate Bonds) payable from, and secured by, a first lien on and pledge of, the Trust Estate, on a parity with any other CFC Bonds from time to time issued, shall the aggregate principal amount of the Outstanding Bonds (other than the Subordinate Bonds) exceed $300,000,000.

Additional Bonds are authorized to be issued to (i) finance or refinance the permitting, design, development, construction, equipping, furnishing, and acquisition of any improvement or expansion of the MMF (or any other facility related to the MMF approved by the City); (ii) finance repairs, including without limitation, repairs due to casualty or condemnation to the extent insurance proceeds or condemnation awards are insufficient to effect such repairs, or extraordinary maintenance with respect to the MMF and ATS; (iii) refund all or any Outstanding Bonds; (iv) to complete construction of the MMF and ATS extension and modernization, and (v) in each case, pay capitalized interest and costs of issuance of such Additional Bonds and to provide for any contribution to the Reserve Funds required with respect thereto.

Together with certain other requirements under the CFC Indenture, and following the implementation of the planned changes to the indenture, to provide for the issuance of Additional Bonds (other than Senior Lien Bonds), the City shall deliver to the Trustee either:

(a) a report of a Consultant to the effect that

(i) the CFCs, at the then current level and taking into account any other level that has been approved and will be imposed during the forecast period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional Bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds Outstanding (including such proposed Additional Bonds but excluding any Subordinate Bonds), and

(ii) the CFCs, at the then current level and taking into account any other level that has been approved and will be imposed during the forecast period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Additional Bonds or the date of final expenditure of capitalized interest funded from such Additional Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient, after the payment of such annual principal of and interest on all Outstanding Bonds (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture; or

(b) a certificate of the City to the effect that

(i) the CFCs received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds Outstanding (including such proposed Additional Bonds, but excluding Subordinate Bonds); and

(ii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediate preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient, after the payment of such Aggregate Debt Service on all Bonds Outstanding (other than Subordinate Bonds), to fund Aggregate Debt Service for such Fiscal Year on any Subordinate Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture.

1.1.1.6 SUBORDINATE BONDS

In addition to the Series 2023 CFC Senior Lien Bonds and any Additional Bonds issued pursuant to Section 3.02 of the CFC Indenture, the City may issue one or more Series of Subordinate Bonds as set forth in Section 3.04 of the CFC Indenture upon meeting certain conditions described in the CFC Indenture. Specifically, the City shall be required to deliver, in addition to certain other items required under the CFC Indenture, one of the following items to the Trustee:

(a) a report of a Consultant to the effect that

(i) the CFCs, at the then current level and considering any other level as has been approved and will be imposed during the projection period, projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.10 times the Maximum Annual Debt Service on all Bonds Outstanding, and

(ii) the CFCs, at the then current level and considering any other level as has been approved and will be imposed during the projection period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds Outstanding; and

(iii) the CFCs, at the then current level and considering any other level as has been approved and will be imposed during the projection period, and Facility Rent projected to be remitted to the Trustee (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) for each of the three Fiscal Years following the date of issuance of such Subordinate Bonds or the date of final expenditure of capitalized interest funded from such Subordinate Bonds, whichever is later, are expected, as of the end of each such Fiscal Year, to be at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture; or

(b) a certificate of the City to the effect that (i) the CFCs received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.10 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds); and (ii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least equal to 1.25 times the Maximum Annual Debt Service due on all Bonds Outstanding (including such Subordinate Bonds); and (iii) the CFCs and Facility Rent received by the Trustee for any consecutive 12 months out of the immediately preceding 18 months (together with investment earnings on the Funds, excluding the Project Fund, held under the CFC Indenture) were at least sufficient to fund Aggregate Debt Service for such Fiscal Year on all Bonds Outstanding (including such Subordinate Bonds) and any other amounts required to be deposited from Revenues to the Funds maintained under the CFC Indenture.

2. THE AIRPORT AND RENTAL CAR FACILITIES

The Airport is the largest commercial-service airport in Chicago and the surrounding region. On-Airport rental car facilities are consolidated and operate out of the CRCF within the MMF. This Chapter describes the role of the Airport in the national air transportation system, summarizes the existing Airport facilities and ongoing capital development programs, and describes the rental car facilities at the Airport.

2.1 ROLE OF THE AIRPORT

2.1.1 NATIONAL AND GLOBAL PERSPECTIVE

The Airport is a key component of the national air transportation system given its proximity to the center of the United States, its facilities to accommodate domestic and international passengers, and its status as the only major "dual hub" airport in the United States. Based on USDOT Origin and Destination (O&D) survey data, the Chicago market[10] was ranked fourth in the nation in terms of domestic O&D passengers for the year 2019, fifth in 2020 and 2021, and third in 2022.

Historically, the Airport has always ranked at or near the top of the world's busiest airports in terms of passenger and operational activity. **Table 2-1** presents the Airport's worldwide rankings of activity for the 12 months ending December 2022 based on statistics from ACI. As shown in Table 2-1, the Airport ranked second worldwide in total aircraft operations, with approximately 711,561 takeoffs and landings; fourth worldwide in total passengers, with approximately 68.3 million total passengers; and 12th worldwide in total cargo, with over 2.2 million enplaned and deplaned metric tonnes. Additional information on historical activity, including the impacts of the COVID-19 pandemic, is included in Chapter 4.

Chicago's location along the heavily traveled east/west air routes and its large population base make it a natural location for airline "hub" operations. United Airlines (United) and American Airlines (American), two of the world's largest air carriers in terms of revenue passenger miles, operate major connecting hub facilities at the Airport. United and American's use of the Airport as a hub is described in more detail in Chapter 4. **Exhibit 2-1** presents the Airport's share of domestic enplaned passengers versus international enplaned passengers and an overview of the Airport's market share for its two hub airlines and for the other airlines for both 2019 and 2022.

Table 2-2 presents annual originating, connecting, and total enplaned passengers at the Airport from 2012 through 2022. The Airport experienced consistent growth in passenger volumes from 2012 to 2019, prior to the COVID-19 pandemic.

Growth was particularly strong among originating passengers, with originating passengers growing by a CAGR of 5.2 percent between 2012 and 2019. In 2019, 56.4 percent of total enplaned passengers at the Airport were originating passengers, which was up from 50.2 percent in 2012.

[10] This includes Chicago O'Hare International and Chicago Midway International Airports.

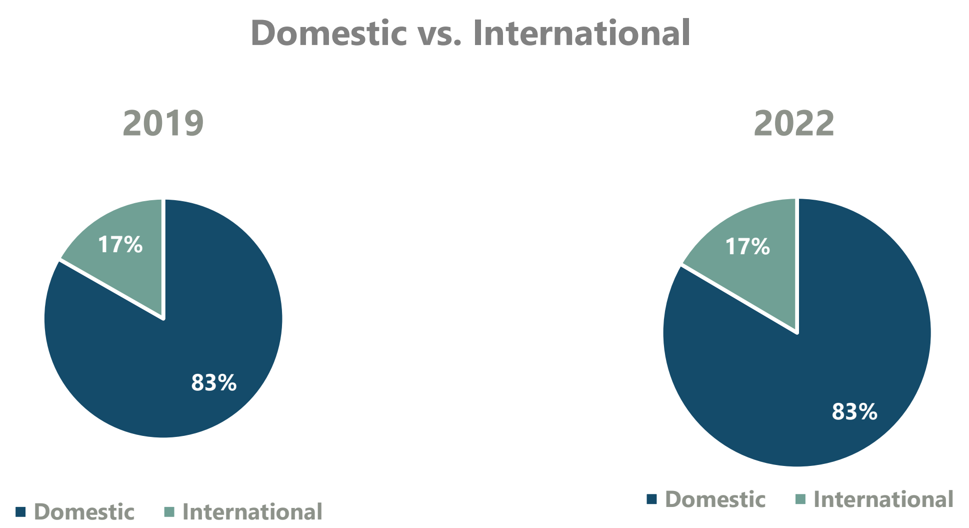
TABLE 2-1 TOP 20 WORLDWIDE RANKING OF ACTIVITY IN 2022

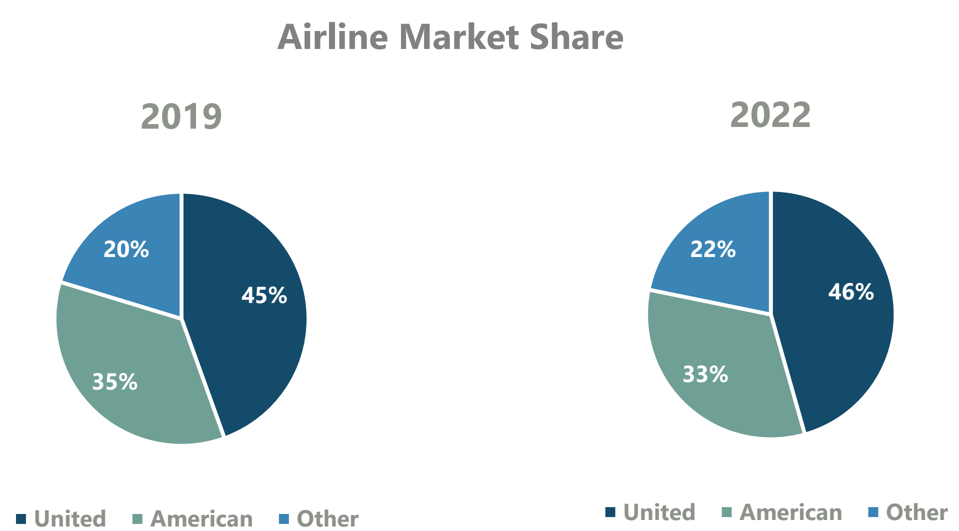
(12 Months Ending December 2022)

	RANKINGS BY AIRCRAFT OPERATIONS		RANKINGS BY PASSENGERS		RANKINGS BY TONS OF CARGO	
RANK	AIRPORT	TOTAL OPERATIONS	AIRPORT	TOTAL PASSENGERS	AIRPORT	TOTAL CARGO (TONNES)
1	Atlanta (ATL)	724,145	Atlanta (ATL)	93,699,630	Hong Kong (HKG)	4,198,937
2	**Chicago (ORD)**	**711,561**	Dallas (DFW)	73,362,946	Memphis (MEM)	4,042,679
3	Dallas (DFW)	656,676	Denver (DEN)	69,286,461	Anchorage (ANC)	3,462,874
4	Denver (DEN)	607,786	**Chicago (ORD)**	**68,340,619**	Shanghai (PVG)	3,117,216
5	Las Vegas (LAS)	581,116	Dubai (DXB)	66,069,981	Louisville (SDF)	3,067,234
6	Los Angeles (LAX)	556,913	Los Angeles (LAX)	65,924,298	Seoul (ICN)	2,945,855
7	Charlotte (CLT)	505,589	Istanbul (IST)	64,289,107	Taipei (TPE)	2,538,768
8	Miami (MIA)	458,478	London (LHR)	61,614,230	Miami (MIA)	2,499,837
9	New York City (JFK)	448,847	Delhi (DEL)	59,490,074	Los Angeles (LAX)	2,489,854
10	Istanbul (IST)	425,890	Paris (CDG)	57,474,033	Tokyo (NRT)	2,399,298
11	Amsterdam (AMS)	422,307	New York (JFK)	55,287,711	Doha (DOH)	2,321,920
12	Delhi (DEL)	421,479	Las Vegas (LAS)	52,694,312	**Chicago (ORD)**	**2,235,709**
13	Phoenix (PHX)	418,856	Amsterdam (AMS)	52,472,188	Frankfurt (FRA)	1,967,450
14	Paris (CDG)	409,121	Miami (MIA)	50,684,396	Paris (CDG)	1,925,571
15	Newark (EWR)	401,422	Madrid (MAD)	50,602,864	Guangzhou (CAN)	1,884,784
16	Seattle (SEA)	401,351	Tokyo (HND)	50,334,354	Singapore (SIN)	1,869,600
17	Houston (IAH)	399,805	Orlando (MCO)	50,178,499	Cincinnati (CVG)	1,794,451
18	Tokyo (HND)	388,104	Frankfurt (FRA)	48,918,482	Dubai (DXB)	1,727,815
19	Mexico City (MEX)	387,450	Charlotte (CLT)	47,758,605	Leipzig (LEJ)	1,509,098
20	Frankfurt (FRA)	382,211	Mexico City (MEX)	46,258,521	Shenzhen (SZX)	1,506,959

SOURCE: Airports Council International, *2022 World Airport Traffic Report*, July 2023.

EXHIBIT 2-1 2019 AND 2022 AIRPORT ENPLANED PASSENGER CHARACTERISTICS





SOURCE: City of Chicago, Department of Aviation, Management Records, July 2023.

TABLE 2-2 HISTORICAL ORIGINATING AND CONNECTING ENPLANED PASSENGERS AT O'HARE INTERNATIONAL AIRPORT

YEAR	ORIGINATING ENPLANED PASSENGERS	ORIGINATING ANNUAL GROWTH	CONNECTING ENPLANED PASSENGERS	CONNECTING ANNUAL GROWTH	TOTAL ENPLANED PASSENGERS	TOTAL ANNUAL GROWTH	ORIGINATING ENPLANED PASSENGERS PERCENTAGE
2012	16,678,806		16,552,395		33,231,201		50.2%
2013	17,044,643	2.2%	16,252,935	-1.8%	33,297,578	0.2%	51.2%
2014	17,115,535	0.4%	17,837,227	9.7%	34,952,762	5.0%	49.0%
2015	20,096,191	17.4%	18,299,714	2.6%	38,395,905	9.9%	52.3%
2016	20,991,241	4.5%	17,881,428	-2.3%	38,872,669	1.2%	54.0%
2017	22,429,433	6.9%	17,386,455	-2.8%	39,815,888	2.4%	56.3%
2018	23,483,289	4.7%	18,080,054	4.0%	41,563,343	4.4%	56.5%
2019	23,836,209	1.5%	18,412,161	1.8%	42,248,370	1.6%	56.4%
2020	8,550,533	-64.1%	6,800,513	-63.1%	15,351,046	-63.7%	55.7%
2021	15,259,775	78.5%	11,685,584	71.8%	26,945,359	75.5%	56.6%
2022	20,484,251	34.2%	13,611,459	16.5%	34,095,710	26.5%	60.1%
Compound Annual Growth Rate							
2012 – 2019	5.2%		1.5%		3.5%		
2012 – 2022	2.1%		-1.9%		0.3%		

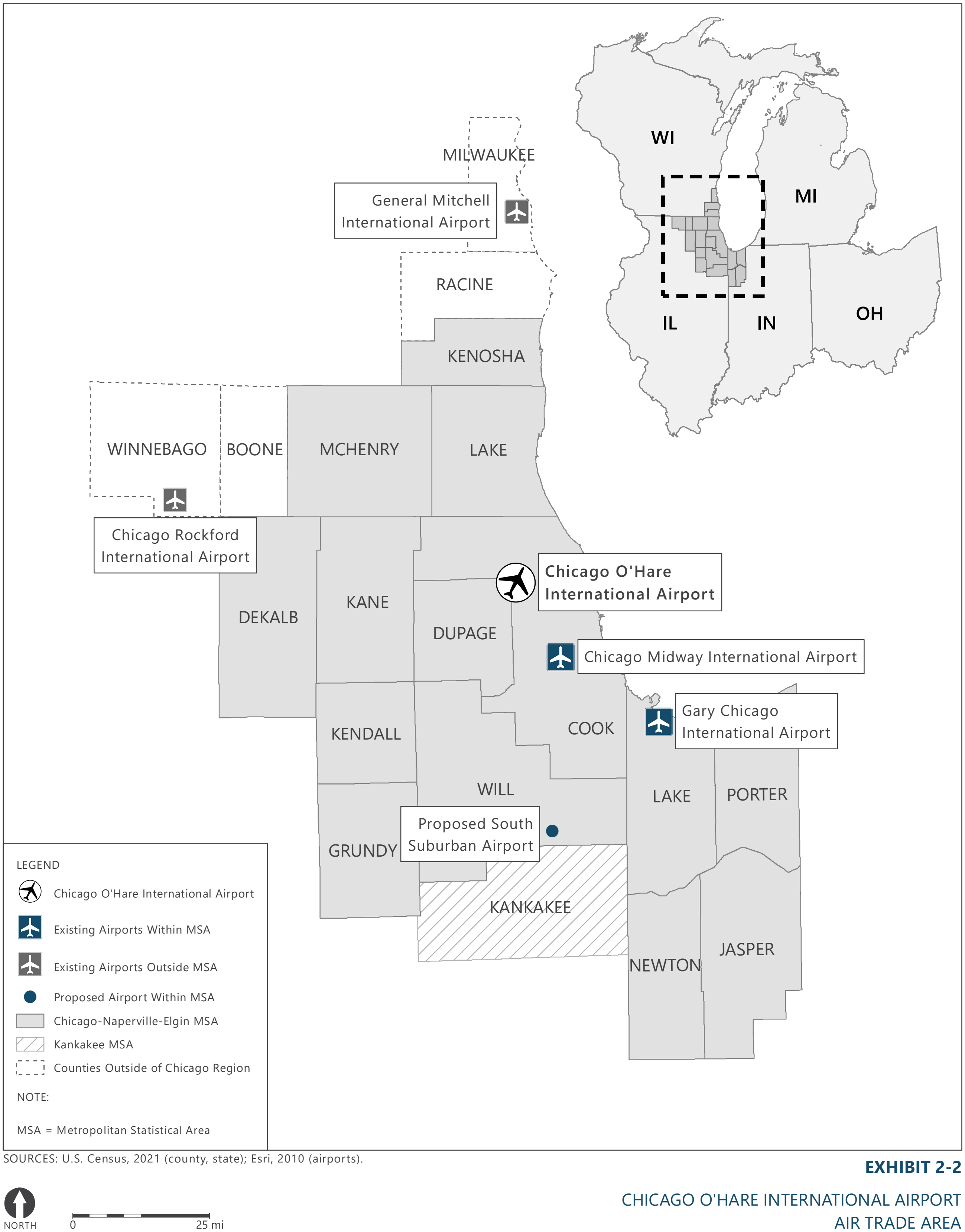
SOURCES: City of Chicago, Department of Aviation, Management Records, July 2023 (total passengers); US Department of Transportation, O&D Survey, July 2023; US Department of Transportation, T-100, July 2023 (segmentation of passengers).

2.1.2 THE AIR TRADE AREA

The geographical area served by an airport is commonly referred to as its "air trade area". The borders of an airport's air trade area are influenced by such factors as the location of other metropolitan areas and their associated facilities. The demand for air transportation and, consequently, rental car activity at an airport is, to a large degree, dependent upon the demographic and economic characteristics of an airport's air trade area. This relationship is particularly true for O&D passenger traffic, which has historically been between approximately 50 and 60 percent of passenger traffic at the Airport. Potential rental car customers at the Airport primarily consist of passengers who are visiting the Chicago Metropolitan Statistical Area (MSA) or surrounding area.[11] The major portion of demand for air travel and rental cars at the Airport, therefore, is influenced more by the local characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

For purposes of this Report, the "Air Trade Area" for the Airport refers to the Chicago-Naperville-Elgin MSA and the Kankakee MSA. As presented in **Exhibit 2-2**, the Air Trade Area comprises 15 counties: Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry, and Will Counties in Illinois; Jasper, Lake, Newton, and Porter Counties in Indiana; and Kenosha County in Wisconsin.

[11] According to the federal government, an MSA is a geographical area with a large population nucleus, along with any adjacent communities that have a high degree of economic and social interaction with that nucleus.



SOURCES: U.S. Census, 2021 (county, state); Esri, 2010 (airports).

EXHIBIT 2-2

CHICAGO O'HARE INTERNATIONAL AIRPORT
AIR TRADE AREA

2.1.3 EXISTING AIRPORT FACILITIES

The Airport is the largest commercial-service airport in Chicago and the surrounding region. The Airport occupies over 7,200 acres of land 18 miles northwest of downtown Chicago. **Exhibit 2-3** shows the existing Airport layout. Its primary facilities consist of the airfield, terminal area, air cargo and maintenance/Airport support areas, and surface/access parking. These facilities are described in the following subsections.

2.1.3.1 AIRFIELD

The airfield contains eight active runways, the most of any commercial airport globally. A network of taxiways, aprons, and aircraft holding areas supports the existing runways. All runways have electronic and other navigational aids that permit aircraft to land in most weather conditions. All runways are equal to or greater than 7,500 feet in length, including one 13,000-foot runway and a 10,800-foot runway that meets Airplane Design Group (ADG) VI standards for aircraft, such as the Airbus A380 and the Boeing 747-8.

The O'Hare Modernization Program (OMP) reconfigured the airfield from sets of converging parallel runways in three main directional orientations (northeast/southwest, east/west, and northwest/southeast) to six parallel runways in the east/west direction and two crosswind runways in the northeast/southwest direction. This reconfiguration involved construction of four runways, two runway extensions, and associated taxiways. Construction began in 2005 with the first runway opening in 2009. The OMP was completed in December 2021 with the final runway extension.

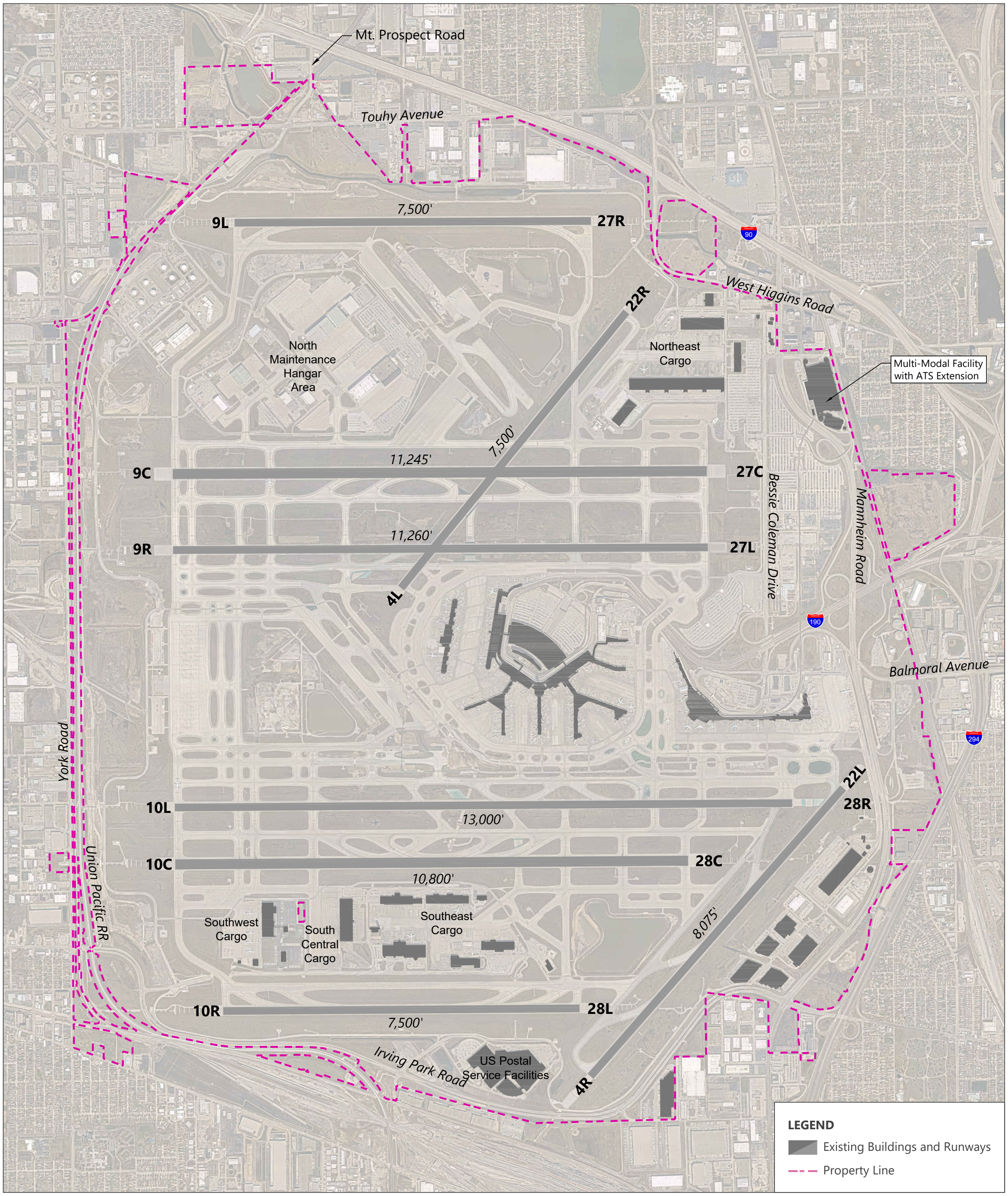
2.1.3.2 TERMINAL AREA

The airlines serving the Airport operate from four terminal buildings with a maximum number of 202 gates, depending on aircraft parking positions and configurations.[12] Three terminal buildings (Terminals 1, 2, and 3) include a total of 172 gates, and serve domestic flights, certain international departures, and international arrivals from destinations that have been pre-cleared by US Customs Border Patrol (CBP). The terminal complex is centrally located within the airfield area. Terminal 5, which includes international terminal facilities, is located in the eastern portion of the terminal area. It has a maximum number of 30 gates.[13] Terminal 5 serves all international arrivals requiring federal inspection services (FIS). The ATS provides passengers with transportation, free of charge, among the four terminals and the MMF which includes public parking and the CRCF.

Located within the terminal area are a hotel, an elevated parking structure, and the Airport heating and refrigeration plant. The 10-story hotel, leased and operated by Hilton Hotels Corporation, provides approximately 860 guest rooms, as well as restaurants and meeting facilities. A 6-story parking structure and two surface lots are adjacent to the Terminals 1, 2, and 3. The heating and refrigeration plant, located northeast of the core terminals, provides heating and air conditioning for all terminal buildings.

[12] A gate is an active aircraft parking position that is accessed through the terminal building, either through a passenger loading bridge or through other means, customarily used for the purpose of boarding and/or deplaning passengers. Maximum number of gates count denotes the total narrowbody aircraft parking positions in the Airport's Multiple Apron Ramp System (MARS) configurations.

[13] Maximum number of gates count denotes the total narrowbody aircraft parking positions in the Airport's Multiple Apron Ramp System (MARS) configurations.



SOURCES: Chicago Department of Aviation, July 2023; Chicago O'Hare International Airport, *Future Airport Layout Plan*, December 2022; Nearmap, April 7, 2023 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., July 2023.

NORTH 0 2,400 ft

EXHIBIT 2-3

EXISTING AIRPORT LAYOUT

Drawing: P:_PROJECTS\Chicago\20-01-1199\Finance\ORD\2023 Feasibility Report\CFC\CAD\Ex 2-3_Existing Airport Layout.dwgLayout: CFC_Ex 2-3 Plotted: Jul 24, 2023, 05:42PM

2.1.3.3 AIR CARGO AREAS

The Airport is a major center for air cargo, processing approximately $300 billion in shipments value and ranking as the number one port airport in the United States in terms of the value of shipments in 2022.[14] The Airport consistently ranks in the top 5 among airports in the United States in terms of the value of shipments and in the top 20 of the Airports Council International's Busiest Air Cargo Hub ranking.[15] The Airport has approximately 2 million square feet of airside cargo facilities, with space for over 40 jumbo freighters (including the B747-8F) on four separate ramps, with another 2 million square feet of cargo facilities landside. The four ramps include: the Southwest Cargo Ramp; the South-Central Cargo Ramp; the Southeast Cargo Ramp; and the Northeast Cargo Ramp. An expansion to the Northeast Cargo Ramp is complete and open as of July 2023.

2.1.3.4 SURFACE ACCESS AND PARKING

Access to the passenger terminal complex is provided via Interstate 190 (I-190) from the east side of the Airport. This roadway may be accessed from Interstate 90 (I-90) or Mannheim Road, which borders the Airport to the east. Other roadways that surround Airport property include Interstate 294 (I-294) to the east, West Higgins Road and Touhy Avenue to the north, York Road to the west, and Irving Park Road to the south.

Approximately 19,500 public parking spaces are located in various locations throughout the Airport. A 9,300-space parking garage is adjacent to Terminals 1. 2 and 3. The garage contains Hourly, Daily, Reserved, and Valet parking areas. Daily parking in the garage is supplemented by two adjacent surface lots that provide approximately 2,830 spaces. Construction of a Terminal 5 Garage, anticipated to be completed in early 2024, will expand Terminal 5 parking capacity from Lot D's 950 Hourly spaces to approximately 2,350 Hourly and Daily parking spaces (1,700 in the garage and 650 in surface Lot D), an increase of 1,400 spaces.[16] Long-term surface public parking lot capacity currently consists of approximately 3,890 spaces provided in Lots G and H. The MMF, which opened on October 31, 2018, provides over 2,620 public parking spaces on the top two floors of the garage.

Employee parking consists of approximately 20,000 spaces. The main employee surface parking lots are within the Northwest Maintenance Hangar Area, the Bravo pad accessed from Bessie Coleman Drive, and various other locations within the terminal area and in the Airport support area along Mannheim Road.

The City also operates two surface lots with approximately 3,000 total spaces where employees and contractors can purchase monthly parking passes. This is in addition to parking areas with approximately 20,000 spaces available for employee and contractor parking elsewhere on the Airport that are leased directly by Airport tenants.

A cell phone lot with 222 spaces is located on Bessie Coleman Drive; it is available free of charge for people waiting to pick up arriving passengers. A 325-space Transportation Network Providers (TNP) Lot is located north of Balmoral Avenue, east of Mannheim Road, and south of I-190 for staging rideshare vehicles. The Commercial Vehicle Holding Area (CVHA), located west of Bessie Coleman Drive and north of I-190, accommodates 450 City taxis and 225 limousines. The suburban taxi staging lot, located west of the intersection of Higgins Road and Mannheim Road, provides approximately 200 spaces for suburban taxi staging.

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[14] U.S. Census Bureau: Economic Indicators Division USA Trade Online, 2022 U.S. Import and Export Merchandise trade statistics (accessed July 12, 2023).

[15] Airports Council International, 2022 World Airport Traffic Report, July 2023.

[16] Parking spaces in Lot D may be temporarily reduced due to ongoing Terminal 5 Garage construction. In July 2023, approximately 380 spaces were available in Lot D.

2.1.4 ON-AIRPORT RENTAL CAR FACILITIES

On-Airport rental car facilities are currently located on Airport property sites remote from the terminals at the MMF, which is served by the ATS that operates between the rental car facilities and the terminals. Shuttle buses provide access from the MMF to the remote and long-term parking lots. RACs also lease Airport space for vehicle storage.[17]

2.1.4.1 MULTI-MODAL FACILITY

The MMF opened in 2018 and consolidates rental car operations and shuttle bus operations in one centralized location. **Exhibit 2-4** presents the MMF site and facility. The 2.5 million-square-foot, five-story facility includes the CRCF that houses all Airport rental car operations, public parking, and an ATS station. A public short-term Kiss and Fly parking surface lot is adjacent to the facility. The MMF is located between Mannheim Road, Zemke Boulevard, and the Metra commuter rail North Central Service line in the northeastern quadrant of the Airport. The CRCF provides over 4,300 rental car parking spaces on levels one through three of the structure. The rental car Customer Service Center is located on the ground level, adjacent to the ATS station and each RAC operating in the CRCF has exclusive-use customer service counters, self-service kiosks, and back-office areas. All rental car functions that were in the Airport terminals transferred to the MMF when the facility opened in 2018, and no rental car facilities remain in the terminals. Levels four and five of the MMF include over 2,600 public parking spaces. A bus plaza, which is at ground level, is currently used by off-Airport rental car shuttles, Regional Transit Authority Pace Suburban Buses, regional bus operations, on-Airport remote parking shuttles, and off-Airport parking shuttles.

A multi-level Quick Turn-Around Facility (QTA) used by the RACs for fueling and vehicle servicing is immediately south of the MMF. The O'Hare Transfer Station, a stop on Metra's North Central Service line is located adjacent to the Airport, and accessible via a sidewalk to the MMF.[18]

The MMF project cost, inclusive of the ATS extension and modernization, totaled approximately $876.2 million and was funded by 2013 CFC Senior Lien Bond proceeds, the TIFIA Loan from the USDOT, CFC collections on a pay-as-you-go (PAYGO) basis, Series 2011 General Airport Revenue Bond (GARB) proceeds, Airport Development Fund (ADF) amounts, and Passenger Facility Charge (PFC) revenue on a PAYGO basis.

Currently Avis Budget Group, LLC, Enterprise Holdings, Inc., Europcar Mobility Group, SIXT Rent a Car, LLC, and The Hertz Corporation, collectively representing 11 brands, operate at the CRCF. Two Off-Airport RACs, Routes Car Rental USA, Inc., and Auto Rental, LLC use the MMF to drop off and pick up passengers.

2.1.4.2 AIRPORT TRANSIT SYSTEM

The ATS opened in 1993, providing people mover service between terminals. An extension of the system to the MMF, modernization of the ATS operating system, new vehicle fleet, and an ATS maintenance and storage facility were part of the MMF capital project. The ATS project enabled the City to eliminate rental car shuttle bus operations from the terminal roadway network reducing emissions and congestion. All Off-Airport RACs are required to drop off and pick up at the MMF and passengers use the ATS for terminal access.

[17] Revenues from land leases are not pledged to the Series 2023 CFC Senior Lien Bonds but are incorporated in the Commercial Real Estate cost center that flows into airline rate calculations.

[18] Metra, the rail agency offering commuter train service throughout the Chicagoland area, offers weekday service connecting downtown Chicago's Union Station to the north central suburbs, terminating at Antioch, IL via the North Central Service train line.

SOURCE: Google Earth, July 2023; Ricondo & Associates, July 2023

NORTH
0
Not to Scale

EXHIBIT 2-4

MULTI-MODAL FACILITY EXTERIOR

Drawing: P:_PROJECTS\Chicago\20-01-1199\Finance\ORD\2023 Feasibility Report\CFC\CAD\MMF Exhibit.dwgLayout: MMF Exhibit Plotted: Jul 26, 2023, 12:19PM

During the construction of the extension, the ATS suspended operations in January 2019, resumed part-time operation in November 2021, and began 24-hour service on April 18, 2022. While the ATS was originally planned to open in conjunction with the MMF, delays occurred that were associated with the complexity of the system, difficulties resolving issues arising from on-track testing, and impacts of the COVID-19 pandemic. Buses replaced ATS service between the MMF and the terminals during the period the ATS was not operating on a 24-hour schedule. Shuttle buses provide access from the MMF to the remote long-term parking lots and remain available for expanded use, if needed, while the City continues to work with the contractor to complete final system testing. For purposes of the financial analysis, there are no costs related to busing operations assumed in 2023 and beyond.

2.2 OVERVIEW OF CAPITAL DEVELOPMENT PROGRAMS

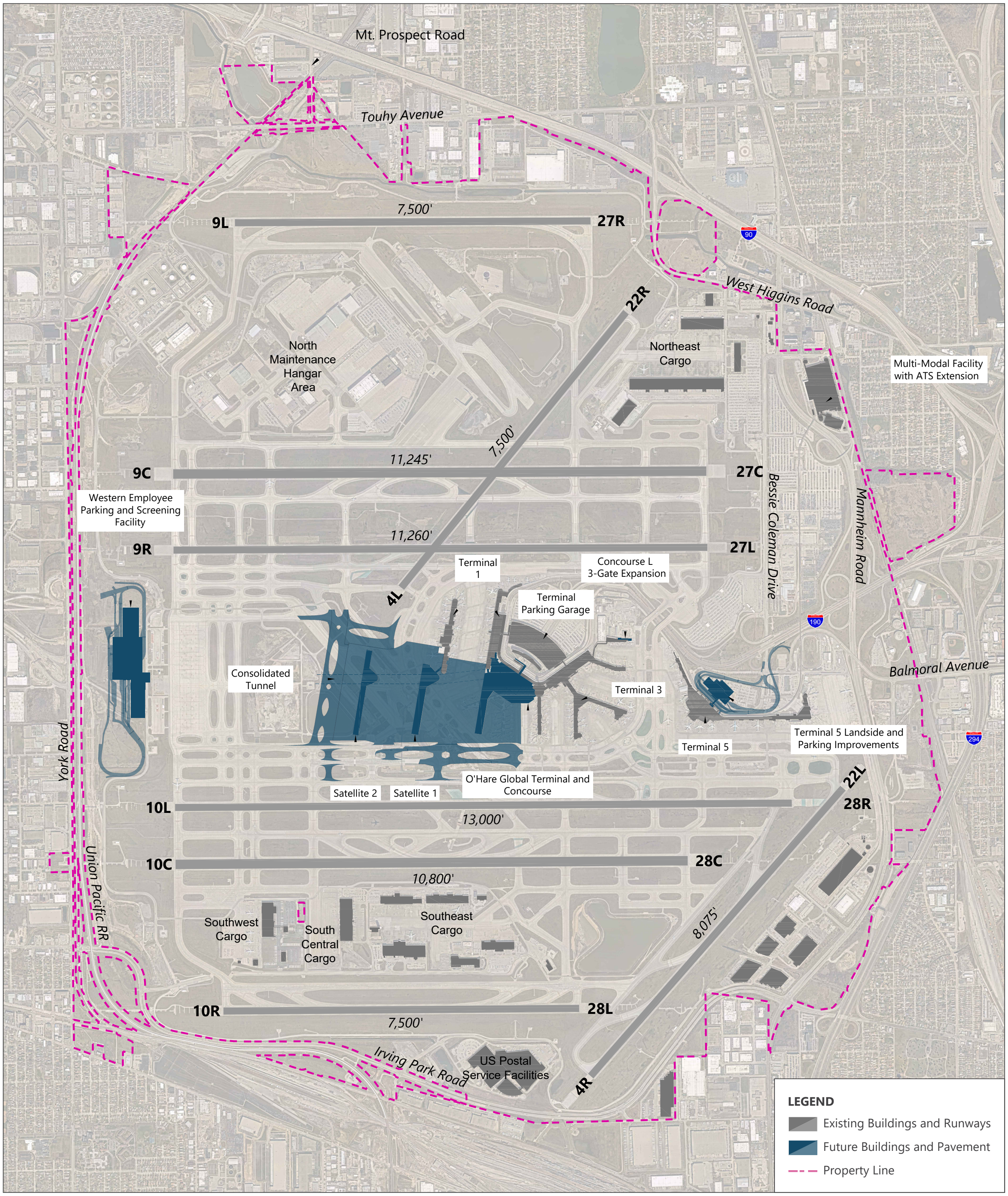
The City has on-going capital programs that address the continuing needs of the Airport facilities and operations. **Exhibit 2-5** shows the future Airport including capital projects.

2.2.1 O'HARE 21

O'Hare 21 is the City's capital program to developed to improve the Airport's connectivity, efficiency, and accommodate future demand, and ensure the success of the Airport into the 21st century. The investments in the Airport through the O'Hare 21 capital program will address aging facilities by replacing O'Hare's oldest terminal that is at the end of its useful life, improve efficiency through new international processing facilities co-located with carrier operations and a new baggage handling system, improve the passenger experience by providing upgraded, modern terminal facilities and enhanced amenities and commercial offering, and efficiently accommodate demand by providing sufficient terminal space and gates to accommodate forecast demand.

Terminal 5 Expansion

The Terminal 5 Expansion broke ground in March 2019 and is being completed in phases throughout 2022 and 2023. The first phase of the Terminal 5 Expansion will be constructed at a cost of approximately $1.34 billion. A second phase of Terminal 5 projects is included in the Terminal Area Plan (TAP) – portions of Terminal 5 and its facilities will be repurposed to accommodate additional domestic activity when a new Federal Inspection Station becomes available at Terminal 2. At approximately 350,000 square feet, the first phase of the Terminal 5 Expansion increased Terminal 5 gate capacity by 25 percent with 10 new gates, passenger amenity space by 75 percent, and premium lounge space by 70 percent; it will also bring the total number of security checkpoint lanes to 13 lanes and improve immigration facilities, as well as renovate existing space. The first permanent gate opened April 2020, two gates opened in March 2022, an additional six gates opened between June 2022 and August 2022, and the remaining gate opened in March 2023. Delta Air Lines (Delta) moved its operations to Terminal 5 from its former location in Terminal 2 in October 2022. The move enables Delta and its SkyTeam alliance partners to consolidate operations within the same terminal. A complete replacement to the Terminal 5 baggage handling system (BHS), which also includes a new checked baggage inspection system, is intended to increase bag throughput capacity and is expected to be complete by the end of 2023.



SOURCES: Chicago Department of Aviation, July 2023; Chicago O'Hare International Airport, *Future Airport Layout Plan*, December 2022; Nearmap, April 7, 2023 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., July 2023.

EXHIBIT 2-5

FUTURE AIRPORT LAYOUT

NORTH 0 3,000 ft

Drawing: P:_PROJECTS\Chicago\20-01-1199\Finance\ORD\2023 Feasibility Report\CFC\CAD\Ex 2-5_Future Airport Layout.dwgLayout: CFC_Ex 2-5_8.5x11P Plotted: Jul 24, 2023, 05:41PM

Terminal 3 Concourse L Three-Gate Extension

The Terminal 3 Concourse L Three-Gate Extension will further extend the existing Concourse L Extension within Terminal 3 to provide approximately 11,000 square feet of additional concourse space and approximately 112,000 square feet of apron and taxilane pavement. The Project will provide three additional aircraft gate positions and corresponding terminal functions, including passenger holdrooms, passenger amenities, and circulation space. Two of the three gates are anticipated to be completed by the end of 2023 with the third gate to open in 2025 following the demolition of a communications building and relocation of related infrastructure serving the Airport.

Terminal Area Plan

A subset of O'Hare 21 is the TAP, which supports long-term development of O'Hare's passenger terminal facilities. Upon completion of TAP, which received airline funding approval in the Airline Use and Lease Agreements (AULA), O'Hare will have 25 percent more gate frontage capacity than it did at the end of 2017. Additionally, TAP will integrate domestic and international terminal operations for connectivity and improve the passenger experience by constructing two satellite terminal facilities and redeveloping existing Terminal 2 into the O'Hare Global Terminal (OGT) and O'Hare Global Concourse (OGC). TAP addresses major long-term needs at O'Hare: providing updated facilities that comply with industry-recommended guidelines; maintaining financial independence and meet financial obligations; minimizing aircraft taxi time for operators and passengers; consolidating/relocating employee parking/screening, goods processing, and commercial vehicle holding away from the terminal core; and retaining operational capacity and avoiding delays with optimum gate utilization. At approximately 2 million square feet, the new OGT and OGC will improve the curb-to-gate travel experience for passengers arriving to O'Hare. The new OGT and OGC will replace the present-day Terminal 2 and will feature: an expanded arrivals hall with more space for concessions, lounges, and public amenities than exists at the airport today; a new Federal Inspection Station to handle international non-precleared arriving flights; an expansion and modernization of the baggage handling system; and advanced new technologies that are anticipated to streamline the security process. This development will allow both American and United, as well as many of their foreign-flag partner airlines, to consolidate domestic operations with international arrivals enhancing operational efficiency and passenger service. National Environmental Policy Act (NEPA) approval on the TAP was received on November 21, 2022, and the CDA has been actively progressing design.

Additional Capital Improvement Program Projects

Capital Improvement Program (CIP) projects address the Airport's ongoing maintenance, repair, and capital needs outside of the aforementioned programs. The AULA included the additional approval of approximately $2.56 billion of project funding (in 2018 dollars). This includes approximately $1.7 billion of Pre-Approved CIP Projects, $600 million of Pre-Approved Allowances and $168 million for infrastructure reliability projects, such as repairs and replacement of existing assets. In addition, through 2022, the CDA has received approval for approximately $467.5 million (in 2018 dollars) of additional projects since the signing of the AULA. Overall, as of July 2023, the CDA has 265 approved CIP projects and, of those, 112 are active or upcoming. Construction on AULA projects, which had previous NEPA approval, began in 2020.

In addition, there are two sites the City has identified for potential hotel development. A proposed Terminal 5 hotel project would construct a new multilevel building on the northwest side of the Airport. A proposed hotel and mixed-use development project adjacent to the MMF would include construction of a new multilevel building complex west of the MMF. It would use approximately 180,000 square feet of land and include a hotel and shell space for mixed-use development, a surface parking lot, access roadway pavement, and detention basins.

2.2.2 ADDITIONAL AIRPORT ACCESS

The CDA works with the Illinois Department of Transportation (IDOT) and the Illinois State Toll Highway Authority (ISTHA) on the planning, design, and construction phasing of surface transportation projects in the vicinity of O'Hare including IDOT's Interstate 190 (I-190) project and ISTHA's Interstate 490 (I-490) project. As part of the AULA, a western facility is anticipated to be the first development on the Airport's western boundary and will interface with the western access roadway system being constructed by the ISTHA.

Illinois Department of Transportation I-190 Corridor Improvements

The IDOT I-190 Corridor Improvements will increase I-190's capacity to and from O'Hare, redesign and modernize interchanges, and replace aging pavement. The Terminal 5 roadway expansion is being coordinated with and integrated into the plans of the IDOT I-190 Corridor Improvements. IDOT anticipates delivering these improvements in a phased manner of multiple years with construction procurements beginning in 2024. On Airport, the improvements include reconfigured roadways at Bessie Coleman Drive and along the Mannheim Road corridor, further improving access to the O'Hare MMF. This expansion program includes coordination among the CDA, IDOT, Chicago Department of Transportation (CDOT), Chicago Transit Authority (CTA), ISTHA, and Chicago Department of Water Management (CDWM), among others.

Illinois State Toll Highway Authority I-490/IL 390 Interchange Project

The ISTHA's I-490 Western Bypass and Interchange with IL 390 will provide western connections and enhanced access via future I-490 for businesses and communities to O'Hare. A new, full-access interchange will connect the new I-490 Tollway to the IL 390 Tollway and provide access to York Road and Irving Park Road, as well as direct western access into and out of O'Hare. This Project is part of a broader package of transportation improvements by the ISTHA on the northwest, west, and southwest sides of O'Hare, called the Elgin–O'Hare Western Access (EOWA) Project, that will relieve congestion and improve connectivity between local businesses, regional highways and major roadways, and on-Airport facilities. Construction work is anticipated to begin in 2023 along O'Hare's northern boundary with a project to grade-separate Touhy Avenue from the Union Pacific Railroad, affecting employee access to O'Hare's airline and aircraft maintenance areas and requiring relocation of a Chicago Police Department K-9 training facility.

3. DEMOGRAPHIC AND ECONOMIC ANALYSIS

The demand for air transportation, and consequently, rental car activity, at an airport is, to a large degree, dependent on the demographic and economic characteristics of the geographical area surrounding the airport (the airport's air trade area). This relationship is particularly true for O&D passenger traffic, which has historically accounted for between approximately 50 and 60 percent of passenger traffic at O'Hare. Potential rental car customers at the Airport primarily consist of visiting passengers whose destination is within the Airport's Air Trade Area (defined in Section 2.1.2 as the Chicago-Naperville-Elgin MSA and the Kankakee MSA). This chapter presents data indicating the Airport's Air Trade Area has an economic base that attracts both business and tourist visitors, which, in turn, positively impacts the demand for both visiting passengers and rental car activity at the Airport. Dollar amounts in this section are in 2021 dollars, unless otherwise noted.

3.1 DEMOGRAPHIC ANALYSIS

3.1.1 POPULATION

With a population of over 9.6 million in 2021, the Air Trade Area is the fourth most populous metropolitan region in the United States (see **Exhibit 3-1**), and it is a major air transportation market.

Population growth is a key factor regarding demand for airline travel. Data in **Table 3-1** show the Air Trade Area's population remained constant between 2011 and 2021. The Air Trade Area's historical compound annual growth rate of population was relatively comparable to that of the Midwest[19] population between 2001 and 2021, but it was somewhat lower than that of the United States—a relationship that is expected to prevail through 2032. The Air Trade Area population projected for the period from 2021 through 2032 reflects a CAGR of 0.14 percent—a rate that is comparable to what is projected for the Midwest (0.18 percent) but somewhat lower than what is projected for the United States (0.62 percent). The projected increase of approximately 144,000 new residents in the Air Trade Area during this period is expected to generate additional demand for airline service at the Airport.

3.1.2 EDUCATION

An indicator of a region's demand for air travel is the level of educational attainment in the region as well as the concentration of higher educational institutions. As shown in **Table 3-2**, 46.9 percent of the Air Trade Area's population over the age of 25 has a post-secondary degree (associate, bachelor's, master's, or doctorate)—a higher percentage than the populations of both the Midwest (40.8 percent) and the United States (42.4 percent). In addition to having a highly educated population, the Air Trade Area is also home to approximately 100 colleges and universities. These schools, which include community colleges and technical schools, have a total enrollment of approximately 700,000 students.[20] These educational institutions generate demand for airline service through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

[19] The Midwest is defined as Illinois, Indiana, Michigan, Ohio, and Wisconsin.

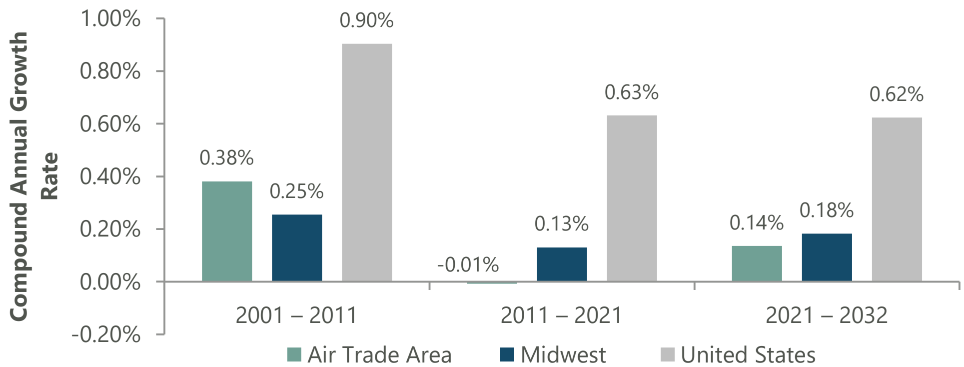
[20] Institute of Education Sciences, National Center for Education Statistics, July 2023.

EXHIBIT 3-1 TEN LARGEST METROPOLITAN REGIONS IN THE UNITED STATES (2021)

NOTE:
CSA – Combined Statistical Area
SOURCES: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023; Esri Basemap Database, 2010.

TABLE 3-1 HISTORICAL AND PROJECTED POPULATION (2001–2032)

	HISTORICAL			PROJECTED
AREA	2001	2011	2021	2032
Air Trade Area	9,274,070	9,633,736	9,626,190	9,770,521
Chicago-Naperville-Elgin MSA [1]	9,169,580	9,520,338	9,519,538	9,662,608
Kankakee MSA [2]	104,490	113,398	106,652	107,913
Midwest [3]	45,401,564	46,570,061	47,181,948	48,134,923
United States	284,968,906	311,786,313	332,031,563	355,532,031



NOTES:
MSA – Metropolitan Statistical Area
2032 data are Woods & Poole Economics, Inc., projections.
1 The Chicago-Naperville-Elgin MSA comprises the following counties: Cook (IL), DeKalb (IL), DuPage (IL), Grundy (IL), Kane (IL), Kendall (IL), Lake (IL), McHenry (IL), Will (IL), Jasper (IN), Lake (IN), Newton (IN), Porter (IN), and Kenosha (WI).
2 The Kankakee MSA comprises Kankakee County (IL).
3 The Midwest is defined as Illinois, Indiana, Michigan, Ohio, and Wisconsin.
SOURCE: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023.

TABLE 3-2 EDUCATIONAL ATTAINMENT (2021)

EDUCATIONAL ATTAINMENT	AIR TRADE AREA	MIDWEST	UNITED STATES
Population 25 Years and Over	**7,525,407**	**32,542,909**	**228,770,330**
By Highest Level Achieved			
Less than 9th Grade	5.2%	3.3%	4.8%
9th–12th Grade, No Diploma	5.3%	5.8%	6.3%
High School Graduate (includes GED/Alternative Credential)	23.5%	29.5%	26.5%
Some College, No Degree	19.0%	20.6%	20.0%
Post-Secondary Degree	46.9%	40.8%	42.4%
Associate Degree	7.4%	9.2%	8.7%
Bachelor's Degree	23.7%	19.5%	20.6%
Master's Degree or Doctorate	15.8%	12.1%	13.1%
Total[1]	**100.0%**	**100.0%**	**100.0%**

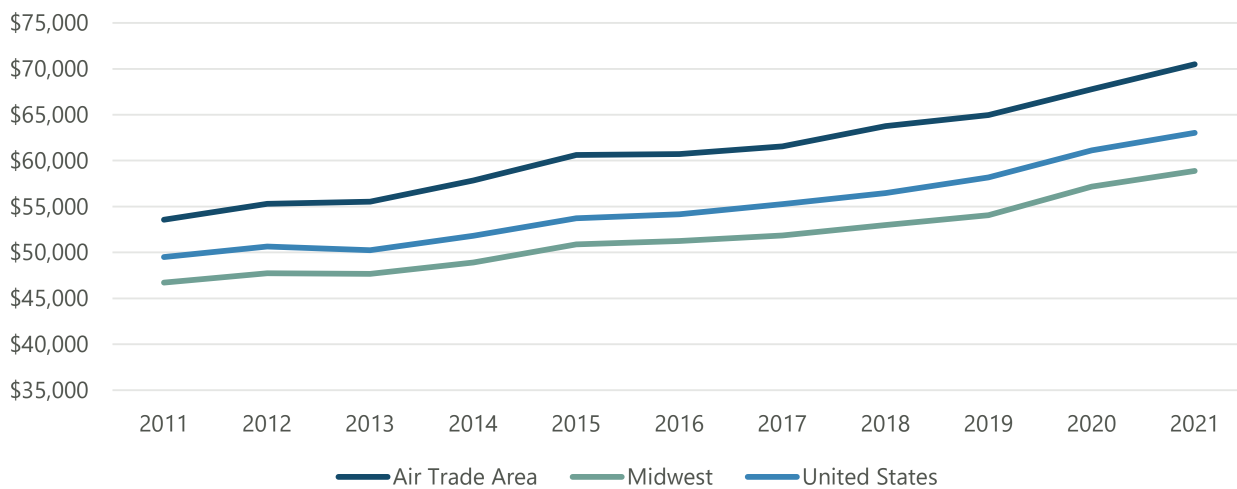
NOTES:
GED – General Educational Development
1 Sums may not total to 100.0 percent due to rounding.
SOURCES: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023; US Census Bureau, Data Table S1501 – Educational Attainment, July 2023 (metropolitan statical areas, states, and the United States).

3.1.3 PER CAPITA PERSONAL INCOME

Another indicator of a region's demand for airline travel is per capita personal income.[21] Per capita personal income indicates the relative affluence of a region's residents. It can also be an indicator of an area's attractiveness to business and leisure travelers. Regions with higher per capita personal income often have stronger business connections to the rest of the nation, as well as a more developed market for tourism. **Exhibit 3-2** presents historical per capita personal income for 2011 through 2021 for the Air Trade Area, the Midwest, and the United States. As shown, between 2011 and 2021, per capita personal income in the Air Trade Area was higher than that of the Midwest and the United States. Per capita personal income for the Air Trade Area increased at a CAGR of 2.8 percent between 2011 and 2021, which is higher than the rate in both the Midwest (2.3 percent) and the United States (2.4 percent) during the same period.

Exhibit 3-2 also shows that projected per capita personal income in the Air Trade Area is expected to increase at a CAGR of 1.4 percent. This results in an increase from $70,495 personal income per capita in 2021 to $82,054 in 2032. The projected growth rate for per capita personal income in the Air Trade Area (1.4 percent) is higher than that of the Midwest (1.2 percent) and the United States (1.3 percent) between 2021 and 2032.

EXHIBIT 3-2 PER CAPITA PERSONAL INCOME (2011–2021)



ANNUAL PER CAPITA PERSONAL INCOME GROWTH	AIR TRADE AREA	MIDWEST	UNITED STATES
2011–2021	2.8%	2.3%	2.4%
2021–2032 (Projected)	1.4%	1.2%	1.3%

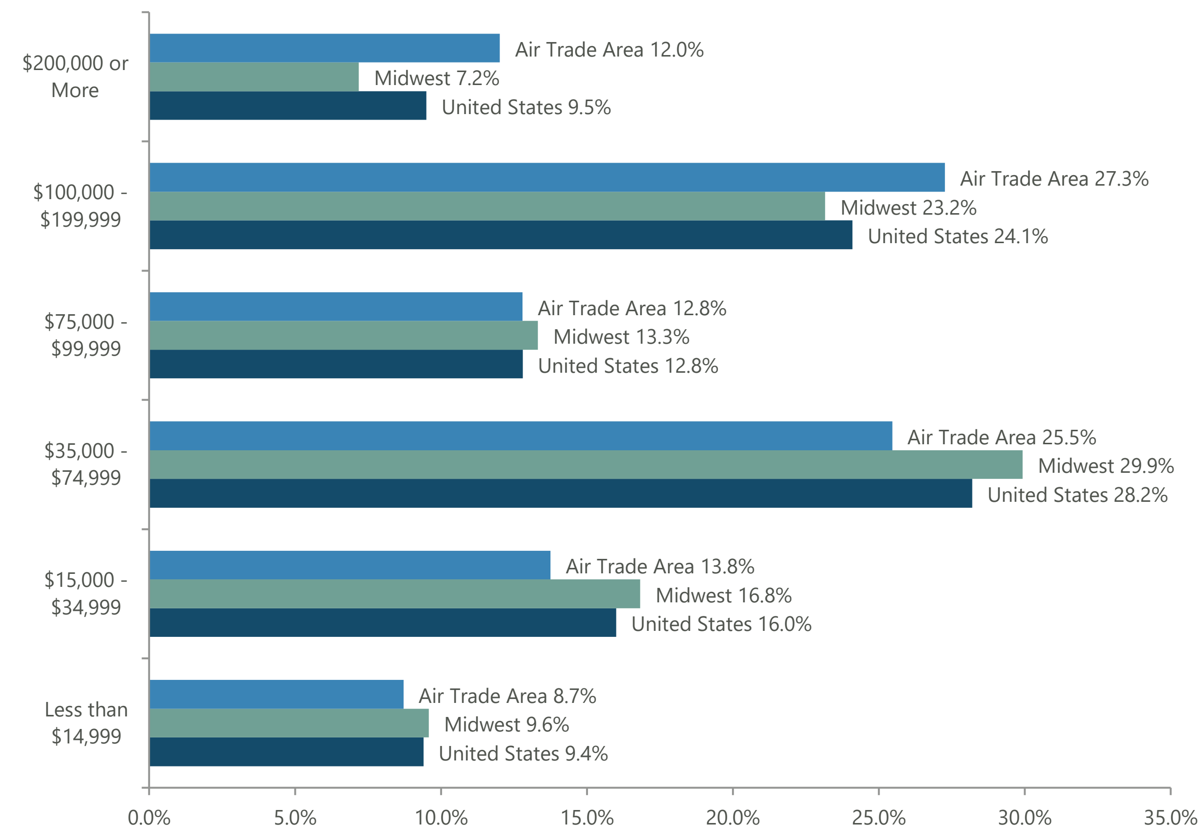
NOTES:
Amounts are in 2021 dollars.
2032 data are Woods & Poole Economics, Inc., projections.
SOURCE: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023.

[21] Per capita personal income is the sum of wages and salaries, other labor income, proprietors' income, rental income, dividend income, personal interest income, and transfer payments, less personal contributions for government social insurance, divided by the region's population.

3.1.4 HOUSEHOLD INCOME DISTRIBUTION AND MEDIAN HOUSEHOLD INCOME

The Air Trade Area's 2021 median household income was $78,604, approximately 19.7 percent higher than that of the Midwest ($65,661) and 13.9 percent higher than that of the United States ($69,021). **Exhibit 3-3** shows the distribution of households among the income categories for the Air Trade Area, the Midwest, and the United States in 2021.

EXHIBIT 3-3 HOUSEHOLD INCOME DISTRIBUTION (2021)



NOTES:
Amounts are in 2021 dollars.
2021 is the latest year with household income distribution data available.
SOURCE: US Census Bureau, Data Table S1901 – Income in the Past 12 Months (in 2021 Inflation-Adjusted Dollars), July 2023 (metropolitan statistical areas, states, and the United States).

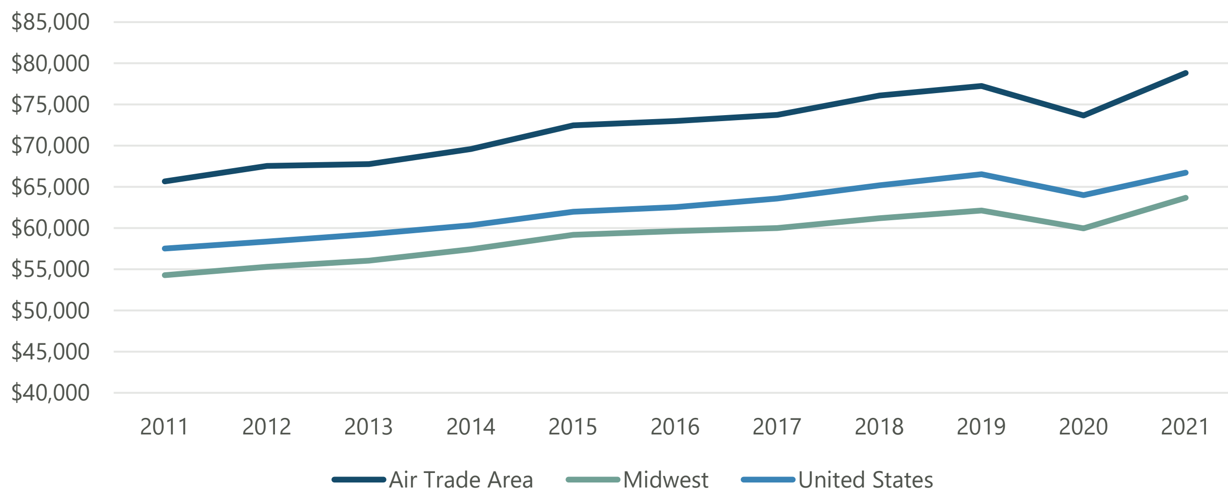
3.2 ECONOMIC ANALYSIS

3.2.1 PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCT

Per capita gross domestic product (GDP; US-level data) and per capita gross regional product (GRP; state- and county-level data) are measures of the market value of all final goods and services produced within a defined geographic area, divided by the total population of the area. These indicators are broad measures of the economic health of an area and, consequently, of the area's potential demand for visitorship by way of airline travel.

Exhibit 3-4 presents historical per capita GRP data for the Air Trade Area and the Midwest, as well as per capita GDP data for the United States, for 2011 through 2021. The Air Trade Area's per capita GRP increased from $65,666 in 2011 to $78,824 in 2021. Per capita GRP for the Air Trade Area increased at a CAGR of 1.8 percent between 2011 and 2021, which is slightly higher than the CAGRs for the Midwest (1.6 percent) and for the United States (1.5 percent) during the same period. The CAGRs for the 2011 to 2021 period were impacted by the COVID-19 pandemic. There was a 4.6 percent decline in the Air Trade Area's per capita GRP in 2020 due to the COVID-19 pandemic followed by a 7.0 percent increase between 2020 to 2021 as the economy started to recover from the COVID-19 pandemic.

EXHIBIT 3-4 PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCT (2011–2021)



ANNUAL PER CAPITA GDP/GRP GROWTH	AIR TRADE AREA	MIDWEST	UNITED STATES
2011–2021	1.8%	1.6%	1.5%
2021–2032 (Projected)	1.8%	1.5%	1.5%

NOTES:
GDP – Gross Domestic Product
GRP – Gross Regional Product
Amounts are in 2021 dollars.
2032 data are Woods & Poole Economics, Inc., projections.
SOURCE: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023.

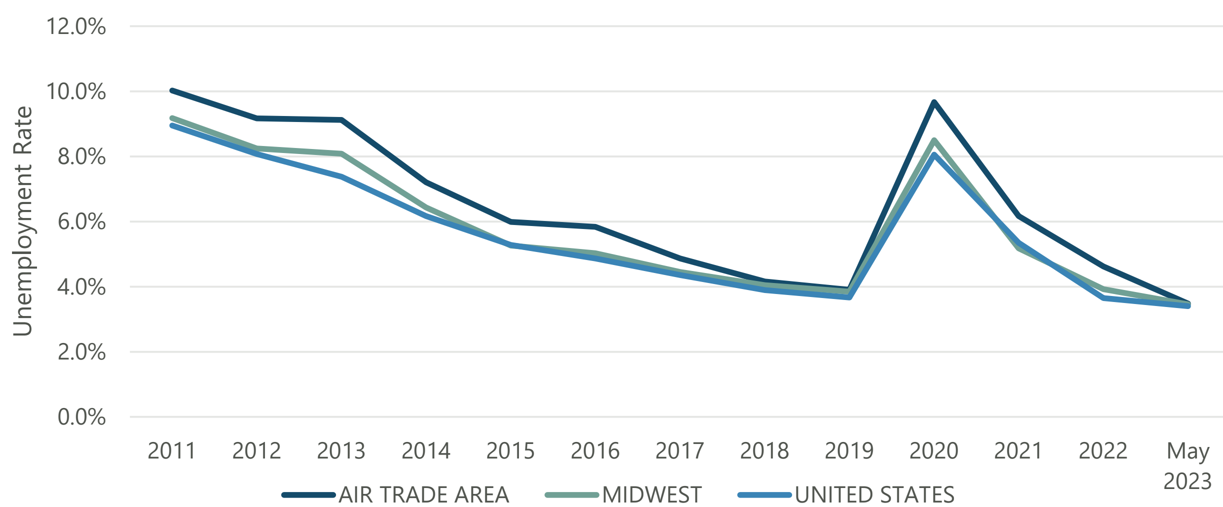
Per capita GRP for the Air Trade Area is projected by Woods & Poole to increase from $78,824 in 2021 to $95,839 in 2032. This increase represents a CAGR of 1.8 percent for the Air Trade Area, which is slightly higher than the 1.5 percent CAGRs of the Midwest and the United States over the same period.

3.2.2 EMPLOYMENT TRENDS

According to US Department of Labor, Bureau of Labor Statistics data, between 2011 and 2019, the Air Trade Area and Midwest labor forces both increased by 0.3 percent. The United States experienced labor force growth of 0.8 percent during the same period. The Air Trade Area's civilian labor force declined by 2.8 percent in 2020 as a result of the COVID-19 pandemic, higher than the decline in the civilian labor force of the Midwest and the United States in 2020 (by 2.1 percent and 1.7 percent, respectively), as workers left the labor force due to childcare duties, fear of getting COVID-19 in the workplace, and other reasons related to the COVID-19 pandemic. Calendar year 2021 saw marginal recovery in the labor force in the Air Trade Area and the United States, but not yet the Midwest. By 2022, all three regions' labor forces were increasing, and this recovery trend continued through May 2023 for the Midwest and the United States; however, the May 2023 labor force of the Air Trade Area was slightly lower than its 2022 level.

Exhibit 3-5 shows the annual unemployment rate in the Air Trade Area was higher than that of the Midwest and the United States in all years from 2011 through May 2023.

EXHIBIT 3-5 UNEMPLOYMENT RATE (2011 – MAY 2023)



NOTE:
May 2023 data are preliminary.
SOURCE: US Department of Labor, Bureau of Labor Statistics, July 2023.

The unemployment rates in the Air Trade Area, the Midwest and the United States increased dramatically in 2020 due to the COVID-19 pandemic, and subsequently started to decline as the economy began to recover. In calendar year 2021, the unemployment rate in the Air Trade Area was 6.2 percent; this was higher than the 5.2 percent unemployment rate in the Midwest and the 5.3 percent rate in the United States. Unemployment rates continued to decline in calendar year 2022, with the Air Trade Area unemployment rate remaining higher than the unemployment rates in the Midwest and the United States. By May 2023, all three regions' unemployment rates were nearly equivalent and below their pre-COVID-19 pandemic 2019 levels.

3.2.3 BUSINESS CLIMATE

The Chicago metropolitan area is the largest inland region in the United States with a global reach; in 2022, if it were measured as a country, it would be the 22nd largest economy in the world.[22] Oxford Economics characterizes the economy as large and diversified, with strong global transit links, and a low cost of living relative to other large US cities.[23] World Business Chicago (WBC), a nonprofit economic development partnership, works with companies and economic development partners to attract, retain, and create new businesses in the Air Trade Area. WBC also

[22] World Business Chicago, "January 2023 Chicago Business Bulletin: High-growth industries in Chicagoland," https://worldbusinesschicago.com/app/uploads/2023/01/High-Growth-Industries-in-Chicagoland.pdf (accessed July 8, 2023).

[23] Oxford Economics, *Metro Economic Forecast – Chicago*, December 2021.

reports on Chicago's innovation and economic resilience. WBC reports over twenty unicorns (privately held startup companies with a valuation of $1 billion or more) headquartered in Chicago and characterizes the area as one of the most diversified economies in the United States.[24] WBC also reports that Chicago technology companies received over $9.7 billion of investment[25] in 2021 (most recent data available), including $7.0 billion of venture capital which was more than double of what was raised in 2020.[26] 180 businesses relocated, expanded, or entered the market with locations within the City in 2022, and 84.6 percent of businesses renewed their business licenses.[27] Given the Air Trade Area's highly diversified economy, WBC is strategically focusing on six high-growth areas, including Life Sciences; Transportation, Distribution, and Logistics (TD&L) & Logistics Tech; Manufacturing; Food Manufacturing & Innovation; Finance & Fintech; and Business & Professional Services, to spur both full economic recovery from the COVID-19 pandemic and continued growth.[28]

In 2022 Chicago was named "#1 U.S. Metro for Corporate relocations and expansions" by *Site Selection* magazine for the ninth year in a row.[29] According to Choose Chicago, the official marketing organization for Chicago, the number of business visitors to the Chicago metropolitan area increased from 11.8 million in 2016 to 12.8 million in 2019, the last full year of visitors prior to the COVID-19 pandemic.[30] F*Di Magazine* named Chicago in the top five cities in its biennial Americas Cities of the Future list in 2021 (most current ranking available).[31] In addition, Chicago ranked second in the Americas in the human capital and lifestyle category. The *fDi Magazine* ranking highlights the more than 100 projects that the city attracted in 2020 as well as the European and Asian companies that grew their presence in Chicago in 2020. These include opening or expansion of office space, retail businesses, manufacturing, and research facilities. Chicago-related decisions include the Kellogg Company announcing Chicago as the global headquarters of its $11.4 billion snack division, the relocation of 250 of Kimberly-Clark Corporation's employees, the opening of a Discover Financial Services call center in Chicago's southside, and Google announcing its purchase and occupancy of the Thompson Center, a 1.2 million-square-foot former State of Illinois building located in the Loop.[32,33] While the Boeing Company, Caterpillar Inc., and the hedge fund Citadel have announced the move of their headquarters from the Air Trade Area to other locations, most or a significant number of employees will remain in the Air Trade Area.[34] Chicago is well-positioned to establish partnerships with companies abroad as it is the home

[24] World Business Chicago, "Chicago's Business Climate," https://worldbusinesschicago.com/why-chicago-innovation/ (accessed July 7, 2023).

[25] World Business Chicago, "Chicago is a global innovation hub," https://worldbusinesschicago.com/why-chicago-innovation/ (accessed July 7, 2023).

[26] Ibid.

[27] World Business Chicago, "Chicago Business Bulletin: Year in Review – A look back at Chicago's business trends in 2022," https://worldbusinesschicago.com/app/uploads/2023/02/WBCResearch-Center_Year_In_Review_2023.pdf (accessed July 7, 2023).

[28] World Business Chicago, "January 2023 Chicago Business Bulletin: High-growth industries in Chicagoland," https://worldbusinesschicago.com/app/uploads/2023/01/High-Growth-Industries-in-Chicagoland.pdf (accessed July 8, 2023).

[29] World Business Chicago, "100 Reasons," https://worldbusinesschicago.com/100-reasons/ (accessed July 8, 2023).

[30] Choose Chicago, *Chicago Tourism Performance*, September 21, 2021.

[31] fDi Intelligence, "Americas Cities of the Future 2021/2022 – FDI Strategy," https://www.fdiintelligence.com/article/79913 (accessed July 8, 2023).

[32] CBS News Chicago, "Kellogg to split into three companies, with snack division headquarters in Chicago, " https://www.cbsnews.com/chicago/news/kellogg-to-split-into-three-companies-with-snack-division-headquarters-in-chicago/ (accessed July 8, 2023).

[33] Newmark, "Chicago's Industry Diversity Makes the City an Economic Powerhouse , " https://www.nmrk.com/insights/thought-leadership/chicagos-industry-diversity-makes-the-city-an-economic-powerhouse (accessed July 7, 2023).

[34] Bloomberg, "Chicago Faces Deep-Seated Ills in Shadow of Citadel-Boeing Defections," https://www.bloomberg.com/news/articles/2022-09-14/boeing-citadel-left-chicago-here-s-what-it-means-for-the-city (accessed July 8, 2023).

of more than 80 consulates and honorary consulates.[35] It also has more than 100 international/ethnic chambers of commerce and international trade-based organizations and 1,800 foreign-based companies representing over $140 billion in foreign direct investment.[36] According to IBM's 2020 Global Locations Trends report (most current report available), for the eighth year in a row Chicago was the top North American metro and ranked sixth globally in foreign direct investment projects.[37]

3.2.4 MAJOR EMPLOYERS AND FORTUNE 500 HEADQUARTERS

Table 3-3 lists the 25 largest employers in the Air Trade Area.[38] In addition to providing an important source of local employment, the private sector employers, which comprise over half of the list in Table 3-3, depend on airline passenger and freight services for the continued health and expansion of their enterprises. The Airport's role as an international passenger and air cargo hub makes it an important resource for employers in the Air Trade Area, whose ventures are supported by the arrival of business travelers and, by extension, rental car customers.

Major employers in the Air Trade Area represent a wide range of industries: health care (Advocate Aurora Health, Northwestern Memorial Healthcare); airline companies (United Airline Holdings, Inc., American Airlines Group Inc.); higher education (University of Chicago, Northwestern University, University of Illinois at Chicago); financial services (JPMorgan Chase & Co.); pharmaceuticals (AbbVie); insurance (Allstate); telecommunications (AT&T Inc.); and retail (Amazon.com, Inc., Walgreens Boots Alliance, Inc., Walmart Inc.).

Each year *Fortune* magazine ranks the top 500 US public companies in terms of annual revenue. According to the 2023 rankings, the Air Trade Area has the second-highest number of Fortune 500 company headquarters in the nation, after the New York City metropolitan area. Table 3-3 includes the rankings of the 2023 Fortune 500 companies with headquarters in the Air Trade Area. Corporations headquartered in the Air Trade Area include Walgreens Boots Alliance, Inc. (ranked 27th among the Fortune 500), Archer Daniels Midland (ranked 35th), Boeing (ranked 58th),[39] AbbVie (ranked 73rd), Allstate (ranked 84th), Caterpillar (ranked 68th),[40] Abbott Laboratories (ranked 99th), and Exelon (ranked 218th). In 2023, the Air Trade Area's 31 Fortune 500 headquarters represent approximately 94 percent of the 33 Fortune 500 headquarters in Illinois and approximately 34 percent of the 90 Fortune 500 headquarters in the Midwest.

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[35] Chicagoland, "The Chicagoland Chamber of Commerce," https://www.chicagolandchamber.org/statements-releases/rahm-emanuel-ambassador-japan/ (accessed July 8, 2023).

[36] Ibid

[37] World Business Chicago, "Chicago #1 City in North America for Foreign Direct Investment," http://www.worldbusinesschicago.com/chicago-1-city-in-north-america-for-foreign-direct-investment (accessed July 8, 2023).

[38] The list in Table 3-3 includes employers in Cook, DuPage, Kane, Lake, McHenry, and Will Counties. These six counties comprised more than 90 percent of total employment in the Air Trade Area in 2021.

[39] Boeing announced on May 5, 2022, that it is planning to relocate its global headquarters from Chicago to Arlington, Virginia. However, they will maintain a significant employment presence in the Air Trade Area.

[40] Caterpillar announced on June 14, 2022, that it will relocate its headquarters from Deerfield to Irving, Texas later in 2022. However, this will only affect up to 230 jobs at the Deerfield office and the vast majority of Caterpillar's Illinois employees will remain.

TABLE 3-3 LARGEST EMPLOYERS IN THE AIR TRADE AREA (2023)

COMPANY [1, 2]	NUMBER OF FULL-TIME LOCAL EMPLOYEES	INDUSTRY
US Government	52,315	Government
Chicago Public Schools	41,469	Education
City of Chicago	30,216	Government
Amazon.com Inc. (#2)	28,994	Tech and telecom
Advocate Aurora Health	26,841	Health care
Northwestern Memorial HealthCare	24,120	Health care
University of Chicago	21,618	Education
Cook County	19,263	Government
Walmart Inc. (#1)	17,900	Retail
Walgreens Boots Alliance Inc. (#27)	16,734	Retail
United Airlines Holdings Inc. (#96)	15,565	Logistics and transportation
JPMorgan Chase & Co. (#23)	14,293	Financial Services
NorthShore – Edward-Elmhurst Health	14,216	Health care
State of Illinois	13,317	Government
Jewel-Osco	11,436	Retail
Northwestern University	11,193	Education
Ascension Illinois	10,512	Health care
University of Illinois Chicago	10,313	Education
Rush University Medical Center	10,177	Health care
American Airlines Group Inc.	10,000	Logistics and transportation
AbbVie Inc. (#73)	9,300	Health care
Chicago Transit Authority	9,230	Logistics and transportation
Abbott Laboratories (#99)	8,500	Health care
Employco USA Inc.	8,269	Human Resources Services
AT&T Inc. (#30)	7,700	Tech and telecom

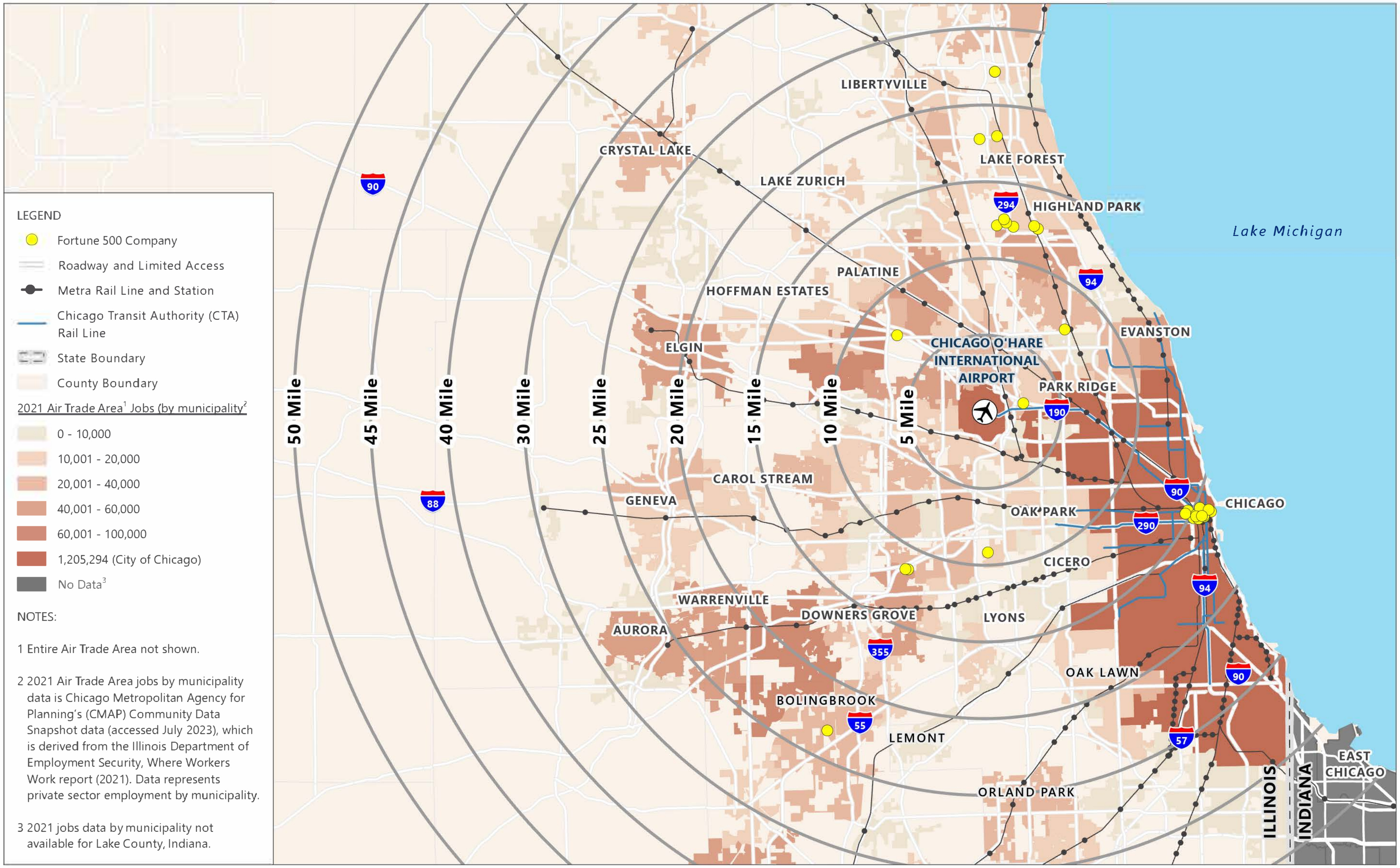
NOTES:
1 Represents employers with the most full-time employees in Cook, DuPage, Kane, Lake, McHenry, and Will Counties.
2 (#) indicates 2023 Fortune 500 ranking.
SOURCES: Crain's Chicago Business, "Chicago's Largest Employers," https://www.chicagobusiness.com/businessdata/46/largest-employers (accessed July 10, 2023); Fortune, "2023 Fortune 500," https://fortune.com/fortune500/2023/search (accessed July 10, 2023).

Exhibit 3-6 illustrates the Fortune 500 companies headquartered in the Air Trade Area, as well as job concentration.[41] The locations of the Fortune 500 headquarters and the concentrations of jobs are dispersed throughout the Air Trade Area. This provides a strong basis for rental car demand, including demand from those visitors arriving through O'Hare. Travelers need to access relatively dispersed job centers outside of downtown Chicago. The dispersed job centers, with limited alternative transportation options that are efficient or cost effective, aid in the resiliency of visitor rental car demand.

3.2.5 MAJOR INDUSTRY SECTORS

Exhibit 3-7 presents data for nonagricultural employment by major industry sector, which indicates the sources of jobs in the Air Trade Area's economy. This exhibit compares employment by industry in the Air Trade Area to data for the Midwest and the United States in 2022.

[41] Exhibit 3-6 includes only those counties within the Air Trade Area in which Fortune 500 companies are located. See Exhibit 3-1 for a map of the entire (15-county) Air Trade Area.



SOURCES: Esri Data, 2010 (great lakes, airport); US Census, 2021 (roads, counties, states); Chicago Data Portal, 2015 (Illinois municipalities, CTA rail lines, Metra lines and stops); Indiana Geographic Information Office, 2021 (Indiana municipalities); Chicago Metropolitan Agency for Planning (CMAP), 2021 (Illinois jobs); Fortune, "*Fortune 500*," 2023 (Fortune 500 companies).

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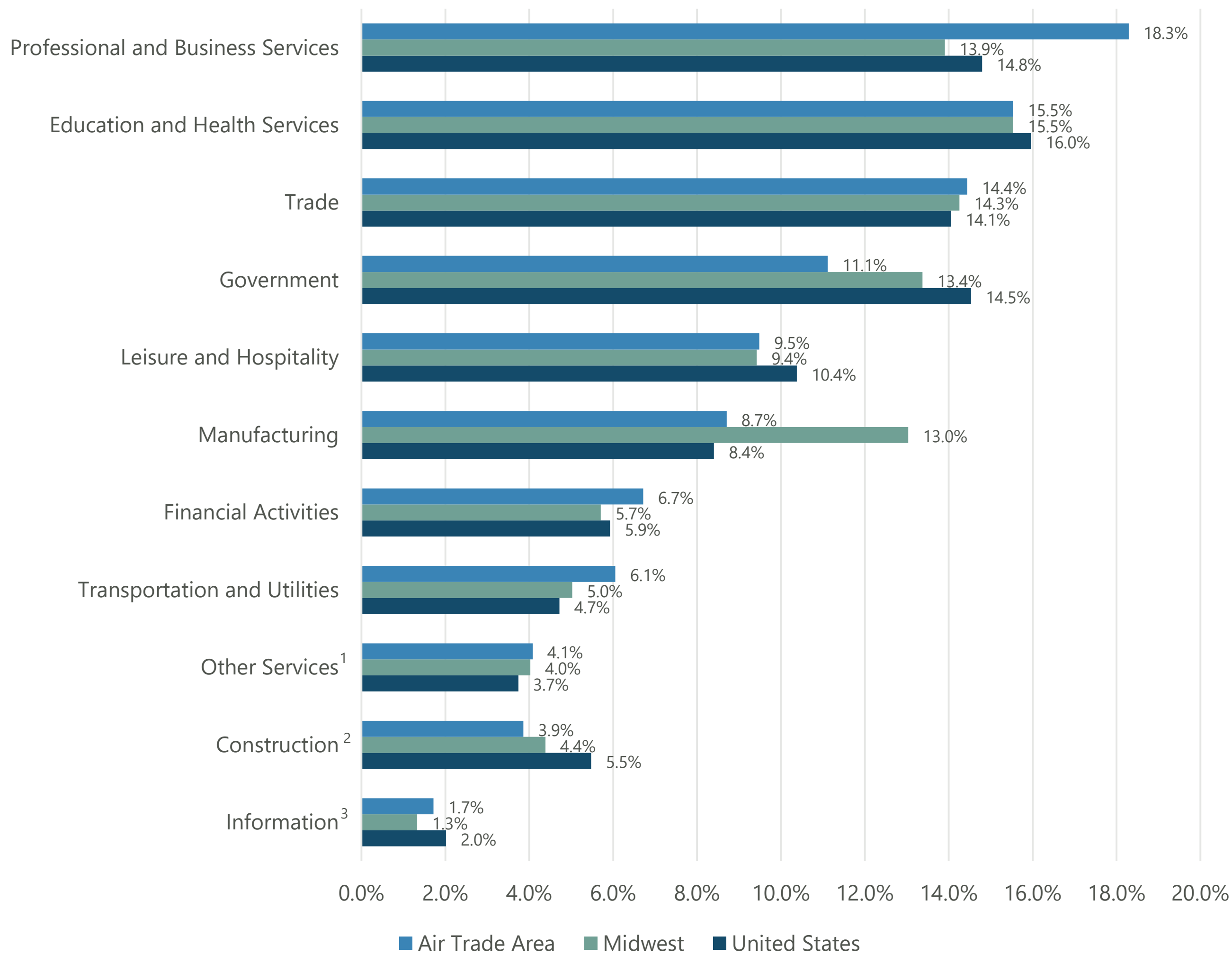
EXHIBIT 3-6

FORTUNE 500 COMPANIES HEADQUARTERS IN AIR TRADE AREA

EXHIBIT 3-7 JOBS BY MAJOR INDUSTRY SECTORS (2022)



	AIR TRADE AREA	MIDWEST	UNITED STATES
2021 Jobs	6,054,579	27,893,884	201,142,594
2032 Jobs (Projected)[4]	7,068,483	31,471,336	237,718,844
CAGR 2021–2032	1.4%	1.1%	1.5%

NOTES:
2022 jobs by industry sector data in chart above sourced from the US Department of Labor, Bureau of Labor Statistics and is most current data available. Because Woods & Poole's 2032 total jobs projections are based on 2021 jobs data, 2021 jobs (as reported by Woods & Poole) are displayed in the table above and the 2021-2032 CAGR are shown.
CAGR – Compound Annual Growth Rate
1 The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.
2 Includes mining and logging employment.
3 The information sector includes communications, publishing, motion picture and sound recording, and online services.
4 2032 data are Woods & Poole Economics, Inc., projections.
SOURCES: Woods & Poole Economics Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023; US Department of Labor, Bureau of Labor Statistics, July 2023.

The Air Trade Area had greater percentages of employment in the professional and business services, trade, financial, transportation/utilities, and other services sectors compared with the Midwest and the United States in 2022. Government, and construction jobs in the Air Trade Area accounted for lower shares of employment in 2022 compared with the Midwest and the United States. The percentage of education and health services jobs in the Air Trade Area is identical with the Midwest but lower than the United States in 2022. The percentage of manufacturing jobs in the Air Trade Area was lower compared with that of the Midwest but higher compared with that of the United States in 2022. The percentage of information jobs in the Air Trade Area was higher compared with that of the Midwest but lower compared with that of the United States in 2022.

Data on Exhibit 3-7 indicate the Air Trade Area has a diversified employment base that is expected to provide the region with a stable foundation to withstand periodic downturns in the business cycle. Data on Exhibit 3-7 also show strong jobs growth in the projected number of jobs in 2032. Jobs growth in the Air Trade Area is 1.4 percent, whereas growth in the Midwest and United States are 1.1 percent and 1.5 percent, respectively.

3.2.6 AIR TRADE AREA TOURISM INDUSTRY

Approximately 60.8 million people traveled to the Chicago metropolitan area in 2019, representing a 4.3 percent increase over the visitor level in 2018 (58.3 million). [42] The Chicago metropolitan area was one of only three US cities to receive more than 60.0 million visitors annually.[43] Between 2014 and 2019, the number of visitors to the Chicago metropolitan area increased by 21.6 percent. In 2019 the Chicago metropolitan area's visitors generated an estimated $16.5 billion in direct spending and $1.1 billion in total tax revenue.[44] While there was a large decline in annual visitors in 2020 (16.3 million), annual visitors increased in 2021 (30.52 million) and visitorship is expected to continue to rebound as the effects of the COVID-19 pandemic wane. While 2022 visitorship data for the Chicago metropolitan area is not available at the time of this report (July 2023), 2022 hotel data available shows an 82 percent recovery in demand for Chicago hotel rooms from 2019 levels.[45]

Chicago and its surrounding region host a variety of cultural institutions, including art museums, science museums, performing arts facilities (symphony, opera, theater), and comedy venues. Other visitor attractions include two zoos (Lincoln Park and Brookfield), an aquarium, architecture attractions, and Millennium Park. Major professional sports teams based in the Air Trade Area include football, basketball, hockey, baseball, and soccer. The region's wide array of cultural choices and entertainment options is an important factor supporting repeat visitation. The ability to see attractions or undertake activities that were missed on a previous visit is a factor in a visitor's intent to return to a travel destination.

Numerous travel magazines, such as *Travel + Leisure*, *Condé Nast Traveler*, *Lonely Planet*, *Time Out*, and *Bon Appétit*, regularly name Chicago a top travel destination. *Condé Nast Traveler* named Chicago the top big city to visit for the sixth straight year in 2022.[46] Chicago and its surrounding region have also been cited as a top location for commerce,

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[42] Choose Chicago, *Chicago Tourism Performance*, September 21, 2021.

[43] The two other cities were Orlando (76 million) and New York (67 million). Visit Orlando, "Travel to Orlando," https://visitorlando.widen.net/s/hrmrzsb5dq/vo-2021-orlando-visitor-volume-2020 (accessed July 11, 2023); Office of New York State Comptroller, "The Tourism Industry in New York City: Reigniting the Return," https://www.osc.state.ny.us/files/reports/osdc/pdf/report-2-2022.pdf (accessed July 11, 2023).

[44] Choose Chicago, *Annual Report 2019*, https://indd.adobe.com/view/8075d811-944e-469f-a44e-42651d5136ef (accessed July 11, 2023).

[45] Choose Chicago, *2022 Hotel Performance*, https://cdn.choosechicago.com/uploads/2023/01/Hotel-Performance-2022.pdf (accessed July 11, 2023).

[46] Conde Nast Traveler, "The Best Cities in the US: 2022 Readers' Choice Awards," https://www.cntraveler.com/gallery/best-cities-us (accessed July 11, 2023).

sporting events, and cultural attractions by *Forbes, Business Traveler*, *Site Selection*, *U.S. News & World Report*, *Fodor's Travel*, *Bicycling, Michelin Guide*, WalkScore.com, TripAdvisor.com, and *American Style*. In 2022, *U.S. News & World Report* rated Chicago the best weekend getaway in the Midwest and ranked the city in the top 20 best places to visit in the United States.[47]

3.2.6.1 CONVENTION FACILITIES, TOURISM MARKETING, AND SPECIAL EVENTS

Chicago ranks in the top three destinations in the United States for conventions.[48] Containing 2.6 million square feet of exhibit space, McCormick Place is the Air Trade Area's primary meeting and exhibition venue, and the largest convention center in North America.[49] With four separate buildings connected by concourses and sky bridges, McCormick Place is designed to be flexible in accommodating a range of events, and it can host two conventions simultaneously. Prior to COVID-19, McCormick Place saw about 3 million visitors annually.[50] The Chicago Auto Show, which returned to its full pre-COVID-19 capacity in 2022, is one of the largest conventions McCormick Place hosts on an annual basis, and regularly surpasses 30,000 daily attendees on a typical weekend day.[51] In addition to McCormick Place, there are smaller convention centers in the Air Trade Area, including in Rosemont, Schaumburg, and Tinley Park; all of which resumed their convention activity at their full pre-COVID-19 capacity.

According to data reported by Choose Chicago, Chicago has more than 140 hotels and 45,000 rooms in its central business district and had an occupancy rate of nearly 75 percent in 2019. The city as a whole added 37 new hotels and more than 8,100 rooms in the 5 years leading up to the start of the COVID-19 pandemic, a 22 percent increase. The supply of hotel rooms, as well as consumer demand, dropped drastically in 2020 as hotels temporarily paused operations and consumers halted travel amid the COVID-19 pandemic, with demand improving in 2021 and 2022. Hotel occupancy rates are expected to continue to rebound post–COVID-19 pandemic.[52]

Choose Chicago is undertaking a national and international marketing effort. A media campaign, "Tourism & Hospitality Forward," launched in 2020, which focuses on accelerating and spurring Chicago's tourism industry as the area embarks on its post–COVID-19 pandemic economic recovery. Within the recovery campaign there is a four-part pledge, which includes commitments to socially responsible planning, dedicated and strategic engagement, authentic and inclusive excellence, and Chicago advocacy.[53]

In addition, Chicago hosts national events, such as the James Beard Foundation Awards, an internationally renowned culinary award event that moved its venue to Chicago in 2015 after 25 years in New York. Chicago will continue to be the event's host city through 2027. Grant Park 220, a National Association for Stock Car Auto Racing, LLC (NASCAR) Cup Series race, and Lollapalooza, a music festival also have multi-year commitments with Chicago.

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[47] U.S. News and World Report, "Chicago Travel Guide," https://travel.usnews.com/Chicago_IL (accessed July 11, 2023).

[48] Statista, "Leading city destinations for conventions in the United States in 2022 ," https://www.statista.com/statistics/1068272/conventions-cities-united-states/ (accessed July 11, 2023).

[49] McCormick Place, https://www.mccormickplace.com (accessed July 11, 2023).

[50] McCormick Place, https://www.mccormickplace.com/about (accessed July 11, 2023).

[51] Channick, Robert, "Chicago Auto Show opens as city tourism begins long road to recovery," https://www.chicagotribune.com/business/ct-biz-chicago-auto-show-summer-edition-mccormick-place-20210714-xzwu3g3xcbf4rpuh7ergypgriu-story.html (accessed July 11, 2023).

[52] Choose Chicago, *Chicago Tourism Performance*, July, 2023.

[53] Choose Chicago, "Choose Chicago Announces Tourism & Hospitality Forward to Responsibly Welcome Visitors Back to Chicago," https://www.choosechicago.com/press-media/press-releases/choose-chicago-announces-tourism-hospitality-forward-to-responsibly-welcome-visitors-back-to-chicago (accessed July 11, 2023).

3.2.6.2 OVERSEAS VISITORS

Table 3-4 shows that nearly 1.05 million travelers from overseas (excluding Canada and Mexico) selected Chicago as their destination city in 2022. Chicago was the 7th most popular US destination for overseas travelers in 2022, ranking ahead of other major cities such as Seattle, Houston, Atlanta, Boston, and Dallas. While there was a large decline in annual overseas visitors in 2020 (255,803) and 2021 (359,783) due to the COVID-19 pandemic, international visitorship began to rebound in 2022 and is expected to continue to rebound as the effects of the COVID-19 pandemic wane. While this recovery trend will continue, as of July 2023 the Russian invasion of Ukraine is ongoing, and this along with economic sanctions may continue to exacerbate supply chain disruptions as well as hamper near-term business and leisure travel.

TABLE 3-4 TOP DESTINATION CITIES FOR OVERSEAS VISITORS (2022)

RANK	DESTINATION CITY	OVERSEAS VISITORS [1]
1	New York City	4,476,458
2	Miami	3,823,925
3	Los Angeles	2,106,380
4	Newark/Teterboro	1,395,655
5	San Francisco	1,341,214
6	Orlando	1,216,515
7	Chicago	1,040,855
8	Fort Lauderdale	809,571
9	Washington	739,932
10	Atlanta	723,434
11	Houston	681,488
12	Boston	669,920
13	Dallas	580,864
14	Honolulu	494,384
15	Seattle	390,260

NOTE:
1 This includes visitors from Western Europe, Eastern Europe, Asia, Middle East, Africa, Oceania, South America, Central America, and the Caribbean.
SOURCE: CIC Research, Inc., "DHS/CBP I-94 COC Record (v. 1.5) – Visitor Arrivals by Port of Entry to The United States (Overseas – December YTD – 2022)," https://www.trade.gov/data-visualization/adisi-94-visitor-arrivals-monitor-coc (accessed July 12, 2023)

3.3 ECONOMIC OUTLOOK

3.3.1 SHORT-TERM ECONOMIC OUTLOOK

With respect to the national economy, the Congressional Budget Office (CBO) outlook released in June 2023 projects a 0.3 percent year-over-year increase in real GDP for 2023. This would be a decline from real GDP growth in 2022, which was 1.9 percent. The real GDP growth rate is projected to increase to 1.8 percent in 2024 and 2.7 percent in 2025, and then fall to 2.4 percent in 2026 and gradually decline to 1.7 percent by 2033 (latest year of CBO outlook available).[54] The International Monetary Fund (IMF) outlook released in April 2023 projects a 1.6 percent year-over-year increase in real US GDP for 2023. 2024 is projected to see year-over-year US GDP growth of 1.1 percent.[55] The CBO projects the national unemployment rate to rise to 4.7 percent in 2023 and 4.9 percent in 2024 before a gradual decline to 4.5 percent in 2027 and remain at that level through 2033.[56]

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[54] Congressional Budget Office, *The 2023 Long-Term Budget Outlook*, June 2023.

[55] International Monetary Fund, *World Economic Outlook: A Rocky Recovery*, April 2023.

[56] Congressional Budget Office, *The Budget and Economic Outlook: 2023 to 2033*, February 2023; Congressional Budget Office, *The 2023 Long-Term Budget Outlook*, June 2023.

At the time of this Report (July 2023), the Russian invasion of Ukraine has been on-going for more than 16 months. While the economic outlooks cited in this Report consider the Russian invasion's current and future impact on the national and local economy, the Russian invasion is likely to further exacerbate existing economic uncertainty,[57] which could impact both travel and commerce—not only at a global level, but also within the United States. As a result of the invasion, sanctions have been imposed on Russia, which creates regulatory barriers that can hinder economic growth.

3.3.2 LONG-TERM ECONOMIC OUTLOOK

Table 3-5 presents selected 2021 and 2032 economic figures for the Air Trade Area and the United States, including population, employment, personal income, per capita personal income, GRP and GDP, and per capita GRP and GDP. Population and employment in the Air Trade Area are projected to grow at CAGRs of 0.1 percent and 1.4 percent, respectively. Total personal income and per capita personal income in the Air Trade Area are projected to grow at a CAGR of 1.5 percent and 1.4 percent, respectively. GRP and per capita GRP are projected to grow at CAGRs of 1.9 percent and 1.8 percent, respectively. Growth expectations for these variables in the Air Trade Area are generally similar to those of the United States. Overall, growth expectations for the Air Trade Area indicate the ongoing capacity of the Air Trade Area to continue to generate demand for air travel services during the Projection Period.

Multiple sources of national and local economic data were reviewed for purposes of informing the projections included in this Report, given the close correlation between the economic activity, Airport passenger activity, and CFC collections. The following sources were reviewed and compared: Woods & Poole Economics, Inc., data and the Congressional Budget Office's 10-year economic outlook (released February 2023). While differences exist among the various sources in the absolute numbers and projected CAGRs of some variables, there were no variables found that closely correlate with the activity that appeared out of line among the two reports. Woods & Poole Economics, Inc. economic projections were used for the purposes of forecasting passenger activity and projecting rental car activity.

TABLE 3-5 PROJECTED SELECT ECONOMIC VARIABLES (2021–2032)

VARIABLE	2021	2032	CAGR 2021–2032
Air Trade Area Population	9,626,190	9,770,521	0.1%
United States Population	332,031,563	355,532,031	0.6%
Air Trade Area Total Employment	6,054,579	7,068,483	1.4%
United States Total Employment	201,142,594	237,718,844	1.5%
Air Trade Area Total Personal Income ($billion)	$679	$802	1.5%
United States Total Personal Income ($billion)	$20,928	$25,722	1.9%
Air Trade Area Per Capita Personal Income	$70,495	$82,054	1.4%
United States Per Capita Personal Income	$63,029	$72,349	1.3%
Air Trade Area Gross Regional Product ($billion)	$759	$936	1.9%
United States Gross Domestic Product ($billion)	$22,154	$27,839	2.1%
Air Trade Area Per Capita Gross Regional Product	$78,824	$95,839	1.8%
United States Per Capita Gross Domestic Product	$66,723	$78,301	1.5%

NOTES:
CAGR – Compound Annual Growth Rate
Dollar amounts are in 2021 dollars.
2032 data are Woods & Poole Economics, Inc., projections.
SOURCE: Woods & Poole Economics, Inc., *2023 Complete Economic and Demographic Data Source (CEDDS)*, July 2023.

[57] Prior to the Russian invasion, the December 2021 consumer price index (CPI) showed that US inflation reached 7 percent for 2021, the highest rate in nearly 40 years.

3.3.3 CONCLUSIONS

The data cited in this chapter support the conclusion that the Air Trade Area has a large and diverse economy that can support increased airline traffic demand through the Projection Period (ending in 2032). Additionally, the Air Trade Area's economy, including its strong tourism sector and business market, can support a demand for car rentals at the Airport that is generally in-line with economic variables of the Air Trade Area and the United States during the Projection Period.

4. AIR TRAFFIC

This chapter describes the airlines serving the Airport, historical Airport activity, factors affecting aviation demand, and forecast Airport activity.

4.1 NATIONAL PERSPECTIVE OF THE AIRPORT

The Air Trade Area represents a high-ranking O&D market. Based on USDOT survey data, the Chicago market[58] was ranked third in the nation in terms of domestic O&D passengers in 2022—following the New York[59] and Los Angeles[60] markets. The Airport ranked sixth in the United States in terms of total O&D passengers in 2022, having ranked third in years prior to the onset of the COVID-19 pandemic. **Table 4-1** presents the top 20 US airports ranked by total enplaned O&D passengers for calendar years 2018 through 2022, based on airline bookings data. The change in ranking is due, in part, to the impact of the COVID-19 pandemic on travel patterns. Demand for domestic leisure travel, including markets such as Orlando and Las Vegas, has recovered faster than demand for business travel and long-haul international travel, segments that have historically represented a large component of the Airport's O&D passengers. The impacts of the COVID-19 pandemic on activity at the Airport are discussed in more detail in Section 4.4.1.

The Airport is a key component of the national air transportation system due to its location, facilities to accommodate domestic and international passengers, and status as the largest midcontinent international airport. The airport is a major connecting hub for American and United as well as the only major "dual hub" airport in the United States.

4.2 PASSENGER AIRLINES SERVING THE AIRPORT

Passenger service is provided at the Airport by 11 of the nation's 13 major passenger airlines.[61] In addition to American and United, these airlines include Alaska Airlines (Alaska), Delta, Envoy Air (Envoy), Frontier Airlines (Frontier), JetBlue Airways (JetBlue), Republic Airways (Republic), SkyWest Airlines (SkyWest), Southwest Airlines (Southwest), and Spirit Airlines (Spirit).[62],[63]

Based on published airline schedules through 2023, 20 US-flag airlines provide scheduled passenger service at the Airport and 34 foreign-flag airlines provide scheduled and nonscheduled passenger service. **Table 4-2** lists the airlines servicing the Airport during the 12 months ending December 2023.

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[58] Includes Chicago O'Hare International and Chicago Midway International Airports.

[59] Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

[60] Includes Los Angeles International, John Wayne (Orange County), Ontario International, Bob Hope, and Long Beach Airports.

[61] As defined by the US DOT, a major US passenger airline has more than $1 billion in gross operating revenues during any calendar year (the largest group of US passenger airlines in terms of their total revenues). The current group of major US passenger airlines attained "major" status effective January 1, 2023, based on their total revenues for the 12 months ending December 2021.

[62] Allegiant Air and Hawaiian Airlines are the major US passenger airlines that currently do not serve the Airport.

[63] On July 28, 2022, JetBlue and Spirit announced their intention to merge no later than the first half of 2024, pending government and shareholder approval. JetBlue and Spirit will continue to operate as independent airlines until after the transaction closes. Sprit has terminated its prior merger agreement with Frontier that was announced in February 2022.

TABLE 4-1 TOP 20 US AIRPORTS RANKED ON TOTAL ENPLANED ORIGIN AND DESTINATION PASSENGERS (IN MILLIONS)

	2018		2019		2020		2021		2022	
CITY AND AIRPORT	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS
Los Angeles, CA (LAX)	1	34.0	1	34.3	1	11.9	1	20.3	1	26.9
Orlando, FL (MCO)	4	22.1	4	23.3	2	10.0	2	18.4	2	23.0
Las Vegas, NV (LAS)	6	21.0	5	21.8	4	9.3	4	16.6	3	21.6
New York, NY (JFK)	2	25.3	2	26.2	7	7.4	7	13.3	4	20.9
Denver, CO (DEN)	7	20.1	6	21.7	3	9.8	3	16.8	5	19.9
Chicago, IL (ORD)	**3**	**22.2**	**3**	**23.3**	**6**	**8.1**	**5**	**15.2**	**6**	**19.7**
Atlanta, GA (ATL)	8	19.1	8	19.8	5	8.5	6	15.2	7	18.7
Newark, NJ (EWR)	10	17.7	10	18.7	11	6.8	9	12.4	8	16.7
Boston, MA (BOS)	9	18.9	9	19.4	15	5.8	14	10.6	10	16.3
San Francisco, CA (SFO)	5	21.6	7	21.6	14	6.0	15	9.7	9	16.3
Phoenix, AZ (PHX)	14	14.6	14	15.1	8	7.4	8	13.1	11	15.7
Miami, FL (MIA)	16	13.7	15	14.6	12	6.3	12	12.0	12	15.6
Dallas, TX (DFW)	13	14.9	12	15.7	10	7.0	10	12.2	14	15.1
Seattle, WA (SEA)	11	17.0	11	17.3	13	6.1	13	11.4	13	14.9
Fort Lauderdale, FL (FLL)	12	15.2	13	15.4	9	7.3	11	12.1	15	13.9
New York, NY (LGA)	15	13.8	16	14.1	22	3.9	22	7.4	16	12.6
Houston, TX (IAH)	19	10.5	19	11.3	17	4.7	16	9.0	17	11.4
San Diego, CA (SAN)	17	11.6	17	12.0	19	4.5	19	7.6	18	10.7
Tampa, FL (TPA)	23	10.0	21	10.5	16	4.9	17	8.6	19	10.1
Minneapolis, MN (MSP)	18	11.2	18	11.7	18	4.6	18	8.0	20	10.0

NOTE:
Total origin and destination (O&D) passengers are based on airline bookings data and may differ from O&D passenger or total passenger estimates based on US Department of Transportation or airport-specific data presented elsewhere in this Report.
SOURCE: Sabre Market Intelligence, July 2023.

TABLE 4-2 AIRLINES PROVIDING SCHEDULED PASSENGER SERVICE

SCHEDULED US AIRLINES (20)	FOREIGN-FLAG AIRLINES (34)
Air Wisconsin (American Eagle and United Express)	Aer Lingus
Alaska Airlines	Aeroméxico
American Airlines	Air Canada
Cape Air	Air France
Delta Air Lines	Air India
Denver Air Connection	Air New Zealand
Endeavor Air (Delta Connection)	Air Serbia
Envoy Air (American Eagle)	All Nippon Airways
Frontier Airlines	Austrian Airlines
GoJet Airlines (United Express)	British Airways
Horizon Air (Alaska)	Cathay Pacific
JetBlue Airways	Copa Airlines
Piedmont Airlines (American Eagle)	Emirates
Republic Airways (American Eagle, Delta Connection, and United Express)	Ethiopian Airlines
SkyWest Airlines (American Eagle, Delta Connection, and United Express)	Etihad Airways
Southern Airways Express	EVA Air
Southwest Airlines	Finnair
Spirit Airlines	Iberia
Sun Country Airlines	Icelandair
United Airlines	Japan Airlines
	Jazz (Air Canada Express)
	KLM Royal Dutch Airlines
	Korean Air
	LOT Polish Airlines
	Lufthansa
	Qatar Airways
	Royal Jordanian
	Scandinavian Airlines
	Swiss International Air Lines
	TAP Air Portugal
	Turkish Airlines
	Viva Aerobús
	Volaris
	WestJet

NOTE:
Presents airlines scheduled service to ORD during the 12-month period ending December 2023.
SOURCES: Chicago Department of Aviation, Management Records, July 2023; Innovata (published airline schedules), July 2023.

Table 4-3 presents the scheduled US-flag airlines that have served the Airport since 2012. As shown, the Airport has had the benefit of a large and growing airline base during the years shown, which has helped promote competitive pricing and scheduling diversity. As shown, 12 out of 20 scheduled US-flag airlines currently serving the Airport have operated at the Airport each year since 2012. Southwest, Denver Air, and Horizon Air began service at the Airport in 2021. Southern Airways Express began service at the Airport in 2022.

Table 4-4 presents the foreign-flag airlines that have served the Airport since at least 2012. As shown, 21 of the 34 foreign-flag airlines currently serving the Airport have operated at the Airport each year since at least 2012. In addition, four new foreign-flag airlines have begun service to the Airport since 2018 (Ethiopian Airlines and VivaAerobús in 2018 and TAP Air Portugal in 2019), and Air Serbia began service to the Airport in May 2023.

4.3 HISTORICAL AIRPORT ACTIVITY

The following sections present a review of the Airport's historical passenger activity and air service. The Airport's passenger activity is typically reported as enplaned passengers or total passengers. For purposes of this Report, passenger activity information is presented as enplaned passengers, total passengers, or deplaned passengers, depending on the context. The demand for rental cars is included in the subset of deplaned passengers visiting the Air Trade Area, although because the enplaned and deplaned passengers are balanced at the Airport, volumes and trends presented related to enplaned passengers also apply to deplaned passengers.

4.3.1 TOTAL ENPLANED PASSENGERS

Table 4-5 presents historical data on domestic, international, and total enplaned passengers at the Airport. As shown, the CAGR for total enplaned passengers at the Airport was 0.3 percent from 2012 to 2022.

- From 2012 to 2019, total enplaned passengers increased from approximately 33.2 million to a record 42.2 million, which represented a CAGR of 3.5 percent. During the same period, domestic enplaned passengers increased at CAGR of 3.2 percent, reflecting growth of hub airlines American and United. Ultra-low-cost-carriers (ULCCs) Spirit and new entrant Frontier, which initiated service from the Airport in 2014, also contributed to growth in domestic enplaned passengers during this period. International enplaned passengers increased every year between 2012 and 2019, which represented a CAGR of 5.2 percent.
- In 2020, total enplaned passengers decreased 63.7 percent as airlines reduced flying due to the COVID-19 pandemic's impact on travel and demand. Domestic enplaned passengers decreased 61.5 percent to approximately 13.5 million and international enplaned passengers decreased 74.6 percent to approximately 1.8 million.
- In 2021 total enplaned passengers increased 75.5 percent to 26.9 million during the recovery in demand from the low point experienced in 2020. Domestic enplaned passengers increased 78.4 percent to 24.2 million and international enplaned passengers increased 54.1 percent to 2.8 million.
- Total enplaned passengers increased 26.5 percent in 2022 to 34.1 million as demand for air travel continued to recover. Domestic enplaned passengers increased 17.7 percent while international passengers, which lagged domestic activity in recovering from the impacts of COVID-19, increased 103.0 percent in 2022.

TABLE 4-3 SCHEDULED US-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 [1]
Air Wisconsin	●	●	●	●	●	●	●	●	●	●	●	●
Alaska Airlines [2]	●	●	●	●	●	●	●	●	●	●	●	●
American Airlines [3]	●	●	●	●	●	●	●	●	●	●	●	●
Delta Air Lines	●	●	●	●	●	●	●	●	●	●	●	●
Endeavor Air [4]	●	●	●	●	●	●	●	●	●	●	●	●
Envoy Air [5]	●	●	●	●	●	●	●	●	●	●	●	●
GoJet Airlines	●	●	●	●	●	●	●	●	●	●	●	●
JetBlue Airways	●	●	●	●	●	●	●	●	●	●	●	●
Republic Airways	●	●	●	●	●	●	●	●	●	●	●	●
SkyWest Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Spirit Airlines	●	●	●	●	●	●	●	●	●	●	●	●
United Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Frontier Airlines			●	●	●	●	●	●	●	●	●	●
Cape Air							●	●	●	●	●	●
Sun Country Airlines [6]								●	●	●	●	●
Piedmont Airlines									●	●	●	●
Denver Air Connection										●	●	●
Southwest Airlines										●	●	●
Horizon Air										●	●	●
Southern Airways Express											●	●
Air Choice One	●	●	●	●	●	●	●	●	●	●	●	
Mesa Airlines	●	●	●	●	●	●	●	●	●	●	●	
PSA Airlines					●	●	●	●	●	●		
ExpressJet	●	●	●	●	●	●	●	●	●			
Trans States Airlines	●	●	●	●	●	●	●	●	●			
Compass Airlines [6]	●	●	●	●	●	●						
Shuttle America	●	●	●	●	●	●						
Aerodynamics					●							
Chautauqua Airlines	●	●	●									
Comair Limited [6]	●											
Total Airlines Serving the Airport	**20**	**19**	**20**	**19**	**21**	**20**	**19**	**20**	**21**	**22**	**21**	**20**

NOTES:
1 Refers to scheduled services through December 2023, as of July 2023.
2 In December 2016, Alaska Airlines and Virgin America merged. The Federal Aviation Administration (FAA) granted a single-operating certificate on January 11, 2018.
3 In December 2013, American Airlines and US Airways merged. The FAA granted a single-operating certificate on April 8, 2015.
4 Pinnacle Airlines was rebranded as Endeavor Air on August 1, 2013.
5 American Eagle was rebranded as Envoy Air in April 2014.
6 Provides seasonal service.
SOURCES: Chicago Department of Aviation, Management Records, July 2023; US Department of Transportation, T-100, July 2023; Innovata (published airline schedules), July 2023.

TABLE 4-4 (1 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 [1]
Aer Lingus	●	●	●	●	●	●	●	●	●	●	●	●
Aeroméxico	●	●	●	●	●	●	●	●	●	●	●	●
Air Canada	●	●	●	●	●	●	●	●	●	●	●	●
Air France [2]	●	●	●	●	●	●	●	●	●	●	●	●
Air India	●	●	●	●	●	●	●	●	●	●	●	●
All Nippon Airways – ANA	●	●	●	●	●	●	●	●	●	●	●	●
British Airways	●	●	●	●	●	●	●	●	●	●	●	●
Cathay Pacific	●	●	●	●	●	●	●	●	●	●	●	●
Copa Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Etihad Airways	●	●	●	●	●	●	●	●	●	●	●	●
Iberia	●	●	●	●	●	●	●	●	●	●	●	●
Japan Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Jazz Air [3]	●	●	●	●	●	●	●	●	●	●	●	●
KLM Royal Dutch Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Korean Air	●	●	●	●	●	●	●	●	●	●	●	●
LOT Polish Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Lufthansa	●	●	●	●	●	●	●	●	●	●	●	●
Royal Jordanian	●	●	●	●	●	●	●	●	●	●	●	●
Scandinavian Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Swiss International Air Lines	●	●	●	●	●	●	●	●	●	●	●	●
Turkish Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Austrian Airlines		●	●	●	●	●	●	●	●	●	●	●
Qatar Airways		●	●	●	●	●	●	●	●	●	●	●
Volaris		●	●	●	●	●	●	●	●	●	●	●
Emirates			●	●	●	●	●	●	●	●	●	●
Finnair				●	●	●	●	●		●	●	●
EVA Air					●	●	●	●	●	●	●	●
Icelandair					●	●	●	●	●	●	●	●
Ethiopian Airlines							●	●	●	●	●	●

TABLE 4-4 (2 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 [1]
Viva Aerobús							●	●	●	●	●	●
TAP Air Portugal								●	●	●	●	●
Air Serbia												●
WestJet [2]	●	●	●	●	●	●	●				●	●
Air New Zealand							●	●	●		●	●
Flair											●	
Swoop											●	
China Eastern Airlines					●	●	●	●	●	●		
Hainan Airlines		●	●	●	●	●	●	●	●			
Interjet					●	●	●	●	●			
Norwegian Air Shuttle							●	●				
WOW Air						●	●	●				
Alitalia/Air One [2]	●	●	●	●	●	●	●	●				
Asiana Airlines	●	●	●	●	●	●	●	●				
Avianca [4]	●	●	●	●	●	●	●	●				
Cayman Airways [2]	●	●	●	●	●	●	●	●				
BahamasAir [2]					●		●					
Virgin Atlantic [2]	●	●	●	●	●	●						
Air Berlin			●	●	●	●						
Pakistan International Airlines	●											
Total Airlines Serving the Airport	**28**	**32**	**34**	**35**	**40**	**40**	**43**	**42**	**35**	**32**	**35**	**34**

NOTES:
1 Refers to scheduled service through December 2023, as of July 2023.
2 Provides seasonal service.
3 Sky Regional Airlines was rebranded as Jazz Air in March 2021.
4 Avianca Airlines merged with TACA and LACSA on May 21, 2013.
SOURCES: Chicago Department of Aviation, Management Records, July 2023; US Department of Transportation, T-100, July 2023; Innovata (published airline schedules), July 2023.

TABLE 4-5 HISTORICAL ENPLANED PASSENGERS

	DOMESTIC		INTERNATIONAL		TOTAL	
YEAR	ENPLANED PASSENGERS	ANNUAL GROWTH	ENPLANED PASSENGERS	ANNUAL GROWTH	ENPLANED PASSENGERS	ANNUAL GROWTH
2012	28,275,113	-0.1%	4,956,088	1.1%	33,231,201	0.1%
2013	28,195,077	-0.3%	5,102,501	3.0%	33,297,578	0.2%
2014	29,559,975	4.8%	5,392,787	5.7%	34,952,762	5.0%
2015	32,877,967	11.2%	5,517,938	2.3%	38,395,905	9.9%
2016	33,015,851	0.4%	5,856,818	6.1%	38,872,669	1.2%
2017	33,587,845	1.7%	6,228,043	6.3%	39,815,888	2.4%
2018	34,598,046	3.0%	6,965,297	11.8%	41,563,343	4.4%
2019	35,168,714	1.6%	7,079,656	1.6%	42,248,370	1.6%
2020	13,549,416	-61.5%	1,801,630	-74.6%	15,351,046	-63.7%
2021	24,169,431	78.4%	2,775,928	54.1%	26,945,359	75.5%
2022	28,459,387	17.7%	5,636,323	103.0%	34,095,710	26.5%
Compound Annual Growth Rate						
2012 – 2019	3.2%		5.2%		3.5%	
2012 – 2022	0.1%		1.3%		0.3%	

SOURCE: Chicago Department of Aviation, Management Records, July 2023.

Table 4-6 presents historical data on connecting, total O&D, resident O&D, and visitor O&D enplaned passengers at the Airport. As shown, total O&D passengers grew at a CAGR of 5.2 percent between 2012 and 2019 compared to a CAGR of 1.5 percent for connecting passengers, resulting in a 6.2-point increase in the percentage of O&D passengers from 50.2 percent in 2012 to 56.4 percent in 2019. The percentage distribution of resident and visitor O&D passengers was generally consistent between 2012 and 2019 at approximately 44 percent visitors. The decrease in visitor share of total O&D passengers that occurred during the COVID-19 pandemic is reflective of the decrease in business travel as well as the shift in leisure travel toward destinations with sun and leisure activities which more easily accommodate socially distanced activities than large urban areas. The O&D share of total passengers increased in 2021 and 2022, reaching 60.1 percent in 2022. Visitor share of total O&D passengers also increased in 2021 and 2022, reaching 43.7 percent in 2022 and in line with visitor share of total O&D before the COVID-19 pandemic.

4.3.2 ENPLANED PASSENGERS BY AIRLINE

Table 4-7 presents total enplaned passengers by airline at the Airport for 2018 through 2022. United's share (combined total) of total Airport enplaned passengers increased from 45.2 percent in 2018 to 45.6 percent in 2022. American's share (combined total) of total Airport enplaned passengers decreased from 35.1 percent in 2018 to 32.6 percent in 2022. **Exhibit 4-1** presents a total enplaned passenger share comparison of the airline segments at the Airport in 2019 and 2022.

TABLE 4-6 HISTORICAL CONNECTING AND ORIGIN AND DESTINATION ENPLANED PASSENGERS

	ENPLANED PASSENGERS							
YEAR	CONNECTING	CONNECTING PERCENT OF TOTAL	TOTAL O&D	O&D PERCENT OF TOTAL	RESIDENT O&D	RESIDENT O&D SHARE OF TOTAL O&D	VISITOR O&D	VISITOR O&D SHARE OF TOTAL O&D
2012	16,552,395	49.8%	16,678,806	50.2%	9,331,282	55.9%	7,347,524	44.1%
2013	16,252,935	48.8%	17,044,643	51.2%	9,579,089	56.2%	7,465,554	43.8%
2014	17,837,227	51.0%	17,115,535	49.0%	9,721,624	56.8%	7,393,911	43.2%
2015	18,299,714	47.7%	20,096,191	52.3%	11,394,540	56.7%	8,701,651	43.3%
2016	17,881,428	46.0%	20,991,241	54.0%	11,860,051	56.5%	9,131,190	43.5%
2017	17,386,455	43.7%	22,429,433	56.3%	12,672,630	56.5%	9,756,803	43.5%
2018	18,080,054	43.5%	23,483,289	56.5%	13,197,608	56.2%	10,285,681	43.8%
2019	18,412,161	43.6%	23,836,209	56.4%	13,467,458	56.5%	10,368,751	43.5%
2020	6,800,513	44.3%	8,550,533	55.7%	5,155,971	60.3%	3,394,562	39.7%
2021	11,685,584	43.4%	15,259,775	56.6%	9,003,267	59.0%	6,256,508	41.0%
2022	13,611,459	39.9%	20,484,251	60.1%	11,532,633	56.3%	8,951,618	43.7%
Compound Annual Growth Rate								
2012 – 2019	1.5%		5.2%		5.4%		5.0%	
2012 – 2022	-1.9%		2.1%		2.1%		2.0%	

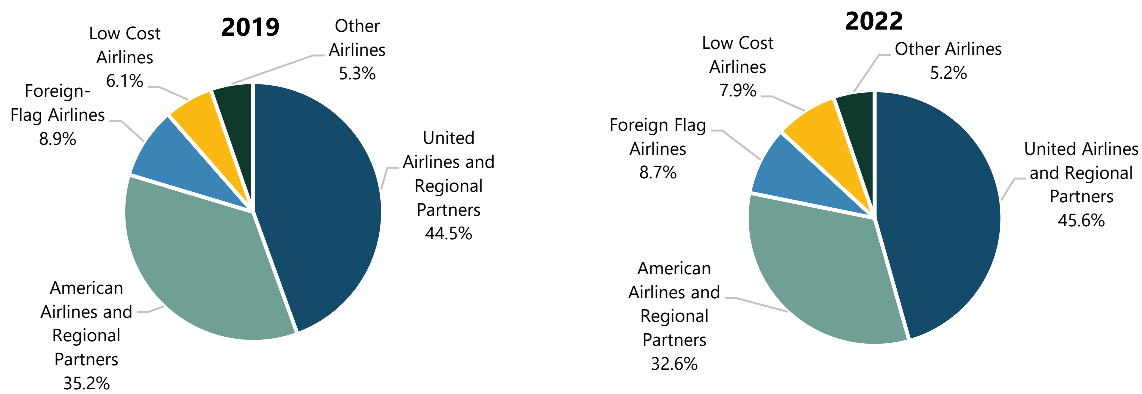
NOTES:
O&D – Origin and Destination
O&D passengers based on DOT databases and will not tie to O&D passengers presented in Table 4-1 which is based on airline bookings data.
SOURCES: Chicago Department of Aviation, Management Records, July 2023 (total passengers); US Department of Transportation, O&D Survey, July 2023; US Department of Transportation, T-100, July 2023 (segmentation of passengers)

TABLE 4-7 HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE

		2018		2019		2020		2021		2022	
	AIRLINE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
	United Airlines Combined	18,789,732	45.2%	18,779,363	44.4%	6,750,478	44.0%	11,560,483	42.9%	15,545,768	45.6%
	American Airlines Combined	14,598,806	35.1%	14,861,971	35.2%	5,640,306	36.7%	10,178,756	37.8%	11,096,750	32.5%
1	United Airlines	12,831,523	30.9%	12,915,154	30.6%	4,055,574	26.4%	7,387,117	27.4%	11,568,507	33.9%
2	American Airlines	10,053,968	24.2%	10,153,179	24.0%	3,651,968	23.8%	6,581,952	24.4%	7,932,265	23.3%
3	SkyWest Airlines (American Eagle, Delta Connection, and United Express)	3,781,224	9.1%	3,316,170	7.8%	1,376,952	9.0%	2,374,768	8.8%	2,660,758	7.8%
4	Envoy Air (American Eagle)	2,890,716	7.0%	3,211,822	7.6%	1,270,603	8.3%	1,753,714	6.5%	2,145,486	6.3%
5	Spirit Airlines	1,627,243	3.9%	1,690,808	4.0%	852,909	5.6%	1,099,258	4.1%	1,323,922	3.9%
6	Air Wisconsin (United Express)	1,450,998	3.5%	1,522,041	3.6%	505,815	3.3%	856,582	3.2%	1,153,660	3.4%
7	Delta Air Lines	1,080,185	2.6%	1,456,569	3.4%	430,071	2.8%	677,092	2.5%	1,129,723	3.3%
8	Southwest Airlines	0	0.0%	0	0.0%	0	0.0%	604,377	2.2%	987,235	2.9%
9	Republic Airways (American Eagle, Delta Connection, and United Express)	1,120,294	2.7%	878,245	2.1%	844,126	5.5%	2,050,516	7.6%	892,372	2.6%
10	Alaska Airlines	479,545	1.2%	486,667	1.2%	178,214	1.2%	343,436	1.3%	436,845	1.3%
11	Frontier Airlines	580,110	1.4%	615,983	1.5%	260,186	1.7%	453,562	1.7%	266,557	0.8%
12	GoJet Airlines (Delta Connection and United Express)	694,348	1.7%	609,533	1.4%	466,546	3.0%	743,699	2.8%	250,532	0.7%
13	Lufthansa	258,619	0.6%	315,182	0.7%	80,701	0.5%	103,664	0.4%	249,899	0.7%
14	Volaris	69,853	0.2%	93,473	0.2%	86,149	0.6%	147,864	0.5%	191,570	0.6%
15	Turkish Airlines	118,131	0.3%	118,133	0.3%	68,198	0.4%	130,593	0.5%	175,146	0.5%
	Other	4,526,586	10.9%	4,865,411	11.5%	1,223,034	8.0%	1,637,165	6.1%	2,731,233	8.0%
	Airport Total	**41,563,343**	**100.0%**	**42,248,370**	**100.0%**	**15,351,046**	**100.0%**	**26,945,359**	**100.0%**	**34,095,710**	**100.0%**

NOTES:
Columns may not add to totals shown because of rounding.
Share totals for United Airlines and American Airlines combined include regional affiliates and are separate from the total calculation.
SOURCE: Chicago Department of Aviation, Management Records, July 2023.

EXHIBIT 4-1 SHARE OF TOTAL ENPLANED PASSENGERS



NOTES:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
Share totals for United Airlines and American Airlines combined include regional affiliates.
SOURCE: Chicago Department of Aviation, Management Records, July 2023.

4.3.3 AIR SERVICE

An important characteristic of airport activity is the distribution of an airport's O&D markets, which is a function of air travel demand and available services and facilities. **Table 4-8** presents data on the Airport's top 50 domestic O&D markets in 2022 as measured by the number of total O&D passengers. The average distance of flights serving the Airport has historically been relatively equal to that for the nation, reflecting the Airport's central US location and the strong demand for service to East Coast markets such as New York/Newark, Washington DC, Orlando, and Boston, and to West Coast markets, such as Los Angeles, Phoenix, and Las Vegas.

As also shown in Table 4-8, there is scheduled nonstop service to all of the Airport's top 50 domestic O&D markets. The New York City market, the Airport's top-ranked domestic O&D market, was provided with 390 weekly nonstop flights from the Airport. Other domestic markets with significant nonstop service from the Airport include Los Angeles (204 weekly nonstop flights), Orlando (95 weekly nonstop flights), Washington D.C. (227 weekly nonstop flights), San Francisco (93 weekly nonstop flights), and Dallas (135 weekly nonstop flights). **Exhibit 4-2** provides an illustration of the domestic markets served nonstop from the Airport. In July 2023, airlines serving the Airport scheduled an average of 856 daily nonstop departures to 161 domestic destinations. **Exhibit 4-3** illustrates the international markets served nonstop from the Airport. In July 2023, airlines serving the Airport scheduled an average of 125 daily nonstop departures to 63 international destinations.

Of the top 50 O&D markets, 49 are served nonstop by 2 or more airlines, and 26 are served by 3 or more airlines. Southwest initiated service to the Airport in February 2021 and currently serves 11 domestic destinations nonstop, all of which are among the Airport's top 50 domestic passenger markets, and one international destination. JetBlue and Spirit, which announced in July 2022 that they intend to merge no later than the first half of 2024, serve 2 and 14 of the top 50 domestic O&D markets, respectively. However, there are no destinations served by both JetBlue and Spirit.

TABLE 4-8 (1 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS IN 2022

RANK	MARKET	TOTAL O&D PASSENGERS [1]	WEEKLY NONSTOP DEPARTURES	NUMBER OF AIRLINES [2]	AIRLINES [3]
1	New York City [4]	2,976,080	390	4	AA, B6, DL, UA
2	Los Angeles [5]	2,116,320	204	3	AA, NK, UA
3	Orlando	1,276,812	95	5	AA, F9, NK, UA, WN
4	Washington [6]	1,219,022	227	3	AA, UA, WN
5	San Francisco [7]	1,154,240	93	4	AA, NK, UA, WN
6	Dallas [8]	1,134,065	135	4	AA, AS, NK. UA
7	Phoenix	1,056,064	102	5	AA, F9, NK, UA, WN
8	Denver	1,048,120	125	4	AA, F9, UA, WN
9	Boston	1,048,091	130	4	AA, NK, UA, WN
10	Las Vegas	1,021,266	103	5	AA, F9, NK, UA, WN
11	Atlanta	863,083	105	5	AA, DL, F9, NK, UA
12	Miami	843,913	79	4	AA, F9, NK, UA
13	Houston [9]	787,094	93	3	AA, NK, UA
14	Tampa	745,979	61	5	AA, F9, NK, UA, WN
15	Seattle	712,344	93	4	AA, AS, UA
16	Fort Lauderdale	711,531	50	5	AA, B6, NK, UA, WN
17	Fort Myers	656,320	51	5	AA, F9, NK, UA, WN
18	Philadelphia	594,799	80	2	AA, UA
19	Minneapolis/St. Paul	534,554	103	4	AA, DL, SY, UA
20	Austin	494,481	70	3	AA, UA, WN
21	San Diego	472,516	47	2	AA, UA
22	Charlotte	427,267	80	2	AA, UA
23	Nashville	406,098	97	3	AA, UA, WN
24	Portland	374,396	57	3	AA, AS, UA
25	New Orleans	320,049	33	3	AA, NK, UA
26	Salt Lake City	305,156	54	3	AA, DL, UA
27	Raleigh/Durham	297,816	43	2	AA, UA
28	San Juan	264,144	13	3	AA, F9, UA
29	Detroit	242,023	97	3	AA, DL, UA
30	Cleveland	230,278	60	2	AA, UA
31	San Antonio	192,016	29	2	AA, UA
32	Kansas City	189,163	56	2	AA, UA
33	Hartford	188,436	37	2	AA, UA
34	Pittsburgh	181,347	50	2	AA, UA
35	Sacramento	172,179	20	2	AA, UA

TABLE 4-8 (2 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS IN 2022

RANK	MARKET	TOTAL O&D PASSENGERS [1]	WEEKLY NONSTOP DEPARTURES	NUMBER OF AIRLINES [2]	AIRLINES [3]
36	Charleston	171,256	40	2	AA, UA
37	Honolulu/Oahu	164,287	7	1	UA
38	Columbus	159,013	59	2	AA, UA
39	West Palm Beach	138,840	10	2	AA, UA
40	St. Louis	128,923	65	2	AA, UA
41	Myrtle Beach	127,209	12	3	AA, NK, UA
42	Cincinnati	122,087	52	2	AA, UA
43	Richmond	120,402	41	2	AA, UA
44	Norfolk	118,947	28	2	AA, UA
45	White Plains	116,684	40	2	AA, UA
46	Tucson	109,654	14	2	AA, UA
47	Palm Springs	106,155	9	2	AA, UA
48	Memphis	102,510	36	2	AA, UA
49	Savannah	102,004	19	2	AA, UA
50	Sarasota/Bradenton	100,359	10	2	AA, UA

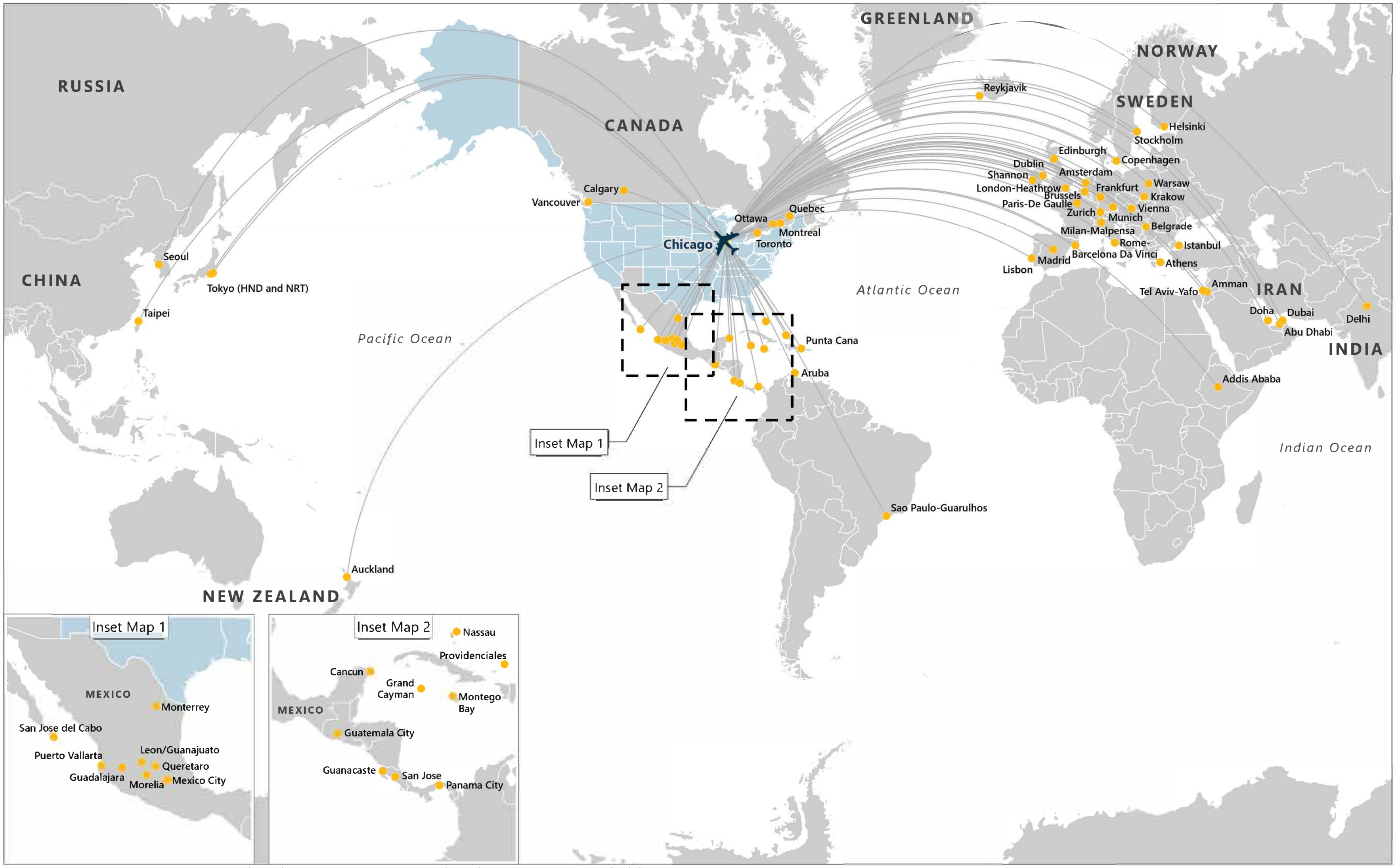
NOTES:
1 Represents passengers traveling in both directions.
2 Regional affiliates are counted as part of their mainline carrier.
3 AA – American Airlines; AS – Alaska Airlines; B6 – JetBlue Airways; DL – Delta Air Lines; F9 – Frontier Airlines; NK – Spirit Airlines; SY – Sun Country Airlines; UA – United Airlines, WN – Southwest Airlines.
4 Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.
5 Includes Los Angeles International, John Wayne (Orange County), Ontario International, Bob Hope, and Long Beach Airports.
6 Includes Washington Dulles International, Ronald Reagan Washington National, and Baltimore/Washington International Thurgood Marshall Airports.
7 Includes San Francisco International, Oakland International, and Norman Y. Mineta San Jose International Airports.
8 Includes Dallas Fort Worth International Airport and Dallas Love Field.
9 Includes George Bush Intercontinental (Houston) and William P. Hobby (Houston) Airports.
SOURCES: US Department of Transportation, DB1B Survey, July 2023; Innovata (published airline schedules), July 2023.

SOURCES: ESRI 2010 Data, 2010 (continent boundary); US Census, 2021 (state boundary); Cirium, Diio Mi Schedule Dynamic Table Report, July 2023 (airline schedule data); OpenFlights.org, July 2023 (routes and airports).

NORTH 0 500 mi

EXHIBIT 4-2

CHICAGO O'HARE INTERNATIONAL AIRPORT
NONSTOP DOMESTIC MARKETS



SOURCES: ESRI 2010 Data, 2010 (continent boundary); US Census, 2021 (state boundary); Cirium, Diio Mi Schedule Dynamic Table Report, July 2023 (airline schedule data); OpenFlights.org, July 2023 (routes and airports).

NORTH 0 1,300 mi

EXHIBIT 4-3

CHICAGO O'HARE INTERNATIONAL AIRPORT
NONSTOP INTERNATIONAL MARKETS

4.4 FACTORS AFFECTING AVIATION DEMAND AT THE AIRPORT

This section discusses the qualitative factors that may influence future aviation activity at the Airport. These factors were considered, either directly or indirectly, in developing the passenger forecasts for the Airport.

4.4.1 IMPACT OF THE COVID-19 PANDEMIC

The outbreak and spread of the COVID-19 pandemic resulted in a severe contraction in demand for air travel that was driven by fear of illness, as well as government-imposed travel restrictions and quarantine requirements. The impact to air travel began in East Asia in December 2019 and rapidly accelerated to other regions of the world in March and April 2020. Airlines responded to the change in demand by parking aircraft and reducing capacity across their networks. Several large international foreign-flag airlines suspended all operations for a period in March and April 2020. By May 2020, which represented the low point in terms of passenger airline capacity offered, scheduled departing seats decreased to 24 percent of May 2019 capacity for all US airports and 19 percent of May 2019 capacity at the Airport. A modest recovery in airline capacity occurred over the second half of 2020. By December 2020, departing seat capacity for all US airports had increased to 57 percent of December 2019 departing seat capacity and 46 percent of December 2019 departing seat capacity at the Airport.

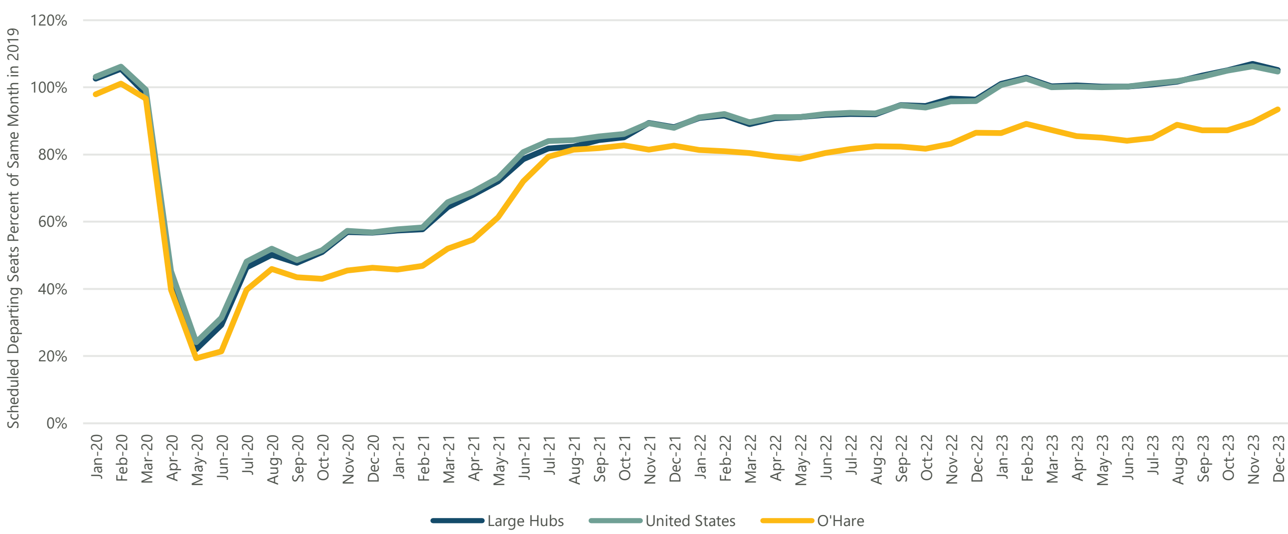
Airlines accelerated the restoration of capacity in the second quarter of 2021 as COVID-19 vaccines became widely available in the United States and demand for air travel increased. In June 2021 scheduled departing seats represented 81 percent of June 2019 scheduled departing seats for all US airports. For the Airport, June 2021 scheduled departing seats represented 72 percent of June 2019 scheduled departing seats. The restoration of scheduled capacity continued in 2022, despite interruptions in demand recovery that coincided with spikes in COVID-19 infections related to the Delta and Omicron variants of the virus. December 2022 scheduled departing seats represented 96 percent of December 2019 for all U.S. airports and 86 percent for O'Hare. December 2023 scheduled departing seats represent 105 percent of December 2019 for all U.S. airports and 93 percent for O'Hare.

Exhibit 4-4 depicts the Airport's seat capacity recovery relative to the US and the Federal Aviation Administration (FAA) large-hub airports.

Passenger volumes decreased at a faster rate than seat capacity at the onset of the COVID-19 pandemic. Throughout most of April 2020, which was the lowest point in terms of domestic monthly passenger activity since the onset of the COVID-19 pandemic, the Transportation Security Administration (TSA) reported that daily airport screening throughput for all US airports was approximately 5 percent of the volume on the equivalent same day in 2019. For the Airport, April 2020 enplaned passengers represented approximately 5 percent of April 2019 enplaned passengers. Passenger volumes remained below 50 percent of 2019 levels through March 2021. Passenger growth gradually accelerated over the course of 2021, reaching 77 percent of 2019 levels in December 2021 and 81 percent in December 2022. In May 2023, the most recent reported period, enplaned passengers represented 82 percent of May 2019 enplaned passengers. **Exhibit 4-5** presents the monthly enplaned passengers at the Airport from January 2020 through May 2023 as a percent of the same month in 2019.

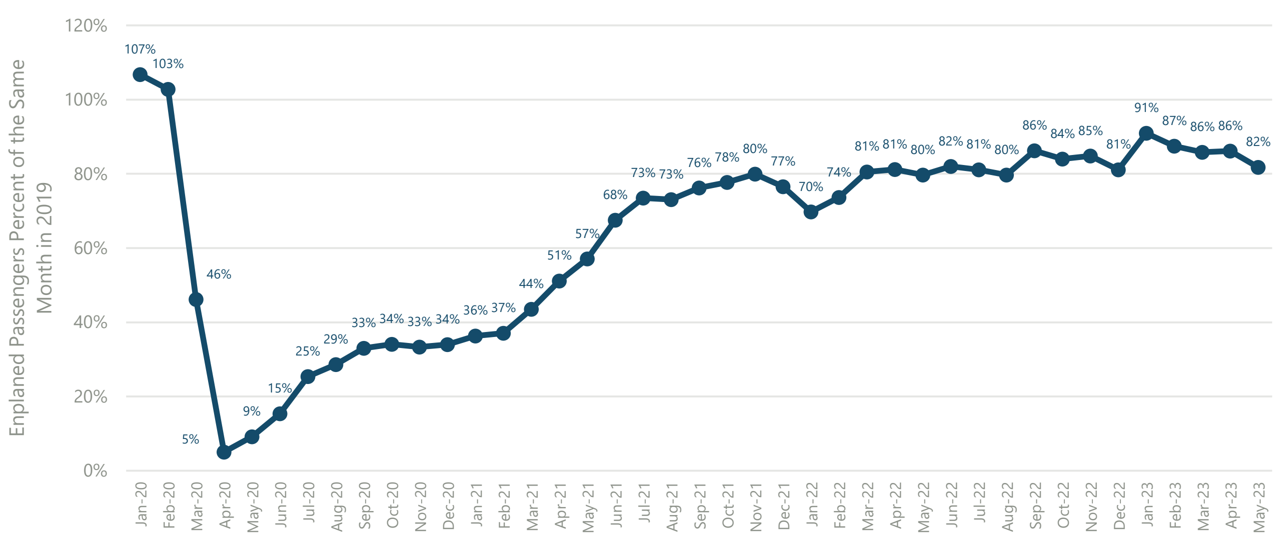
U.S. airlines reported revenue growth and positive operating profits in the years leading up to the COVID-19 pandemic. The severe decrease in demand for air travel beginning in March 2020 drove a sharp contraction in operating revenues and steep financial losses in 2020 and 2021. In 2022 strong growth in demand drove record levels of operating revenue and U.S. airlines collectively reported a positive operating profit in 2022, with performance improving over the course of the year. **Exhibit 4-6** presents operating revenue and profit for U.S. airlines from 2015 through 2022. During Q2 2022 earnings calls major U.S. airlines reported a positive outlook for the demand environment through the rest of 2023 and expected continued improvement in financial performance.

EXHIBIT 4-4 SEAT CAPACITY RECOVERY – O'HARE, LARGE-HUB AIRPORTS, AND THE UNITED STATES



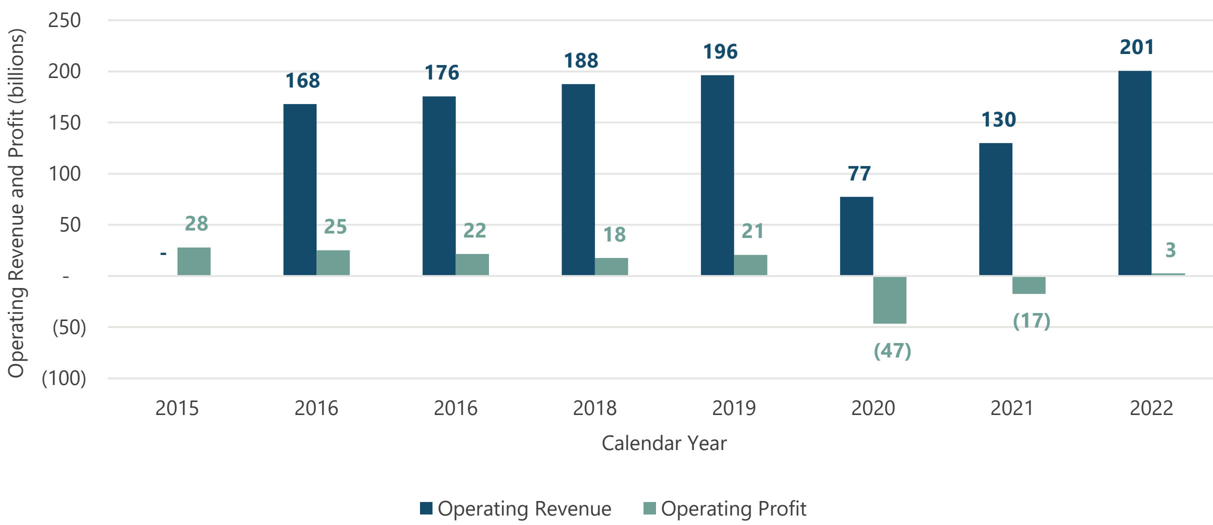
NOTE:
Large hubs include all US airports that receive 1 percent of more of total US commercial enplaned passengers.
SOURCE: Innovata, July 2023.

EXHIBIT 4-5 O'HARE ENPLANED PASSENGERS AS A PERCENT OF 2019



SOURCE: Chicago Department of Aviation, Management Records, July 2023.

EXHIBIT 4-6 OPERATING REVENUE AND PROFIT OF UNITED STATES COMMERCIAL AIRLINES



SOURCE: Airlines for America Data & Statistics, February 2023.

4.4.2 COST OF AVIATION FUEL

As of the fourth quarter of 2022, jet fuel accounted for 23.3 percent of total airline operating costs, second only to labor, according to Airlines for America.[64]

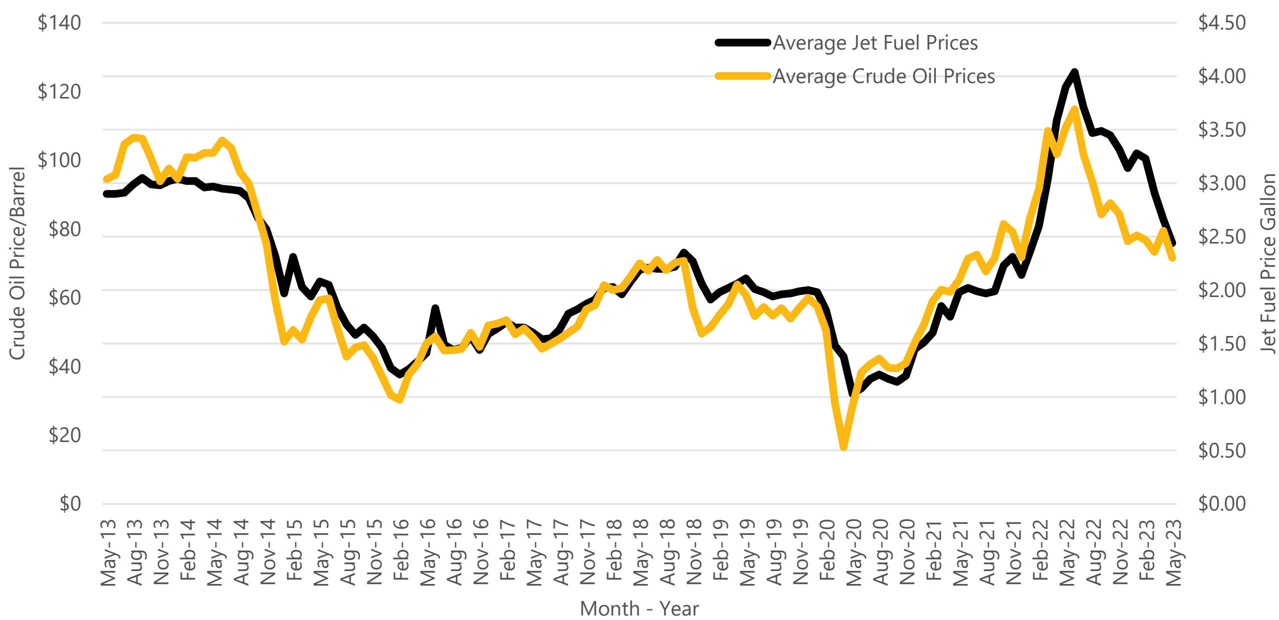
In May 2023, the average price of jet fuel was $2.44 per gallon, down from a high of $4.04 per gallon in June 2022. **Exhibit 4-7** shows the monthly averages for jet fuel and crude oil prices from May 2013 through May 2023. Fluctuating fuel costs will continue to affect airline profitability. This could lead to changes in air service as airlines adjust capacity and pricing to address increases or decreases in the cost of fuel.

4.4.3 NATIONAL ECONOMY

Historically, trends in airline travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 3 of this Report presents an analysis of the general economic trends, both national and local, that may influence demand for air service over time. As noted in Section 3.3.2, national GDP is expected to increase at a CAGR of 2.1 percent between 2021 and 2032, which should support generally increasing demand for air service over the Projection Period. Actual economic activity may differ from this projection, especially on a year-to-year basis. Demand for air service may be impacted by changes in economic performance.

[64] Airlines for America, "A4A Passenger Airline Cost Index (PACI),". https://www.airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/ (accessed July 2023).

EXHIBIT 4-7 HISTORICAL MONTHLY AVERAGES OF JET FUEL AND CRUDE OIL PRICES



SOURCE: US Bureau of Transportation Statistics, US Energy Information Administration, July 2023.

4.4.4 MERGERS AND ACQUISITIONS

US airlines have merged or acquired competitors to achieve operational and commercial synergies and to improve their financial performance. A wave of consolidation began in 2005 when America West Airlines merged with US Airways, retaining the US Airways brand for the consolidated airline. In 2009, Delta Air Lines acquired Northwest Airlines. In 2010, United acquired Continental Airlines. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The most recent consolidation occurred in 2016 when Alaska acquired Virgin America. The two airlines completed their integration in 2018. On July 28, 2022, JetBlue and Spirit announced their intention to merge no later than the first half of 2024, pending government and shareholder approval. JetBlue and Spirit will continue to operate as independent airlines until after the transaction closes. Sprit has terminated its prior merger agreement with Frontier that was announced in February 2022. Consolidation across the industry has resulted in the realignment of several airline route networks as airlines have sought efficiencies in their service. Further consolidation of the US airline industry could affect the amount of capacity offered at the Airport and could alter the competitive landscape.

4.4.5 INTERNATIONAL CONFLICTS AND THREAT OF TERRORISM

Since September 11, 2001, the recurrence of terrorism incidents against either domestic or world aviation has remained a risk to achieving forecast levels of activity. Tighter security measures have restored the public's confidence in the integrity of the US and global aviation security systems. However, any terrorist incident targeting aviation could have an immediate and significant impact on the demand for air travel.

Additionally, geopolitical issues may affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations may affect access to, or demand for, aviation service in these places. At the time of this report, the Russian invasion of Ukraine is on-going and further development could exacerbate geopolitical and economic uncertainty and potentially impact demand for travel to certain regions. The conflict has resulted in the closure of airspace over Russia and Ukraine to most airlines. Restrictions on Russian airlines have resulted in the suspension of service between Russia and many other countries. These restrictions have limited airlines' ability to operate certain nonstop routes that would otherwise overfly Russia or Ukraine. As an international gateway, the Airport provides service to nearly all major regions of the world. Future geopolitical instability may have an impact on demand for international travel and international service.

4.4.6 CAPACITY OF THE NATIONAL AIRSPACE SYSTEM

One of the FAA's concerns is how increased delays at busy airports impact the efficiency of the National Airspace System (NAS). In its report *Airport Capacity Needs in the National Airspace System* (January 2015), the FAA stated the need to address delays that remain at key airports since its 2007 assessment, as well as to implement NextGen airspace system improvements. The report emphasized the need to continue to invest in system improvements with airfield enhancements and NextGen capabilities. With the implementation of the O'Hare Modernization Program, which reduced delays and enhanced capacity, the Airport is no longer constrained from an airfield perspective. However, the Airport remains subject to NAS capacity limitations associated with constraints such as technology advancement or staffing shortages.

4.4.7 OTHER AIRPORTS IN THE REGION

Two other commercial service airports are in the area: Chicago Midway International Airport (Midway) and Milwaukee Mitchell International Airport (Milwaukee Mitchell). In addition, Gary/Chicago International Airport and the proposed South Suburban Airport are focused on future air service development. These regional airports and their relationship to the Airport are described in this section.

Midway, classified as a large-hub commercial service airport, is located 15 miles south of the Airport. The City owns both the Airport and Midway, and the CDA operates both airports. Midway is a hub for Southwest and serves as the third-largest airport in its system in 2023, when measured by both scheduled seat capacity and scheduled operations. Southwest, Delta, Frontier, and Volaris serve both Midway and O'Hare. In 2022, 40 of Midway's top 50 domestic O&D markets, all of which are served nonstop from Midway, were included in O'Hare's top 50 domestic O&D markets. International service from Midway includes flights to Canada, Mexico, and the Caribbean. Long-haul international markets cannot be served from Midway due to its runway lengths.

Table 4-9 presents enplaned passengers for the Airport and Midway between 2012 and 2022. The Airport's weighted average share of total enplaned passengers between 2012 and 2022 was 77.8 percent, compared to 22.2 percent for Midway. The Airport's share of total enplaned passengers decreased marginally from 77.5 percent in 2012 to 77.4 percent in 2022. **Table 4-10** presents the total enplaned O&D passengers for the Airport and Midway between 2012 and 2022. The Airport's weighted average share of total enplaned O&D passengers between 2012 and 2022 was 74.9 percent, compared to 25.1 percent for Midway. The Airport's share of total enplaned O&D passengers increased from 72.3 percent in 2012 to 76.6 percent in 2022.

TABLE 4-9 HISTORICAL ENPLANED PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

	O'HARE			MIDWAY			TOTAL	
YEAR	ENPLANED PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED PASSENGERS	ANNUAL GROWTH
2012	33,231,201		77.5%	9,671,619		22.5%	42,902,820	
2013	33,297,578	0.2%	76.4%	10,267,481	6.2%	23.6%	43,565,059	1.5%
2014	34,952,762	5.0%	76.7%	10,607,996	3.3%	23.3%	45,560,758	4.6%
2015	38,395,905	9.9%	77.5%	11,118,223	4.8%	22.5%	49,514,128	8.7%
2016	38,872,669	1.2%	77.4%	11,345,748	2.0%	22.6%	50,218,417	1.4%
2017	39,815,888	2.4%	78.0%	11,232,272	-1.0%	22.0%	51,048,160	1.7%
2018	41,563,343	4.4%	79.0%	11,022,224	-1.9%	21.0%	52,585,567	3.0%
2019	42,248,370	1.6%	80.2%	10,417,815	-5.5%	19.8%	52,666,185	0.2%
2020	15,351,046	-63.7%	77.5%	4,445,906	-57.3%	22.5%	19,796,952	-62.4%
2021	26,945,359	75.5%	77.3%	7,924,344	78.2%	22.7%	34,869,703	76.1%
2022	34,095,710	26.5%	77.4%	9,946,882	25.5%	22.6%	44,042,592	26.3%
Weighted Average								
2012 – 2022			77.8%			22.2%		
Compound Annual Growth Rate								
2012 – 2019	3.5%			1.1%			3.0%	
2012 – 2022	0.3%			0.3%			0.3%	

SOURCE: Chicago Department of Aviation, Management Records, July 2023.

TABLE 4-10 HISTORICAL ENPLANED O&D PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

	O'HARE			MIDWAY			TOTAL	
YEAR	ENPLANED O&D PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED O&D PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED O&D PASSENGERS	ANNUAL GROWTH
2012	16,678,806		72.3%	6,396,131		27.7%	23,074,937	
2013	17,044,643	2.2%	72.4%	6,505,206	1.7%	27.6%	23,549,849	2.1%
2014	17,115,535	0.4%	72.6%	6,446,497	-0.9%	27.4%	23,562,032	0.1%
2015	20,096,191	17.4%	75.0%	6,682,549	3.7%	25.0%	26,778,740	13.7%
2016	20,991,241	4.5%	74.5%	7,181,858	7.5%	25.5%	28,173,099	5.2%
2017	22,429,433	6.9%	75.1%	7,446,996	3.7%	24.9%	29,876,429	6.0%
2018	23,483,289	4.7%	76.5%	7,197,512	-3.4%	23.5%	30,680,801	2.7%
2019	23,836,209	1.5%	77.4%	6,944,982	-3.5%	22.6%	30,781,191	0.3%
2020	8,550,533	-64.1%	74.6%	2,912,068	-58.1%	25.4%	11,462,601	-62.8%
2021	15,259,775	78.5%	75.1%	5,054,877	73.6%	24.9%	20,314,652	77.2%
2022	20,484,251	34.2%	76.6%	6,266,354	24.0%	23.4%	26,750,605	31.7%
Weighted Average								
2012 – 2022			74.9%			25.1%		
Compound Annual Growth Rate								
2012 – 2017	5.2%			1.2%			4.2%	
2012 – 2022	2.1%			-0.2%			1.5%	

NOTES:
O&D – Origin and Destination
O&D passengers based on DOT databases and will not tie to O&D passengers presented in Table 4-1 which is based on airline bookings data.
SOURCES: Chicago Department of Aviation, Management Records, July 2023 (total passengers); US Department of Transportation, O&D Survey, July 2023; US Department of Transportation, T-100, July 2023 (segmentation of passengers).

Milwaukee Mitchell is the nearest medium- or large-hub commercial service airport outside Chicago. This medium-hub airport[65] is located approximately 70 miles north of the Airport near Milwaukee, Wisconsin. This airport serves the commercial air service needs of Milwaukee, southeast Wisconsin, and portions of northern Illinois. Although Milwaukee Mitchell is near the Airport (overlapping catchment areas include three counties in the northern Chicago region, which represent approximately 12 percent of the population in the region), the higher frequency of nonstop service to key markets from the Airport diverts a portion of potential traffic from the Milwaukee Mitchell catchment area to the Airport.

Gary/Chicago, which is owned by the City of Gary, Indiana, and operated by the Gary/Chicago International Airport Authority, is also located in the Air Trade Area (see Exhibit 3-1 in Chapter 3). Currently, no scheduled passenger airline service is offered at this airport. In January 2014, the Gary/Chicago International Airport Authority entered into a Public-Private Partnership with AFCO/AvPorts to further develop airport property and to increase the economic impact of the airport.

4.5 HUB AIRLINES

Both American and United use the Airport as a major connecting hub in their respective networks. Based on 2023 published airline schedules, American is the largest airline globally measured by scheduled departures and departing seats. American ranks second globally in terms of 2023 scheduled available seat miles (ASMs). American operates its fourth-largest hub at the Airport based on 2023 scheduled departing seats. Based on enplaned passengers, American, inclusive of its regional partners, was the second-largest airline operator at the Airport with 32.5 percent of total enplaned passengers at the Airport in 2022. Based on 2023 published airline schedules, United is the largest airline globally based on ASMs. United ranks third in terms of scheduled departures and fourth in terms of scheduled departing seats. United operates its third largest hub at the Airport based on 2023 scheduled departing seats. United, inclusive of its regional partners, was the largest airline operator at the Airport in 2022 with 45.6 percent of total enplaned passengers.

4.5.1 ACTIVITY FORECAST METHODOLOGY

Forecasts of Airport activity were developed for Fiscal Year 2023 through Fiscal Year 2032. The assumptions, techniques, and results of the forecast process are described in the following subsections.

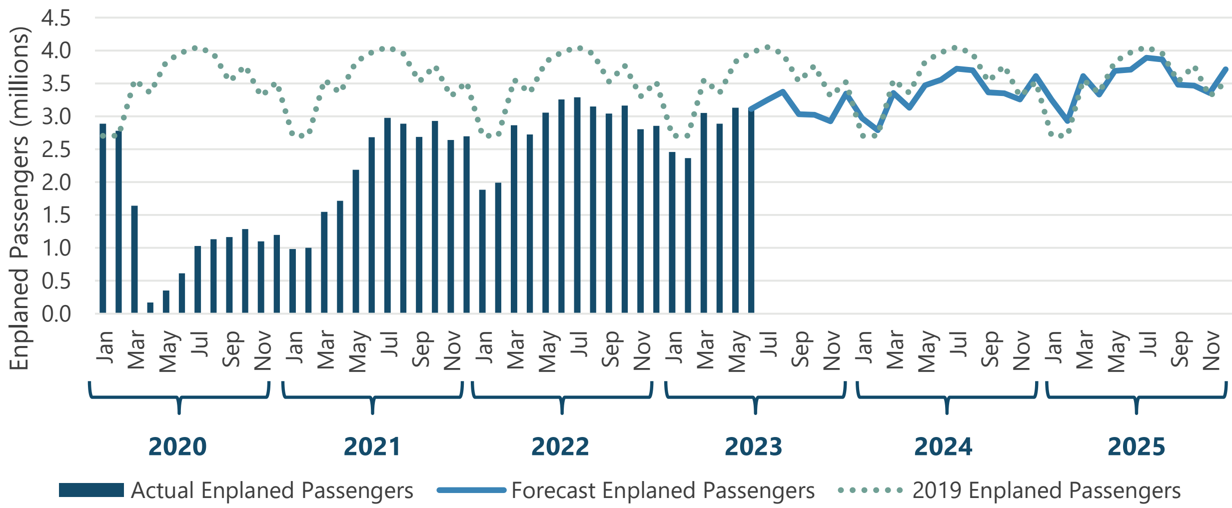
4.5.1.1 COVID-19 PANDEMIC RECOVERY PERIOD FORECAST METHODOLOGY

The COVID-19 pandemic severely disrupted patterns of demand and aviation activity globally, nationally, and at the Airport. Socioeconomic variables that have been traditionally used to model demand for air travel, such as economic output, employment, and personal income, are not as useful for predicting future aviation activity due to travel restrictions, fear of illness, labor shortages, and other factors that have emerged since the onset of the COVID-19 pandemic. While traditional drivers of demand are returning and are expected to influence travel patterns in the long-term, an approach was used to forecast activity in the short-term using the demonstrated recovery of demand since the onset of the COVID-19 pandemic and assumptions on airline seat capacity and load factors for 2023 through 2025. The activity forecast for this period was modeled on estimates of departing seat capacity and passenger activity by airline and region, recognizing demand has recovered differently by region due to the variable effect of COVID-19 and its associated impacts. Gradual increases in departing seats and passengers represent the recovery in demand, with consideration of different rates of recovery by region and market segment, as well as seasonal demand patterns. **Exhibit 4-8** presents the actual and forecast monthly enplaned passengers. From

[65] Medium-hub airports enplane at least 0.25 percent but less than 1.00 percent of total nationwide enplaned passengers.

January 2020 through December 2025 compared to the 2019 monthly enplaned passengers to demonstrate the trajectory of the forecast recovery to 2019 levels of activity.

EXHIBIT 4-8 MONTHLY ENPLANED PASSENGER RECOVERY FORECAST



SOURCES: Chicago Department of Aviation, July 2023 (actual passengers); Ricondo & Associates, Inc., July 2023 (forecast passengers).

The following factors were also considered in the development of the recovery period forecast:

- While the widespread deployment of effective vaccines to inhibit COVID-19 infection and treatments for illness have mitigated the severity of the COVID-19 pandemic, new variants of the COVID-19 virus may emerge, and the full duration of the global pandemic and resulting impact on air travel remain unknown. It is assumed that the emergence of any new variants of the COVID-19 virus would not result in a severe reduction in air service as experienced at the onset of the pandemic.
- Transborder travel restrictions have impacted demand for international travel. While most travel restrictions have been lifted, the timeline for lifting all restrictions is unknown, and the United States and other countries may impose new restrictions (or reinstate restrictions that have been lifted) if new surges of COVID-19 infection emerge. It is assumed a progressive reduction in travel restrictions will occur, or the efficiency and availability of approaches to meet requirements will advance.
- Airlines have retired certain aircraft types from their operating fleets since the onset of the pandemic, which in some cases represented an accelerated timeline for retiring older aircraft. Changes in fleet mix and average aircraft size could change the number of operations required to accommodate passenger demand.
- Supply-side factors, including slower than anticipated delivery of new aircraft as well as labor shortages, have limited airlines' ability to quickly restore capacity as demand returns.
- The Airport has played a critical and strategic role in the route networks of both United and American, providing access to the large and diverse Chicago O&D market, as well as a geographic location that enables connectivity across regions. The Airport is expected to remain a critical connecting hub for United and American, while continuing to serve a large local O&D market. Both hub airlines continue to schedule flights around arrival and

departure banks that enable connectivity. This connectivity was especially critical during the early stages of the COVID-19 pandemic as airlines reduced nonstop service on many routes and were more reliant on midcontinent connecting hubs to link destinations across their networks. Neither hub airline has another nearby connecting hub that can play the same role as the Airport in their route networks. **Table 4-11** presents the number of destinations served from each of American's hubs in June 2019 through 2023, as well as the ranking of each hub in terms of destinations served. O'Hare has consistently ranked third out of American's 10 hubs. **Table 4-12** presents the same information for each of United's hubs. O'Hare has consistently ranked first among United's seven hubs in terms of destinations served. While the number of destinations served from the Airport by each hub airline decreased marginally during the COVID-19 pandemic, both airlines continue to operate large connecting hubs with service to a substantial number of destinations.

TABLE 4-11 AMERICAN AIRLINES DESTINATIONS SERVED BY HUB

	DESTINATIONS SERVED					HUB RANKING				
AMERICAN AIRLINES HUB	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2023	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2023
Dallas Fort Worth International	234	198	239	239	230	1	1	1	1	1
Charlotte Douglas International	167	135	174	168	166	2	2	2	2	2
Chicago O'Hare International	**156**	**107**	**148**	**144**	**137**	**3**	**3**	**3**	**3**	**3**
Miami International	129	61	121	136	133	5	6	4	4	4
Philadelphia International	130	75	105	108	106	4	4	5	5	5
Phoenix Sky Harbor International	88	66	95	90	86	6	5	6	6	6
Ronald Reagan Washington National	77	51	79	82	85	7	7	7	7	7
Los Angeles International	69	14	52	47	48	8	8	8	9	8
LaGuardia	49	7	32	41	45	9	9	10	10	9
John F. Kennedy International	39	5	33	48	42	10	10	9	8	10

SOURCE: Innovata, (published airline schedules), July 2023.

TABLE 4-12 UNITED AIRLINES DESTINATIONS SERVED BY HUB

UNITED AIRLINES HUB	DESTINATIONS SERVED					HUB RANKING				
	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2023	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2023
Chicago O'Hare International	**193**	**100**	**182**	**186**	**174**	**1**	**1**	**1**	**1**	**1**
Denver International	163	94	170	175	168	3	2	2	2	2
George Bush Intercontinental (Houston)	167	80	156	157	154	2	3	3	3	3
Newark Liberty International	149	34	104	144	150	4	6	5	4	4
Washington Dulles International	108	59	109	105	101	5	4	4	5	5
San Francisco International	103	37	67	87	97	6	5	6	6	6
Los Angeles International	56	8	54	58	51	7	7	7	7	7

SOURCE: Innovata (published airline schedules), July 2023.

4.5.1.2 LONG-TERM FORECAST METHODOLOGY

As passenger demand and airline capacity fully recover to pre-COVID-19 pandemic levels, it is expected that the traditional relationships between demand and socioeconomics will drive long-term passenger growth. Longer-term O&D passenger activity was forecast using socioeconomic regression analysis techniques that identified predictive statistical relationships between historical O&D passenger volumes and independent socioeconomic variables (such as GRP, employment, and personal income) over a 20-year period ending in 2019. Activity that occurred in 2020 and 2021 was not incorporated into the socioeconomic regression analysis as activity during this period was heavily influenced by factors that were specific to the COVID-19 pandemic that are not expected to influence demand for air travel in the long-term.

Domestic and international O&D passengers were independently forecast for the total airport system, inclusive of both O'Hare and Midway, using US and Air Trade Area economic factors. The allocation of domestic and international O&D passengers between the two airports was based on each airport's share of O&D passengers in 2019, a period that reflected unconstrained conditions.

Table 4-13 summarizes the output of the socioeconomic regression analysis.

The combined O'Hare and Midway connecting passengers were modeled as a percentage of total airport system O&D passengers and then allocated to each airport. The year-over-year growth rates, inclusive of total O&D and connecting passengers, established using the long-term forecast methodology were applied to the forecast passenger activity in 2025, as established in the short-term recovery forecast, to derive the forecast of enplaned passengers through 2032.

TABLE 4-13 SOCIOECONOMIC REGRESSION ANALYSIS OUTPUTS

SOCIOECONOMIC VARIABLE	IMPLIED FY 2019 – FY 2032 O&D PASSENGER CAGR
ATA Gross Regional Product	2.3%
ATA Total Employment	2.2%
ATA Personal Income	2.3%
United States Gross Regional Product	2.0%
United States Total Employment	1.9%
United States Personal Income	2.0%
Average	**2.1%**

NOTES:
CAGR – Compound Annual Growth Rate
ATA – Air Trade Area
FY – Fiscal Year
O&D – Origin and Destination
SOURCES: Woods & Poole Economics, Inc., January 2022; Moody's Analytics, Inc., January 2022; US Department of Transportation, DB1B Survey, July 2023; Ricondo & Associates, Inc., July 2023 (analysis).

4.5.1.3 OTHER ASSUMPTIONS INCORPORATED INTO ACTIVITY FORECASTS

The following assumptions were also incorporated into the passenger forecast:

- For these analyses, and as with the FAA's assumptions for its nationwide forecasts, it is assumed that no terrorist incidents that materially impact US air traffic demand during the Projection Period will occur.
- Economic disturbances will occur in the Projection Period causing year-to-year traffic variations; however, a long-term increase in nationwide traffic is expected to occur.
- It is assumed no major "Acts of God" that may disrupt the national and/or global airspace system will occur during the Projection Period that negatively impact aviation demand.
- It is assumed that factors affecting the aviation demand, such as those identified in Section 4.4, do not have a significant impact over the Projection Period.

4.5.2 FORECAST OF PASSENGER DEMAND

Table 4-14 presents the forecast of domestic and international enplaned passengers. Total enplaned passengers are forecast to increase from 34.1 million in 2022 to 47.9 million in 2032, which represents a CAGR of 3.4 percent. The 2019 to 2032 CAGR is 1.0 percent. Domestic enplaned passengers are forecast to increase from 28.5 million in 2022 to 39.2 million in 2032, which represents a CAGR of 3.2 percent. International enplaned passengers are forecast to increase from 5.6 million in 2022 to 8.7 million in 2032, which represents a CAGR of 4.4 percent. The faster rate of growth for international passengers from 2022 to 2032 is reflective of the slower pace of recovery in international passenger demand through the end of 2022. The 2019 to 2032 CAGR for domestic enplaned passengers is 0.8 percent and 1.6 percent for international passengers.

TABLE 4-14 DOMESTIC AND INTERNATIONAL ENPLANED PASSENGER FORECAST

YEAR	ENPLANED PASSENGERS			TOTAL PERCENT OF 2019
	DOMESTIC	INTERNATIONAL	TOTAL	
2019 Actual	35,168,714	7,079,656	42,248,370	
2020 Actual	13,549,416	1,801,630	15,351,046	36.3%
2021 Actual	24,169,431	2,775,928	26,945,359	63.8%
2022 Actual	28,459,387	5,636,323	34,095,710	80.7%
2023	29,824,710	6,061,257	35,885,967	85.0%
2024	33,237,288	7,026,692	40,263,979	95.3%
2025	34,965,359	7,332,609	42,297,968	100.1%
2026	35,568,126	7,521,788	43,089,914	102.0%
2027	36,170,927	7,711,917	43,882,845	103.9%
2028	36,773,437	7,902,943	44,676,380	105.8%
2029	37,376,818	8,095,054	45,471,872	107.7%
2030	37,980,122	8,288,076	46,268,197	109.5%
2031	38,583,184	8,481,910	47,065,094	111.4%
2032	39,185,457	8,676,469	47,861,926	113.3%
2019 to 2032 CAGR	0.8%	1.6%	1.0%	
2022 to 2032 CAGR	3.2%	4.4%	3.4%	

NOTES:
CAGR – Compound Annual Growth Rate
Total number of Enplaned Passengers are rounded to the next whole number.
SOURCES: Chicago Department of Aviation, July 2023 (actual passengers); Ricondo & Associates, Inc., July 2023 (forecast passengers).

4.5.3 VISITING ORIGIN AND DESTINATION PASSENGER FORECASTS

Enplaned passenger activity at the Airport can be categorized one of three ways:

- Resident O&D Passengers: Passengers from the Airport's Air Trade Area or surrounding region that originate their air travel at the Airport.
- Visiting O&D Passengers: Passengers that originate their air travel from a point other than the Airport, with the Air Trade Area or surrounding region as their destination.
- Connecting/Through Passengers: Passengers that originate their air travel from a point other than the Airport and are using the Airport as an interim stopping point on their way to their final destination that is not the Air Trade Area or surrounding region.

As the objective of the analysis in this Report is to project demand for rental car activity and, ultimately, CFC collections at the Airport, the passenger demand analysis is primarily focused on visiting O&D enplaned passengers, the passengers who are most likely to rent cars at the Airport.

Table 4-15 presents the forecast of connecting and O&D enplaned passengers. Connecting passengers are forecast to increase from 13.6 million in 2022 to 20.5 million in 2032. O&D passengers are forecast to increase from 20.5 million in 2022 to 27.3 million in 2032. The forecast distribution of connecting and O&D passengers is held constant at 2019 levels at 42.9 percent connecting and 57.1 percent O&D. Connecting passengers are forecast to grow at a

CAGR of 4.2 percent between 2022 and 2032 and O&D passengers are forecast to grow at CAGR of 2.9 percent during the same period.

TABLE 4-15 CONNECTING AND TOTAL ORIGIN AND DESTINATION ENPLANED PASSENGER FORECAST

YEAR	ENPLANED PASSENGERS			
	CONNECTING	CONNECTING PERCENT OF TOTAL	O&D	O&D PERCENT OF TOTAL
2019 Actual	18,412,161	43.6%	23,836,209	56.4%
2020 Actual	6,800,513	44.3%	8,550,533	55.7%
2021 Actual	11,685,584	43.4%	15,259,775	56.6%
2022 Actual	13,611,459	39.9%	20,484,251	60.1%
2023	15,393,800	42.9%	20,525,175	57.2%
2024	17,260,671	42.9%	23,014,348	57.2%
2025	18,127,646	42.9%	24,170,322	57.1%
2026	18,467,051	42.9%	24,622,864	57.1%
2027	18,806,877	42.9%	25,075,968	57.1%
2028	19,146,963	42.9%	25,529,418	57.1%
2029	19,487,886	42.9%	25,983,985	57.1%
2030	19,829,168	42.9%	26,439,030	57.1%
2031	20,170,694	42.9%	26,894,400	57.1%
2032	20,512,193	42.9%	27,349,734	57.1%
2019 to 2032 CAGR	0.8%		1.1%	
2022 to 2032 CAGR	4.2%		2.9%	

NOTES:
CAGR – Compound Annual Growth Rate
O&D – Origin and Destination
Actual O&D passengers are based on DOT US Department of Transportation databases and may differ from O&D and total passengers presented in Table 4-1, which are based on airline bookings data.
SOURCES: Chicago Department of Aviation, July 2023 (actual passengers); Ricondo & Associates, Inc., July 2023 (forecast passengers).

Table 4-16 presents historical and forecast resident and visitor O&D passengers. The visitor share of O&D passengers is forecast to marginally decrease from 43.7 percent in 2022 to 43.5 percent in 2025, the same share it represented in 2019, as demand patterns stabilize and the balance of residents and visitors returns to pre–COVID-19 pandemic levels. The 43.5 percent share of visitor O&D passengers is forecast to remain constant through 2032, resulting in visiting O&D passengers increasing from 9.0 million in 2022 to 11.9 million in 2032, which represents a 2.9 percent CAGR.

TABLE 4-16 RESIDENT AND VISITOR ENPLANED PASSENGER FORECAST

	O&D ENPLANED PASSENGERS				
YEAR	RESIDENTS	RESIDENT PERCENT OF TOTAL O&D	VISITORS	VISITOR PERCENT OF TOTAL O&D	TOTAL
2019 Actual	13,467,458	56.5%	10,368,751	43.5%	23,836,209
2020 Actual	5,155,971	60.3%	3,394,562	39.7%	8,550,533
2021 Actual	9,003,267	59.0%	6,256,508	41.0%	15,259,775
2022 Actual	11,532,633	56.3%	8,951,618	43.7%	20,484,251
2023	11,740,400	57.2%	8,784,775	42.8%	20,525,175
2024	13,118,179	57.0%	9,896,170	43.0%	23,014,348
2025	13,656,232	56.5%	10,514,090	43.5%	24,170,322
2026	13,911,918	56.5%	10,710,946	43.5%	24,622,864
2027	14,167,922	56.5%	10,908,046	43.5%	25,075,968
2028	14,424,121	56.5%	11,105,297	43.5%	25,529,418
2029	14,680,952	56.5%	11,303,034	43.5%	25,983,985
2030	14,938,052	56.5%	11,500,978	43.5%	26,439,030
2031	15,195,336	56.5%	11,699,064	43.5%	26,894,400
2032	15,452,600	56.5%	11,897,134	43.5%	27,349,734
2019 to 2032 CAGR	1.1%		1.1%		1.1%
2022 to 2032 CAGR	3.0%		2.9%		2.9%

NOTES:
CAGR – Compound Annual Growth Rate
O&D – Origin and Destination
Actual O&D passengers are based on US Department of Transportation databases and will not tie to O&D passengers presented in Table 4-1, which are based on airline bookings data.
Total number of O&D Enplaned Passengers are rounded to the next whole number.
SOURCES: Chicago Department of Aviation, July 2023 (actual passengers); Ricondo & Associates, Inc., July 2023 (forecast passengers)

5. THE AIRPORT RENTAL CAR MARKET

This chapter focuses on rental car activity and demand at the Airport and the relationship of each to visiting O&D deplaned passenger levels. The chapter consists of an overview of the rental car industry, a description of recent trends and events occurring in the rental car industry nationwide, and a review of the Airport's rental car market, including current rental car operators, historical rental car activity, and the nature of Airport rental car activity.

5.1 INDUSTRY OVERVIEW

The US rental car market consists of two basic components: (1) the airport segment and (2) the local/insurance replacement segment. Demand for rental cars within the airport segment is directly related to trends in the national economy. Airport-related rental car demand grew steadily between 2013 and 2019 as the national economy expanded; demand declined significantly in 2020 due to the COVID-19 pandemic. Rental car revenue fell 27.4 percent in 2020 to $22.7 billion, after a high of $32.0 billion in revenue in 2019,[66] and two RACs filed for bankruptcy. The Hertz Corporation and Advantage Rent a Car both filed for bankruptcy protection in May 2020. As travel restrictions lifted in 2021, the rental car industry achieved overall revenues of $28.1 billion in 2021, a 21 percent increase over 2020 and the largest year-over-year gain in its history.[67] The Hertz Corporation exited bankruptcy protection in July 2021 and affirmed almost all its concession agreements and facility leases for each of its three brands at large- and medium-hub airports including at the Airport. During its bankruptcy proceedings, Advantage Rent a Car sold its rights to operate and lease space at certain large- and medium-hub US airports to SIXT Rent a Car, LLC (SIXT) and to one of its licensees. Its remaining bankruptcy estate is expected to be liquidated in late 2023.

The rental car market includes RACs that often operate multiple brands, which reflects a significant amount of consolidation that occurred in the US rental car market since 2000. Prior to 2000, most rental car brands were individually owned and operated, but between 2000 and 2013, several ownership changes occurred, including Avis Budget Group, Inc. acquiring Budget Rent a Car in 2002 and Payless Car Rental and Zipcar in 2013; Enterprise Holdings, Inc. acquiring Alamo Rent a Car and National Car Rental in 2007; The Hertz Corporation acquiring Dollar Rent A Car and Thrifty Car Rental in 2012, and Europcar International acquiring Fox Rent A Car in 2019.

Today, the industry is dominated by three RACs that operate a total of eight national brands: Avis Budget Group, Inc.[68] (owner of the Avis Car Rental and Budget Rent a Car brands), Enterprise Holdings, Inc. (owner of the Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental brands), and The Hertz Corporation (owner of Hertz Rent A Car, Dollar Rent A Car, and Thrifty Car Rental brands). These companies, all of which operate at the Airport, position their respective brands to target various market segments. For instance, the Hertz Rent A Car, Avis Car Rental, and National Car Rental brands target the business market segment, while the Budget Rent a Car, Dollar Rent A Car, Thrifty Car Rental, Enterprise Rent-A-Car, and Alamo Rent a Car brands target the leisure traveler market.

In the last 10 years, SIXT, a major European airport rental car company has made a strong push into the US airport rental car market. SIXT initially established locations in the US focusing on the inbound European leisure and business market, primarily in Florida and Las Vegas. In 2020 SIXT acquired (from the bankruptcy estate of Advantage

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[66] Auto Rental News, *2023 Fact Book*, April 4, 2023.

[67] Ibid.

[68] Avis Budget Group, Inc., announced on July 15, 2013, that it had acquired Payless Car Rental (Auto Rental News, July 15, 2013). For the purposes of this Report, the companies have been treated as separate entities.

Rent a Car) the rights to operate at 10 large-hub US airports and is now aggressively expanding to other large- and medium-hub airports. According to its website, as of 2023, SIXT operates 100 locations in the United States, including 30 airports.[69]

Despite the competition from other modes of ground transportation, the traditional on-airport RACs continue to be dominant in the airport rental car market. They have reacted to the competition from these alternate modes of ground transportation through targeted marketing, adjusting their rates, and stressing convenience and emphasizing vehicle safety.

The following are brief profiles of each major national brand, obtained from their respective websites, grouped by their parent organization:

Avis Budget Group, Inc., Owner of Avis Car Rental and Budget Rent a Car

- **Avis Car Rental** was founded in 1946 and was the first company to rent cars from airport locations. As of July 2023, the company had 5,500 locations in more than 165 countries.[70]
- **Budget Rent a Car** was founded in 1958, and the name was chosen to appeal to the "budget minded" or "value-conscious" renter. As of July 2023, the company has more than 2,700 locations in more than 120 countries.[71]

Enterprise Holdings, Inc., Owner of Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental

- **Enterprise Rent-A-Car** was founded in 1957 in St. Louis. The company has more than 6,000 neighborhood and airport branch offices located in the United States, Canada, the United Kingdom, Ireland, and Germany.[72]
- **Alamo Rent a Car** was founded in 1974 in Florida, and it is known for pioneering the concept of unlimited free mileage. The company provides rental cars primarily to family and leisure travelers.[73]
- **National Car Rental** was founded in 1947 by a group of 24 independent car rental operators. The company brands itself as a premium, internationally recognized brand serving the daily rental needs of the frequent airport business traveler.[74]

The Hertz Corporation, Owner of Hertz Rent A Car, Dollar Rent A Car and Thrifty Car Rental Brands

- **Hertz Rent A Car** was founded in 1918 in Chicago. The company has approximately 8,800 locations in 150 countries. Hertz Rent A Car is the largest airport general-use car rental brand in the world.[75] Together with the Dollar Rent A Car and Thrifty Car Rental brands, Hertz Rent A Car operates approximately 10,300 locations across the world.

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[69] SIXT Rent a Car, LLC, "Fact Sheet," https://sixt-press.us/wp-content/uploads/2021/02/SIXT_Press_Fact-Sheet_Feb2021.pdf (accessed July 2023)

[70] Avis Rent A Car System, LLC, https://www.avis.com/en/about-avis/company-information/corporate-facts (accessed July 2023).

[71] Budget Rent A Car System, Inc., https://www.budget.com/en/about-budget/company-information/leader-profiles/our-factsheet (accessed July 2023).

[72] Enterprise Holdings, Inc., "Fact Sheet," https://www.enterpriseholdings.com/content/dam/ehicom/fact-sheets/fy21/Enterprise-Holdings-Fact-Sheet-FY21_111821.pdf (accessed July 2023).

[73] Enterprise Holdings, Inc., "About Alamo Rent A Car," https://www.alamo.com/en/about-us.html (accessed July 2023).

[74] Enterprise Holdings, Inc., "Company Information," https://www.nationalcar.com/en/home.html (accessed July 2023).

[75] The Hertz System, Inc., "Hertz History,"https://www.hertz.ca/rentacar/abouthertz/index.jsp?targetPage=CorporateProfile.jsp&c=aboutHertzHistoryView (accessed July 2023).

- **Dollar Rent A Car** was founded in 1966 in Los Angeles, California. The company has more than 840 worldwide locations in 70 countries with Thrifty Car Rental.[76]
- **Thrifty Car Rental** was founded in 1958 and brands itself as a value-oriented car rental company that has a significant presence both in the airport and local car rental markets. Thrifty Car Rental operates in 77 countries and territories with over 1,000 locations throughout North, Central, and South America; Africa; Europe; the Middle East; the Caribbean; Asia; and the Pacific.[77]

SIXT Rent a Car, LLC

- **SIXT** was founded in 1912 in Munich, Germany, with a fleet of only three vehicles. SIXT operates in over 150 countries with offices in over 2,200 locations and has over 6,900 employees.[78] SIXT entered the US market in 2011 after establishing itself as one of the largest RACs in Europe, and it expanded its position as the fourth-largest car rental company in the United States.

Table 5-1 shows how the overall market share of US RACs, based on gross revenues, has changed from 2017 to 2022. In 2017, Enterprise Holdings, Inc., The Hertz Corporation, and Avis Budget Group, Inc., had the largest shares of the total US rental market, with 56.6 percent, 20.9 percent, and 17.5 percent, respectively. In that same year, $1.45 billion, or 5.1 percent of the market, comprised other regional or independent RACs. Their share of the US rental car market stayed consistent until the pandemic year of 2020 when Enterprise Holdings, Inc.'s market share increased to 62.3 percent, while The Hertz Corporation's and Avis Budget Group, Inc.'s market share decreased to 16.7 percent and 16.1 percent, respectively. Total revenue in 2020 was $22.8 billion, which was down significantly from the $31.9 billion reported in 2019. Rental car demand showed signs of recovery in 2022 as estimated revenue increased to $36.1 billion.

Between 2019 and 2022, The Hertz Corporation's share dropped from 21.3 percent to 15.8 percent, Avis Budget Group, Inc.'s market share increased from 17.3 percent to 23.4 percent, while Enterprise Holdings Inc. and "Others" market shares did not change significantly. As shown in Table 5-1, Enterprise Holdings, Inc., was estimated to have the largest share (55.2 percent) of the total US rental car market, with $19.9 billion of gross revenues estimated for 2022, due in large part to its dominance of the insurance/car replacement market through its Enterprise Rent-A-Car brand.

Exhibit 5-1 presents a timeline regarding the creation of multi-brand rental car organizations since 1997.

5.2 INDUSTRY TRENDS

This section presents a review of historical rental car industry activity trends, a discussion of consolidated rental car facilities, and a discussion of airport taxes and surcharges that are added to a customer's total rental car bill.

[76] DTG Operations, Inc., "Corporate Background," https://www.dollar.com/AboutUs/Background.aspx (accessed July 2023).

[77] DTG Operations, Inc., "About Us," https://www.thrifty.com/AboutUs/content.aspx (accessed July 2023).

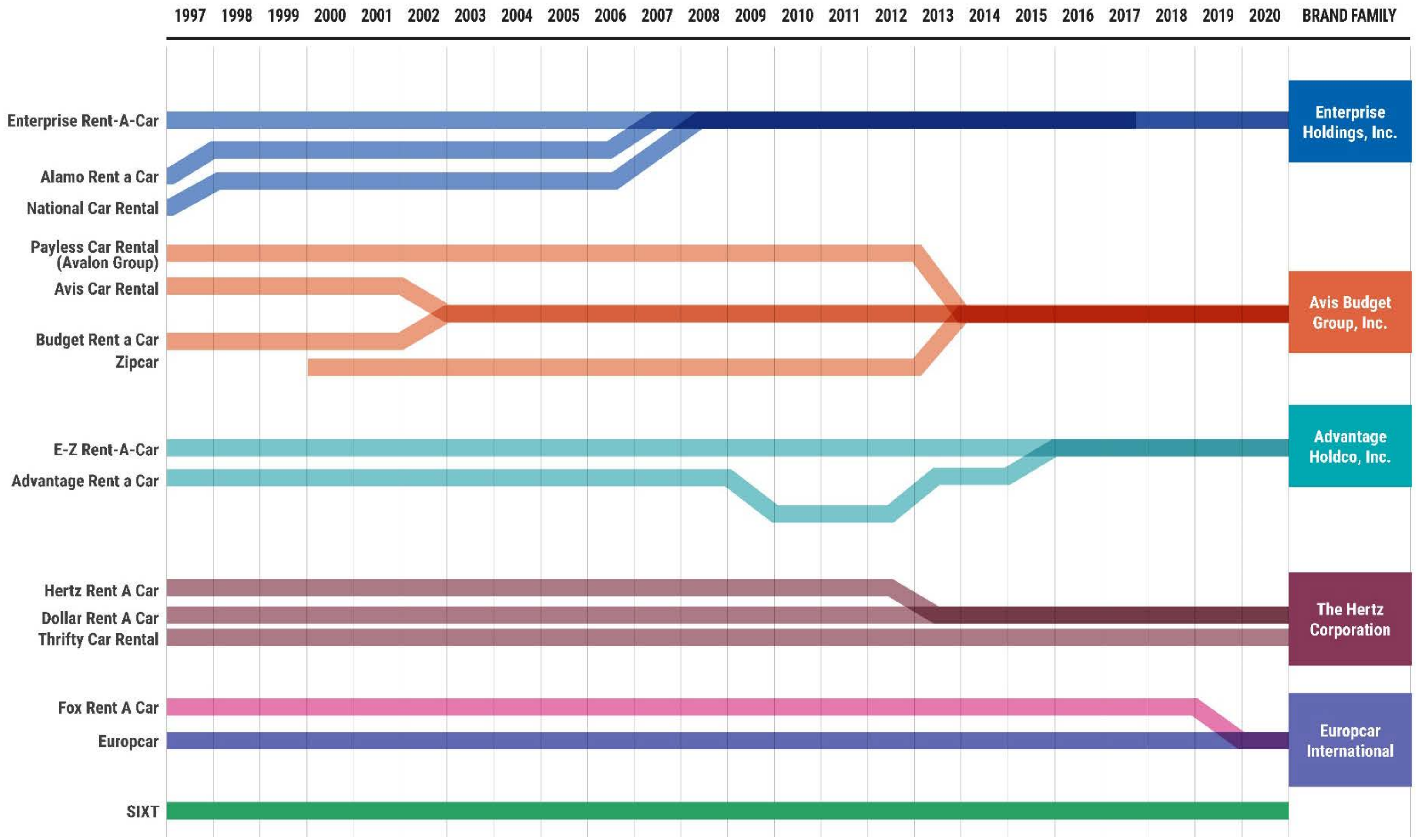
[78] SIXT Group, "The History of SIXT," https://www.sixt.is/travelling-in-iceland/sixt-history/ (accessed July 2023).

TABLE 5-1 US RENTAL CAR COMPANY MARKET SHARE (DOLLARS IN BILLIONS)

	TOTAL US RENTAL CAR MARKET											
	2017		2018		2019		2020		2021		2022 ESTIMATE	
COMPANY	GROSS REVENUES	SHARE	GROSS REVENUES	SHARE	GROSS REVENUES	SHARE	GROSS REVENUES	SHARE	GROSS REVENUES	SHARE	GROSS REVENUES	SHARE
Enterprise Holdings, Inc. (includes Alamo, National, and Enterprise)	$16.200	56.6%	$16.900	55.8%	$17.800	55.9%	$14.175	62.3%	$15.664	54.1%	$19.920	55.2%
The Hertz Corporation (includes Dollar and Thrifty)	$5.994	20.9%	$6.480	21.4%	$6.789	21.3%	$3.800	16.7%	$5.600	19.4%	$5.700	15.8%
Avis Budget Group (includes Payless, not Zipcar)	$5.000	17.5%	$5.200	17.2%	$5.500	17.3%	$3.656	16.1%	$6.050	21.0%	$8.430	23.4%
Others	$1.451	5.1%	$1.690	5.6%	$1.78	5.6%	$1.130	5.0%	$1.634	5.6%	$2.040	5.7%
Total	**$28.645**	**100.0%**	**$30.270**	**100.0%**	**$31.869**	**100.0%**	**$22.761**	**100.0%**	**$28.948**	**100.0%**	**$36.090**	**100.0%**

SOURCE: Auto Rental News, https://www.autorentalnews.com/ (accessed July 2023).

EXHIBIT 5-1 TIMELINE OF RENTAL CAR COMPANY BRAND CONSOLIDATION



NOTES:
This table presents the timing of transactions, including bankruptcies, that resulted in a consolidation of rental car brands under a holding company, not every financial transaction where a brand changed ownership.
In 2014, ACE Rent A Car, Inc. sold its rental car operations to Avis Budget Group, Inc., while retaining ownership of the ACE Rent A Car brand, licensee system and proprietary software.
In 2020, Advantage Rent a Car sold its rights to operate and lease space at certain large- and medium-hub US airports to SIXT and to one of its licensees. Its remaining bankruptcy estate is expected to be liquidated in late 2023.
SOURCES: www.enterprise.com, www.avisbudgetgroup.com, www.hertz.com, www.acerentacar.com, www.dtag.com, Auto Rental News (www.autorentalnews.com), accessed July 2023.

5.2.1 INNOVATION AND COMPETITION

Innovation in both operations and technology is expected to drive long-term growth and profitability. Fleet management, pricing optimization, and mobile apps are among the top focuses of the industry. In 2021 Avis Budget Group, Inc., announced it was designing a new mobility platform that will allow it to support partnerships and accelerate the implementation of new products and offerings. In 2021, The Hertz Corporation announced an agreement to acquire 100,000 electric vehicles from Tesla, signaling a shift in its fleet mix and marketing strategies. In addition, companies are developing and refining mobile applications to provide a faster, more convenient customer experience and continue to improve the customer engagement. For example, companies can now verify and retain a digital record of customer details and driver identification details, which saves time during the rental process. Companies are also adding in-car technologies that make it easier for customers to access wireless Internet connection and satellite navigation features to assist with driver safety and the safety of a company's fleet of vehicles.

The evolution of new technologies and car-sharing mobility platforms has provided an alternative to the airport rental car market. The rental car industry has actively adapted to the new operating environment. At various rental car industry and airport industry conferences, rental car industry representatives have cited that, as the TNP market has matured, they have experienced some impact on their short-duration and short-distance rentals, which Airport data also support. Traditional RACs have adjusted their marketing strategies to compete with the TNPs. They have adjusted their pricing strategies to compete more aggressively for one-day and short-duration rentals. The Hertz Corporation, Enterprise Holdings, Inc., and Avis Budget Group, Inc., have developed programs to provide rental vehicles to TNP drivers. As early as 2018, Avis Budget Group, Inc., began strategic partnerships with Lyft, Uber, Waymo, Via, Fetch, and Otonomo.

While traditional RACs have partnered with TNPs by renting cars to drivers, peer-to-peer car renting companies, like Turo, are positioning themselves to become another potential alternative to the traditional rental car industry. Like Airbnb, Turo provides a platform for individuals to rent cars directly from local vehicle owners or "hosts." Turo does not own any of the vehicles. Thus, it has no responsibility for vehicle holding, maintenance, or insurance costs. Other companies in the peer-to-peer market include Zipcar and Getaround.

Turo was founded in 2010 and has 160,000 active hosts, and 2.9 million active guests over the 12-month period ending December 31, 2022. Turo's sales increased by over 270 percent in 2021 and 59 percent in 2022. This rapid growth is attributed to Hertz's 2020 bankruptcy, shrinking supply in the traditional rental car market during and post-pandemic, and the growth in domestic travel.[79]

Turo has typically not paid certain costs associated with airport-imposed fees and other government-imposed fees on rental car transactions, to which the traditional RACs are subject, because it does not identify as a "rental car company." This has raised the question whether transactions through Turo should be treated and regulated the same as rental car transactions. The company was sued by the City of San Francisco in 2018 for failure to pay the fees required to operate legally at San Francisco International Airport. The company counter-sued the city, claiming it should not be subject to the same regulations as legacy RACs. A judge eventually ruled in the city's favor, but the ruling was subsequently overturned. Turo has entered into agreements with several airport sponsors that require it to pay for the privilege of doing business at their airports. That trend is expected to continue, which may make Turo-type rentals more competitive with the traditional RACs. The City does not have an agreement with Turo for

[79]Wang, Carter, "Turo," https://research.contrary.com/reports/turo (accessed July 2023).

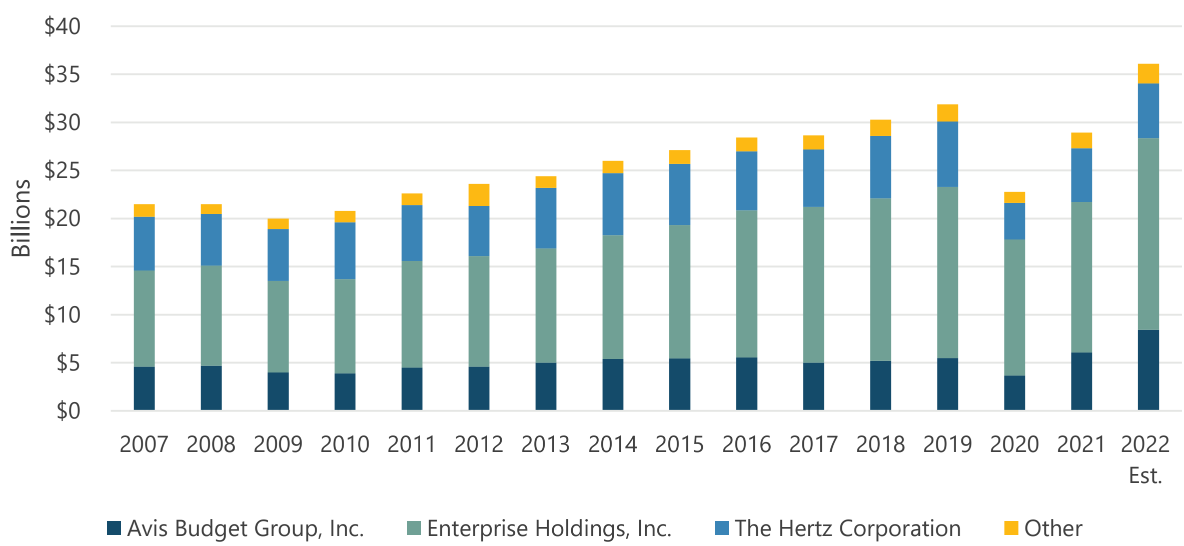
operations at O'Hare. Vehicles that are rented through Turo are generally picked up at one of the remote on-Airport public parking lots, and the parking cost is paid by the customer upon exiting the lot.

5.2.2 RENTAL CAR INDUSTRY ACTIVITY

Demand within the US airport rental car market is generally influenced by economic trends. While rental car rates and other costs, as well as the availability of other forms of transportation, may factor into a particular decision to rent a vehicle, generally, as economic activity increases and the propensity of travel rises, demand for rental cars increases as well. During periods of economic weakness, the propensity of travel tends to decline, as does demand for rental cars. Thus, airport-related rental car activity is primarily related to visiting passenger activity in a particular market.

Exhibit 5-2 depicts total US rental car gross sales between 2007 and 2022. The industry's revenue was at $21.5 billion in 2008, before declining almost 7 percent in 2009 when the financial crisis began. From 2010 to 2019 the rental car industry saw historic growth as revenue increased over 53 percent, a CAGR of 4.9 percent. Revenue then declined sharply by 28.6 percent in 2020 due to the pandemic, but it rebounded in 2021 and 2022 as travel restrictions began to ease.

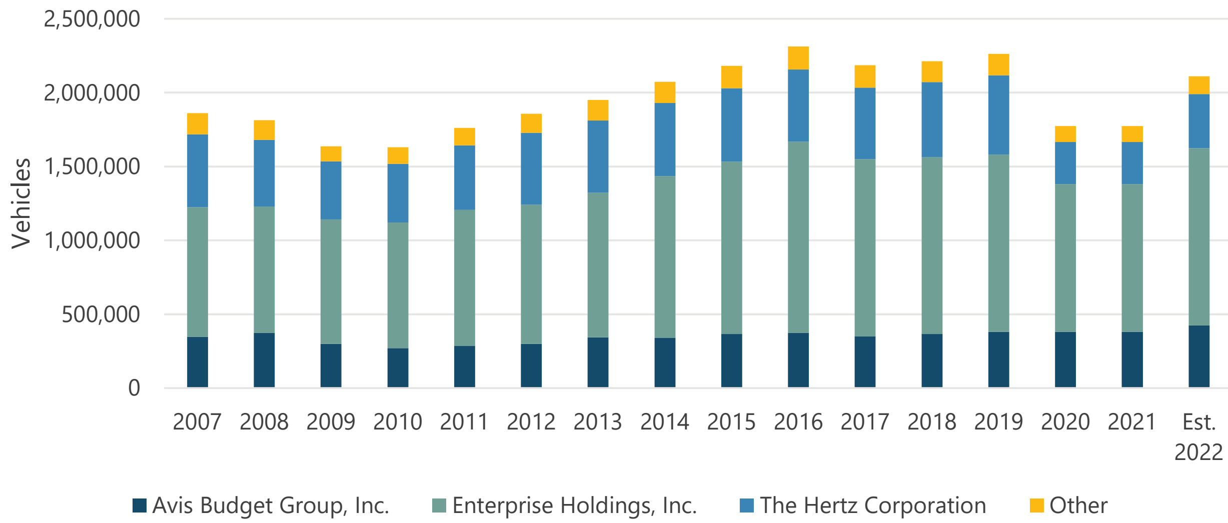
EXHIBIT 5-2 US RENTAL CAR MARKET GROSS SALES



NOTES:
Revenues are grouped by the total brands owned by each holding company as of July 2023.
The 2022 revenue is estimated.
SOURCE: Auto Rental News, July 2023.

The US rental car industry operated a total fleet volume of 1.7 million vehicles in 2021, as shown on **Exhibit 5-3**. This is a 26 percent decline from the high of 2.3 million vehicles in 2016. This decline is directly related to the decline in airport car rental demand due to the COVID-19 pandemic, which led to the industry selling off its fleets. As air travel started to recover, the RACs were unable to acquire sufficient replacement fleet from vehicle manufacturers due to the shortage of computer chips. As depicted in Exhibit 5-3, estimated 2022 fleet size remained below 2019 levels.

EXHIBIT 5-3 US RENTAL CAR FLEET SIZE



NOTES:
Fleet size is grouped by the total brands owned by each holding company as of July 2023.
The 2022 fleet size is estimated.
SOURCE: Auto Rental News, July 2023.

5.2.3 CONSOLIDATED RENTAL CAR FACILITIES

As airline passenger activity has grown over the past 20 years, so has terminal roadway congestion at the nation's airports. A contributing factor to this congestion was the presence of numerous buses required to transport rental car customers to their vehicles. CRCFs became a popular means for airport operators to address this element of the congestion problem. Instead of each RAC having its own shuttle bus system to transport customers to and from individual remote sites, a consolidated facility brings all the on-airport RACs together at a single location with a single transit system, a bus system, or other people mover system, transporting rental car customers to and from the terminal.

The first standalone CRCF in the United States was completed at San Francisco International Airport. Subsequently, consolidated facilities opened at Dallas Fort Worth International, George Bush Intercontinental (Houston), Baltimore/Washington International Thurgood Marshall, Fort Lauderdale–Hollywood International, Miami International, and Hartsfield-Jackson Atlanta International Airports, among others. Typically, the primary source of financing for these facilities has been revenue bonds (either special facility or GARBs) backed by a CFC. These fees are typically based on rental car transaction days, although some CFCs are charged on a per-contract basis.

5.2.4 AIRPORT TAXES AND SURCHARGES

Airport taxes and surcharges were a focus of the rental car industry during the 1990s, both in terms of their opposition to new taxes to pay for non-rental-car-related facilities (such as convention centers and sports arenas) and their support of actions that allowed them to pass through charges, such as airport concession fees, to their customers. The concept of taxing rental car transactions for non-rental-car-related facilities is an option for local governments to export part of the tax burden to non-residents. The opponents to this concept point out that it raises the cost of rental cars, which, in economic theory, decreases demand.

The RACs themselves began passing through certain costs and fees to their customers in the late 1990s as they sought ways to increase profitability. This practice allowed RACs to increase fees and pass through some of their costs to the customer, while generally not lowering their base rental rates.

Airport sponsors also began charging rental car customers user fees to pay for the costs of CRCFs and transportation between the facility and terminals. Unlike PFCs at many airports, rental car facility charges and transportation fees are not regulated by the federal government. Of the 30 US large-hub airports, 28 are currently charging a CFC.[80] **Table 5-2** provides a list of charges and transportation fees at large-hub US airports. As presented, the sponsors of two California airports, Los Angeles International Airport and San Diego International Airport, charge the highest CFC at $9.00 per day. This $9.00 per-transaction-day rate is the highest rate permitted under a statewide CFC statute and applies to the first five days of a rental transaction. The Airport's $8.00 per-transaction-day CFC rate is the third highest behind the two California airports. Some other airports have higher rates based on a per-contract basis. For example, the sponsor of George Bush Intercontinental (Houston) Airport charges both a $4.00 per-transaction-day CFC and a $5.39 per-transaction transportation fee. More information regarding CFC rates at airports is presented in Section 5.4.3. Additionally, a more detailed analysis of rental car rates, including various user fees, charges, and taxes, at the Airport and surrounding airports is provided in Section 5.4.2.

5.3 RENTAL CAR MARKET AT THE AIRPORT

The Airport is currently served by five on-Airport RACs, which provide service through 11 different rental car brands, and two Off-Airport RACs (Routes Car Rental USA, Inc. and Auto Rental, LLC). As of January 1, 2023, one national rental car company ranked the Airport's rental car market as the 11th largest in the US based on total transactions. Each company, except for Routes Car Rental, leases space in the CRCF, which is located in the MMF on the southeast corner of Zemke Boulevard and Mannheim Road. The CRCF opened in November 2018 and houses all on-Airport RACs serving the Airport. Customers are transported between the MMF and the terminals via the ATS. The RACs and their associated brands that operate on-Airport are as follows:

- Avis Budget Group, Inc., d/b/a Avis Car Rental, Budget Rent a Car, and Payless Car Rental
- Enterprise Holdings, Inc., d/b/a Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental
- Europcar Mobility Group, d/b/a Fox Rent A Car
- The Hertz Corporation, d/b/a Hertz Rent A Car, Dollar Rent A Car, and Thrifty Car Rental
- SIXT Rent a Car, LLC, d/b/a SIXT rent a car

The RACs and their associated brands that operate off-Airport are as follows:

- Routes Car Rental USA Inc., d/b/a Routes Car Rental
- Auto Rental, LLC, d/b/a ACE Rent A Car[81]

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[80] Large hub airports as defined by FAA in 2022, using calendar year 2021 Air Carrier Activity Information System (ACAIS)data.

[81] ACE Rent A Car, Inc. operated as an Off-Airport RAC from 2013 to 2014. In 2014, the company sold its rental operations to Avis Budget Group, while retaining ownership of the ACE Rent A Car brand, licensee system and proprietary software (acerentacar.com/Static/OurStory, accessed July 2023). Auto Rental, LLC, d/b/a ACE Rent A Car entered into an Off-Airport RAC license agreement with the City of Chicago in July 2023.

TABLE 5-2 CUSTOMER FACILITY CHARGE AND TRANSPORTATION FEES AT LARGE-HUB US AIRPORTS

			USE OF CUSTOMER FEE			
LARGE-HUB AIRPORT[1]	CUSTOMER FEE	FULL CAPITAL COST RECOVERY	DEBT SERVICE	TRANSPORTATION (COMMON BUS/ PEOPLE MOVER)	FACILITY O&M INCLUDED	TYPE OF FACILITY
Hartsfield-Jackson Atlanta International (ATL)	$5.00/day	Yes	X			Remote consolidated with service facilities; APM
Baltimore/Washington International Thurgood Marshal (BWI)	$3.75/day+$2.25/day transportation fee	Yes	X	X	X	Remote consolidated with service facilities
Boston Logan International (BOS)	$6.00/day	Yes	X	X	X	Remote consolidated with QTA
Charlotte/Douglas International (CLT)	$4.00/day	Yes	X	N/A		Ready/return spaces in terminal parking garage
Chicago Midway International (MDW)	$4.75/day	Yes	X	X	X	Remote consolidated with QTA
Chicago O'Hare International (ORD)	$8.00/day	Yes	X	X	X	Remote consolidated with QTA
Dallas-Fort Worth International (DFW)	$4.00/day+$2.50/day transp. fee	Yes	X	X		Remote consolidated with service facilities
Denver International (DEN)	$6.00/day	Yes	X	X[5]		Individual customer and service facilities
Washington Dulles International (IAD)	$3.00/day					
Fort Lauderdale/Hollywood International (FLL)	$3.95/day	Yes	X	X	X	Consolidated customer service; QTA; ready spaces
Daniel K Inouye International (HNL)	$4.50/day	Yes	X	X	X	Statewide RAC facility development program; facility type will vary by airport
George Bush Intercontinental/Houston (IAH)	$4.00/day+$5.39/transaction transportation fee	Yes	X	Purchase of buses only	N/A	Remote consolidated with service facilities
Las Vegas Harry Reid International (LAS)	$5.50/day	Yes	X	X		Remote consolidated with service facilities
Los Angeles International (LAX)	$9.00/day[2]	Yes	X	X	Pending	Remote consolidated (in planning); APM
Miami International (MIA)	$5.10/day	Yes	X	X	X	Remote consolidated with QTA
Minneapolis-St Paul International (MSP)	$5.90/day	Yes	X	No	X	Consolidated customer service and QTA and ready/return spaces in garage; planning and design for new CRCF
Newark Liberty International (EWR)	$7.58/day	No	Partial	X	N/A	Consolidated customer service
John F Kennedy International (JFK)	$0.50/day	No	Partial	X	N/A	Transportation fee
Orlando International (MCO)	$3.50/day[3]	Yes	X	N/A	X	QTA and vehicle stacking and storage space expansion
Philadelphia International (PHL)	$8.00/day	Pending	Pending	Pending	Pending	Future consolidated rental car facility
Phoenix Sky Harbor International (PHX)	$6.00/day	Yes	X	X	X	Remote consolidated with service facilities
Portland International (PDX)	$6.00/day[4]	Yes	Yes	N/A	X	Consolidated QTA expansion
Salt Lake City International (SLC)	$5.00/day	Pending	Pending	N/A	Pending	Future consolidated rental car facilities
San Diego International (SAN)	$9.00/day[2]	Yes	X	X	X	Remote consolidated customer service; QTA
San Francisco International (SFO)	CFC: $10/trans+$16.00/trans AirTrain fee	No	X	X	N/A	Remote consolidated customer service; QTA
Seattle-Tacoma International (SEA)	$7.25/day	Yes	X	X	X	Remote consolidated customer service; QTA
Tampa International (TPA)	$5.95/day	Yes	X	X	X	Remote consolidated facility and service facilities; APM
Ronald Reagan Washington National (DCA)	$3.50/day	No	X	Partial	X	Consolidated customer service; QTA; ready spaces

NOTES:

APM – Automated People Mover; CRCF – Consolidated Rental Car Facility; N/A – Not Applicable; O&M – Operation and Maintenance; QTA – Quick Turnaround Area; RAC – Rent A Car; TBD – To Be Determined

1 "Large hub" as defined by FAA in 2022. A customer facility charge (CFC) is not currently charged at LaGuardia Airport (LGA) and Detroit Metropolitan Wayne County Airport (DTW); therefore, these airports are not included.

2 There is a 5-day maximum per California CFC statute.

3 There is a 7-day maximum.

4 There is a 4-day maximum.

SOURCES: https://www.hertz.com (accessed July 2023); Ricondo & Associates, Inc., July 2023.

Off-Airport RACs are required to obtain a license agreement from the CDA, which allows them to pick up and drop off their customers at the MMF. Off-Airport companies are not allowed to access the passenger terminal roadways. Their customers must use the ATS to and from the MMF to the passenger terminals. Off-Airport companies pay the CDA 10.0 percent of their gross revenues and a CFC.

Table 5-3 presents the market share as measured by gross revenue for each RAC and associated brand serving the Airport from 2012 to 2022. As categorized in Table 5-3, The Hertz Corporation held the highest market share from 2012 until 2014, followed by Enterprise Holdings, Inc., and the Avis Budget Group, Inc. In 2015 Enterprise Holdings, Inc., surpassed The Hertz Corporation and has held the highest share each year since. The Hertz Corporation held the second-highest market share from 2015 until 2021 when its bankruptcy required it to scale back its operation and it was surpassed by the Avis Budget Group, Inc. In 2022 Enterprise Holdings, Inc., had a market share of 34.0 percent, followed by the Avis Budget Group, Inc., with 33.0 percent and The Hertz Corporation with 24.4 percent.

5.4 FACTORS INFLUENCING RENTAL CAR DEMAND AT THE AIRPORT

Rental car customers generally make purchase decisions based primarily on rental rates and convenience, as well as other secondary factors including the presence of alternative forms of transportation. This section discusses specific factors that could influence rental car demand at the Airport, including rental rates, CFC level, local rental car markets, and other demand factors.

5.4.1 MODE OF TRANSPORTATION TO THE AIRPORT

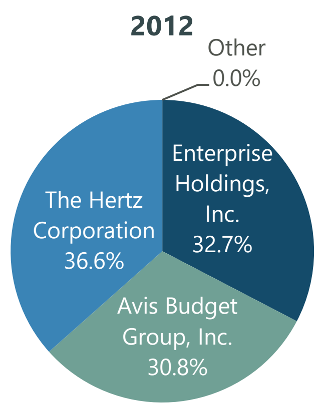
Historical commercial ground transportation transactions were collected and analyzed for 2011 through 2022. These data were analyzed to derive estimates of transaction mode share trends. Airport access modes that were assessed include the following:

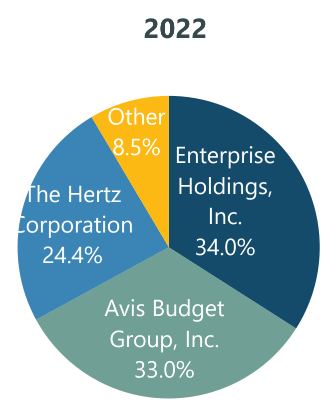
- Close-in and remote parking (on-airport only)
- City taxis
- Charter bus and courtesy vehicles
- Limos and suburban taxis
- TNPs
- Rental cars

The data consists of actual transactions and therefore is not representative of passengers. Data for Metra commuter rail and Pace buses was not available; however, based on past passenger survey's, these modes represent less than one percent of commercial ground transportation transactions. Transaction data for the Chicago Transit Authority Blue Line was available, however a distinction between airline passenger trips and airport employee trips could not be differentiated, therefore the data was not included.

TABLE 5-3 O'HARE INTERNATIONAL AIRPORT RENTAL CAR MARKET SHARE BY GROSS REVENUE

RENTAL CAR COMPANY/BRAND	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Enterprise Holdings, Inc.	**32.7%**	**32.6%**	**33.8%**	**35.9%**	**36.6%**	**38.7%**	**38.7%**	**38.4%**	**40.5%**	**33.2%**	**34.0%**
Enterprise Rent-A-Car	9.7%	9.4%	9.5%	9.7%	10.3%	11.0%	11.6%	35.4%	40.5%	33.2%	34.0%
Alamo Rent a Car / National Car Rental	22.9%	23.1%	24.4%	26.2%	26.3%	27.6%	27.2%	3.0%	N/A	N/A	N/A
Avis Budget Group, Inc.	**30.8%**	**29.4%**	**28.6%**	**29.7%**	**30.5%**	**29.1%**	**28.6%**	**25.3%**	**24.8%**	**31.7%**	**33.0%**
Avis Car Rental	22.0%	20.9%	19.7%	18.5%	19.3%	18.5%	17.9%	23.0%	23.1%	30.1%	31.8%
Budget Rent a Car	8.8%	8.4%	8.0%	8.8%	9.1%	8.5%	9.2%	0.8%	N/A	N/A	N/A
Payless Car Rental	N/A	0.1%	0.9%	2.4%	2.1%	2.1%	1.5%	1.5%	1.7%	1.6%	1.3%
The Hertz Corporation	**36.6%**	**36.7%**	**34.1%**	**32.0%**	**30.6%**	**30.0%**	**29.9%**	**29.8%**	**26.2%**	**26.5%**	**24.4%**
Hertz Rent A Car	29.6%	28.9%	27.4%	24.5%	22.9%	22.8%	22.3%	29.5%	26.2%	26.5%	24.4%
Dollar Rent-A Car / Thrifty Car Rental	7.0%	7.8%	6.7%	7.5%	7.7%	7.2%	7.6%	0.3%	N/A	N/A	N/A
Other	**0.0%**	**1.4%**	**3.5%**	**2.3%**	**2.3%**	**2.2%**	**2.6%**	**6.5%**	**8.7%**	**8.6%**	**8.5%**
Advantage Rent a Car	N/A	0.5%	1.6%	2.1%	1.9%	1.7%	1.7%	1.1%	0.3%	N/A	N/A
ACE Rent A Car	N/A	0.8%	1.5%	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
E-Z Rent-A-Car	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	0.3%	0.1%	N/A	N/A
Firefly Car Rental	N/A	0.1%	0.4%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Flight Car, Inc.	N/A	N/A	N/A	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fox Rent A Car	N/A	N/A	N/A	N/A	N/A	N/A	0.1%	1.8%	4.0%	3.8%	3.0%
Routes Car Rental	N/A	N/A	N/A	N/A	N/A	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%
Silvercar	N/A	N/A	N/A	0.2%	0.4%	0.3%	0.4%	0.4%	0.3%	N/A	N/A
SIXT	N/A	N/A	N/A	N/A	N/A	N/A	0.2%	2.7%	3.7%	4.6%	5.3%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**





NOTE:
Amounts may not add due to rounding.
SOURCE: Chicago Department of Aviation, July 2023.

TNPs were introduced in 2011 and since, have gained increased acceptance by users. Tracking of TNPs began in 2014. Since then, year-over-year shifts have begun to occur in commercial ground transportation modes. The year-over-year transactions of the modes can be seen on **Exhibit 5-4**. As the use of TNPs increased, the rental car activity, as a percent of ground transportation modes shifted, but appeared to stabilize prior to the impact of the COVID-19 pandemic. Based on historical transactions and average length of transactions, the shift from rental cars to the use of TNPs appeared to be for short duration trips where a visitor may have opted for the use of TNPs rather than a rental car. In 2022, the use of modes to access the Airport had returned to distributions similar to what occurred in 2019.

5.4.2 RENTAL RATES

In 2020, when it became evident the impact of the pandemic on aviation would not be short-term, the RACs reduced the sizes of their fleets and canceled orders from manufacturers for new vehicles. When air traffic began to recover in 2021, the RACs did not have sufficient vehicles to meet the demand. Moreover, the vehicle manufacturers experienced production delays due to the worldwide computer chip shortage, thus reducing the supply of new vehicles. As a result, the RACs significantly increased their daily rental rates. As new vehicle supply increases, rental rates may decline.

Table 5-4 presents a sample of rental car rates for the Airport and two other major surrounding airports, Midway and Milwaukee Mitchell. Rental rates were obtained on July 7, 2023, from the websites of three major US rental car brands operating at the Airport and were based on the following:

Two-Day Weekend Rental (Leisure)

- pick up Friday, July 28, 2023, at 5:00 p.m.
- drop off Sunday, July 30, 2023, at 5:00 p.m.
- standard size car, standard-size car, pay upon pickup, and no additional insurance or features

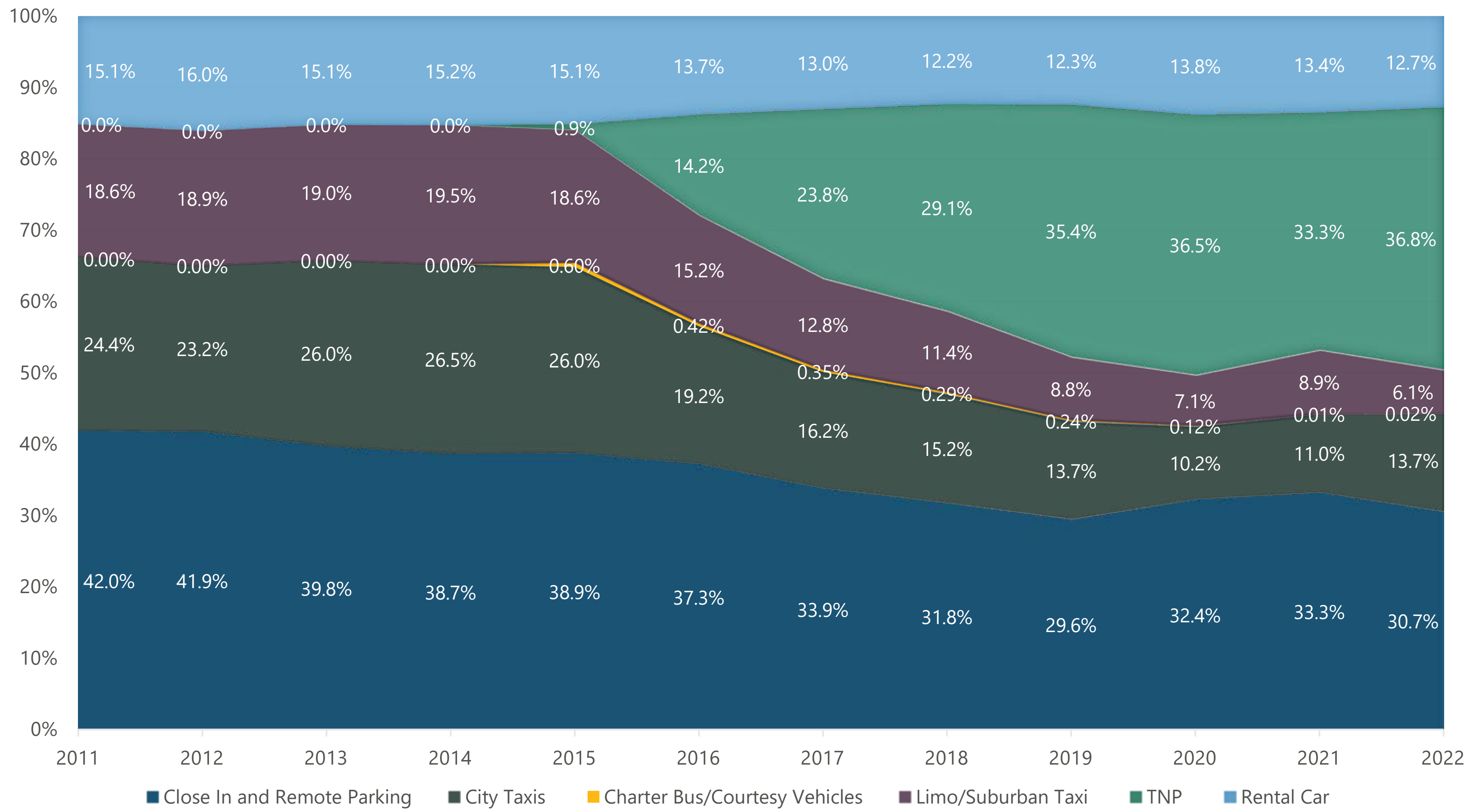
Three-Day Weekday Rental (Business)

- pick up Monday, July 29, 2023, at 10:00 a.m.
- drop off Wednesday, August 2, 2023, at 10:00 a.m.
- standard size car, standard-size car, pay upon pickup, and no additional insurance or features

Published rates for the three companies were averaged to determine the total rental rate for each time period. As shown in Table 5-4, the rate at the Airport for a two-day weekend rental is approximately $209, which is the second highest rate among the sample airports, with Midway the highest at approximately $353. Milwaukee Mitchell had the lowest rate among the sample airports at approximately $182 for the two-day rental.

The Airport has the highest rate in the survey for weekday rentals, with a three-day weekday rental rate of approximately $329. Milwaukee Mitchell has the second highest rate at $303, and Midway has the lowest rate for a three-day rental at approximately $297. Table 5-5 also presents the breakdown of other charges and taxes charged at each airport. As shown, CFCs range from 0.5 percent to 8.0 percent of total rental rates for weekend rentals (with the Airport at 8.0 percent), and from 0.5 to 7.0 percent of total rental rates for weekday rentals (with the Airport at 7.0 percent).

EXHIBIT 5-4 HISTORIC GROUND TRANSPORTATION TRANSACTION SHIFT



NOTE:
Percentages are representative of actual commercial ground transportation transactions, not passengers.
SOURCES: City of Chicago, Department of Innovation and Technology (TNP data), Chicago Department of Aviation and Standard Parking (parking, taxi, charter bus, courtesy vehicle, limo, and rental car data); Ricondo & Associates, Inc., July 2023.

TABLE 5-4 SAMPLE CAR RENTAL RATE COMPARISON – SELECTED SURROUNDING AIRPORTS

AVERAGE 2-DAY WEEKEND RENTAL [1]				AVERAGE 3-DAY WEEKDAY RENTAL [2]			
	CHICAGO O'HARE INTERNATIONAL AIRPORT	CHICAGO MIDWAY INTERNATIONAL AIRPORT	MILWAUKEE MITCHELL INTERNATIONAL AIRPORT		CHICAGO O'HARE INTERNATIONAL AIRPORT	MILWAUKEE MITCHELL INTERNATIONAL AIRPORT	CHICAGO MIDWAY INTERNATIONAL AIRPORT
Base Rental Rate[3]	$137.82	$252.13	$142.18	Base Rental Rate[3]	$219.55	$236.90	$206.24
Taxes	34.92	58.43	22.09	Taxes	54.62	36.67	46.60
Customer Facility Charge	16.00	9.50	1.00	Customer Facility Charge	24.00	1.50	14.25
Airport Concession Fee Recovery	15.75	28.46	15.97	Airport Concession Fee Recovery	24.89	26.57	23.58
Vehicle License Fee	3.99	3.99	1.11	Vehicle License Fee	5.98	1.66	5.98
Total Rental Rate	**$208.48**	**$352.50**	**$182.34**	**Total Rental Rate**	**$329.04**	**$303.30**	**$296.65**
Base Rental Rate	*66%*	*72%*	*78%*	***Base Rental Rate***	*67%*	*78%*	*70%*
Customer Facility Charge	*8%*	*3%*	*0.5%*	***Customer Facility Charge***	*7%*	*0.5%*	*5%*
Airport Concession Fee Recovery	*8%*	*8%*	*9%*	***Airport Concession Fee Recovery***	*8%*	*9%*	*8%*
Vehicle License Fee	*2%*	*1%*	*1%*	***Vehicle License Fee***	*2%*	*1%*	*2%*
Taxes	*17%*	*17%*	*12%*	***Taxes***	*17%*	*12%*	*16%*
Total	***100%***	***100%***	***100%***	***Total***	***100%***	***100%***	***100%***

NOTES:
1 Pick up Friday, July 28, 2023, at 5:00 p.m.; drop off Sunday, July 30, 2023, at 5:00 p.m.
2 Pick up Monday, July 31, 2023, at 10:00 a.m.; drop off Thursday, August 3, 2023, at 10:00 a.m.
3 Rental rates were obtained on July 7, 2023 and reflect standard-size car, pay upon pickup, and no additional insurance or features.
SOURCES: Hertz Rent A Car, homepage, https://www.hertz.com/ (accessed July 2023), Avis Car Rental, Make A Reservation, https://www.avis.com/en/reservation/make-reservation (accessed July 2023); Enterprise Rent-A-Car, homepage, https://www.enterprise.com/en/home.html (accessed July 2023).

Based on the sample rate comparison, the variety of product offerings that are available to customers, and in reviewing rentals similar to the sample rate comparison but for alternate weeks, the Airport rates and fees are in-line with area rentals. Therefore, the location of where a car is rented within the Air Trade Area is not likely to play a material factor in where visitors choose to start a trip.

5.4.3 CUSTOMER FACILITY CHARGE LEVEL

Table 5-2, shown previously, reflects rental car CFCs and transportation fees at US airports. As shown, all airports listed charge the CFC per transaction day. Currently, the Airport has a CFC of $8.00 per transaction day. The City does not impose a transportation or facility maintenance fee. In some cases, airport operators use additional funding sources (airport revenues) or collect additional revenues (other than CFCs or transportation charges) to help finance rental car facilities or fund related operating costs. For example, the operator of George Bush Intercontinental Airport charges a $4.00 per-transaction-day CFC, plus a $11.99 per-transaction transportation fee.

5.4.4 LOCAL (NON-AIRPORT) RENTAL CAR MARKETS

Rental car customers arriving at the Airport have the option of renting from local-market RAC outlets located throughout downtown Chicago and suburban areas. Typically, the overall cost of renting from these locations is lower, since they are not subject to the CFC and the Airport concession recovery fee. All Off-Airport RACs that operate pick-up and drop-off services at the Airport are required to charge the Airport CFC. The customer considering renting from a local-market location weighs the lower overall cost against the time, inconvenience, and cost (taxi, TNP, public transportation) of getting to the local-market location to rent the vehicle and the possibility of not being allowed by the RAC to return the vehicle directly to the Airport.

5.4.5 OTHER FACTORS INFLUENCING RENTAL CAR DEMAND

Other factors that influence rental car demand at the Airport include local/nationwide economic conditions and consumer income. The Air Trade Area's stable and diverse local economy, as described in Chapter 4, helps support future long-term growth in Airport passenger travel and the demand for rental cars. The strength of the US economy in large part dictates growth of air travel and rental car demand nationwide. As the US economy expands, consumer income and the demand for goods and services (including rental cars) increases. Conversely, nationwide economic contractions generally decreases consumer income and the demand for goods and services, including rental cars.

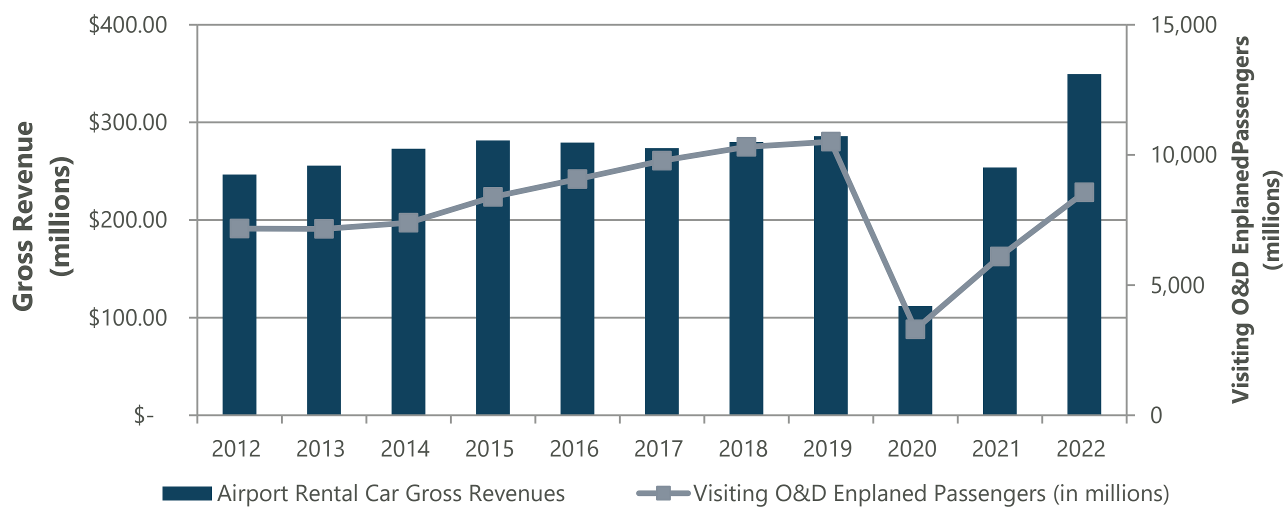
5.5 HISTORICAL RENTAL CAR DEMAND/ACTIVITY AT THE AIRPORT

This section discusses historical rental car activity at the Airport. Rental car demand has historically been tied to the number of visiting O&D passengers. Rental car activity is primarily measured by the number of rental car transactions, the number of transaction days, and the average number of transaction days per rental contract:

- Rental car transactions: total number of rental contracts (or vehicles rented)
- Rental car transaction days: total number of days that vehicles are rented for all rental transactions
- Average days per transaction: total rental transaction days divided by total rental transactions equals average number of days for each rental contract

Exhibit 5-5 displays visiting O&D enplaned passengers and gross rental car revenues reported by the on-Airport RACs at the Airport between 2012 and 2022. From 2012 to 2019, the Airport experienced growth in visiting O&D enplaned passengers. Rental car revenues also grew during this period, except for 2016 and 2017 when gross rental car revenues decreased while O&D enplaned passengers continued to increase, which could be attributed to the increasing popularity of alternative ground transportation options at the Airport, such as TNPs. Gross rental car revenues began increasing again in 2018, along with O&D enplaned passengers, until 2020 when the pandemic caused both to drop sharply. The recovery of gross revenues in 2021 is greater than the recovery of O&D enplaned passengers. This may be due to increased rates as rental car fleets were less available.

EXHIBIT 5-5 O'HARE INTERNATIONAL AIRPORT RENTAL CAR MARKET SHARE BY GROSS REVENUE



NOTE:
O&D – Origin and Destination
SOURCE: Chicago Department of Aviation, July 2023.

Table 5-5 presents visiting O&D enplaned passengers, rental car transactions, ratio of transactions to visiting O&D enplaned passengers, rental car transaction days, and average rental length data from 2012 through 2022.

TABLE 5-5 HISTORICAL RENTAL CAR ACTIVITY MEASURES AT CHICAGO O'HARE INTERNATIONAL AIRPORT

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Visiting O&D Enplaned Passengers (000s)	[A]	7,170	7,161	7,395	8,380	9,068	9,775	10,306	10,505	3,296	6,199	8,564
Ratio of Transactions to Visiting O&D Enplaned Passengers	[B]	17.8%	17.8%	18.2%	17.2%	15.6%	14.1%	13.1%	13.7%	16.1%	13.0%	13.1%
Rental Car Transactions (000s)	[C] = [A]* [B]	1,278	1,277	1,343	1,444	1,414	1,379	1,351	1,441	531	808	1,122
Average Rental Length (Days)	[D]	3.33	3.41	3.38	3.39	3.53	3.54	3.59	3.50	3.52	3.88	3.82
Total Rental Car Transaction Days (000s)	[E] = [C] * [D]	4,259	4,358	4,538	4,897	4,991	4,877	4,855	5,039	1,870	3,132	4,291

NOTE:
O&D – Origin and Destination
SOURCE: Chicago Department of Aviation, July 2023.

Table 5-5 also displays the ratio of rental car transactions to visiting O&D enplaned passengers. This ratio has steadily declined from a high of 18.2 percent in 2014 to 13.7 percent in 2019, which again is likely due to the increased number of ground transportation options available at the Airport. In 2020 this ratio increased to 16.1 percent before falling back to 13.1 percent in 2022. From 2012 to 2022, the average rental length generally increased, from 3.33 days in 2012 to 3.82 days in 2022. Through 2020, this increase may be due to those with short-term rentals opting for the use of TNPs. In 2021 and 2022, the average rental length was notably higher at 3.88 days in 2021 and 3.82 days in 2022. This may reflect passenger behavior associated with COVID-19 and a preference to minimize interaction with other individuals, which may occur with other forms such as TNPs or taxis.

5.6 PROJECTION OF AIRPORT RENTAL CAR TRANSACTION DAYS AND CUSTOMER FACILITY CHARGE REVENUE

Based on a review of historical rental car activity data, demand for rental cars at the Airport is a function of visitor passenger activity and the availability of alternative modes of ground transportation. Rental car transaction activity at the Airport followed the trends in visitor passenger activity overall.

5.6.1 PROJECTION METHODOLOGY

Projections of Airport rental car transaction-day activities were developed for the years 2022 through 2032. In examining the future demand, two methodologies were used to project the growth. These methodologies are discussed in the following subsections for two time periods: the near-term (2022 through 2025, pandemic recovery period) and the long-term (2026 through 2032). The assumptions, techniques, and results of the combined projection process are described in the following subsections.

5.6.1.1 COVID-19 PANDEMIC RECOVERY PERIOD PROJECTION METHODOLOGY

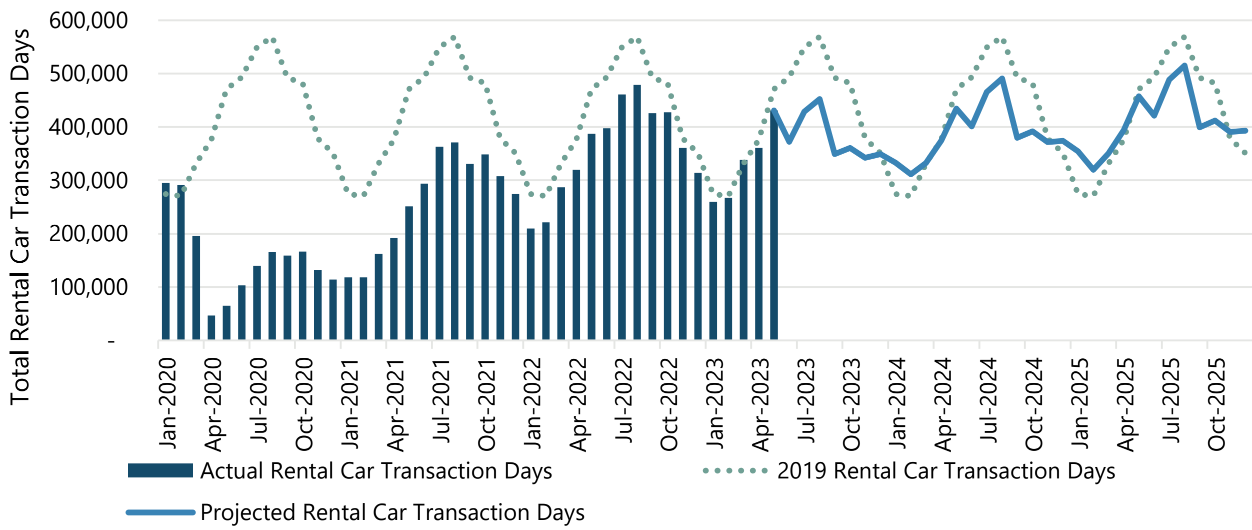
The near-term projection of the rental car transaction days was based on analysis of historical actual data provided by the City on the 2020 through 2022 transaction days of the rental cars and originating and departing passengers. Due to the adverse impact of the COVID-19 pandemic on aviation activity and the Airport rental car demand, a separate projection methodology was used to project the short-term transaction days using the demonstrated recovery of demand since the onset of the pandemic and assumptions for 2023 through 2025.

For purposes of this analysis, specific assumptions for near-term activity were made regarding rental car transactions per O&D passenger and average days per rental car transaction, as follows:

- **Rental Car Transactions per O&D Enplaned Passenger:** Monthly O&D enplaned passengers, as described in Chapter 4, and the historical actual monthly rental car transaction days were used in the computation of the short-term recovery projection statistics for the rental car transaction numbers. Monthly rental car transaction days from the actual transaction data from January 2021 to December 2021 were applied to the same period for O&D enplaned passengers to calculate the ratio of rental car transaction days per O&D passengers. The computed average monthly ratio of rental car transaction days per O&D passenger was 0.21. Further, the calculated monthly ratio of rental car transaction days per O&D enplaned passenger was applied to the succeeding months until December 2025 to project the monthly transaction days.
- **Average Days Per Transaction:** Based on the historical data, the average number of days per rental car transaction increased from 3.41 in 2013 to 3.82 in 2022, even though both total transactions and transaction days in 2020, 2021, and 2022 were lower than 2019 levels.
- **Off-Airport Rental Car Activity:** Any rental car company that chooses to serve the Airport is required to pay a CFC and a concession fee to the City, and it is required to bus its customers to the MMF where those customers take the ATS along with all other rental car customers. As a result, off-Airport rental car activity is not projected to influence rental car demand or rental car transaction days at the Airport.

Exhibit 5-6 presents the actual and projected monthly rental car transaction days from January 2020 through December 2025 compared to the 2019 monthly transaction days to demonstrate the trajectory of the projected recovery to 2019 levels of activity.

EXHIBIT 5-6 MONTHLY RENTAL CAR TRANSACTION DAY RECOVERY PROJECTION



NOTE:
2023 activity is unaudited and subject to change
SOURCES: Chicago Department of Aviation, July 2023 (actual transaction days); Ricondo & Associates, Inc., July 2023 (projected transaction days).

5.6.1.2 LONG-TERM PROJECTION METHODOLOGY

The ratio-based approach based on forecast rental car activity described in section 5.6.1 was applied for the full projection. However, now with an extended history of transactions and transaction days, an economic-based projection based on this historical rental car data was evaluated and determined to be the approach for long-term projections.

As the influence of the COVID-19 pandemic on passenger demand diminishes, it is expected that the traditional relationships between demand and socioeconomics will drive long-term rental car transaction growth. Longer-term rental car transaction day activity was projected using socioeconomic regression analysis techniques that identified predictive statistical relationships between historical transaction day volumes and independent socioeconomic variables (such as GRP, employment, and personal income) over a 9-year period ending in 2019. Activity that occurred in 2020 and 2021 was not incorporated into the socioeconomic regression analysis as activity during this period was heavily influenced by factors that were specific to the COVID-19 pandemic that are not expected to influence demand for rental cars in the long-term. The long-term rental car transaction days were independently derived for the rental car facilities at the Airport using US and Air Trade Area economic factors in the regression analysis.

Relationships between the rental car transaction day volumes and the socioeconomic variables were explored. Those that correlated to historical rental car transaction day activity included US and Air Trade Area gross production, earning, personal income, and employment. The relationship between rental car transaction day volumes and these socioeconomic variables exhibited adjusted coefficient of determination, R-squared, values between 0.80 and 0.91

(an industry-accepted minimum value considered for the analysis is 0.75), suggesting a strong relationship amongst the variables tested. Based on this, the transaction days were projected by applying projected growth rates associated with socioeconomic variables. This relationship produced a CAGR of 1.1 percent for rental car transaction day volumes (2019 through 2032).

5.6.1.3 PROJECTION OF RENTAL CAR TRANSACTION DAYS

The year-over-year growth rates of the rental car transaction days established using the long-term projection methodology were applied to the forecast O&D enplaned passenger activity for 2025, as established in the short-term recovery projection, to derive the projection of rental car transaction days through 2032.

Table 5-6 presents historical and projected rental car transaction days. Total rental car transaction days is projected to increase from 4.3 million in 2022 to 5.6 million in 2032, which represents a CAGR of 2.6 percent. The 2019 to 2032 CAGR is 0.8 percent. Total rental car transaction days is projected to increase at a CAGR of 3.9 percent from 2022 to 2026, from 4.3 million to 5.0 million, slightly below actual transaction days in 2019, as the rental car transaction demand pattern becomes stabile due to the balance of residents and visitors returning to pre–COVID-19 activity levels.

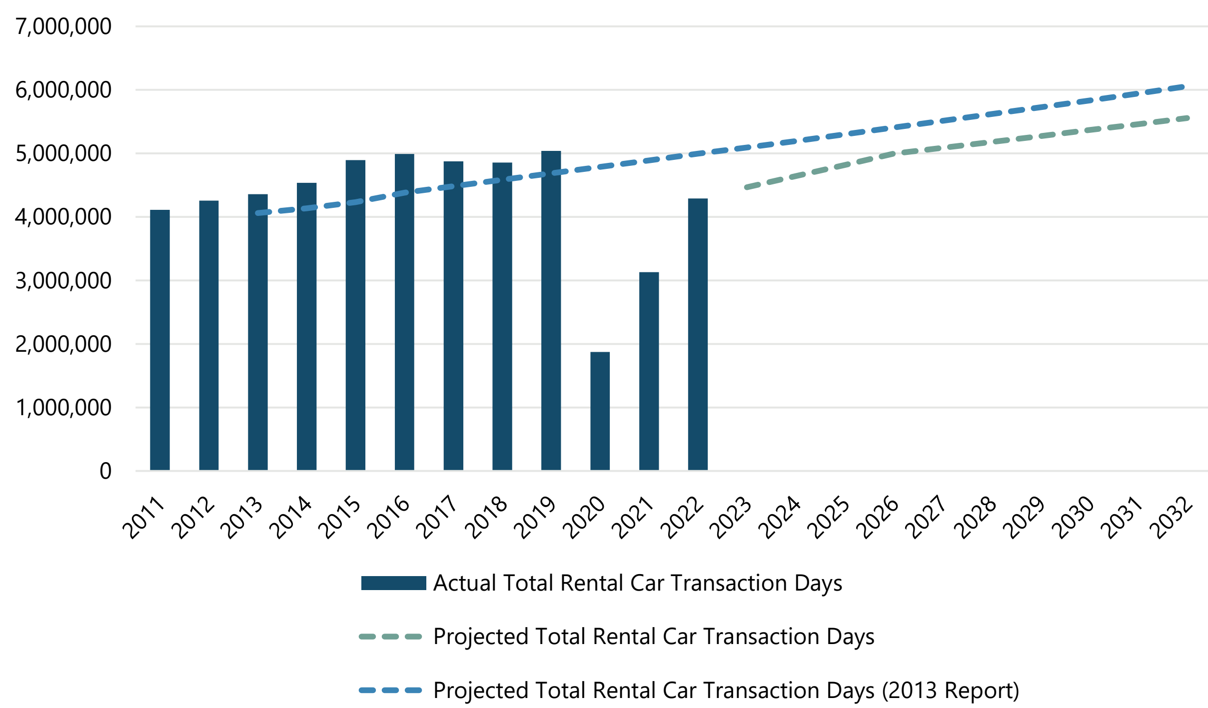
TABLE 5-6 RENTAL CAR TRANSACTION DAYS HISTORICAL AND PROJECTED

YEAR	TOTAL RENTAL CAR TRANSACTION DAYS	YEARLY PERCENT CHANGE
2011 Actual	4,112,690	
2012 Actual	4,258,559	3.5%
2013 Actual	4,357,988	2.3%
2014 Actual	4,537,536	4.1%
2015 Actual	4,896,190	7.9%
2016 Actual	4,991,177	1.9%
2017 Actual	4,876,840	-2.3%
2018 Actual	4,854,664	-0.5%
2019 Actual	5,039,410	3.8%
2020 Actual	1,873,993	-62.9%
2021 Actual	3,132,293	67.1%
2022 Actual	4,291,073	37.0%
2023	4,466,866	4.1%
2024	4,642,659	3.9%
2025	4,818,453	3.8%
2026	4,994,246	3.6%
2027	5,086,953	1.9%
2028	5,180,039	1.8%
2029	5,273,576	1.8%
2030	5,367,517	1.8%
2031	5,461,817	1.8%
2032	5,556,405	1.7%
2019 to 2032 CAGR	0.8%	
2022 to 2026 CAGR	3.9%	
2022 to 2032 CAGR	2.6%	

NOTE:
CAGR – Compound Annual Growth Rate
SOURCES: Chicago Department of Aviation, April 2023 (actual rental car transaction days); Ricondo & Associates, Inc., July 2023 (projected rental car transaction days).

Exhibit 5-7 compares the current projection of rental car transaction days with the projection of transaction days contained in Ricondo's 2013 Report of the Airport Consultant, which was prepared in conjunction with the issuance of the Series 2013 CFC Senior Lien Bonds. The current projection reflects the impacts of the COVID-19 pandemic on passenger levels at the Airport and the resulting decrease in rental car transactions and transaction days. Based on the methodology and assumptions previously described, the rental car transaction days at the Airport under the current conditions are expected to grow from approximately 4.29 million in 2022 to approximately 5.63 million in 2032, representing a CAGR of 2.8 percent. Whereas, during the same period, in the 2013 report, the transaction days were projected to reach 6.06 million in 2032, representing a CAGR of 3.5 percent.

EXHIBIT 5-7 COMPARISON OF RENTAL CAR TRANSACTION DAY PROJECTIONS



SOURCES: Chicago Department of Aviation, July 2023 (actual rental car transaction days); Ricondo & Associates, Inc., July 2023 (projected rental car transaction days).

6. FINANCIAL ANALYSIS

As described in Chapter 1, the proposed Series 2023 CFC Senior Lien Bonds are secured solely by the Trust Estate created under the CFC Indenture. The Trust Estate consists of Pledged Receipts, consisting of the right to payment of all monetary obligations constituting CFCs, whether or not remitted to the Trustee or the City, owed to the City; the right to payment of all monetary obligations constituting Facility Rent payable by the RACs; all casualty insurance proceeds and condemnation awards; certain other amounts from Off-Airport RACs or from users of the CRCF other than the RACs and designated by an Authorized Officer of the City as Pledged Receipts required to be applied under the CFC Indenture; and all moneys, investments and proceeds on deposit in certain funds under the CFC Indenture regarding moneys for the benefit of the holders of the Bonds and the interest of the City in the Funds created in the CFC Indenture.

This Chapter analyzes the City's ability to meet its financial obligations as set forth in the CFC Indenture. In particular, it presents a summary of the terms and conditions of the existing RAC Agreement with the City; the historical relationship between demand for rental cars at the Airport and CFC collections based on an analysis of the City's historical financial performance; debt service schedules for the Series 2023 CFC Senior Lien Bonds; projected operating and maintenance costs of the CRCF, ATS, and other administrative expenses; and projected Revenues, annual debt service coverage, and flow of funds for the CFC Revenue Fund pursuant to the CFC Indenture.

6.1 FINANCIAL FRAMEWORK

6.1.1 CONSOLIDATED RENTAL CAR FACILITY LEASE AND LICENSE CONCESSION AGREEMENT

The 2023 CFC Senior Lien Bonds are secured, in part, by payments of CFCs and Facility Rents made pursuant to the RAC Agreement between the City and RACs serving the Airport from the CRCF. Seven companies currently provide rental car concessions at the Airport; Five on-Airport RACs from the CRCF (Avis Budget Group, LLC, Enterprise Holdings, Inc., Europcar Mobility Group, SIXT Rent a Car, LLC, and The Hertz Corporation which comprise eleven brands, and two Off-Airport RACs (Routes Car Rental USA Inc. and Auto Rental, LLC).

The RACs are obligated to pay annual Facility Rent to the Trustee to recover annual Debt Service (as defined in the RAC Agreement), operating expenses, and other costs associated with the MMF and associated projects that are not paid for with CFC collections. If the amount of total Facility Rent projected to be payable by all RACs is greater than $18.0 million in any year, the City has agreed to increase the CFC rate to an amount required to reduce the projected total annual Facility Rent to be less than or equal to $18.0 million. Facility Rent is apportioned among the RACs according to their amount of proportionate rental car space within the CRCF. Facility Rent is applied pursuant to the CFC Indenture Flow of Funds as described in Chapter 1 of this Report. Pursuant to the RAC Agreement, the RACs will pay Base Rent, the Minimum Annual Guarantee Fee, and a Concession Fee, which do not secure the Series 2023 CFC Senior Lien Bonds. For additional information on the RAC Agreement, refer to Appendix B of the Official Statement.

Term of the RAC Agreement

- The term of the RAC Agreement is the later of (i) the thirtieth (30th) anniversary of the Rent Commencement Date; (ii) the thirtieth (30th) day after the date on which the Bonds (meaning the Series 2023 CFC Senior Lien Bonds, any Additional Bonds, and any Senior Lien Bonds hereafter issued) shall have matured, been retired, or been paid in full in accordance with the bond documents; or (iii) the thirtieth (30th) day after the date on which the TIFIA Loan shall have matured, been discharged, and been paid in full in accordance with the TIFIA Loan. The TIFIA Loan is anticipated to be paid in full on January 1, 2052, resulting in the expiry of the RAC Agreement on January 31, 2052.

- The City has the right, at any time, to replace RACs that leave the CRCF for any reason.
- The City also has the right to re-bid all RAC Agreements at the end of the tenth (10th) year of the term of the RAC Agreement, and every 10 years thereafter.

Collection of CFCs and Facility Rent

- The RACs and Off-Airport RACs are required to charge and collect CFCs and remit the same to the Trustee in accordance with the terms and provisions contained in the CFC Ordinance, the CFC Indenture, and the RAC Agreements. CFC collections are applied pursuant to the CFC Indenture Flow of Funds as described in Chapter 1 of this Report.
- The RACs are obligated to pay annual Facility Rent to the Trustee to cover annual Debt Service (as defined in the RAC Agreements), operating expenses, and other costs associated with the MMF and associated projects that are not paid for with CFC collections. If the current CFC rate of $8.00 is not sufficient to maintain projected Facility Rent in compliance with the RAC Agreement in any projected year, the City has agreed to raise the CFC to an appropriate level such that total projected Facility Rent payable by all of the RACs is projected to be less than or equal to $18.0 million. Facility Rent is apportioned among the RACs according to their amount of proportionate rental car space within the CRCF. Facility Rent is applied pursuant to the CFC Indenture Flow of Funds as described in Chapter 1 of this Report.
- In the event that a RAC defaults under the RAC Agreement by failing to pay the full aggregate amount of Facility Rent due, then the remaining RACs shall be and remain jointly liable, on a proportional basis based on the pro-rata share of the rental square footage allocated each of the remaining RACs in the CRCF, for any and all Facility Rent payable by the defaulting RAC.

Other RAC Agreement Terms

- Each RAC is required to provide any capital funds necessary to construct its exclusive use improvements not included as part of the MMF.
- The City has the ability to re-allocate space periodically during the term of the RAC Agreement based upon the following criteria:
  - Reallocation of space based on market share will occur every five years during the term for counter space, back office space, ready/return parking spaces, automobile storage spaces, and QTA space.
  - If any RAC ceases to operate at the CRCF, the departed RAC's space may be reallocated among the remaining RACs if the City does not replace the departed RAC.
  - In all instances, each RAC shall be responsible for its own costs of reconfiguring/relocating its space as a result of any reallocation. The City reserves the right to ensure that any periodic reallocation does not impact the overall operating functionality of the Facility.
- The City will require an irrevocable letter of credit equal to three monthly installments of each RAC's portion of Minimum Annual Guarantee Fee, as adjusted from time to time.
- The City has the right to determine the MMF and associated projects financing and financing structure and change it from time to time, in its sole discretion.

- The RAC Agreement establishes a Minimum Annual Guarantee Fee and Concession Fee, which is 10.0 percent of annual gross revenues, as defined therein, in excess of the Minimum Annual Guarantee Fee. At the end of each agreement year, there is an annual reconciliation for underpayment or overpayment. The Series 2023 CFC Senior Lien Bonds are not secured by or payable from Minimum Annual Guarantee or Concession Fee revenues.
- Each RAC pays the City their pro-rata share of Base Rent on a per-square-foot basis, for that portion of the footprint of the MMF containing the rental car components (excluding the public parking area). Base rent is allocated among the RACs according to their proportionate amount of space in the CRCF. Per the RAC Agreement, Base Rent rental rate is adjusted every five years based upon the then-fair market rental value of the MMF. The Series 2023 CFC Senior Lien Bonds are not secured by or payable from Base Rent.
- Each RAC is responsible for all federal, state or local taxes that may be imposed upon its premises as a consequence of its operations at the Airport and its rental car operations at the Airport.
- The City, or a third-party operator contracted by the City, will operate and maintain the ATS to transport rental car customers to and from the passenger terminals and the CRCF.
- In no event will the City permit individual RACs or Off-Airport RACs or their designees to pick up and drop off rental car customers at any other location on the Airport other than the CRCF.
- The RACs are responsible for managing and operating the rental car components of the CRCF. The RACs shall maintain and repair the rental car components of the CRCF. The RACs are required to form a consortium to hire a third party, reasonably acceptable to the City, to manage the rental car portions of the CRCF and to operate and maintain the QTA and the fueling system, in accordance with City standards. Any new entrant RACs and replacement RACs are required to become members of a consortium of RACs operating at the MMF. Fueling system operating, maintenance and repair costs are allocated among all RACs according to a formula developed by their consortium and approved by the City.
- The RACs are required to comply with all applicable federal, state, and local laws.

Additionally, in the RAC Agreement, the RACs have acknowledged that the CFCs collected by the RACs prior to remittance to the Trustee shall, prior to the issuance of the 2023 CFC Senior Lien Bonds, be subject at all times to a first lien for the repayment of the Series 2013 CFC Senior Lien Bonds, and, from and after the issuance of the 2023 CFC Senior Lien Bonds, be subject at all times to a first lien for the repayment of the Series 2023 CFC Senior Lien Bonds, and that the RACs shall not grant to any third party any liens or encumbrances on CFCs, and that any lien or encumbrance on CFCs granted by a RAC to a third party or otherwise purported to be obtained by a third party shall be void and of no force or effect. The RACs have agreed that all CFCs collected by the RACs are not income, revenue, or any other asset of the RACs, that the RACs have no legal or equitable ownership or property interest in the CFCs, and the RACs have waived any claim to a possessory or legal or equitable ownership interest in the CFCs. Prior to remittance to the Trustee, CFCs shall be held by the RACs as funds in trust for the benefit of the City, and the Trustee on the City's behalf shall have complete possessory and legal and equitable ownership rights to the CFCs.

The City has sole authority to require the collection of CFCs, to establish the amount of the CFC rate and to change the amount of the CFC rate from time to time. Other than the Rate Covenant set forth in the CFC Indenture, there are no legal constraints on the City's ability to set, charge and collect CFCs or to change the amount of the CFC from time to time. Pursuant to the RAC Agreement, no destruction of or damage to the CRCF or any part thereof by fire or any other casualty whether or not insured shall permit any RAC to surrender its RAC Agreement or relieve it from its liability to collect and remit CFCs or to pay Facility Rent or from any of its other obligations under its RAC

Agreement, and each RAC has waived any rights it may have to quit or surrender its RAC Agreement or its premises within the CRCF on account of any such destruction or damage.

6.1.2 OFF-AIRPORT RAC AGREEMENT

The City currently has an agreement with two Off-Airport RACs (Routes Car Rental USA Inc. and Auto Rental, LLC). The Off-Airport RAC agreements are substantially similar to the On-Airport RAC Agreement. The Off-Airport RAC Agreements do not require Off-Airport RACs to pay Facility Rent.

6.2 HISTORICAL CUSTOMER FACILITY CHARGE COLLECTIONS

6.2.1 AUTHORIZATION

The City began imposing a CFC at the Airport in August 2010 on customers of the RACs under the authorization of both the State of Illinois and the City of Chicago.

Section 6-305 of the Illinois Vehicle Code [625 ILCS 5/6-305(j)] states:

> (j) A public airport may, if approved by its local government corporate authorities or its airport authority, impose a customer facility charge upon customers of rental car companies for the purposes of financing, designing, constructing, operating, and maintaining consolidated car rental facilities and common use transportation equipment and facilities, which are used to transport the customer, connecting consolidated car rental facilities with other airport facilities.
>
> Notwithstanding subsection (f) of this Section, the customer facility charge shall be collected by the rental car company as a separate charge, and clearly indicated as a separate charge on the rental agreement and invoice. [Customer] Facility charges shall be immediately deposited into a trust account for the benefit of the airport and remitted at the direction of the airport, but not more often than once per month. The charge shall be uniformly calculated on a per-contract or per-day basis. [Customer] Facility charges imposed by the airport may not exceed the reasonable costs of financing, designing, constructing, operating, and maintaining the consolidated car rental facilities and common use transportation equipment and facilities and may not be used for any other purpose.
>
> Notwithstanding any other provision of law, the charges collected under this Section are not subject to retailer occupation, sales, use, or transaction taxes.

The City of Chicago passed an ordinance authorizing the CDA Commissioner to impose a CFC on customers renting a motor vehicle at the Airport from the RACs on June 9, 2010. The City ordinance permits the CDA Commissioner to adjust the level of the CFC upon 30 days' notice to the RACs. A City ordinance was passed authorizing the CDA Commissioner to impose a CFC on customers of the Off-Airport RACs on December 12, 2012.

6.2.2 HISTORICAL CFC COLLECTIONS

The City first implemented the CFC in August 2010 at $8.00 per transaction day. **Table 6-1** presents the City's historical collections of CFCs by month from January 2017 through June 2023. Between January 2017 and February 2020, prior to the impacts of the COVID-19 pandemic on passenger activity and, as a result, rental car activity at the Airport, total CFCs remitted by the RACs ranged from $2.2 million and $4.6 million per month. The Airport has received approximately $439.4 million in cumulative CFC collections over a collection period of 155 months from August 2010 through June 2023.

TABLE 6-1 HISTORICAL CUSTOMER FACILITY CHARGE COLLECTIONS BY MONTH

(Dollars in Thousands for Fiscal Years Ending December 31)

	ACTUAL 2017	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	ACTUAL 2023
January	$2,179.9	$2,195.1	$2,193.0	$2,358.8	$946.7	$1,678.7	$2,077.4
February	$2,168.3	$2,200.2	$2,165.3	$2,329.6	$947.6	$1,771.2	$2,138.3
March	$2,717.2	$2,731.1	$2,652.6	$1,569.7	$1,298.9	$2,296.4	$2,705.8
April	$2,929.8	$2,960.6	$3,012.7	$373.8	$1,537.1	$2,556.8	$2,885.1
May	$3,551.8	$3,602.7	$3,768.3	$520.3	$2,009.2	$3,099.8	$3,446.5
June	$3,862.2	$3,757.1	$3,947.3	$825.2	$2,351.0	$3,180.8	$3,674.0
July	$4,051.0	$4,150.0	$4,391.6	$1,120.2	$2,903.2	$3,689.1	
August	$4,260.3	$4,244.3	$4,551.6	$1,321.2	$2,970.7	$3,829.4	
September	$3,838.9	$3,695.3	$3,939.4	$1,274.8	$2,647.0	$3,408.2	
October	$3,818.3	$3,667.6	$3,856.7	$1,330.6	$2,791.2	$3,420.1	
November	$3,131.1	$3,018.4	$3,027.0	$1,054.2	$2,460.8	$2,887.5	
December	$2,586.0	$2,614.8	$2,809.9	$913.7	$2,195.0	$2,510.6	
CFC Collections	**$39,094.7**	**$38,837.3**	**$40,315.4**	**$14,992.2**	**$25,058.3**	**$34,328.6**	**$16,927.1**
Annual Percent Change		**-0.7%**	**3.8%**	**-62.8%**	**67.1%**	**37.0%**	

NOTES:
CFC rate of $8.00 per transaction day applied in all years.
2023 CFC collections are unaudited and subject to change.
SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

6.3 DEBT SERVICE

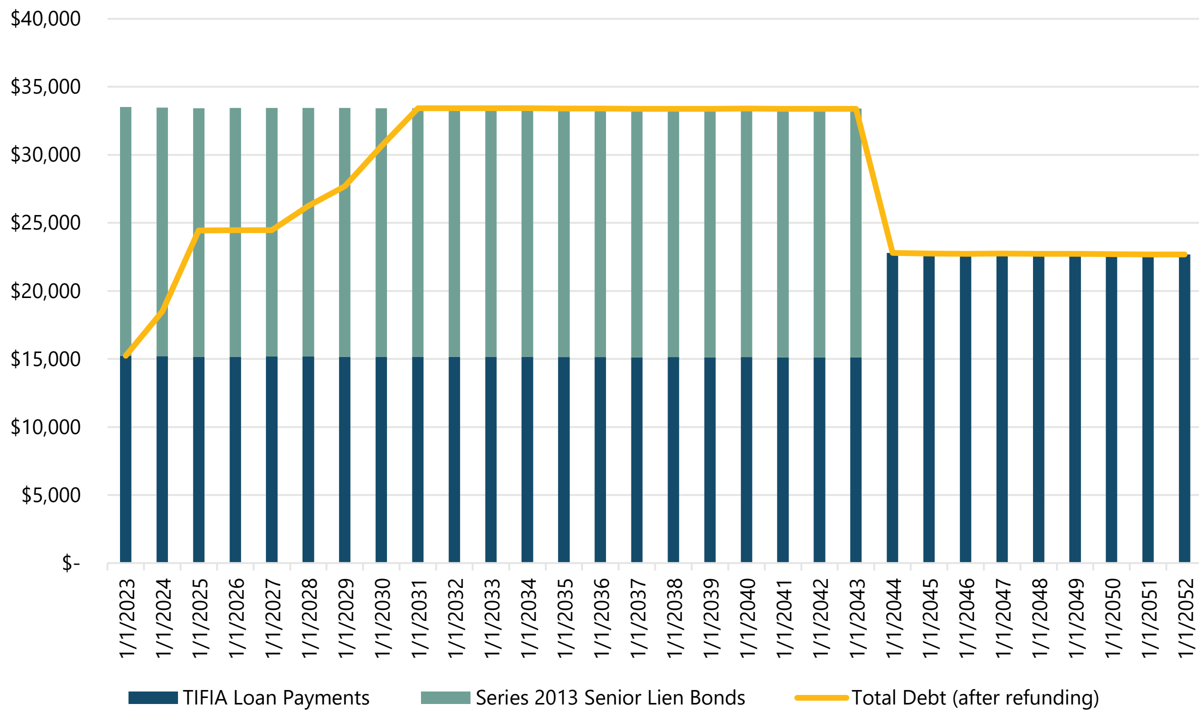
Exhibit 6-1 presents existing debt service on the Series 2013 Senior Lien Bonds and the payments on the TIFIA Loan compared to projected debt service on the Series 2023 Bonds.

For the purposes of this analysis, the projected debt service on the Series 2023 CFC Senior Lien Bonds is based on the following assumptions provided by Barclays and are as of July 21, 2023:

Series 2023 CFC Senior Lien Bonds:

- Final maturity date of January 1, 2043
- Coupons of 5.00% for each maturity
- Market interest rates as of July 20, 2023, plus a 50-basis point cushion
- Annual debt service payments structured to be equal to or less than the Series 2013 CFC Senior Lien Bond debt service

EXHIBIT 6-1 EXISTING DEBT SERVICE AND ESTIMATED SERIES 2023 CFC SENIOR LIEN DEBT SERVICE



SOURCES: City of Chicago (2013 Debt Service and TIFIA Debt Service), July 2023; Barclays (Series 2023 Debt Service), July 21, 2023.

6.4 OPERATING AND MAINTENANCE EXPENSES

Pursuant to the RAC Agreement in Section 4.3 and 4.4, the RACs shall be obligated to pay a portion of Operating Expenses incurred by the City for the MMF and associated projects other than the public parking components.

Per the CFC Indenture Flow of Funds, the Operation and Maintenance (O&M) Fund Requirement is funded from the CFC Revenue Fund subsequent to the payment of debt service and certain other fund deposit requirements pursuant to the CFC Indenture. The O&M Fund Requirement is comprised of the projected O&M expenses associated with the CRCF, the ATS, TIFIA Loan administrative expenses, and, through April 2022, temporary bussing costs.

Operating Expenses reflect costs related to maintenance, utilities, security, insurance fees, and additions or alterations to the MMF and common transportation system (ATS) necessary for the continued operation. The expenses for the CRCF in 2022 were approximately $6.3 million and they are estimated to increase at 3.0 percent annually through the Projection Period. ATS expenses in FY 2022, totaled $35.4 million, of which $19.1 million percent was allocated to the RACs. The ATS expenses include estimated expense growth and amortized costs for potential capital expenditures. The allocation of ATS expenses to the RACs is based on the proportionate share of ridership, which decreased from 45.0 percent in 2021, (an amount established in 2013 based on estimated ridership), to 43.0 percent (a proportion based on a survey of ATS riders performed in 2022). The percent of 44.7 percent in 2022 reflects a weighted average for the year, 10 months at 45.0 percent proportionate share and 2 months at 43.0 percent. For the purposes of our financial analysis, 43.0 percent, as established in the 2022 ATS ridership survey, is assumed to remain constant through the Projection Period from FY 2023.

The costs of bussing operations between the MMF and the terminals when the ATS was not operating 24/7 have also been allocated to the RACs. These bussing expenses totaled approximately $19.1 million in FY 2021, of which $15.4 million, or 80.7 percent were allocated to the RACs. In 2022, bussing costs totaled $7.2 million for the four-month period when bussing operations occurred (January through April), and $5.7 million, or 79.7 percent, was allocated to the RACs.

Administrative costs associated with the TIFIA Loan are currently estimated to be at $100,000 annually through FY 2032. **Table 6-2** presents the O&M expense projections as described withing this section. Total CRCF, ATS, and bussing expenses allocable to the RACs totaled $27.9 million in 2022, which represents a 13.5 percent increase from 2021. In 2021, the ATS was in operation for the final two months of the year. In 2022, 12 months of ATS expenses totaled $35.4 million, of which $15.8 million, or 44.7 percent, was allocable to the RACs. Expenses allocable to the rental car companies are projected to decrease to $25.6 million in 2023, reflecting the cessation of bussing operations between the MMF and the terminals in 2022.

6.5 PROJECTIONS OF CFC REVENUE, DEBT SERVICE COVERAGE AND FLOW OF FUNDS

Based on the projection of rental car activity presented in Chapter 5, projections of CFC collections, associated interest earnings, and debt service coverage and the flow of funds under the CFC Indenture through the Projection Period were developed. Key assumptions made in these projections include:

- The City's outstanding Series 2013 CFC Senior Lien Bonds will be refunded by the Series 2023 CFC Senior Lien Bonds.
- The City believes the existing budget for the MMF and associated projects of approximately $876.2 million, $837.3 million of which has been expended to date, is adequate to cover remaining project expenditures, including contingencies.
- Fund requirements, including the Rolling Coverage Fund Requirement, and the Debt Service Reserve Fund Requirement are anticipated to be fully funded from amounts already on deposit in each respective fund.
- Other monies currently on deposit may be released and retained by the City for future CFC eligible uses.
- The current RACs will continue to operate at the Airport for the duration of the Projection Period. In the event one or more RACs leave the market, the remaining RACs or new entrant RACs will act to serve demand and capture market share with minimal effect on the collection of CFCs.
- All Off-Airport RACs will be required to collect and remit the CFC.
- The RAC Agreement stipulates that the CFC rate shall be increased any time the projected total Facility Rent payable by all RACs is above $18.0 million in a given year. If the current CFC rate of $8.00 is not sufficient to maintain projected Facility Rent in compliance with the RAC Agreement in any projected year, the CFC rate is increased to a level such that total projected Facility Rent payable by all of the RACs is projected to be less than or equal to $18.0 million.

TABLE 6-2 PROJECTED OPERATION AND MAINTENANCE EXPENSES

(Dollars for Fiscal Years Ending December 31)

			PROJECTION										
	ACTUAL 2021	ACTUAL 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	CAGR (2023-2032)
Consolidated Rental Car Facility Expenses	$6,710,299	$6302,883	$6,491,969	$6,686,728	$6,887,330	$7,093,950	$7,306,769	$7,525,972	$7,751,751	$7,984,303	$8,223,833	$8,470,548	3.0%
Annual Growth Rate		-6.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Total ATS Expenses [1]	$5,249,356	$35,357,067	$44,321,000	$46,741,799	$48,543,670	$51,669,906	$54,826,208	$56,718,293	$57,994,467	$59,303,055	$60,644,882	$62,020,791	3.8%
Percent of Total ATS Expenses Allocable To RACs [2]	45.0%	44.7%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	
ATS Expenses Allocable to RACs	$2,362,210	$15,792,823	$19,058,030	$20,098,974	$20,873,778	$22,218,060	$23,575,269	$24,388,866	$24,937,621	$25,500,314	$26,077,299	$26,668,940	3.8%
Annual Growth Rate		568.6%	20.7%	5.5%	3.9%	6.4%	6.1%	3.5%	2.3%	2.3%	2.3%	2.3%	
TIFIA Loan Expenses	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	0.0%
Bussing Costs [3]	$15,416,556	$5,721,105	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	
Total O&M Fund Requirement	**$24,589,065**	**$27,916,811**	**$25,649,999**	**$26,885,702**	**$27,861,108**	**$29,412,010**	**$30,982,038**	**$32,014,838**	**$32,789,372**	**$33,584,617**	**$34,401,132**	**$35,239,488**	**3.6%**

NOTES:
CAGR – Compound Annual Growth Rate
1 FY 2021 includes two months of operation with ATS entering partial service on November 2, 2021.
2 Percent allocation in 2022 reflects 10 months at 45.0 percent proportionate share and 2 months at 43.0 percent.
3 Bussing costs continued through April 2022. The ATS returned to 24/7 operations in April 2022.
SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

6.5.1 PROJECTION OF CFC REVENUE

Table 6-3 presents projected rental car activity measures and CFC collections through FY 2032. As described in Chapter 5, the near-term projection of the rental car transaction days was based on analysis of historical actual rental car transaction data provided by the City. A separate projection methodology is used to project the short-term recovery of rental car demand from FY 2023 through FY 2025.

As shown in Table 6-3, the CFC rate is projected to remain at $8.00 through 2027, increase to $8.50 in 2028, and then increase through the Projection Period reaching $10.00 in 2030. These CFC rates reflect the levels required to maintain total projected Facility Rent payable by all RACs at or below $18.0 million in each year to be in compliance with the RAC Agreement.

Exhibit 6-2 presents a comparison between the current projection of CFC revenues and the projection of CFC revenues contained in Ricondo's 2013 Report of the Airport Consultant prepared in conjunction with the issuance of the Series 2013 CFC Senior Lien Bonds. The current projection reflects the impacts of the COVID-19 pandemic on passenger levels at the Airport and the resulting decrease in both rental car transactions and transaction days.

The City has taken several steps to mitigate the financial impact caused by the significant decrease in passenger activity, and as a result rental car transactions, at the Airport beginning in March 2020 due to COVID-19. In FYs 2020, 2021, 2022, and 2023 these have included the application of $50.9 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA) funds to offset declines in CFC collections and mitigate impacts to Facility Rent caused by the reduced CFC collections.

6.5.2 DEBT SERVICE COVERAGE

Table 6-4 presents the calculation of projected debt service coverage for the Series 2023 CFC Senior Lien Bonds in accordance with the Rate Covenant of the CFC Indenture in each year through FY 2032. The projection of the annual coverage ratio is based on the projected CFC collections, Facility Rent paid by the RACs, and interest earnings on certain funds. Additionally, amounts on deposit in the Rolling Coverage Fund (up to 25.0 percent of the aggregate annual debt service on the Series 2023 CFC Senior Lien Bonds) established pursuant to the CFC Indenture may be included in this calculation. As shown, debt service coverage on Aggregate Debt Service (excluding Subordinate Bonds) pursuant to the CFC Indenture, assuming the planned changes to the CFC Indenture are implemented, exceeds the requirement of 1.30x in each year of the Projection Period and is projected to be 3.18x in FY 2023, reflecting the estimated $5.6 million in federal relief applied in this year. From FY 2024 through FY 2032, debt service coverage is projected to range from a high of 3.09x to a low of 2.08x.

Debt service coverage on Aggregate Debt Service (including Subordinate Bonds) pursuant to the CFC Indenture is projected to exceed the requirement of 1.10x in each year of the Projection Period and is projected to be 1.21x in FY 2023. Debt service coverage on Aggregate Debt Service (including Subordinate Bonds) is projected to decline to a minimum of 1.11x in FY 2026 and increase to 1.14x by FY 2032.

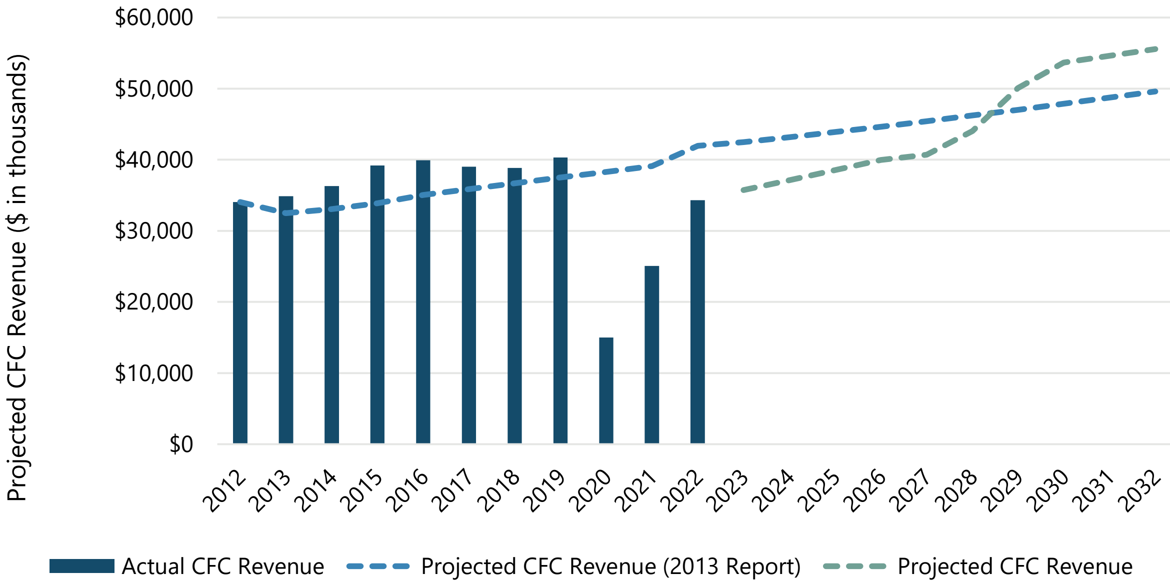
TABLE 6-3 PROJECTED RENTAL CAR TRANSACTION DAYS AND CFC COLLECTIONS

(Dollars for Fiscal Years Ending December 31)

	ACTUAL 2021	ACTUAL 2022	PROJECTION 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	CAGR (2022-2032)
Total Enplaned Passengers	26,935,349	35,095,710	35,918,975	40,275,019	42,297,968	43,122,092	43,936,500	44,751,834	45,569,426	46,388,162	47,207,756	48,027,585	3.3%
O&D Enplaned Passenger %	56.7%	58.4%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	0.0%
Total O&D Enplaned Passengers	15,259,775	20,484,251	20,525,175	23,014,348	24,170,322	24,622,714	25,087,742	25,553,297	26,020,142	26,487,640	26,955,629	27,423,751	3.3%
Visiting O&D Enplaned Passengers as a % of Total O&D	40.9%	43.2%	42.8%	43.0%	43.5%	43.5%	43.5%	43.5%	43.5%	43.5%	43.5%	43.5%	0.2%
Visiting O&D Enplaned Passengers	6,248,700	8,848,000	8,784,775	9,896,170	10,514,090	10,710,881	10,913,168	11,115,684	11,318,762	11,522,124	11,725,699	11,929,332	3.5%
Total Rental Car Transaction Days [12]	3,132,293	4,291,073	4,466,866	4,642,659	4,818,453	4,994,246	5,086,953	5,180,039	5,273,576	5,367,517	5,461,817	5,556,405	2.5%
CFC Rate Per Transaction Day	$8.00	$8.00	$8.00	$8.00	$8.00	$8.00	$8.00	$8.50	$9.50	$10.00	$10.00	$10.00	2.5%
CFC Collections [1]	**$25,058,344**	**$34,328,584**	**$35,734,929**	**$37,141,275**	**$38,547,620**	**$39,953,966**	**$40,695,625**	**$44,030,332**	**$50,098,968**	**$53,675,167**	**$54,618,170**	**$55,564,055**	**5.0%**
Ratio of Transaction Days to Total O&D Enplaned Passengers	0.20	0.21	0.22	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	-0.8%

NOTES:
CAGR – Compound Annual Growth Rate
1 Actual FY 2021 and FY 2022 O&D amounts provided by the City.
SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

EXHIBIT 6-2 COMPARISON OF CFC REVENUE PROJECTIONS



SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

TABLE 6-4 PROJECTED SERIES 2023 CFC SENIOR LIEN BOND DEBT SERVICE COVERAGE

(Dollars for Fiscal Years Ending December 31)

		PROJECTION 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
REVENUES AND OTHER AVAILABLE FUNDS											
Revenues											
CFC Collections		$35,734,929	$37,141,275	$38,547,620	$39,953,966	$40,695,625	$44,030,332	$50,098,968	$53,675,167	$54,618,170	$55,564,055
Facility Rent		13,905,695	15,047,030	15,822,865	16,020,708	17,307,031	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Federal Relief [1]		5,600,000	3,400,000	1,000,000	700,000	2,500,000	1,300,000	-	-	-	-
Interest Earnings [2]		117,645	55,077	55,274	89,743	89,976	90,226	90,496	90,789	91,110	91,462
Total Revenues [3]	**[A]**	$55,358,270	$55,643,382	$55,425,759	$56,764,417	$60,592,632	$63,420,558	$68,189,464	$71,765,957	$72,709,280	$73,655,516
Other Available Funds											
Rolling Coverage Fund [4]		$2,324,028	$2,323,672	$2,323,672	$2,323,672	$2,769,922	$3,128,859	$3,876,234	$4,566,672	$4,566,047	$4,566,984
Supplemental Reserve Fund		299,567	-	-	-	-	-	-	-	-	-
Total Other Available Funds	**[B]**	$2,623,595	$2,323,672	$2,323,672	$2,323,672	$2,769,922	$3,128,859	$3,876,234	$4,566,672	$4,566,047	$4,566,984
Total Revenues and other available funds	**[C] = [A] + [B]**	$57,981,865	$57,967,054	$57,749,431	$59,088,089	$63,362,554	$66,549,417	$72,065,698	$76,332,629	$77,275,327	$78,222,500
Series 2013 CFC Senior Lien Bonds	[D]	$5,991,334	$-	$-	$-	$-	$-	$-	$-	$-	$-
Series 2023 CFC Senior Lien Refunding Bonds	[E]	3,304,778	9,294,688	9,294,688	9,294,688	11,079,688	12,515,438	15,504,938	18,266,688	18,264,188	18,267,938
Subordinate Bonds (TIFIA Loan)	[F]	15,233,409	15,197,493	15,157,453	15,170,506	15,176,729	15,175,870	15,168,679	15,154,408	15,162,236	15,161,805
Debt Service	**[G] = [D] + [E] + [F]**	**$24,529,521**	**$24,492,181**	**$24,452,140**	**$24,465,194**	**$26,256,416**	**$27,691,308**	**$30,673,617**	**$33,421,095**	**$33,426,424**	**$33,429,742**
Debt Service Coverage pursuant to the 2013 CFC Indenture											
1.30x Coverage (Including Total Revenues and Senior Lien Bonds)	**[H] = [C] / [D + E]**	6.24x	6.24x	6.21x	6.36x	5.72x	5.32x	4.65x	4.18x	4.23x	4.28x
1.10x Coverage (Including Total Revenues and Senior and Subordinate Bonds)	**[I] = [C] / [G]**	2.36x	2.37x	2.36x	2.42x	2.41x	2.40x	2.35x	2.28x	2.31x	2.34x
O&M Expenses	[J]	$25,649,999	$26,885,702	$27,861,108	$29,412,010	$30,982,038	$32,014,838	$32,789,372	$33,584,617	$34,401,132	$35,239,488
TIFIA Reserve Fund Deposits	[K]	148,608	75,597	82,280	89,858	96,268	103,720	112,399	122,486	134,270	146,685
Net Revenues	**[L] = [A] - [J] - [K]**	$29,559,662	$28,682,082	$27,482,371	$27,262,549	$29,514,326	$31,302,000	$35,287,693	$38,058,854	$38,173,879	$38,269,344
Debt Service Coverage pursuant to the CFC Indenture											
1.35x Coverage (Including Net Revenues and Senior Lien Bonds)	**[M] = [L] / [D + E]**	3.18x	3.09x	2.96x	2.93x	2.66x	2.50x	2.28x	2.08x	2.09x	2.09x
1.10x Coverage (Including Net Revenues and Senior and Subordinate Bonds)	**[N] = [L] / [G]**	1.21x	1.17x	1.12x	1.11x	1.12x	1.13x	1.15x	1.14x	1.14x	1.14x
CFC Discretionary Reserve Ending Balance		$2,448,274	$4,931,694	$7,620,094	$10,688,299	$15,072,271	$19,658,426	$24,394,458	$29,264,059	$-	$-

NOTES:
1 Estimated Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and American Rescue Plan Act (ARPA) funding applied as revenues.
2 Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Supplemental Reserve Fund (through 2023), the Maintenance Reserve Account, the Debt Service Reserve Fund (through 2023), and the Subordinate Reserve Fund.
3 Between FY 2023 and FY 2024, approximately $8.4 million of remaining project expenses are assumed, which is accounted for in the FY 2023 and FY 2024 Revenues.
4 Pursuant to the CFC Indenture, this includes amounts in the Rolling Coverage Fund not to exceed 25.0% of Series 2023 CFC Senior Lien Bond debt service.

SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

Also presented on Table 6-4 is a projection of Facility Rent. As described previously, Facility Rent is an annual obligation of the RACs to cover debt service, O&M expenses, and other costs associated with the MMF and associated projects that are not paid for with CFC collections. The major O&M expenses are those associated with the CRCF and the ATS extension. As shown in Table 6-5, Facility Rent is projected to increase from a low of $13.9 million in FY 2023 to a high of $18.0 million in FY 2028 and remain at $18.0 million through the remainder of the Projection Period.

Facility Rent in FY 2022 was calculated to be $11.6 million and in FY 2023 is estimated to be $13.9 million based on preliminary estimates of O&M expenses and capital expenditures.

Table 6-5 presents the projection of the annual application of Revenues as provided for in the CFC Indenture. In each year of the Projection Period, Revenues are sufficient to meet the City's debt service obligations and make all deposits required under the CFC Indenture. The City anticipates use of CFC revenues on a pay-as-you-go basis to fund construction expenditures through 2024.

The City intends to utilize funds released from the Supplemental Reserve Fund, Maintenance Reserve Account, and Rolling Coverage Fund upon the issuance of the Series 2023 CFC Senior Lien Bonds, along with a portion of the proceeds of the Series 2023 CFC Senior Lien Bonds, to redeem the Series 2013 CFC Senior Lien Bonds. All or portions of these fund balances may be available upon the issuance of the Series 2023 CFC Senior Lien Bonds. Actions assumed in the financial analysis included in this Report are shown in Table 6-5, although additional funds may be available and used based on account balances and actual Series 2023 Senior Lien Bond debt service.

Annual revenues that remain after the payment of annual O&M expenses and debt service are assumed to be deposited into a CFC discretionary reserve account. From FY 2027 to FY 2032, CFC revenues available after the payment of annual O&M expenses and debt service is assumed to be deposited into the CFC discretionary reserve account. At the end of FY 2032, the balance in the CFC discretionary reserve account is anticipated to be approximately $29.3 million based on assumptions the assumptions described in this Report. For the purposes of the financial analysis, no use of CFC discretionary reserve account funds is assumed.

6.6 KEY FINDINGS

Based on the information and analysis described herein, Ricondo finds the following relevant to the Series 2023 CFC Senior Lien Bonds:

- The Airport will remain a key component of the national air transportation system and serve as a major connecting hub strengthening air service to and from the Airport.
- The Air Trade Area's economy, including its strong tourism sector and business market, can support a demand for car rentals at the Airport that is generally in-line with economic variables of the Air Trade Area and the United States during the Projection Period.
- The Airport's rental car market is anticipated to remain strong, with major brands serving the Airport.
- Debt service coverage pursuant to the CFC Indenture exceeds the requirement in each year of the Projection Period.
- Facility Rent is expected throughout the Projection Period. It remains at or below the $18.0 million limit and is in-line with prior projections of Facility Rent.
- The CFC will remain at a reasonable level within the Projection Period, remaining at or within $2.00 of the $8.00 CFC level set in 2010.

TABLE 6-5 APPLICATION OF REVENUES FOR THE CFC FUND

(Dollars for Fiscal Years Ending December 31)

	PROJECTION									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues										
CFC Collections	$35,734,929	$37,141,275	$38,547,620	$39,953,966	$40,695,625	$43,822,800	$48,911,161	$52,604,775	$53,445,045	$54,305,720
Federal Aid Applied as Revenues	5,600,000	3,400,000	1,000,000	700,000	2,500,000	1,300,000	-	-	-	-
Facility Rent	13,905,695	15,047,030	15,822,865	16,020,708	17,307,031	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Interest Earnings [1]	117,645	55,077	55,274	89,743	89,976	90,226	90,496	90,789	91,110	91,462
Total Revenues	**$55,358,270**	**$55,643,382**	**$55,425,759**	**$56,764,417**	**$60,592,632**	**$63,213,025**	**$67,001,657**	**$70,695,564**	**$71,536,155**	**$72,397,182**
Application of Revenues										
Debt Service Fund Deposit	$9,296,112	$9,294,688	$9,294,688	$9,294,688	$11,079,688	$12,515,438	$15,504,938	$18,266,688	$18,264,188	$18,267,938
Debt Service Reserve Fund Deposit	(18,278,994)	-	-	-	-	-	-	-	-	-
Rolling Coverage Fund Deposit [1]	-	-	-	-	-	-	-	-	-	-
Supplemental Reserve Fund Deposit [3]	(9,139,497)	-	-	-	-	-	-	-	-	-
Subordinate Debt Service Fund Deposit	15,233,409	15,197,493	15,157,453	15,170,506	15,176,729	15,175,870	15,168,679	15,154,408	15,162,236	15,161,805
Subordinate Reserve Fund Deposit	148,608	75,597	82,280	89,858	96,268	103,720	112,399	122,486	134,270	146,685
Rebate Fund Deposit	-	-	-	-	-	-	-	-	-	-
O&M Fund Deposit	25,649,999	26,885,702	27,861,108	29,412,010	30,982,038	32,014,838	32,789,372	33,584,617	34,401,132	35,239,488
CFC Stabilization Fund Deposit	-	-	-	-	-	-	-	-	-	-
Maintenance Reserve Account Deposit [4]	(8,000,000)	-	585,017	350,836	632,268	634,029	358,908	225,256	231,688	238,293
CFC PAYGO Project Account Deposit	5,030,141	3,395,933	-	-	-	-	-	-	-	
CFC Discretionary Reserve	-	-	2,445,214	2,446,519	2,625,642	2,976,663	4,255,168	4,412,502	4,515,767	4,601,309
Total Deposit Requirements	**$19,939,779**	**$54,849,413**	**$55,425,759**	**$56,764,417**	**$60,592,632**	**$63,420,558**	**$68,189,464**	**$71,765,957**	**$72,709,280**	**$73,655,516**
CFC Discretionary Reserve Account Ending Balance	**$-**	**$-**	**$2,448,274**	**$4,931,694**	**$7,620,094**	**$10,688,299**	**$15,072,271**	**$19,658,426**	**$24,394,458**	**$29,264,059**

NOTES:

1 Interest earnings include interest accrued on amounts in the Rolling Coverage Fund, the Supplemental Reserve Fund (through 2023), the Maintenance Reserve Account, the Debt Service Reserve Fund (through 2023), and the Subordinate Reserve Fund.

3 Funds in the existing Rolling Coverage Fund in excess of the Rolling Coverage Fund Requirement after the issuance of the Series 2023 CFC Senior Lien Bonds may be released.

2 The $9.1 million withdrawal represents a release of funds existing in the Supplemental Reserve Fund at the issuance of the 2023 CFC Senior Lien Bonds assumed in the financial analysis.

4 The $8.0 million withdrawal represents a release of funds existing in the Maintenance Reserve Account assumed in the financial analysis resulting from the reduction in the reserve requirement from $20.0 million to $12.0 million in 2023.

SOURCES: City of Chicago Department of Aviation, July 2023; Ricondo & Associates, Inc., July 2023.

6.7 ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS

The methodologies used in preparing this financial analysis are consistent with industry practices for similar studies in connection with airport or rental car customer facility charge revenue bond sales. While Ricondo believes the approach and assumptions are reasonable, some assumptions regarding future trends and events presented in this Report, including the rental car transaction projection, may not materialize. Therefore, achievement of the projections presented in this Report is dependent upon the occurrence of future events, which cannot be assured, and the variations may be material.

APPENDIX F

DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM

General. The following information has been furnished by DTC for use in this Official Statement and neither the City nor any Underwriter takes any responsibility for its accuracy or completeness. The DTC Omnibus Proxy record date, as such term is used under this subcaption, is not, and has no relation to, the "Record Date" as defined in APPENDIX B—"SUMMARY OF CERTAIN PROVISIONS OF THE CFC INDENTURE" and used in this Official Statement.

DTC will act as securities depository for the 2023 CFC Bonds. The 2023 CFC 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 2023 CFC Bond certificate will be issued for each maturity of the 2023 CFC Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has a S&P 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 2023 CFC Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 CFC Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 CFC Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 CFC 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 2023 CFC Bonds, except in the event that use of the book entry system for the 2023 CFC Bonds is discontinued.

To facilitate subsequent transfers, all 2023 CFC 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 2023 CFC Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 CFC Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 CFC Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2023 CFC Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 CFC Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023 CFC Bond documents. For example, Beneficial Owners of the 2023 CFC Bonds may wish to ascertain that the nominee holding the 2023 CFC Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 CFC Bonds of a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2023 CFC Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023 CFC Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023 CFC Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2023 CFC Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2023 CFC Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2023 CFC Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the 2023 CFC Bonds will be printed and delivered to DTC.

The City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the 2023 CFC Bonds, (ii) the delivery to any Participant or any other person, other than an owner, of any notice with respect to the 2023 CFC Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than an owner, of any amount with respect to principal of or interest on the 2023 CFC Bonds.

Transfer of 2023 CFC Bonds

So long as Cede & Co., as nominee for DTC (or other nominee of DTC), is the Bondholder of record of the 2023 CFC Bonds, beneficial ownership interests in the 2023 CFC Bonds may be transferred only through a Direct Participant or Indirect Participant and recorded on the book-entry system operated by DTC. In the event the book-entry-only system is discontinued, 2023 CFC Bond certificates will be delivered to the Beneficial Owners as described in the CFC Indenture. Thereafter, the 2023 CFC Bonds, upon surrender thereof at the designated corporate trust operations office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the holder thereof or such holder's duly authorized attorney, may be exchanged for an equal aggregate principal amount of 2023 CFC Bonds of the same maturity and of any Authorized Denominations.

In all cases in which the privilege of exchanging or transferring 2023 CFC Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver the 2023 CFC Bonds in accordance with the provisions of the CFC Indenture. For every such exchange or transfer of 2023 CFC Bonds, the City or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer but may impose no other charge therefor. Neither the City nor the Trustee shall be required to make any such exchange or transfer of 2023 CFC Bonds during the 15 days next preceding an Interest Payment Date or, in the case of any proposed redemption, during the 15 days next preceding the first publication or mailing of notice of redemption.

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APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on] Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, 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 first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such 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 BAM. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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 (as defined herein) 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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or 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, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer 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, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM 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, 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. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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CITY OF CHICAGO • CHICAGO O'HARE INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE SENIOR LIEN REFUNDING BONDS, SERIES 2023

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