

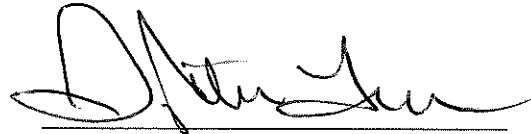
MAYOR'S OFFICE

HOUSTON, TEXAS

June 3, 2020

To the Honorable City Council of the City of Houston, Texas

In accordance with the provisions of Article VII, Section 7 of the Charter of the City of Houston, I submit and introduce to you the Ordinance set out as attached with the request that it be passed finally on the date of its introduction. There exists a public emergency requiring such action and I accordingly request that you pass the same if it meets with your approval.



Mayor, City of Houston, Texas

City of Houston Ordinance No. 2020-469

ORDINANCE NO. 2020-469

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF AIRPORT SYSTEM SPECIAL FACILITIES REVENUE REFUNDING BONDS (UNITED AIRLINES, INC. TERMINAL E PROJECT), SERIES 2020A (AMT) AND PROVIDING FOR THE SECURITY THEREOF; AUTHORIZING CERTAIN DESIGNATED OFFICIALS TO DETERMINE THE OBLIGATIONS TO BE REFUNDED, CONSISTENT WITH CERTAIN PROCEDURES, PROVISIONS AND AGREEMENTS APPROVED HEREIN; RATIFYING THE LEASE; APPROVING THE FORM AND SUBSTANCE, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF THE SECOND SUPPLEMENTAL TRUST INDENTURE AND RELATED TRANSACTION DOCUMENTS; APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE USE AND DISTRIBUTION OF AN OFFICIAL STATEMENT; MAKING CERTAIN FINDINGS WITH RESPECT THERETO AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

WHEREAS, pursuant to certain bond ordinances authorizing the issuance of outstanding airport system revenue bonds of the City of Houston, Texas (the "City"), the City has reserved the right to issue certain airport system special facilities revenue bonds payable from certain rentals under net rent leases entered into with United Airlines, Inc. ("United"), formerly known as Continental Airlines, Inc. ("Continental"); and

WHEREAS, for the purpose of financing certain improvements (the "Terminal E Project") at George Bush Intercontinental Airport/Houston (the "Airport"), the City and United (formerly known as Continental) entered into a Terminal E Lease and Special Facilities Lease Agreement dated as of August 1, 2001, as amended and supplemented from time to time, including by the Memorandum of Understanding dated as of June 1, 2014 (collectively, the "Terminal E Lease"), and to finance the Terminal E Project the City issued its Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the "Series 2001 Bonds") pursuant to a Trust Indenture between the City and The Chase Manhattan Bank (now The Bank of New York Mellon Trust Company, National Association), as Trustee (the "Trustee"), dated as of August 1, 2001 (the "Original Trust Indenture"); and

WHEREAS, for the purpose of refunding and refinancing the Series 2001 Bonds, the City and the Trustee entered into a First Supplemental Trust Indenture, dated as of June 1, 2014 (the "First Supplemental Trust Indenture," and together with the Original Trust Indenture, the "Master Trust Indenture") to authorize the issuance of the City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (the "Series 2014 Bonds"); and

WHEREAS, pursuant to the Master Trust Indenture, the City is authorized to issue Refunding Bonds (as defined in the Master Trust Indenture) payable from and secured by certain net rents payable under the Terminal E Lease; and

WHEREAS, such Refunding Bonds may not be issued unless the City and the Trustee execute a supplemental indenture to the Master Trust Indenture to provide for the issuance of such Refunding Bonds; and

WHEREAS, in accordance with Section 4.04 of the Terminal E Lease, United has requested that the City issue Refunding Bonds to refinance the July 1, 2020 maturity of the Series 2014 Bonds to assist United's operations in response to the impact of COVID-19 on the airline industry; and

WHEREAS, the City has determined and found that the issuance of the Refunding Bonds will assist United's operations, including its operations at the Airport with respect to the Terminal E Project, and the purposes of this transaction are necessary, desirable or convenient for the efficient operation and maintenance of the Airport; accordingly, pursuant to Chapter 1207.008, Texas Government Code, as amended, the City hereby finds that the issuance of the refunding bonds authorized herein is in the best interests of the City; and

WHEREAS, pursuant to Chapter 1207.008, Texas Government Code, as amended, as set forth and determined in Section 2.2(v) hereof, the City has found and determined the maximum amount by which the aggregate amount of payments to be made under the refunding bonds authorized herein may exceed the aggregate amount of payments that would have been made under the terms of the bonds to be refunded; and

WHEREAS, in order to cause the refunding of all or a portion of the Series 2014 Bonds, the City has determined to issue its Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the "Series 2020A Bonds") pursuant to the Second Supplemental Trust Indenture between the City and The Bank of New York Mellon Trust Company, National Association, as Trustee, dated as of June 1, 2020 (the "Second Supplemental Trust Indenture" and together with the Master Trust Indenture, the "Trust Indenture"), and to use the proceeds of the Series 2020A Bonds to refund and defease all or a portion of the Series 2014 Bonds, and, pursuant to the authority granted under Chapter 1207 of the Texas Government Code, to delegate certain authority to the Mayor or the City's Director of Finance and the City Controller or Deputy City Controller to effectuate the refunding of such designated bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS AS FOLLOWS:

ARTICLE I.
PURPOSE AND AUTHORIZATION

Section 1.1. Purpose and Consideration. It is hereby found, determined and declared that:

(a) the issuance of the Series 2020A Bonds is necessary to defease and refund the Refunded Bonds (as defined in Section 1.1(c) below);

(b) pursuant to and subject to the terms and conditions of the Terminal E Lease, United shall be unconditionally obligated to pay certain rentals to be pledged to the Trustee to secure the payment of all amounts to become due and owing on the Series 2020A Bonds, and, pursuant to the Amended and Restated Guaranty dated June 1, 2014 between United and the Trustee, United unconditionally guarantees payment on the Series 2020A Bonds when due and payable; and

(c) the refunding of the Series 2014 Bonds designated for refunding in the hereinafter defined Officers Pricing Certificate (the "Refunded Bonds") will benefit the City as described in the recitals hereto, and such benefit constitutes a valid public purpose and is sufficient consideration for the refunding contemplated herein.

Section 1.2. Authorization. It is hereby officially found and determined that the actions, documents, instruments and other matters authorized and approved herein are carried out pursuant to the Constitution and laws of the State of Texas, including, without limitation, Chapter 1207, Texas Government Code, as amended.

Section 1.3. Definitions. Terms not otherwise defined herein shall have the meaning ascribed to them in the Master Trust Indenture, the Second Supplemental Trust Indenture or the Terminal E Lease.

Section 1.4. Certain Findings. In addition, it is hereby officially found, declared and determined that:

(a) The findings and determinations contained in the recitals to this Ordinance are true and correct; and

(b) The selection and engagement of the underwriters named in the hereinafter described Purchase Contract (the "Underwriters"), upon the terms and conditions set forth in the Purchase Contract, are necessary to the issuance and sale of the Series 2020A Bonds and are in the best interests of the City.

ARTICLE II. THE SERIES 2020A BONDS

Section 2.1. Issuance, Execution and Delivery of the Series 2020A Bonds. The Series 2020A Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$45,000,000 for the purposes provided in Section 1.1(a) hereof and for paying related costs of issuance. The issuance of the Series 2020A Bonds shall be in accordance with the Trust Indenture, and upon execution and delivery of the Second Supplemental Trust Indenture, the Mayor, City Controller and City Secretary are each hereby authorized to execute, attest and affix the City's seal to the Series 2020A Bonds and to deliver the Series 2020A Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts for registration, and the Trustee or authenticating agent for authentication, and thereafter to deliver such Series

2020A Bonds to the order of the representative of the Underwriters pursuant to the herein below described Purchase Contract.

Section 2.2. Refunding Parameters. Pursuant to Chapter 1207, Texas Government Code, as amended, each of the Mayor or the Director of Finance, and the City Controller or Deputy City Controller is hereby authorized to act on behalf of the City in selling and delivering the Series 2020A Bonds and carrying out the procedures specified in this Ordinance with regard to the refunding and defeasance of the Refunded Bonds, including without limitation determining the price at which the Series 2020A Bonds will be sold, the issuance date, the date from which interest will accrue, and the initial interest payment date for the Series 2020A Bonds, the form in which the Series 2020A Bonds shall be issued, the years in which the Series 2020A Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the dates, prices and terms upon and at which the Series 2020A Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any extraordinary required redemption and mandatory sinking fund redemption provisions for the Series 2020A Bonds, the selection of the Series 2014 Bonds to be designated as Refunded Bonds, the form of escrow agreement, if any, the selection of a verification agent that meets the requirements of the relevant provisions of the Trust Indenture (the "Verification Agent"), and all other matters relating to the issuance, sale and delivery of the Series 2020A Bonds, all as specified in one or more certificates substantially in the form attached hereto as **Appendix A** (the "Officers Pricing Certificate"), provided that:

(i) the refunding and defeasance of the Refunded Bonds shall be conducted in accordance with the applicable terms and conditions of the Trust Indenture and the Terminal E Lease;

(ii) the sum of the principal amount of the Series 2020A Bonds (which shall not exceed the maximum principal amount set forth in Section 2.1 hereof) and the net premium from the sale of the Series 2020A Bonds, if any, plus other available funds separately provided by United, if any, must be sufficient to provide amounts necessary to fund the purposes authorized in Section 1.1(a) and to pay the costs of issuance of the Series 2020A Bonds;

(iii) the Series 2020A Bonds shall bear interest at such rates that the true interest cost with respect to the Series 2020A Bonds shall not exceed the lesser of 12% per annum or the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;

(iv) the final scheduled maturity of the Series 2020A Bonds shall not be later than January 31, 2030; and

(v) the amount by which the aggregate amount of payments to be made under the Series 2020A Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds shall not exceed \$41,242,510.

Any finding or determination made in the Officers Pricing Certificate shall have the same force and effect as a finding or determination made by the City Council of the City.

Pursuant to Chapter 1207, Texas Government Code, as amended, the City further delegates to the City Controller or Deputy City Controller (the "Authorized Representative") the authority, under the terms of this Ordinance, to execute and/or consent to the delivery of any consents, certificates, notices or other instruments on behalf of the City under the Trust Indenture, the Terminal E Lease, the Escrow Agreement (as defined in Section 2.7 hereof) or related agreements (if any) for any of the Refunded Bonds, and any certificates, notices or other instruments in connection therewith or in connection with the refunding and/or defeasance of the Refunded Bonds. To the extent any Authorized Representative designates someone to act on his or her behalf, such appointment shall be in writing and shall be delivered to the other parties to the Trust Indenture, the Escrow Agreement or related agreements (if any), or the other documents authorized under this Ordinance, as applicable.

Section 2.3. Ratification of Lease. The Terminal E Lease is hereby ratified for all purposes hereunder.

Section 2.4. Approval, Execution and Delivery of Second Supplemental Trust Indenture. The Second Supplemental Trust Indenture is hereby authorized and approved in substantially the form attached hereto as **Appendix B** (with such changes thereto as are necessary to incorporate the final pricing terms of the Series 2020A Bonds and further as the representatives executing such documentation, on behalf of the City, determine to be in the best interests of the City, such determination to be deemed to be made upon the execution and delivery thereof), and the Mayor, City Controller and City Attorney are each hereby authorized and directed to execute, and the City Secretary is authorized and directed to attest and affix the City's seal to, the Second Supplemental Trust Indenture, and to deliver the Second Supplemental Trust Indenture to the Trustee.

Section 2.5. Approval, Execution and Delivery of the Purchase Contract; Acceptance of Letter of Representation. The sale of the Series 2020A Bonds to the Underwriters in accordance with the terms and provisions of the Purchase Contract in substantially the form attached as **Appendix C** (with such changes thereto as the City Attorney may determine to be in the best interests of the City, such determination to be deemed to be made, on behalf of the City, upon the execution and delivery thereof) (the "Purchase Contract") is hereby approved, and the form of the Letter of Representation from United in substantially the form attached as **Appendix D** (the "Letter of Representation") is hereby approved, and the Mayor and City Controller are each hereby authorized and directed to execute, in multiple counterparts, and the City Secretary is authorized and directed to attest and affix the City's seal to, the Purchase Contract and the Letter of Representation, and to deliver the Purchase Contract to the Underwriters and accept the Letter of Representation, and the officers of the City are authorized to carry out the City's obligations and agreements set forth in such documents.

Section 2.6. Defeasance of Refunded Bonds. The discharge and defeasance of the Refunded Bonds shall be carried out in conformity with Chapter 1207, Texas Government Code, as amended, and pursuant to the terms and provisions of the Master Trust Indenture, the Second Supplemental Trust Indenture, this Ordinance, the Officers Pricing Certificate and other applicable transaction documents. The City Council of the City hereby authorizes and directs the Authorized Representative or his or her designee to take all necessary steps to defease the Refunded Bonds and to use the proceeds of the Series 2020A Bonds, together with additional

funds provided by United, if any, to defease the Refunded Bonds on the date set forth in the Officers Pricing Certificate.

Section 2.7. Escrow Agreement. The discharge and/or defeasance of the Refunded Bonds may, if necessary or desirable as determined by an Authorized Representative or his or her designee, be carried out pursuant to the terms and provisions of one or more escrow agreements or escrow deposit agreements (the "Escrow Agreement") in substantially the form approved by the Officers Pricing Certificate, the terms and provisions of which are hereby approved, subject in each case to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the City by the Underwriters, which shall be certified as to mathematical accuracy by the Verification Agent, if any, (b) to comply with all applicable laws and regulations relating to the defeasance and refunding of the Refunded Bonds and (c) to carry out the other intents and purposes of this Ordinance and the Officers Pricing Certificate. The Mayor and City Controller are hereby authorized to execute and deliver the Escrow Agreement, if any, on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto. The Authorized Representative or his or her designee is hereby authorized and directed to agree to purchase escrowed securities, if any, in such amounts and maturities and bearing interest at such rates as described in the Escrow Agreement and as authorized pursuant to the Non-Terminal Trust Indenture, and to execute by manual or facsimile signature any and all purchase contracts, subscriptions, commitments, letters of authorization and other documents necessary to effectuate the foregoing.

Section 2.8. Approval, Execution, Use and Distribution of the Official Statement. The Preliminary Official Statement prepared in connection with the issuance and sale of the Series 2020A Bonds, in substantially the form attached hereto as **Appendix E**, with such changes as approved by the City's finance working group, and the use and distribution by the Underwriters of the Preliminary Official Statement in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized and the sections of the Preliminary Official Statement entitled "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS" are hereby deemed to be "final" as of the date of the Preliminary Official Statement for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of no more than the information permitted to be omitted by such Rule. The preparation and distribution by the Underwriters of a final Official Statement in substantially the same form as the Preliminary Official Statement, together with such additions, deletions and modifications as shall be necessary and desirable or consistent with the terms of this Ordinance and the Officers Pricing Certificate, is hereby authorized. The City Controller is hereby authorized to execute certificates with respect to the Preliminary Official Statement and the Official Statement, and the use and distribution of the Official Statement by the Underwriters is hereby approved and authorized, subject to the terms, conditions and limitations contained therein and further subject to such amendments or additions thereto as may be required by the Purchase Contract and Officers Pricing Certificate and as may be approved by the City's finance working group.

Section 2.9. Approval of Requests from Rating Agencies. The action of the Mayor, City Controller, Director of Finance, Aviation Director of the Houston Airport System (the "Aviation Director") and other City officers and the City's consultants in seeking ratings for the Series 2020A Bonds is hereby ratified and confirmed.

Section 2.10. Authorization of Public Hearing and Approval. It is found, determined and declared that, with respect to the issuance of the Series 2020A Bonds, the City will comply with the public approval requirements of section 147(f) of the Code. The appointment of the Aviation Director or Barron Wallace as Hearing Officer for one or more public hearings required by this Section is hereby ratified for all purposes, and, based on the Hearing Officer's report on such hearing, the Mayor is hereby authorized to execute a certificate with respect to each such hearing, as necessary, of the kind required by such section 147(f) of the Code with respect to the Series 2020A Bonds and the projects to be refinanced with the proceeds of the Series 2020A Bonds. All actions taken by the City, its officers and its employees with respect to the electronic and physical posting of the notice or notices of such public hearings and the conducting of such public hearings are hereby authorized, approved and ratified. The Hearing Officer may designate in writing other individuals to serve as Hearing Officer, and such designation is hereby approved.

ARTICLE III. MISCELLANEOUS PROVISIONS

Section 3.1. Ratifying Other Actions. All other actions taken by the City Council, the Mayor, the City Controller, the City Secretary, the City Attorney, the Director of Finance, the Aviation Director and the other City officials in connection with the issuance of the Series 2020A Bonds and the refunding of the Refunded Bonds are hereby ratified and confirmed.

Section 3.2. Authorization for Certain Other Actions. The City officials named in Section 3.1 hereof and their designees are hereby authorized to take such other actions or incur such costs as may be necessary or desirable to cause the issuance of the Series 2020A Bonds, including to pay expenses for the printing and delivery of offering documents regarding the Series 2020A Bonds to the Underwriters, to pay the expenses of review of the Series 2020A Bonds by the Attorney General of the State of Texas, to obtain ratings for the Series 2020A Bonds and to pay (in addition to any and all other costs and expenses pursuant to the agreements and documents herein authorized) all other costs incurred in connection with the issuance, sale, marketing, security, rating and delivery of the Series 2020A Bonds, such costs, to the extent not paid by United, to be paid or reimbursed solely from proceeds of the Series 2020A Bonds.

Section 3.3. Authority to Invest Proceeds. All appropriate City officials are hereby authorized to invest and reinvest, or direct the Trustee to invest and reinvest, the proceeds of the Series 2020A Bonds and the amounts on deposit in the funds and accounts established or confirmed under the Trust Indenture in any manner required by or consistent with the Trust Indenture and the Terminal E Lease.

Section 3.4. Execution and Delivery of Other Documents; Authorization of Additional Actions. The officers of the City are each hereby authorized to execute, attest and affix the City's seal to such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other documents, and to take all actions and to do all things whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Officers Pricing Certificate, the Second Supplemental Trust Indenture, the Terminal E Lease, the Purchase Contract, the Escrow Agreement (if any), the Preliminary Official Statement and the final Official Statement.

Section 3.5. Appendices Incorporated Herein. All of the terms and provisions of each of the documents listed below as an appendix shall be and are hereby incorporated into and made a part of this Ordinance for all purposes:

- Appendix A – Form of Officers Pricing Certificate
- Appendix B – Form of Second Supplemental Trust Indenture
- Appendix C – Form of Purchase Contract
- Appendix D – Form of Letter of Representation
- Appendix E – Form of Preliminary Official Statement

Section 3.6. Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the City Attorney is hereby authorized to make or approve such revisions, additions, deletions and variations in the form of the documents attached hereto as appendices or in the form of other documents related to the transactions contemplated in this Ordinance as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Officers Pricing Certificate, the Master Trust Indenture, the Second Supplemental Trust Indenture, the Terminal E Lease, the Purchase Contract, the Letter of Representation, the Escrow Agreement (if any), the Preliminary Official Statement and the final Official Statement, including, without limitation, to conform to the requirements of the Attorney General of the State of Texas, to conform the Second Supplemental Trust Indenture with the Terminal E Lease and to conform all of the aforesaid documents to the terms of sale of the Series 2020A Bonds in the Official Statement or in the Purchase Contract. Approval of any executed documents by the City Attorney shall conclusively establish that any revisions, additions, deletions and variations in the form of such executed documents have been accomplished in full compliance with the authorization contained in this Section. In order to obtain the approval of the Series 2020A Bonds by the Attorney General of the State of Texas, the City Attorney is hereby authorized to make such changes in the written text of this Ordinance as he determines are consistent with the intent and purposes of this Ordinance, which determination shall be final. Such changes shall be included in the transcript of proceedings relating to the Series 2020A Bonds and provided to the City Secretary, and the City Secretary is hereby directed to make such changes part of the City's permanent records.

Section 3.7. Notice of Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council of the City at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council of the City further ratifies, approves and confirms such written notice and the contents and posting thereof.

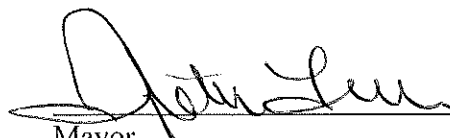
Section 3.8. Declaration of Emergency. It is hereby officially found and determined that a case of emergency and urgent public necessity exists which requires the holding of the meeting at which this Ordinance is passed and further requires that this Ordinance be passed finally and take effect immediately on the date of its introduction, such emergency and urgent public necessity being that the proceeds from the sale of the Series 2020A Bonds are required as

soon as possible and without delay for the purposes set forth herein. The Mayor has in writing declared the existence of such emergency and requested passage of this Ordinance, and such Ordinance is hereby passed finally on the date of its introduction and shall take effect immediately upon its passage and approval by the Mayor.

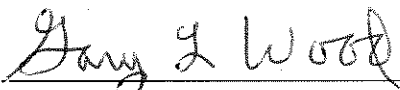
Section 3.9. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

[Remainder of page intentionally left blank; signature pages follow.]

PASSED AND APPROVED THIS 3rd day of June, 2020.


 Mayor
 City of Houston, Texas

APPROVED AS TO FORM:


 Gary L. Wood
 Senior Assistant City Attorney
 (L.D. File No. 0342000069001)

CAPTION PUBLISHED IN DAILY COURT
 REVIEW
 DATE: JUN 09 2020

AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		PECK
✓		DAVIS
✓		KAMIN
✓		EVANS-SHABAZZ
✓		MARTIN
✓		THOMAS
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		POLLARD
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		PLUMMER
✓		ALCORN
CAPTION	ADOPTED	

APPENDIX A

FORM OF OFFICERS PRICING CERTIFICATE

OFFICERS PRICING CERTIFICATE

CITY OF HOUSTON, TEXAS, AIRPORT SYSTEM
SPECIAL FACILITIES REVENUE REFUNDING BONDS
(UNITED AIRLINES, INC. TERMINAL E PROJECT),
SERIES 2020A (AMT)

THIS OFFICERS PRICING CERTIFICATE is executed as of the ___ day of June, 2020 pursuant to Ordinance No. 2020-___ adopted on June 3, 2020 (the "Ordinance"), authorizing the issuance of the captioned series of bonds and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein. Capitalized terms used in this Officers Pricing Certificate shall have the meanings assigned to them in the Ordinance.

I. Terms

- A. Principal Amount. The Series 2020A Bonds shall be issued in the aggregate principal amount of \$_____.
- B. Issue Date. The Series 2020A Bonds shall be issued on June __, 2020 (the "Issue Date"). The Series 2020A Bonds will be dated the Issue Date.
- C. Interest Payment Dates. Interest on the Series 2020A Bonds will accrue from the Issue Date and be payable January 1 and July 1, commencing January 1, 2021.
- D. Sales Price. The sale of the Series 2020A Bonds is authorized pursuant to the terms of the Purchase Contract at the purchase price of \$[_____] (representing the principal amount of the Series 2020A Bonds, \$[_____] , [plus/less an original issue premium/discount of \$[_____]], less an underwriters' discount in the amount of \$[_____]).
- E. Form of Series 2020A Bonds. The Form of Series 2020A Bonds set forth in Exhibit A to the Second Supplemental Trust Indenture is hereby approved and incorporated into and made a part of this Officers Pricing Certificate for all purposes.
- F. Maturities, Amounts and Interest Rates. The Series 2020A Bonds shall mature on the following dates in the following principal amounts and bear interest at the following rates:

Serial Bonds

Stated Maturity (July 1)	Principal Amount	Interest Rate
20__	\$ _____	_____ %

Term Bonds

\$ _____ % Term Bond due July 1, 20__

- G. Redemption Provisions. The Series 2020A Bonds shall be subject to [optional redemption, extraordinary required redemption and mandatory redemption] as further described in the Form of Series 2020A Bonds.

II. Defeasance of the Refunded Bonds

- A. Refunded Bonds. The Series 2014 Bonds maturing in the amount of \$34,180,000 on July 1, 2020 are hereby designated the "Refunded Bonds."
- B. Verification Agent. Robert Thomas CPA, LLC is selected as Verification Agent for the Refunded Bonds.
- C. Escrow Agreement. As set forth in the Escrow Deposit Agreement attached hereto as Exhibit A (the "Escrow Agreement"), and the report of the Verification Agent attached thereto, the Refunded Bonds will be defeased on the Issue Date.

III. Findings and Determinations

- A. We hereby find, determine and declare that the terms of the sale of the Series 2020A Bonds to the Underwriters as set forth herein and in the Purchase Contract are in the City's best interests, and that, in accordance with the requirements of the Ordinance, this Officers Pricing Certificate complies with and satisfies the terms and provisions of the Ordinance in accordance with the delegation contained therein.
- B. Pursuant to Section 2.2 of the Ordinance, we hereby find, determine and declare that:
- (i) the refunding and defeasance of the Refunded Bonds satisfies the applicable terms and conditions of the Trust Indenture and the Terminal E Lease;
 - (ii) the sum of the principal amount of the Series 2020A Bonds (which does not exceed the maximum principal amount set forth in Section 2.1 of the Ordinance) [and the net premium from the Series 2020A Bonds, if any,]

[plus additional funds provided by the Lessee, if any,] will be sufficient to defease the Refunded Bonds and to pay the costs of issuance of the Series 2020A Bonds;

- (iii) the Series 2020A Bonds will bear interest at such rates that the true interest cost with respect to the Series 2020A Bonds is [__%], which does not exceed the lesser of 12% per annum or the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;
- (iv) the final scheduled maturity of the Series 2020A Bonds is not later than January 31, 2030; and
- (v) the amount by which the aggregate amount of payments to be made under the Series 2020A Bonds exceeds the aggregate amount of payments that would have been made under the terms of the Refunded Bonds is \$_____, which amount does not exceed \$41,242,510.

<EXECUTION PAGE FOLLOWS>

EXECUTED as of this _____ day of _____, 2020.

CITY OF HOUSTON, TEXAS

Mayor

City Controller

EXHIBIT A
Escrow Agreement

APPENDIX B
FORM OF SECOND SUPPLEMENTAL TRUST INDENTURE

SECOND SUPPLEMENTAL TRUST INDENTURE

by and between

CITY OF HOUSTON, TEXAS,
as Issuer

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

pertaining to

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM SPECIAL FACILITIES REVENUE REFUNDING BONDS
(UNITED AIRLINES, INC. TERMINAL E PROJECT),
SERIES 2020A (AMT)

Dated as of June 1, 2020

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SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE is made and entered into as of June 1, 2020, by and between the CITY OF HOUSTON, TEXAS (the "City"), a municipal corporation and home rule city, duly incorporated under the laws of the State of Texas (the "State"), situated primarily in Harris County, Texas and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, as successor in trust to The Chase Manhattan Bank, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the City has previously issued the Series 2001 Bonds (as defined herein) secured under and by the Original Trust Indenture (as defined herein) to finance the Terminal E Project, which was necessary, desirable and convenient for the efficient operation of the Airport (as defined herein) and in the public interest and a public purpose; and

WHEREAS, the City has previously issued the Series 2014 Bonds (as defined herein) secured under and by the Original Trust Indenture, as supplemented by the First Supplemental Trust Indenture, to refund the Series 2001 Bonds; and

WHEREAS, Section 6.2 of the Original Trust Indenture permits the issuance of bonds in any manner authorized by law to refund all or a portion of any Outstanding Bonds (as defined in the Original Trust Indenture) pursuant to the terms and conditions thereof; and

WHEREAS, pursuant to Section 4.04 of the Lease (as defined in the Original Trust Indenture) by and between the City and the Lessee (as defined herein), the Lessee has requested the City issue Refunding Bonds (as defined in the Original Trust Indenture); and

WHEREAS, pursuant to Ordinance No. 2020-___ and any related pricing certificate (collectively, the "Ordinance"), the City has authorized the issuance of the Series 2020A Bonds (as defined herein) secured under and by the Original Trust Indenture, as supplemented by this Second Supplemental Trust Indenture, to refund and defease the Refunded Bonds (as defined herein) and pay related costs of issuance; and

WHEREAS, the City has found and determined under the Ordinance that the refunding of the Refunded Bonds is necessary, desirable or convenient for the efficient operation and maintenance of the Airport and is in the best interests of the City; and

WHEREAS, Section 11.1(g) of the Original Trust Indenture provides that the City and the Trustee may, without the consent of, or notice to, any of the Holders, enter into an indenture supplemental to the Original Trust Indenture for the purpose of providing for the issuance, sale and delivery of Refunding Bonds; and

WHEREAS, pursuant to the terms of a guaranty between the Lessee and the Trustee dated August 1, 2001, as amended and restated as of June 1, 2014 (as amended and restated, the "Guaranty"), the payment of principal of, premium, if any, and interest on the Series 2014 Bonds, any Additional Bonds and any Refunding Bonds is unconditionally guaranteed by United, subject to the terms of the Lease and such Guaranty; and

WHEREAS, pursuant to a Memorandum of Understanding regarding the Lease, dated as of June 1, 2014, the term "Guaranty" as used in the Original Trust Indenture and the Lease shall refer to the Guaranty as amended and restated; and

WHEREAS, all requirements of law have been fully complied with, and all other acts and things necessary to make the Series 2020A Bonds herein authorized, when registered by the Comptroller and delivered to the purchasers thereof, duly issued, valid and binding special limited obligations of the City, and all other acts and things necessary to constitute the Trust Indenture (as defined herein) a valid, binding and legal instrument for the security of the Series 2020A Bonds have been done and performed; and

WHEREAS, the issuance, execution, sale and delivery of the Series 2020A Bonds herein authorized have been in all respects duly and validly authorized by the Ordinance; and

NOW, THEREFORE, in consideration of the premises and the acceptance by the Trustee of the trusts created by the Trust Indenture and of the purchase and acceptance of the Bonds issued thereunder and hereunder by the Holders thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on such Series 2020A Bonds according to their tenor and effect and the performance and observance by the City of all the covenants expressed or implied herein, the City and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Holders from time to time of the Bonds, including the Series 2020A Bonds, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1 Supplemental Trust Indenture. This Second Supplemental Trust Indenture is supplemental to, and is adopted in accordance with, Section 6.2 and Section 11.1 of the Original Trust Indenture.

Section 1.2 Interpretations. All terms defined herein and all pronouns used in this Second Supplemental Trust Indenture shall be deemed to apply equally to singular and plural and to all genders. The table of contents, titles and headings of the articles and sections of this Second Supplemental Trust Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Second Supplemental Trust Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Series 2020A Bonds.

Section 1.3 Original Trust Indenture and First Supplemental Trust Indenture to Remain in Effect; Series 2020A Bonds Under Trust Indenture. Except as supplemented herein, the Original Trust Indenture, as previously supplemented and amended, shall remain in full force and effect, it being the intention of the City that the Series 2020A Bonds be considered Refunding Bonds under the Trust Indenture. Further, the City hereby acknowledges and confirms the rights of the Lessee to request and approve the issuance by the City of Additional

Bonds and Refunding Bonds, as set forth in Article VI of the Original Trust Indenture and in Article IV of the Lease. The City hereby covenants and agrees that the Series 2020A Bonds are to be secured by the Pledged Revenues to the same extent as any other Bonds (including any Additional Bonds or any Refunding Bonds) may be secured under the Trust Indenture. The Series 2020A Bonds are entitled to the benefits of and are governed by the provisions, agreements, covenants and warranties contained in the Trust Indenture, including, but not limited to, those provisions, agreements, covenants and warranties relating to the Lease.

Section 1.4 Definitions.

(a) Except as provided in the recitals herein, in subsection (b) of this section and Section 5.1(b) hereof, all capitalized terms not otherwise defined shall have the same meaning as such defined terms are given in the Original Trust Indenture or the First Supplemental Trust Indenture.

(b) As used in this Second Supplemental Trust Indenture, unless the context shall otherwise require, the following terms shall have the following meanings:

“2020A Proceeds Fund” has the meaning assigned in Section 4.3 hereof.

“City” means the City of Houston, Texas.

“Closing Memorandum” means the memorandum approved in writing by an Authorized Representative of the City and of United directing the Trustee to distribute the proceeds of the Series 2020A Bonds.

“Co-Bond Counsel” means, with respect to the Series 2020A Bonds, Bracewell LLP, Houston, Texas and West & Associates, L.L.P., Houston, Texas.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Escrow Agent” means The Bank of New York Mellon Trust Company, National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of June __, 2020 between the Escrow Agent and the City relating to the defeasance of the Refunded Bonds.

“First Supplemental Trust Indenture” means First Supplemental Trust Indenture between the City and the Trustee, dated as of June 1, 2014.

“*Guaranty*” has the meaning set forth in the recitals hereto.

“*Interest Payment Date*” means January 1 and July 1 of each year while the Series 2020A Bonds are Outstanding, commencing January 1, 2021.

“*Issue Date*” means the date the Series 2020A Bonds are delivered and payment is received from the initial purchasers thereof.

“*Lessee*” means United Airlines, Inc. (formerly known as Continental Airlines, Inc.).

“*Original Trust Indenture*” means that certain Trust Indenture between the City and The Bank of New York Mellon Trust Company, National Association (successor in trust to The Chase Manhattan Bank), as trustee, dated as of August 1, 2001, authorizing the Series 2001 Bonds, Additional Bonds and Refunding Bonds, pursuant to its terms.

“*Refunded Bonds*” means that certain maturity of the Series 2014 Bonds maturing on July 1, 2020, in the principal amount of \$34,180,000, which shall be defeased on the Issue Date.

“*Regulations*” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“*Rule*” is defined in Article VIII hereof.

“*Second Supplemental Trust Indenture*” means this Second Supplemental Trust Indenture between the City and the Trustee dated as of June 1, 2020.

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

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

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

“*Series 2020A Continuing Disclosure Agreement*” means that certain continuing disclosure agreement, dated June 1, 2020, by and between United and the Trustee, relating to compliance with the Rule with respect to the Series 2020A Bonds, as may be amended from time to time.

“*State*” means the State of Texas.

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

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

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

ARTICLE II

SERIES 2020A BONDS

Section 2.1 Name, Amount, Purpose, Authorization. The Series 2020A Bonds shall be designated as CITY OF HOUSTON, TEXAS AIRPORT SYSTEM SPECIAL FACILITIES REVENUE REFUNDING BONDS (UNITED AIRLINES, INC. TERMINAL E PROJECT), SERIES 2020A (AMT). The Series 2020A Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of refunding and defeasing the Refunded Bonds and paying related costs of issuance, under and in strict conformity with the Constitution and laws of the State, particularly Chapter 1207, Texas Government Code, as amended.

Section 2.2 Denomination, Date, Maturity and Interest Rate. The Series 2020A Bonds shall be issued in Authorized Denominations. The Series 2020A Bonds shall bear interest from the Issue Date, at the rate or rates per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months payable on any Interest Payment Date.

If interest on any Series 2020A Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent shall, as described below, establish a new date for the payment of such interest (a “Special Payment Date”), which shall be payable to the Owners of Bonds as of a special record date to be known as a “Special Record Date.” The Paying Agent shall establish a Special Record Date and a Special Payment Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the Special Payment Date, and notice of the Special Payment Date shall be sent by United States mail, first-class, postage prepaid, not later than five (5) days prior to the Special Payment Date, to each Registered Owner as of the Special Record Date.

The Series 2020A Bonds shall mature and become payable on the date(s) and in the principal amount(s) set forth below, subject to redemption prior to maturity in the manner provided in the Form of Series 2020A Bonds set forth in Exhibit A:

Maturity Date (July 1)	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%

If less than all of the Bonds shall be called for redemption prior to maturity as provided in Exhibit A hereto, the City, with the consent of United, hereby directs the Trustee to redeem such Bonds as described in Exhibit A.

Section 2.3 Manner of Payment, Characteristics and Execution. The Series 2020A Bonds shall be payable, have the characteristics, and be executed, sealed, registered and authenticated by manual or facsimile means, all as provided and in the manner indicated in the Form of Series 2020A Bonds set forth in Exhibit A. The Series 2020A Bonds shall be numbered separately from R-1 upward, except that the initial Series 2020A Bond registered with the Comptroller shall be numbered AG-1 and the column with the heading "CUSIP No." shall be deleted. In case any officer whose manual or facsimile signature shall appear on any Series 2020A Bonds shall cease to be such officer before delivery of such Series 2020A Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office. The approving legal opinion of Co-Bond Counsel, may be incorporated into the Series 2020A Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Series 2020A Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Series 2020A Bonds.

Section 2.4 Confirmation of Bond Registrar and Paying Agent. The appointment of the Trustee as "Bond Registrar" and "Paying Agent" is hereby confirmed. The Bond Registrar and Paying Agent shall provide for the registration, transfer and replacement of the Series 2020A Bonds in accordance with the terms of the Trust Indenture.

Section 2.5 The Depository Trust Company. (a) Notwithstanding any provision of the Trust Indenture to the contrary, unless the City shall otherwise direct, all Series 2020A Bonds issued hereunder shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Series 2020A Bonds, and held in the custody of DTC (or any successor nominee). Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC for each maturity of Series 2020A Bonds. Beneficial owners of Series 2020A Bonds will not receive physical delivery of bond certificates except as provided hereinafter as long as DTC shall continue to serve as securities depository for the Series 2020A Bonds as provided herein, all transfers of beneficial ownership interests in the Series 2020A Bonds will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership interests in Series 2020A Bonds is to receive, hold or deliver any bond certificate; provided that, if DTC fails or refuses to act as securities depository for the Series 2020A Bonds, the City shall take the actions necessary to provide for the issuance of bond certificates to the Registered Owners of such Series 2020A Bonds. In connection with any proposed transfer outside the book-entry system, prior to or in conjunction with the issuance of any certificated Series 2020A Bonds, the Registered Owners shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The City acknowledges such tax reporting obligations and, if necessary, agrees to use commercially reasonable efforts to assist, or cause United to assist, the Trustee in obtaining such information. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

With respect to Series 2020A Bonds registered in the name of Cede & Co. (or any successor nominee), as nominee of DTC, the City, United, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Series 2020A Bonds. Without limiting the immediately preceding sentence, the City, United, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2020A Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Bond Register, of any notice with respect to the Series 2020A Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the Bond Register, of any amount with respect to the principal of or interest on the Series 2020A Bonds.

(b) In the event that (i) DTC determines not to continue to act as securities depository for the Series 2020A Bonds (which determination shall become effective no less than ninety (90) days after written notice to such effect to the City, United and the Paying Agent); (ii) United determines, or the City, upon United's agreement, determines (which determination is conclusive as to DTC and the beneficial owners of the Series 2020A Bonds) that DTC is incapable of discharging its responsibilities described herein and in the DTC Letter of Representations; or (iii) United determines, or the City, upon United's agreement, determines (which determination is conclusive as to DTC and the beneficial owners of the Series 2020A Bonds) that it is in the best interests of the beneficial owners of the Series 2020A Bonds not to continue DTC's book-entry only system of transfer for the Series 2020A Bonds, then the City shall use its best efforts to appoint a successor securities depository, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended. In the event of such an appointment, the City shall (x) notify DTC of the appointment of such successor securities depository and transfer one or more separate Series 2020A Bonds to such successor or (y) notify DTC Participants of the availability through DTC of Series 2020A Bonds and transfer one or more separate Series 2020A Bonds to DTC Participants having Series 2020A Bonds credited to their DTC accounts. In such event, the Series 2020A Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. (or any successor nominee), as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Series 2020A Bonds shall designate, in accordance with the provisions of the Trust Indenture.

In the event the City fails to appoint a successor securities depository for the Series 2020A Bonds, the City shall cause to be authenticated and delivered replacement Series 2020A Bonds, in certificated form, to the beneficial owners of the Series 2020A Bonds.

(c) Notwithstanding any other provision of the Trust Indenture to the contrary, as long as any Series 2020A Bonds are registered in the name of Cede & Co. (or any successor nominee), as nominee of DTC, (i) all payments with respect to the principal of and interest on the Series 2020A Bonds and all notices with respect to such Series 2020A Bonds shall be made and given in accordance with DTC's operational arrangements; (ii) the requirements of the Trust Indenture of holding, delivering or transferring Series 2020A Bonds shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC; and (iii) delivery of the

Series 2020A Bonds will be in accordance with arrangements among the City, the Trustee and DTC.

(d) If at any time DTC ceases to hold the Series 2020A Bonds in book-entry only form, all references herein to DTC shall be of no further force or effect.

ARTICLE III

FORM OF BONDS

Section 3.1 Form of Series 2020A Bonds. The fully registered Series 2020A Bonds shall be in substantially the form set forth in Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and consistent with the terms of the Trust Indenture.

ARTICLE IV

SOURCE OF PAYMENT; SPECIAL FUNDS; AND APPLICATION OF PROCEEDS

Section 4.1 Source of Payment for Bonds. The Bonds, including the Series 2020A Bonds, are special limited obligations of the City payable solely from, and secured by a lien on and pledge of, the Pledged Revenues. The Bonds, including the Series 2020A Bonds, shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State or the City's home rule charter and shall not be general obligations of the City. The Holders of the Bonds, including the Series 2020A Bonds, shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the Airport System.

Section 4.2 Confirmation of Special Funds and Accounts. As set forth in and pursuant to the terms of the Trust Indenture, the following special funds, including all accounts and sub-accounts created therein, which are maintained at the designated corporate office of the Trustee, are hereby confirmed and ratified for all purposes, specifically the:

- (a) Interest and Redemption Fund, including the Extraordinary Redemption Account;
- (b) Construction Fund; and
- (c) Rebate Fund.

Prior to each Interest Payment Date or any applicable redemption date, the Trustee shall notify United, or the City in the case of an "Event of Default" under the Lease (as such term is defined in the Lease), of (i) the amount, if any, then on deposit in the Interest and Redemption Fund which will be applied to the payment of the principal, premium, if any, and interest due on the Series 2020A Bonds on such Interest Payment Date or redemption date and (ii) the amount due on the Series 2020A Bonds on such Interest Payment Date or redemption date.

Section 4.3 Establishment of 2020A Proceeds Fund.

(a) There is hereby created the "City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project) Series 2020A Proceeds Fund" (the "2020A Proceeds Fund") which shall be maintained at the designated corporate office of the Trustee.

(b) The Trustee shall be the custodian of the 2020A Proceeds Fund and shall keep it separate and apart from all other funds of the City. Amounts in the 2020A Proceeds Fund shall be applied and disbursed by the Trustee as provided herein.

(c) So long as any of the Bonds remain Outstanding, all cash balances from time to time on deposit to the credit of the 2020A Proceeds Fund shall be secured by the Trustee in the manner required by law.

(d) After the proceeds of the Series 2020A Bonds are disbursed in accordance with Section 4.4 hereof and there are no amounts remaining therein, the Trustee shall close the 2020A Proceeds Fund.

Section 4.4 Application of Proceeds. Proceeds from the sale of the Series 2020A Bonds shall be deposited in the 2020A Proceeds Fund. On the Issue Date, or, with respect to clause (ii) below, as otherwise provided in the Closing Memorandum, the Trustee shall apply and disburse the proceeds of the Series 2020A Bonds as follows:

(i) \$ _____ to the Escrow Agent for deposit in the escrow fund created pursuant to the Escrow Agreement, to defease the Refunded Bonds;

(ii) \$ _____ to pay costs of issuance relating to the Series 2020A Bonds pursuant to the instructions provided in the Closing Memorandum; and

(iii) any remaining amounts to the Interest and Redemption Fund to pay debt service on the Bonds, which amounts will be allocated for federal income tax purposes to the payment of interest on the Series 2020A Bonds.

ARTICLE V

COVENANTS OF THE CITY CONCERNING THE SERIES 2020A BONDS

Section 5.1 Tax Exemption.

(a) General Tax Covenant. The City covenants and agrees not to take any action, or omit to take any action, that, if taken or omitted, would cause the interest on the Series 2020A Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 142 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Series 2020A Bonds.

(b) Definitions. When used in this Section, the following terms have the meanings given to them below:

(i) “*Gross Proceeds*” means any Proceeds and Replacement Proceeds.

(ii) “*Investment Proceeds*” is defined in section 1.148-1(b) of the Regulations and generally consists of any amounts actually or constructively received from investing Proceeds.

(iii) “*Net Proceeds*” means the Sale Proceeds less any Sale Proceeds invested in a Reasonably Required Reserve or Replacement Fund and as part of a minor portion under section 148(e) of the Code and Investment Proceeds, less accrued interest.

(iv) “*Proceeds*” is defined in section 1.148-1(b) of the Regulations and generally means the Sale Proceeds and Investment Proceeds.

(v) “*Qualified Project Costs*” means costs that meet the following requirements:

(A) The costs meet the requirements of section 1.150-2 of the Regulations;

(B) The costs are chargeable to a capital account for federal income tax purposes, or would be so chargeable either with a proper election or but for the proper election to deduct those amounts;

(C) The costs are not costs of issuance; and

(D) The costs are incurred to provide “airport facilities,” which may include both an “airport” (within the meaning of section 142 of the Code) and property that is functionally related and subordinate thereto (within the meaning of section 1.103-8(a)(3) and 1.103-8(e)(2)(ii) of the Regulations). For purposes of this definition, a storage or training facility is an “airport facility” only if such facility is directly related to and is physically located on or adjacent to the airport. In addition, an “office” is considered an “airport facility” only if such office is located on the premises of an airport and all but a de minimis amount of the functions to be performed at such office are directly related to the day-to-day operations at such airport.

(vi) “*Reasonably Required Reserve or Replacement Fund*” means any fund meeting the description set forth in section 148(d) of the Code.

(vii) “*Replacement Proceeds*” has the meaning set forth in Section 1.148-1(c) of the Regulations.

(viii) “*Sale Proceeds*” is defined in section 1.148-1 of the Regulations and generally consists of any amounts actually or constructively received from the sale (or other disposition) of bonds, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with such bonds and that is described in section 1.148-4(b)(4) of the Regulations.

(c) Use of Proceeds. The City represents and covenants, as applicable, that:

(i) At least 95 percent of the Net Proceeds of the Series 2001 Bonds actually expended was expended on Qualified Project Costs. All of the Net Proceeds of the Refunded Bonds were used to pay principal and interest on the Series 2001 Bonds. All Net Proceeds of the Series 2020A Bonds will be used to pay costs of issuance of the Series 2020A Bonds, principal of or interest on the Refunded Bonds, and accrued interest, if any, on the Series 2020A Bonds. All of the Refunded Bonds will be retired prior to the date that is 90 days after the Issue Date.

(ii) The Terminal E Project has been and will be owned for all federal income tax purposes by the City. Any leases, management contracts or similar operating or use agreements entered into with any person with respect to all or any portion of the Lessee Project Components have complied and will comply with the requirements of Section 142(b)(1)(B)(i)-(iii) of the Code.

(iii) The Lessee Project Components have not included and will not include (i) any lodging facilities, (ii) any retail facilities (including food and beverage facilities) in excess of the size necessary to serve passengers and employees at the airport, (iii) any retail facility (other than parking) for passengers or the general public located outside of an airport terminal, (iv) any office building for individuals who are not employees of the City, or (v) any industrial park or manufacturing facility.

(iv) The Lessee Project Components have not included and will not include any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(v) Less than 25 percent of the Net Proceeds of the Series 2001 Bonds was used, directly or indirectly, for the acquisition of land or an interest therein; provided that, for purposes of this requirement, land acquired for noise abatement purposes or for future use as an airport is not taken into account, if there is no significant other use of such land. Notwithstanding the immediately preceding sentence, no portion of the Net Proceeds of the Series 2001 Bonds was used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(vi) No portion of the Net Proceeds of the Series 2001 Bonds was used for the acquisition of any existing property or an interest therein unless (i) the first use of such property was pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15 percent of the cost of acquiring such building financed with the Net Proceeds of the Series 2001 Bonds (with respect to structures other than buildings, this clause shall be applied by substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term “rehabilitation expenditures” has the meaning set forth in section 147(d)(3) of the Code.

(vii) The costs of issuance (within the meaning of Section 147(g) of the Code) financed (a) with the Net Proceeds of the Series 2001 Bonds did not exceed 2 percent of the Net Proceeds of the Series 2001 Bonds, and (b) with the Net Proceeds of the Series 2020A Bonds will not exceed 2 percent of the Net Proceeds of the Series 2020A Bonds; provided that, for purposes of clause (b) hereof costs of issuance of the Series 2001 Bonds that are refinanced with the proceeds of the Series 2020A Bonds are not taken into account.

(d) Limitation on Maturity. The City covenants and agrees that the average maturity of the Series 2020A Bonds, taking into account the issue price of the various maturities of the Series 2020A Bonds, will not exceed 120 percent of the reasonably expected economic life of the Lessee Project Components, taking into account the respective cost of each item composing the Lessee Project Components. For purposes of the preceding sentence, the reasonably expected economic life of the facilities being refinanced with the Net Proceeds of the Series 2020A Bonds is determined as of the later of (i) the date on which the Series 2001 Bonds were issued or (ii) the respective dates on which each component of the Lessee Project Components was placed in service. In addition, land will not be taken into account in determining the reasonably expected economic life of the Lessee Project Components, except that in the event 25 percent or more of the Proceeds of the Series 2001 Bonds was expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of the Lessee Project Components. The City will not make any changes to the facilities that would, at the time made, decrease the average reasonably expected economic life of the Lessee Project Components.

(e) Public Approval. For purposes of complying with section 147(f) of the Code, the City held a public hearing providing a reasonable opportunity for interested individuals to express their views on the Series 2020A Bonds and the location and nature of the Lessee Project Components. A public notice designed to inform residents of the City the Series 2020A and providing information relevant to the hearing was published no less than 7 days by electronic posting on the City’s primary public website in an area of the website used to inform its residents about events affecting the residents.

(f) No Federal Guarantee. The City covenants not to take any action, or omit to take any action that, if taken or omitted, would cause the Series 2020A Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(g) No Hedge Bonds. The City covenants not to take any action, or omit to take any action, that, if taken or omitted, would cause the Series 2020A Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(h) No-Arbitrage. The City covenants that it will make such use of the Proceeds of the Series 2020A Bonds, including interest or other investment income derived from such Proceeds, regulate investments of such Proceeds, and take such other and further action as may be required so that the Series 2020A Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(i) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of Gross Proceeds of the Series 2020A Bonds be rebated to the United States. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 2020A Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(j) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Series 2020A Bonds, all under and in accordance with Section 149(e) of the Code.

(k) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the Gross Proceeds of the Series 2014 Bonds and the Series 2020A Bonds until three years after the Series 2020A Bonds are redeemed, or such other period as authorized or required by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period.

(l) Registration. The Series 2020A Bonds will be issued in registered form.

(m) Remedial Actions. The City will not take any action, or omit to take any action, that causes the Series 2020A Bonds to fail to meet any requirement of the Code regarding the use of Gross Proceeds after the Issue Date unless an appropriate remedial action is permitted by Section 1.142-2(e) of the Regulations and the City receives an opinion of nationally recognized bond counsel that such remedial action cures any failure to meet the requirements with respect to the use of Gross Proceeds of the Series 2020A Bonds.

(n) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes.

(o) Continuing Compliance. Notwithstanding any other provision of this Second Supplemental Trust Indenture, the obligations of the City under the covenants and provisions of this Section 5.1 shall survive the defeasance and discharge of the Series 2020A Bonds for as long as such matters are relevant to the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL BONDS AND REFUNDING BONDS

Section 6.1 Additional Bonds. The City reserves the right to issue Additional Bonds payable from, and secured by a first lien on and pledge of, the Pledged Revenues, on a parity with the Bonds, as set forth in the Original Trust Indenture, as supplemented.

Section 6.2 Refunding Bonds. The City reserves the right to issue Refunding Bonds to refund all or any part of any Outstanding Bonds, as set forth in the Original Trust Indenture, as supplemented.

ARTICLE VII

DEFEASANCE OF THE SERIES 2020A BONDS

Section 7.1 Defeasance of Series 2020A Bonds. The following provisions are applicable to the Series 2020A Bonds only and do not apply to the other Bonds issued pursuant to the Trust Indenture.

The City may discharge its obligation to the Holders of any or all of the Series 2020A Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now permitted by law or as may be then permitted by law, including, but not limited to, by depositing with an escrow agent or with the Paying Agent for such Series 2020A Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Series 2020A Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or Investments in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount and redemption premium, if any, of such Series 2020A Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of the Series 2020A Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the Form of Series 2020A Bonds attached to this Second Supplemental Trust Indenture. To accomplish defeasance, the City shall cause to be delivered either a report (a "Report") of an independent certified public accountant acceptable to the Trustee verifying the sufficiency of such deposit or an opinion (a "Defeasance Opinion") of nationally recognized bond counsel to the effect that such Series 2020A Bonds are no longer outstanding under State law and the Trust Indenture; the Report or Defeasance Opinion shall be acceptable in form and substance and addressed to the City, United and the Trustee. Upon such deposit and delivery of the Report or Defeasance Opinion as described in this Section, such Series 2020A Bonds shall no longer be regarded to be Outstanding or unpaid.

For the purpose of this Article, "Investments" shall mean:

(i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States;

(ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2020B-2 Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent;

(iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2020B-2 Bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than AAA or its equivalent; and

(iv) any other obligation or investment permitted under Chapter 1207, Texas Government Code, as amended.

ARTICLE VIII

CONTINUING DISCLOSURE

Section 8.1 Series 2020A Continuing Disclosure Agreement. Pursuant to the Series 2020A Continuing Disclosure Agreement, United has undertaken all responsibility for compliance with continuing disclosure requirements under the United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and the City shall have no liability to the Holders of the Series 2020A Bonds or any other person, with respect to the Rule. The Trustee hereby covenants and agrees that it will comply with and carry out all of its obligations under the Series 2020A Continuing Disclosure Agreement. Notwithstanding any other provision of the Trust Indenture, failure of United or the Trustee to comply with the Series 2020A Continuing Disclosure Agreement shall not be considered an Event of Default under the Trust Indenture; however, the Trustee may (and, at the request of a majority of the Holders of the Series 2020A Bonds shall) or any Holder or Beneficial Owner thereof may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause United to comply with its obligations under the Series 2020A Continuing Disclosure Agreement or to cause the Trustee to comply with its obligations under this Section or the Series 2020A Continuing Disclosure Agreement. In the event the Lease is terminated while any Series 2020A Bonds remain Outstanding, the City agrees that it shall cause any person to whom it relets all or a portion of the Special Facilities under the Lease to execute and deliver to the Trustee an agreement substantially in the form of the Series 2020A Continuing Disclosure Agreement.

For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020A Bonds (including persons holding Series 2020A Bonds through nominees,

depositories or other intermediaries), or (b) is treated as the owner of any Series 2020A Bonds for federal income tax purposes.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Trust Indenture a Contract. The Trust Indenture constitutes a contract between the City and Trustee for benefit of the Holders of the Bonds from time to time Outstanding and, subject to the provisions of Section 14.1 and Article XII of the Original Trust Indenture, the Trust Indenture shall be and remain irrevocable until the Bonds and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided therein.

Section 9.2 Compliance with Chapters 2252 and 2271 of the Texas Government Code.

(a) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and any other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and any other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Second Supplemental Trust Indenture is a contract for goods or services, will not boycott Israel during the term of this Second Supplemental Trust Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(c) For purposes of Section 2252.908, Texas Government Code, as amended, the Trustee hereby certifies that it is a wholly-owned subsidiary of a publicly traded business entity. The term "business entity" as used in this paragraph means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.

Section 9.3 Severability. If any section, paragraph, clause or provision of the Trust Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Trust Indenture, or any of the provisions of the Lease.

Section 9.4 Counterparts. This Second Supplemental Trust Indenture may be executed in any number of counterparts, and each such counterpart shall be, and shall be deemed to be, an original. All such counterparts shall constitute one and the same instrument.

Section 9.5 Notices. Unless otherwise provided herein, all notices required or permitted to be given hereunder to the City, the Trustee or United, as the case may be, shall be given in writing (unless expressly provided otherwise herein) and shall be deemed sufficiently given if in writing and sent either by registered mail or certified mail, postage prepaid, by overnight delivery service, by hand delivery, telecopy or other electronic means which produces evidence of transmission, in each instance to be effective upon receipt, addressed as follows:

To the City:

Aviation Director,
Houston Airport System
City of Houston
16930 JFK Blvd.
Houston, Texas 77032
Telephone (281) 233-1877
Email: has.directoroffice@houstontx.gov

City Secretary
City of Houston
900 Bagby
and Houston, Texas 77002
(832) 393-1100
Email: CitySecretary@houstontx.gov

To the Trustee:

The Bank of New York Mellon Trust Company,
National Association
Attention: Global Corporate Trust – United
Airlines Terminal E Project
601 Travis Street, Floor 16
Houston, Texas 77002
Email: debora.vanetten@bnymellon.com

To United:

United Airlines, Inc.
233 South Wacker Drive
WHQTS
Chicago, Illinois 60606
Attention: Managing Director – Corporate
Finance
Telephone: (872) 825-7627
Email: grp-notices-corporatefinance@united.com

copy to:

United Airlines, Inc.
233 South Wacker Drive
WHQLD
Chicago, Illinois 60606
Attention: Vice President, Deputy
General Counsel, and Corporate
Secretary

or to such other address as the City, the Trustee or United may designate from time to time by written notice to the other parties.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Trust Indenture and delivered using Electronic Means; provided, however, that United and the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by United or the City whenever a person is to be added or deleted from the listing. If United or the City elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. United and the City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee (by United or the City, respectively) have been sent by such Authorized Officer. United and the City shall be responsible, respectively, for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that United and the City, respectively, and all their respective Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by United or the City, respectively. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. Each of United and the City, respectively, agrees for itself: (i) to assume all risks arising out of the use by it of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by United or the City; (iii) that the security procedures (if any) to be followed by it in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

All computations for the expiration of time periods required by the Trust Indenture shall be computed from the date such notice is deposited in the United States mail or the date any email or facsimile message is sent, as set forth above; provided, however, that should the last day of the period fall on a Saturday, Sunday or legal holiday, the period shall run until the end of the next day which is neither a Saturday, Sunday nor legal holiday.

Section 9.6 Broker Confirms. Although the City recognizes that it may obtain a broker confirmation with respect to the investment of monies in any fund or account (or a written statement containing comparable information) at no additional cost, the City hereby agrees that confirmations of investments permitted hereunder are not required to be issued by the Trustee for any month in which a monthly statement is rendered. No statement need be rendered for any fund or account for any month if no activity occurred in such fund or account during such month.

Section 9.7 Acceptance by the Trustee. The City directs the Trustee to execute this Second Supplemental Trust Indenture and acknowledges and agrees that the Trustee will be fully protected in relying upon the foregoing direction. The Trustee accepts this supplement to the Original Trust Indenture as set forth herein and agrees to perform the duties of the Trustee upon the terms and conditions set forth herein. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of the City. Except with respect to the execution and delivery hereof by the Trustee, the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Second Supplemental Trust Indenture and makes no representation with respect thereto. The Trustee shall be entitled to all rights, protections, immunities and indemnities set forth in the Trust Indenture as fully as if set forth in this Second Supplemental Trust Indenture.

[Execution page follows]

IN WITNESS WHEREOF, the City and the Trustee have caused this Second Supplemental Trust Indenture to be signed and sealed in their behalf by their duly authorized officers as of the date first written above.

CITY OF HOUSTON, TEXAS

[SEAL]

By: _____
Mayor

COUNTERSIGNED:

By: _____
City Controller

ATTEST:

City Secretary

APPROVED AS TO FORM:

Senior Assistant City Attorney

THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Name:
Title:

EXHIBIT A

FORM OF SERIES 2020A BONDS

(a) Form of Series 2020A Bonds.

UNITED STATES OF AMERICA
STATE OF TEXAS

NUMBER
R- _____
REGISTERED

DENOMINATION
\$ _____
REGISTERED

CITY OF HOUSTON, TEXAS
AIRPORT SYSTEM SPECIAL FACILITIES REVENUE REFUNDING BOND
(UNITED AIRLINES, INC. TERMINAL E PROJECT)
SERIES 2020A (AMT)

Interest Rate:	Issue Date:	Maturity Date:	CUSIP No.
_____ %	June __, 2020	_____	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

CITY OF HOUSTON, TEXAS, a municipal corporation and home rule city, duly incorporated under the laws of the State of Texas, situated primarily in Harris County, Texas (the "City"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns, but solely from Pledged Revenues, the principal amount specified above on the Maturity Date specified above and to pay interest thereon from the Issue Date and from each Interest Payment Date thereafter at the interest rate specified above per annum, payable semiannually on each January 1 and July 1, commencing January 1, 2021 (each an "Interest Payment Date") until maturity or earlier redemption calculated on the basis of a 360-day year of twelve 30-day months. Interest on this Bond is payable by check mailed first-class, postage-prepaid by the Paying Agent to the Registered Owner of record as of the close of business on the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, as shown on the Bond Register of the Bond Registrar. The principal of this Bond is payable, on presentation and surrender hereof, in lawful money of the United States of America, without exchange or collection charges to the Registered Owner hereof, at the corporate trust office of The Bank of New York Mellon Trust Company, National Association, which shall be the Paying Agent for this Bond.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (herein the "Series 2020A Bonds"), dated as of the Issue Date, in the aggregate principal amount of

§ _____, issued pursuant to the Trust Indenture, dated August 1, 2001 (the "Original Trust Indenture"), as supplemented by the First Supplemental Trust Indenture, dated June 1, 2014 (the "First Supplemental Trust Indenture") and the Second Supplemental Trust Indenture, dated June 1, 2020 (the "Second Supplemental Trust Indenture"), each by and between the City and The Bank of New York Mellon Trust Company, National Association or its predecessors-in-interest, as trustee (together with any successor, the "Trustee") to refund and defease the Refunded Bonds and pay costs of issuance of the Series 2020A Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code, as amended. The Original Trust Indenture, the First Supplemental Trust Indenture and the Second Supplemental Trust Indenture are referred to collectively herein as the "Trust Indenture." Capitalized terms not defined herein shall have the meanings assigned to them in the Trust Indenture.

THIS SERIES 2020A BOND AND ALL OF THE SERIES 2020A BONDS are equally and ratably payable from and secured by a lien on and pledge of Pledged Revenues, more fully described and provided for in the Trust Indenture, which include certain Special Facilities Payments to be derived by the City pursuant to the terms of a certain Terminal E Lease and Special Facilities Lease Agreement by and between the City and Continental Airlines, Inc. (now known as United Airlines, Inc.) dated August 1, 2001, as supplemented by the Memorandum of Understanding regarding the Lease between the City and United dated June 1, 2014 (the "Lease"), and certain receipts derived by the City from the exercise of any right, obligation and remedy provided in the Lease. This Series 2020A Bond and all of the Series 2020A Bonds, together with the interest thereon, constitute special limited obligations of the City payable solely from the Pledged Revenues and do not constitute an indebtedness or general obligation of the City or an obligation secured by the general revenues of the City's Airport System. Reference is made to the Trust Indenture and to the Lease for a further description of Pledged Revenues, the nature and extent of the security for the payment of the Series 2020A Bonds, a statement of the rights, duties and obligations of the Trustee and the City, and the rights and remedies of Registered Owners of the Series 2020A Bonds to all the provisions of which the Registered Owner hereof by the acceptance of this Series 2020A Bond assents and agrees.

UNITED AIRLINES, INC., AND ANY SUCCESSORS AND ASSIGNS, HAS GUARANTEED to the Trustee, for the benefit of the Registered Owners, the payment of the principal of, premium, if any, and interest on the Series 2020A Bonds pursuant to a certain Guaranty dated August 1, 2001 and amended and restated June 1, 2014 (the "Guaranty"). Reference is made to such Guaranty for a further description of the rights of the Registered Owner and the obligations of such guarantor.

[THE SERIES 2020A BONDS ISSUED AS TERM BONDS ("Term Bonds" and each a "Term Bond") maturing on July 1 in the years 20__ and 20__ are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as hereinafter provided), on the following dates ("Mandatory Redemption Dates"), at a price equal to the principal amount of the Term Bonds to be redeemed plus accrued interest to (but not including) the applicable Mandatory Redemption Date, subject to the conditions set forth below:

\$ Term Bond Maturing July 1, 20

Mandatory Redemption Date (July 1)	<u>Principal Amount to be Redeemed</u> \$
---------------------------------------	--

*

*Maturity

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

THE SERIES 2020A BONDS ARE SUBJECT TO EXTRAORDINARY REQUIRED REDEMPTION on any date at a redemption price equal to the principal amount of such Series 2020A Bonds to be redeemed plus accrued interest, if any, to the redemption date, under the following circumstances:

(i) in whole or in part in the event all or any part of the Lessee Project Components in either or both of the South Concourse Phase or the International Ticketing Facility Phase are damaged or destroyed, or taken or condemned in any eminent domain or like proceeding, from such insurance proceeds or condemnation awards as may be provided pursuant to the Lease, to the extent proceeds from insurance or condemnation are not used to rebuild such Lessee Project Components;

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

(iii) in whole or in part, at any time not later than 120 days after interest on the Series 2020A Bonds shall be finally determined, upon the basis of a ruling of the Internal Revenue Service (which ruling is not challenged by appropriate proceedings) or a final determination by a court of competent jurisdiction (which is not or cannot be appealed), to be includable in gross income for federal income tax purposes (except with respect to interest on any Series 2020A Bond during such time that it is held by any Registered Owner who is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2020A Bonds or a "related person" to such a "substantial user," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended) as a result of the failure of the Lessee to comply with its obligations under the Lease (a "Determination of Taxability"). The Series 2020A Bonds will be redeemed in whole upon a Determination of Taxability, unless in the opinion of nationally recognized bond counsel, redemption of a portion of such Series 2020A Bonds would have the result that interest payable on the remaining Series 2020A Bonds Outstanding after redemption would not be so included in gross income for federal income tax purposes, in which event only such portion will be redeemed.

THE CITY AGREES TO GIVE PROMPT NOTICE TO THE TRUSTEE of (a) any election by United not to rebuild the Lessee Project Components following the circumstances described in clause (i) above (as provided in the Lease), (b) any action by the Board of Directors as described in (ii) above or (c) a Determination of Taxability described in clause (iii) above.

[THE SERIES 2020A BONDS MATURING ON JULY 1, 20__ MAY BE REDEEMED, AT THE OPTION OF THE CITY, UPON REQUEST OF UNITED, prior to their stated maturity, in whole or in part, at any time on or after July 1, 20__, for an amount equal to the accrued interest thereon to the date fixed for redemption plus a redemption price equal to 100% of the principal amount to be redeemed.]

IN THE EVENT OF A REDEMPTION OF LESS THAN ALL OF THE SERIES 2020A BONDS, the particular Series 2020A Bonds to be redeemed shall be selected in accordance with the terms of this paragraph. [In the event of any optional redemption of less than all of the Series 2020A Bonds, the particular maturity and principal amount of Series 2020A Bonds to be redeemed shall be selected by United, or if not so selected then by lot or other customary method determined by the Trustee (subject to DTC operational requirements for Term Bonds held by DTC) and the reduction in principal amount of Series 2020A Bonds to be mandatorily redeemed on any Mandatory Redemption Date as a result of any such redemption of less than all of the Series 2020A Bonds, as provided above, shall be made as provided in the [fourth] preceding paragraph hereof.] In the event of any extraordinary required redemption of less than all of the Series 2020A Bonds Outstanding, the particular Series 2020A Bonds to be redeemed shall be determined by the Trustee, allocating the principal amount to be redeemed as nearly as feasible pro rata among the maturities (and among mandatory redemption requirements within maturities) and interest rates of all Series 2020A Bonds (subject to DTC operational requirements for Term Bonds held by DTC). The portion of any Series 2020A Bonds to be redeemed shall be in integral multiples of \$5,000, provided that no such redemption shall leave any Series 2020A Bond outstanding in an amount less than \$100,000.

NOTICE OF ANY SUCH [MANDATORY, EXTRAORDINARY REQUIRED OR OPTIONAL REDEMPTION,] identifying the Series 2020A Bonds to be redeemed, shall be given in writing by the Trustee by first-class mail, postage pre-paid to the Registered Owners of all of the Series 2020A Bonds to be so redeemed not less than thirty (30) days before the date fixed for such redemption and, [in the case of optional redemption or extraordinary required redemption,] shall be given in writing by the City to the Trustee not less than forty-five (45) days before the date fixed for redemption, or such shorter period as may be acceptable to the Trustee. Notice of redemption shall also be sent to any securities depository institutions registered under the Securities Exchange Act of 1934, as amended, acting as securities depository for the Series 2020A Bonds, and such notice shall be delivered to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. Each redemption notice shall contain the name of the Series 2020A Bonds, CUSIP numbers, certificate numbers (if applicable), the date fixed for redemption, the redemption price, the redemption agent's name and address with a contact telephone number, the date of issuance, the maturity date and any condition to the redemption, and may contain any other information appropriate to identify the Series 2020A Bonds to be redeemed. If such written notice of redemption is given, and if due provision for payment of the redemption price is made by the City with the Trustee or escrow agent (as applicable), all as provided above, the Series 2020A Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the purpose of being paid by the Trustee with the funds so provided for such payment. Optional redemption of the Series 2020A Bonds, pursuant to a notice provided for hereunder, may be conditioned upon a deposit of funds sufficient to pay the Series 2020A Bonds scheduled to be redeemed prior to maturity, and may be made subject to any other condition specified by the City in the notice of redemption. If due provision for such payment is not made by the date fixed for redemption or if any specified condition is not satisfied by the redemption date, the Series 2020A Bonds shall continue to bear interest and remain Outstanding and the applicable redemption notice shall have no effect.

THE CITY HAS RESERVED THE RIGHT, subject to the restrictions provided in the Trust Indenture, to issue additional revenue bonds which also may be made equally and ratably payable from and secured by a lien on and pledge of the aforesaid Pledged Revenues.

THIS SERIES 2020A BOND IS TRANSFERABLE BY THE REGISTERED OWNER hereof in person or by his attorney duly authorized in writing at the corporate trust office of the Trustee as Bond Registrar upon presentation hereof to the Trustee, all subject to the terms and conditions provided in the Trust Indenture.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation. This Series 2020A Bond and all of the Series 2020A Bonds, together with the interest thereon, may not be repaid in any circumstances from tax revenues or general revenues of the City's Airport System.

THE TRUST INDENTURE may be supplemented and amended by the Trustee and the City in connection with the issuance of Additional Bonds and Refunding Bonds and in certain other instances, subject to limitations contained in the Trust Indenture. Except as provided in the Trust Indenture, the Registered Owner of this Bond shall have no right to enforce the provisions

of the Trust Indenture or take any action with respect to any Event of Default under the Trust Indenture.

IT IS HEREBY DECLARED AND REPRESENTED that this Series 2020A Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to and in the issuance and delivery of this Series 2020A Bond and the execution and delivery of the Second Supplemental Trust Indenture, have been performed, exist, and been done in accordance with law; that the Series 2020A Bonds do not exceed any statutory limitation; and that provision has been made for the payment of principal of and interest on the Series 2020A Bonds by the irrevocable pledge of the Pledged Revenues.

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed, printed or lithographed hereon and has caused this Series 2020A Bond to be executed by the Mayor and City Controller and countersigned by the City Secretary.

CITY OF HOUSTON, TEXAS

[SEAL]

By: _____
Mayor

By: _____
City Controller

COUNTERSIGNED:

City Secretary

(b) Form of Comptroller's Registration. There shall be printed on the back of the initial Series 2020A Bond the registration certificate of the Comptroller of Public Accounts of the State of Texas in substantially the following form:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

THE STATE OF TEXAS
OFFICE OF THE COMPTROLLER

REGISTER NO. _____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Series 2020A Bond and the proceedings for the issuance hereof have been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas and that it is a valid and binding special obligation of the City of Houston, Texas, payable from the revenues pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Series 2020A Bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Authentication Certificate. The following form of authentication shall be printed on the face of each of the Series 2020A Bonds other than the initial Series 2020A Bond.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Series 2020A Bond has been issued under the Trust Indenture referred to in this Series 2020A Bond and that this Series 2020A Bond has been issued in conversion of and exchange for or replacement of a Series 2020A Bond, Series 2020A Bonds, or a portion of a Series 2020A Bond or Series 2020A Bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION
as Paying Agent

Dated: _____

By: _____
Authorized Signatory

(d) Forms of Assignment and Registration of Ownership. There shall be printed on the back of each Series 2020A Bond a form of assignment in the following form:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Please print or type name, address, and zip code of transferee)
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept and maintained for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership approved in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

Registered Owner

NOTICE: The signature above must correspond to the name of the Registered Owner as shown on the face of this bond in every particular, without any alternation, enlargement or change whatsoever.

(e) CUSIP Numbers and Legal Opinion. CUSIP Numbers may be printed on the Series 2020A Bonds, and the approving opinion of Co-Bond Counsel may at the City's option be printed on the Series 2020A Bonds, but errors or omissions in the printing of such numbers or opinion shall have no effect on the validity of the Series 2020A Bonds.

(f) Unique Provisions for the Initial Bond. The initial Series 2020A Bond shall be in the form set forth in paragraph (a) above, except for the following alterations:

(i) the registered owner shall be Citigroup Global Markets Inc.;

(ii) immediately under the name of the bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As Shown Below" and the words "CUSIP No." deleted;

(iii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" and "at the interest rate specified above per annum" shall be deleted and the following shall be inserted at the end of the first sentence "..., with such principal to be paid in installments on July 1 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:

[Information to be inserted from Section 2.2 of the Second Supplemental Trust Indenture]

(iv) the initial Series 2020A Bond shall be numbered AG-1.

APPENDIX C
FORM OF PURCHASE CONTRACT

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

\$()
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Terminal
Improvement Projects),
Series 2020B-2 (AMT)

\$()
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Airport
Improvement Projects),
Series 2020C (AMT)

PURCHASE CONTRACT

June [], 2020

Mayor, City Council and City Controller
City of Houston, Texas
901 Bagby, 2nd Floor
Houston, Texas 77002

Ladies and Gentlemen:

The undersigned (the “*Representative*”), acting for and on behalf of itself and the other underwriters named in Exhibit A hereto (the undersigned and such other underwriters are collectively referred to herein as the “*Underwriters*”), hereby offers to enter into this Purchase Contract (the “*Purchase Contract*”) with the City of Houston, Texas (the “*City*”) pertaining to the issuance and sale of the City’s: (i) \$() Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the “*Series 2020A Bonds*”), (ii) \$() Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the “*Series 2020B-2 Bonds*”), and (iii) \$() Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2020C (AMT) (the “*Series 2020C Bonds*,” and together with the Series 2020A Bonds and the Series 2020B-2 Bonds, the “*Bonds*”). The Representative has been duly authorized to execute this Purchase Contract and to act hereunder by and on behalf of the Underwriters. This offer is made subject to the acceptance by the City on or before [10:00 P.M.], Central Daylight Time, on the date hereof, which acceptance shall be evidenced by execution and delivery of this Purchase Contract by duly authorized officials of the City, and upon such acceptance this Purchase Contract shall be in full force and effect in accordance with its terms and binding upon the City and the Underwriters. If not so accepted by such date and time, this Purchase Contract may continue to be accepted unless withdrawn by the Representative upon notice to the City and United Airlines, Inc. (“*United*”) at any time prior to its acceptance. United has delivered to the City and the Representative herewith its Letter of Representation, dated the date hereof (the “*Letter of Representation*”), under which United makes certain representations and undertakes certain obligations to induce the City and the Underwriters to enter into this Purchase Contract. United is a wholly-owned subsidiary of United Airlines Holdings, Inc. (“*UAL*”). Unless

otherwise defined herein, or the context otherwise requires, capitalized terms used herein shall have the respective meanings ascribed thereto in (x) the Terminal E Trust Indenture (as hereinafter defined) or the Terminal E Preliminary Official Statement (as hereinafter defined), with respect to the Series 2020A Bonds, (y) the Terminal Trust Indenture (as hereinafter defined) or the Terminal Preliminary Official Statement (as hereinafter defined), with respect to the Series 2020B-2 Bonds, or (z) the Non-Terminal Trust Indenture (as hereinafter defined) or the Non-Terminal Preliminary Official Statement (as hereinafter defined), with respect to the Series 2020C Bonds.

1. Upon the terms and conditions and on the basis of the representations, warranties and covenants set forth herein and in the Letter of Representation, the Underwriters hereby agree, jointly and severally, subject to the terms of this Purchase Contract to purchase from the City for offering to the public, and the City hereby agrees to sell to the Underwriters for such purpose: (i) all (but not less than all) of the Series 2020A Bonds, at the purchase price of \$[] (representing the principal amount of the Series 2020A Bonds, \$[], [plus/less an original issue premium/discount of \$[]], less an Underwriters' discount in the amount of \$[] as compensation to the Underwriters for the purchase and sale of the Series 2020A Bonds and as reimbursement for certain related expenses of the Underwriters), (ii) all (but not less than all) of the Series 2020B-2 Bonds, at the purchase price of \$[] (representing the principal amount of the Series 2020B-2 Bonds, \$[], [plus/less an original issue premium/discount of \$[]], less an Underwriters' discount in the amount of \$[] as compensation to the Underwriters for the purchase and sale of the Series 2020B-2 Bonds and as reimbursement for certain related expenses of the Underwriters), and (iii) all (but not less than all) of the Series 2020C Bonds, at the purchase price of \$[] (representing the principal amount of the Series 2020C Bonds, \$[], [plus/less an original issue premium/discount of \$[]], less an Underwriters' discount in the amount of \$[] as compensation to the Underwriters for the purchase and sale of the Series 2020C Bonds and as reimbursement for certain related expenses of the Underwriters). The Bonds shall be dated as of their issuance (their "Issue Date") and shall accrue interest as of such Issue Date. The Bonds shall bear interest payable on the dates and at the interest rates, and mature in the amounts and at the times, and be subject to redemption as set forth: (A) with respect to the Series 2020A Bonds, in the Second Supplemental Trust Indenture dated as of June 1, 2020 (the "*Second Supplemental Terminal E Trust Indenture*"), which supplements that certain Trust Indenture dated as of August 1, 2001, as previously supplemented by that certain First Supplemental Trust Indenture dated as of June 1, 2014 (as supplemented through and including the Second Supplemental Terminal E Trust Indenture, the "*Terminal E Trust Indenture*"), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to The Chase Manhattan Bank (the "*Terminal E Trustee*"), and as described in the Official Statement of the City, to be dated as of the date hereof and related to the Series 2020A Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing (as hereinafter defined), collectively, the "*Terminal E Official Statement*"); (B) with respect to the Series 2020B-2 Bonds, in the Fourth Supplemental Terminal Trust Indenture dated as of June 1, 2020 (the "*Fourth Supplemental Terminal Trust Indenture*"), which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by that certain First Supplemental Terminal Trust Indenture dated as of December 1, 1998, by that

certain Second Supplemental Terminal Trust Indenture dated as of November 1, 2011, and by that certain Third Supplemental Terminal Trust Indenture dated as of March 1, 2015 (as supplemented through and including the Fourth Supplemental Terminal Trust Indenture, the "*Terminal Trust Indenture*"), each between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association (the "*Terminal Trustee*"), and as described in the Official Statement of the City, to be dated as of the date hereof and relating to the Series 2020B-2 Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing, collectively, the "*Terminal Official Statement*"); and (C) with respect to the Series 2020C Bonds, in the Fourth Supplemental Non-Terminal Trust Indenture dated as of June 1, 2020 (the "*Fourth Supplemental Non-Terminal Trust Indenture*"), which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by that certain First Supplemental Non-Terminal Trust Indenture dated as of December 1, 1998, by that certain Second Supplemental Non-Terminal Trust Indenture dated as of March 1, 2015, and by that certain Third Supplemental Non-Terminal Trust Indenture dated as of February 1, 2018 (as supplemented through and including the Fourth Supplemental Non-Terminal Trust Indenture, the "*Non-Terminal Trust Indenture*" and, together with the Terminal E Trust Indenture and the Terminal Trust Indenture, the "*Trust Indentures*" and each individually, a "*Trust Indenture*"), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association (the "*Non-Terminal Trustee*" and, together with the Terminal E Trustee and the Terminal Trustee, each a "*Trustee*"), and as described in the Official Statement of the City, to be dated as of the date hereof and related to the Series 2020C Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing, collectively, the "*Non-Terminal Official Statement*" and, together with the Terminal E Official Statement and the Terminal Official Statement, the "*Official Statements*"). The Series 2020A Bonds, and all bonds previously issued or to be issued in the future on a parity with such Series 2020A Bonds under the Terminal E Trust Indenture will be collectively referred to herein as the "*Terminal E Bonds*," the Series 2020B-2 Bonds and all bonds previously issued or to be issued in the future on a parity with such Series 2020B-2 Bonds under the Terminal Trust Indenture will be collectively referred to herein as the "*Terminal Bonds*," and the Series 2020C Bonds, and all bonds previously issued or to be issued in the future on a parity with such Series 2020C Bonds under the Non-Terminal Trust Indenture will be collectively referred to herein as the "*Non-Terminal Bonds*."

Except to the extent an Underwriter is exempt under Section 2252.908(c)(4) of the Texas Government Code and has separately confirmed to the City that they are exempt, submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "*TEC*") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code, as amended ("*Section 2252.908*") and the rules promulgated by the TEC (a "*Form 1295*") for each Underwriter in connection with the Underwriters' entry into this Purchase Contract. The City hereby confirms receipt of either (i) confirmation from each Underwriter that is exempt from the Form 1295 filing requirement under Section 2252.908(c)(4) of the Texas Government Code of such exemption or (ii) a Form 1295 from each Underwriter subject to Section 2252.908 and agrees to acknowledge such forms with the TEC through its

electronic filing application. The Underwriters and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in each Form 1295 and neither the City nor its consultants have verified such information. *[[Form 1295 to be submitted to the City by any underwriter that is not exempt (not publicly traded businesses); otherwise, an email from the underwriter to the City confirming they are exempt will suffice.]]*

2. The City agrees to deliver to the Representative each of the Terminal E Official Statement, the Terminal Official Statement, and the Non-Terminal Official Statement, as soon as reasonably practicable, but no later than seven (7) business days, after the time of the City's acceptance of this Purchase Contract. During the period from the time each Official Statement becomes available until the time when the applicable Official Statement is available to any person from the Municipal Securities Rulemaking Board (the "MSRB"), but in no case less than 25 days following the "end of the underwriting period" (as defined below), if the City becomes aware of the occurrence of any event as a result of which it is necessary to amend or supplement the applicable Official Statement in order to cause the portions of the applicable Official Statement under the captions "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS" to not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the City will notify the Representative of such event and prepare and furnish to the Representative and United either amendments or supplements to the applicable Official Statement so that such portions of the applicable Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in such portions of the applicable Official Statement, in the light of the circumstances under which they were made, not misleading. The expenses in connection with the printing and distribution of any such amendments or supplements to any Official Statement shall be paid by United. For purposes of this Paragraph 2, the term "end of the underwriting period" shall have the meaning given to such term in paragraph (f)(2) of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), provided that if the Representative does not notify the City and United to the contrary on or prior to the Closing, the "end of the underwriting period" shall be deemed to be the date of the Closing for purposes of this Purchase Contract. The Representative agrees (i) to file, or cause to be filed, with the MSRB's Electronic Municipal Market Access System ("EMMA") each Official Statement promptly after the same is made available to the Representative by the City, and (ii) to notify the City and United promptly after it retains (directly or as a member of an underwriting syndicate) no unsold balance of each series of the Bonds for sale to the public. Any amendment made pursuant to this Paragraph shall not preclude the Underwriters from exercising their rights pursuant to Paragraph 10(viii) hereof.

3. The Underwriters agree to make a bona fide offering of all the Bonds at prices not in excess of the initial offering prices set forth on the inside cover page of the applicable Official Statement with respect to each series of the Bonds (which may be expressed in terms of yield). Subsequent to the initial offering, subject to the provisions of Paragraph 9 below relating to the establishment of the issue price of the Bonds, the Underwriters reserve the right to change the offering price(s) (or yield(s)) of the Bonds, but not the interest rate(s), as they deem necessary or appropriate in connection with the marketing of the Bonds. The Bonds may be offered and sold

to certain dealers (including, without limitation, the Underwriters and other dealers depositing such Bonds into investment trusts), money market funds (including money market funds sponsored or managed by the Underwriters) and others at a price or prices lower than such initial offering price(s). The City hereby authorizes the Underwriters to use each Official Statement in connection with the offering and sale of the Bonds described in the applicable Official Statement, and ratifies and confirms its authorization of the use by the Underwriters prior to the date hereof of (i) the Preliminary Official Statement dated [June __, 2020] relating to the Series 2020A Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the "*Terminal E Preliminary Official Statement*"), in connection with the offering and sale of such Series 2020A Bonds, (ii) the Preliminary Official Statement dated [June __, 2020] relating to the Series 2020B-2 Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the "*Terminal Preliminary Official Statement*"), in connection with the offering and sale of such Series 2020B-2 Bonds, and (iii) the Preliminary Official Statement dated [June __, 2020] relating to the Series 2020C Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the "*Non-Terminal Preliminary Official Statement*" and, together with the Terminal E Preliminary Official Statement and the Terminal Preliminary Official Statement, the "*Preliminary Official Statements*"), in connection with the offering and sale of such Series 2020C Bonds.

4. The Series 2020A Bonds are described in, and are being issued by the City under and pursuant to, the Terminal E Trust Indenture, the Series 2020B-2 Bonds are described in, and are being issued by the City under and pursuant to, the Terminal Trust Indenture, and the Series 2020C Bonds are described in, and are being issued by the City under and pursuant to, the Non-Terminal Trust Indenture.

The Series 2020A Bonds are being issued for the purpose of defeasing the July 1, 2020 maturity of the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the "*Series 2014 Bonds*," and the July 1, 2020 maturity of such Series 2014 Bonds the "*Refunded 2014 Bonds*," and such refunding, the "*Terminal E Refunding Project*"), and paying related costs of issuance. The proceeds of the Series 2020A Bonds will be deposited with the Terminal E Trustee in its capacity as escrow agent under an escrow agreement (the "*Terminal E Escrow Agreement*") to effect the defeasance of the Refunded 2014 Bonds. The Series 2020B-2 Bonds are being issued for the purpose of defeasing the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-2 (AMT) (the "*Series 2015B-2 Bonds*" and such refunding, the "*Terminal Refunding Project*") and paying related costs of issuance. The proceeds of the Series 2020B-2 Bonds will be deposited with the Terminal Trustee in its capacity as escrow agent under an escrow agreement (the "*Terminal Escrow Agreement*") to effect the defeasance of the Series 2015B-2 Bonds. The Series 2020C Bonds are being issued for the purpose of defeasing the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2015C (the "*Series 2015C Bonds*" and such refunding, the "*Non-Terminal Refunding Project*"), and paying related costs of issuance. The proceeds of the Series 2020C Bonds will be deposited with the Non-Terminal Trustee in its capacity as escrow agent under an escrow agreement (the "*Non-Terminal Escrow Agreement*" and, together with the Terminal E

Escrow Agreement and the Terminal Escrow Agreement, the “*Escrow Agreement*”) to effect the defeasance of the Series 2015C Bonds.

Pursuant to: (i) that certain Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001, between the City and United (as amended and supplemented from time to time, the “*Terminal E Lease*”), with respect to the Terminal E Bonds, (ii) that certain Second Amended and Restated Special Facilities Lease Agreement, effective as of November 17, 2011, between the City and United, as amended by that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of February 21, 2013, and Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015 (as amended and supplemented from time to time, the “*Terminal Lease*”), with respect to the Terminal Bonds, and (iii) that certain First Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Airport Improvement Projects) dated as of December 1, 1998, between the City and United, as amended by that certain Amendment No. 1 to First Amended and Restated Special Facilities Lease Agreement dated as of February 1, 2018 (as amended and supplemented from time to time, the “*Non-Terminal Lease*” and together with the Terminal E Lease and the Terminal Lease, the “*Leases*”), with respect to the Non-Terminal Bonds, United has agreed to make certain rental payments directly to the Terminal E Trustee, the Terminal Trustee, or the Non-Terminal Trustee, as applicable, as assignee of the City, in an amount sufficient, among other things, to pay when due the principal of, premium, if any, and interest on, respectively, the Terminal E Bonds issued under the Terminal E Trust Indenture, the Terminal Bonds issued under the Terminal Trust Indenture, and the Non-Terminal Bonds issued under the Non-Terminal Trust Indenture. Other rental payments are also required to be made by United directly to the City pursuant to the Leases, which rental payments will not constitute security for any of the Bonds. United will also execute and deliver (a) to the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee, separate Continuing Disclosure Agreements, each dated as of [June __, 2020] (the “*United Terminal E Disclosure Agreement*,” the “*United Terminal Disclosure Agreement*,” and the “*United Non-Terminal Disclosure Agreement*,” respectively, and collectively the “*United Disclosure Agreements*”), pursuant to which United will agree to disclose certain information on a continuing basis in order to permit the Underwriters to satisfy their obligations under paragraph (b)(5) of the Rule, (b) to the Terminal Trustee a separate Guaranty Agreement, dated as of [June __, 2020], pursuant to which United will unconditionally guarantee payment of the principal of, premium, if any, and interest when due on the Series 2020B-2 Bonds (the “*Terminal Guaranty*”), (c) to the Non-Terminal Trustee a separate Guaranty Agreement, dated as of [June __, 2020], pursuant to which United will unconditionally guarantee payment of the principal of, premium if any, and interest when due on the Series 2020C Bonds (the “*Non-Terminal Guaranty*”), and (d) to Co-Bond Counsel, one or more tax certificate(s) regarding the Terminal E Refunding Project, the Terminal Refunding Project, and the Non-Terminal Refunding Project and the use of Bond proceeds, to be dated the date of issuance of the Bonds (the “*United Tax Certificate(s)*”), relating to the Bonds. United has previously executed a Guaranty Agreement, dated as of August 1, 2001, as amended and restated as of June 1, 2014, pursuant to which United has unconditionally guaranteed payment of the principal of, premium, if any, and interest when due on all bonds issued under the Terminal E Trust Indenture (including the Series 2020A Bonds). In connection with the issuance of the Bonds, certain authorized officers of the City will execute and deliver one or more No-Arbitrage Certificate(s).

to be dated the date of issuance of the Bonds (the "*City Tax Certificate(s)*"). The City has previously executed and delivered to The Depository Trust Company ("*DTC*") a Blanket Letter of Representations (the "*DTC Letter of Representations*"), relating to the book entry system of registration and transfer of ownership of the Bonds.

5. By virtue of the execution and delivery of this Purchase Contract, the City represents, warrants and covenants to, and agrees with, the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and pay for the Bonds that the City shall so represent, warrant and covenant, both on the date of acceptance of this Purchase Contract and as of the Closing) that:

(a) The City is a home rule city, duly incorporated and operating under the constitution and laws of the State of Texas (the "*State*") and has full power and authority to (i) accept the Letter of Representation and to adopt and enter into this Purchase Contract, the Second Supplemental Terminal E Trust Indenture, the Fourth Supplemental Terminal Trust Indenture, the Fourth Supplemental Non-Terminal Trust Indenture, and the Bonds (collectively, the "*2020 City Documents*"), and to perform its duties and obligations under, and to consummate the transactions contemplated by the 2020 City Documents, the Leases, and the Trust Indentures (collectively, the "*City Documents*"), and (ii) authorize, issue and sell the Bonds and apply the proceeds thereof to finance the Terminal E Refunding Project, the Terminal Refunding Project, and the Non-Terminal Refunding Project, as applicable.

(b) Pursuant to Ordinance No. [2020-_____] duly adopted by the City Council of the City on [June 3, 2020] authorizing the issuance of the Series 2020A Bonds, Ordinance No. [2020-_____] duly adopted by the City Council of the City on [June 3, 2020] authorizing the issuance of the Series 2020B-2 Bonds, and Ordinance No. [2020-_____] duly adopted by the City Council of the City on [June 3, 2020] authorizing the issuance of the Series 2020C Bonds (collectively, the "*Ordinance*") and the executed certificates of the City with respect to the pricing of each of the Series 2020A Bonds, the Series 2020B-2 Bonds, and the Series 2020C Bonds dated the date hereof and attached hereto as Exhibit B (collectively, the "*Officer's Pricing Certificates*," and together with the Ordinance, the "*Bond Ordinance*"), the City has (i) duly authorized the issuance, sale and delivery of the Bonds to the Underwriters, and the application of the proceeds thereof to finance the Terminal E Refunding Project, the Terminal Refunding Project, and the Non-Terminal Refunding Project as set forth in each Trust Indenture, (ii) duly authorized the execution and delivery of the 2020 City Documents and ratified and confirmed its obligations under the other City Documents, and (iii) duly authorized the use and distribution of the Preliminary Official Statements and the Official Statements, each in connection with the offering and sale of the applicable series of Bonds.

(c) To the best knowledge of the City, it is not in breach of or default under any applicable constitutional provisions, or any other law or administrative rule or regulation, of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument, to which the City is a party or to which the City or any of its property or

assets is otherwise subject, in each case that would materially adversely affect the transactions contemplated by the Bond Ordinance or the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any of the foregoing that would materially adversely affect the transactions contemplated by the Bond Ordinance or the City Documents. The City has complied in all material respects with the provisions of all applicable laws of the State in connection with the adoption of the Bond Ordinance, the issuance, sale, execution and delivery of the Bonds and the execution and delivery of the other 2020 City Documents.

(d) Except as disclosed in the Preliminary Official Statements and the Official Statements, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City, nor to the best of the knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect (i) the existence of the City or the title to office of any council member or official of the City or any power of the City material to the authorization and issuance of the Bonds, (ii) the validity of the proceedings taken by the City for the authorization, execution, and delivery of the 2020 City Documents and the performance by the City of the City Documents, or the adoption of the Bond Ordinance, or (iii) the validity or enforceability of the Bonds, the Bond Ordinance, the City Documents, or any agreement or instrument to which the City is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Purchase Contract or by the Official Statements.

(e) [Reserved].

(f) The adoption of the Bond Ordinance and the execution and delivery of the 2020 City Documents and performance by the City of the City Documents, and compliance by the City with the provisions hereof and thereof, do not and will not violate any provision of any applicable law, judgment, order or regulation of any court or any public or governmental agency or authority having jurisdiction over the City and do not and will not conflict with, or result in any breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the City is a party or by which the City or any of its properties are or may be bound, nor does or will any such action result in any violation of any law of the State relating to the establishment of the City or its affairs, or any statute, order, rule or regulation applicable to the City, or any order of any federal, State or other regulatory agency or other governmental body having jurisdiction over the City.

(g) Assuming the approval of the Bonds by the Attorney General of the State and registration by the Texas Comptroller of Public Accounts, when issued, delivered and authenticated as provided for in the applicable Trust Indenture, the Bonds will constitute valid and binding limited obligations of the City enforceable in accordance with their terms, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and remedies, and the exercise of judicial discretion in appropriate cases, and the Bonds

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will be entitled to the benefit and security of the applicable Trust Indenture to the extent provided therein; when the 2020 City Documents are executed and delivered by the other parties thereto, each of the City Documents will constitute valid and binding obligations of the City enforceable in accordance with their terms, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and remedies, and the exercise of judicial discretion in appropriate cases.

(h) The City has reviewed the statements and information contained in the Preliminary Official Statements and in the Official Statements under the captions "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS" and, following consultation with its legal advisors regarding the legal standard articulated by Rule 10b-5 of the Securities Exchange Act of 1934, as amended, the City represents that such statements under such captions (i) with respect to the Preliminary Official Statements, were as of their date and are as of the date hereof and (ii) with respect to the Official Statements, are as of the date hereof and will be as of the date of Closing, true, correct, and complete, and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Except as provided in this sub-paragraph (h), the City neither has nor assumes any responsibility as to the accuracy of the information in the Preliminary Official Statements and in the Official Statements.

(i) Pursuant to the Ordinance, the sections of each Preliminary Official Statement entitled "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS" have been deemed to be "final" by the City as of the date of the Preliminary Official Statement for purposes of compliance with the Rule, except for the omission of no more than the information permitted to be omitted by the Rule. The City agrees that it shall deliver, or cause to be delivered, to the Underwriters, as soon as reasonably practicable and in no event more than seven (7) business days after the date of the City's acceptance of this Purchase Contract, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of the Official Statements in sufficient quantity to enable the Underwriters to comply with paragraph (b)(4) of the Rule and the rules of the MSRB.

(j) If by the 90th day after the "end of the underwriting period" (as defined in Paragraph 2 hereof), an event occurs, of which the City has knowledge, that might or would cause the information contained in an Official Statement under the headings "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS" as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, or if the City is notified by United pursuant to the provisions of the Letter of Representation or otherwise requested to amend, supplement or otherwise change an Official Statement, the City will notify the Representative and United, and if in the opinion of the Representative such event requires the preparation and publication of a supplement or amendment to such Official Statement, the City will

cooperate with United and the Representative to amend or supplement the Official Statement in a form and in a manner approved by the Representative, provided all expenses thereby incurred will be paid by United.

(k) During the period described in the preceding paragraph, (a) the City will not participate in the issuance of any amendment of or supplement to an Official Statement to which, after being furnished with a copy, United or the Representative shall reasonably object in writing or which shall be disapproved by any of their respective counsel and (b) if any event relating to or affecting the City shall occur as a result of which it is necessary, in the opinion of counsel for the Representative, to amend or supplement an Official Statement in order to make such Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the City will cooperate with United and the Representative to prepare and furnish to the Representative and United (at the expense of United) a reasonable number of copies of an amendment of or supplement to such Official Statement (in form and substance satisfactory to counsel for the Representative) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

(l) The City will furnish such information to, and execute such instruments and take such other actions in cooperation with, the Underwriters as the Representative may reasonably request, at no expense to the City, (i) to qualify each series of the Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Representative may (in its sole discretion) designate, (ii) for the application for exemption from any such qualification, and (iii) for the determination of the eligibility of each series of the Bonds for investment under the laws of such jurisdictions as the Representative designates, and to provide for the continuance of such qualification or exemptions in effect for so long as required for distribution of the applicable series of Bonds. Notwithstanding the foregoing, the City shall not be required to take any action that would subject it to service of process in any jurisdiction where it is not now so subject.

(m) Except for approval of the Bonds by the Attorney General of the State and registration of the Bonds by the Texas Comptroller of Public Accounts, each of which will be obtained prior to the Closing and will be in full force and effect as of the Closing, all approvals, consents, and orders of any governmental authority or agency having jurisdiction in any matter that would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Bonds, and under the City Documents have been obtained and are in full force and effect.

(n) Between the date of its acceptance of this Purchase Contract and through the Closing, the City will not, without the prior written consent of the Representative and United, materially amend or modify the Bond Ordinance or any Trust Indenture (including the form of the Bond).

6. As soon as practicable after the execution of this Purchase Contract by the City, but no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the date of the Closing, the City shall deliver or use diligent efforts to cause to be delivered to the Representative the documents listed below in such reasonable quantity as the Representative may request:

- (a) each Official Statement, duly authorized and approved by the City; and
- (b) a certified copy of the Ordinance, approved by the City Council of the City and executed copies of the Officer's Pricing Certificates.

By its execution of this Purchase Contract, the City consents to the use by the Underwriters of all such documents, including each Official Statement, the Bond Ordinance, the City Documents, and the information contained therein, in connection with the public offering of the Bonds.

7. At [10:00 A.M.], Central Daylight Time, on [June __, 2020], or at such other time or on such earlier or later date as the City, the Representative and United mutually agree upon (herein called the "Closing"), the City will deliver (or cause to be delivered) the Bonds to the account of the Representative at DTC in New York, New York (or to the Terminal E Trustee, with respect to the Series 2020A Bonds, the Terminal Trustee, with respect to the Series 2020B-2 Bonds, and the Non-Terminal Trustee, with respect to the Series 2020C Bonds, in accordance with DTC's Fast Automated Securities Transfer System), in the form of one fully-registered bond for each maturity of each series of the Bonds, each bearing a CUSIP number, duly executed and authenticated, and registered in the name of Cede & Co., as nominee of DTC, and will deliver to the Representative at the office of Bracewell LLP in Houston, Texas, the other documents hereinafter mentioned. The Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1 hereof by wire transfer or other manner payable in immediately available funds to the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee, as applicable, for the account of the City.

8. The Underwriters have entered into this Purchase Contract in reliance upon the accuracy of the representations and warranties of the City contained herein and in the Trust Indentures, upon the representations and warranties of United contained in the Letter of Representation and to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the City and United of their respective obligations hereunder and thereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligation under this Purchase Contract to accept delivery of and to pay for the Bonds shall be subject to the performance by the City and United of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

- (a) The representations and warranties of the City contained herein shall be true, complete and correct on the date hereof, and on and as of the date of the Closing with the same effect as if made on the date of the Closing;

(b) At the time of the Closing, the proceeds derived from the sale of each series of the Bonds shall be applied as provided in the applicable Trust Indenture;

(c) [reserved];

(d) At the time of the Closing, (i) the Bond Ordinance shall have been duly approved and adopted by the City; (ii) the Second Supplemental Terminal E Trust Indenture, the Fourth Supplemental Terminal Trust Indenture, the Fourth Supplemental Non-Terminal Trust Indenture, and the other 2020 City Documents shall have been duly approved or ratified, executed and delivered by the City, which approval or ratification, execution and delivery shall be in compliance with all applicable law, and the City Documents shall be in full force and effect and shall have not been materially amended, modified or supplemented since the date of this Purchase Contract, except in each case as may have been agreed to in advance by the Representative and United and except as shall be permitted by law and the provisions of such documents and agreements; (iii) the 2020 United Documents (as defined in the Letter of Representation) shall have been duly approved or ratified, executed and delivered by United and the other parties thereto, which approval or ratification, execution and delivery shall be in compliance with all applicable law, and each of the United Documents (as defined in the Letter of Representation) shall be in full force and effect and shall not have been amended, modified or supplemented since the date of this Purchase Contract, except in each case as may have been agreed to in advance by the Representative and except as shall have been permitted by law and the provisions of such agreements; and (iv) the City shall perform or have performed all of its obligations required under or specified in this Purchase Contract and the City Documents to be performed at or prior to the Closing;

(e) At the time of the Closing, (i) the Terminal E Trustee shall have executed and delivered the United Terminal E Disclosure Agreement, and the Second Supplemental Terminal E Trust Indenture; (ii) the Terminal Trustee shall have executed and delivered the United Terminal Disclosure Agreement, the Fourth Supplemental Terminal Trust Indenture and the Terminal Guaranty; (iii) the Non-Terminal Trustee shall have executed and delivered the United Non-Terminal Disclosure Agreement, the Fourth Supplemental Non-Terminal Trust Indenture and the Non-Terminal Guaranty; (iv) the acceptance by the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee of their duties and obligations under the applicable Trust Indenture and the applicable United Disclosure Agreement and compliance with the provisions thereof, shall not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Terminal E Trustee, the Terminal Trustee, or the Non-Terminal Trustee, as applicable, is subject; (v) the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee shall be in compliance in all respects with the covenants and agreements contained in the applicable Trust Indenture; and (vi) all approvals, consents and orders of any governmental authority or agency having jurisdiction in any matter that would constitute a condition precedent to the performance by the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee of their duties and obligations under the applicable Trust Indenture and the applicable United Disclosure Agreement shall have been obtained and shall be in full force and effect; and

(f) At or prior to the Closing, the Representative shall have received each of the following documents, which documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the approval of the Representative and United:

(1) A certified copy of each Ordinance approved by the City Council of the City and each executed Officer's Pricing Certificate;

(2) A General Certificate of the City, satisfactory to the Representative and Counsel to the Underwriters (as hereinafter defined), dated the date of the Closing, certifying as to the authority, incumbency and signatures of the officials of the City executing the 2020 City Documents;

(3) A certificate of a duly authorized officer or officers of United, satisfactory to the Representative and Counsel to the Underwriters, dated the date of the Closing, certifying as to the authority, incumbency and signatures of the officers of United executing the 2020 United Documents;

(4) An executed copy of each of the City Documents and of the City Tax Certificate, each such agreement having been executed and delivered by the appropriate parties thereto;

(5) An executed copy of each of the United Documents, each such agreement having been executed and delivered by the appropriate parties thereto;

(6) The Official Statements, each duly authorized and approved by the City;

(7) (i) The final approving legal opinions of Bracewell LLP and West & Associates, L.L.P., each of Houston, Texas, Co-Bond Counsel, with respect to (a) the Series 2020A Bonds dated the date of the Closing and substantially in the form set forth as Appendix G—"Form of Opinion of Co-Bond Counsel" to the Terminal E Official Statement, (b) the Series 2020B-2 Bonds dated the date of the Closing and substantially in the form set forth as Appendix G—"Form of Opinion of Co-Bond Counsel" to the Terminal Official Statement, and (c) the Series 2020C Bonds dated the date of the Closing and substantially in the form set forth as Appendix G—"Form of Opinion of Co-Bond Counsel" to the Non-Terminal Official Statement, and (ii) a supplemental legal opinion of Co-Bond Counsel, dated the date of the Closing and substantially in the form of Exhibit C to this Purchase Contract;¹

(8) Approving opinions of the Attorney General of Texas and registration certificates of the Comptroller of Public Accounts of the State of Texas in respect of each series of the Bonds;

¹ Allocation, among United's counsel, Co-Bond Counsel, and City's counsel, of full 10b-5 coverage of the POS, as of its date and the pricing date, and the OS, as of its date and as of the Closing, to be confirmed.

(9) A letter dated as of the date hereof addressed to the Underwriters with regard to certain limited procedures performed with respect to United through a specified date not more than five (5) business days prior to the date of such letter, together with an additional “bring-down” letter with respect to such procedures dated as of the date of the Closing, each from Ernst & Young LLP, and each in form and substance satisfactory to the Representative;

(10) An opinion of Richa Himani, Assistant General Counsel – Commercial Transactions of United, dated the date of the Closing and addressed to the City and the Underwriters, in substantially the form set forth as Exhibit D hereto;²

(11) An opinion of Mayer Brown LLP, as special counsel to United, dated the date of Closing and addressed to United and the Underwriters, in substantially the form set forth as Exhibit E hereto;³

(12) An opinion of O’Melveny & Myers LLP, Counsel to the Underwriters, dated the date of Closing and addressed to the Underwriters, which opinion shall be satisfactory in form and substance to the Representative;⁴

(13) A certificate or certificates, satisfactory in form and substance to the Representative, of the Treasurer or any other financial officer of United, in substantially the form set forth as Exhibit F hereto;

(14) A certificate or certificates, satisfactory in form and substance to the Representative and United, of an authorized official of the City, dated as of the Closing, to the effect that (i) each of the representations and warranties of the City set forth in this Purchase Contract are true, accurate and complete in all material respects as of the date of the Closing as if made on the date of the Closing; (ii) the City Documents have not been materially modified, amended, supplemented, superseded or rescinded, except for such amendments or supplements delivered to the Representative at Closing, and the City Documents remain in full force and effect as of the date of the Closing; (iii) the Bonds have been duly authorized, executed and delivered by the City; (iv) the Official Statements, this Purchase Contract, and the other 2020 City Documents have each been duly authorized, executed (or, with respect to the Official Statements, approved), and delivered by the City, and each of the City Documents is in full force and effect as of the date of the Closing; and (v) the City has reviewed the statements contained in the Official Statements under the captions “GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General,” “NO LITIGATION” and “CO-FINANCIAL ADVISORS” and, following consultation

² Allocation, among United’s counsel, Co-Bond Counsel, and City’s counsel, of full 10b-5 coverage of the POS, as of its date and the pricing date, and the OS, as of its date and as of the Closing, to be confirmed.

³ Allocation, among United’s counsel, Co-Bond Counsel, and City’s counsel, of full 10b-5 coverage of the POS, as of its date and the pricing date, and the OS, as of its date and as of the Closing, to be confirmed.

⁴ Opinion to include 10b-5 coverage of the POS, as of its date and the pricing date, and the OS, as of its date and as of Closing.

with its legal advisors regarding the legal standard articulated by Rule 10b-5 of the Securities Exchange Act of 1934, as amended, the City represents that such statements under such captions are, as of the date of the Closing, true, correct, and complete, and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(15) Certificates, dated the date of the Closing, signed by an authorized officer or officers of the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee and in form and substance satisfactory to United, the City and the Representative, as to the authorization, execution and delivery of the Terminal E Trust Indenture by the Terminal E Trustee, the Terminal Trust Indenture by the Terminal Trustee, and the Non-Terminal Trust Indenture by the Non-Terminal Trustee, and the due authentication of the Bonds;

(16) Copies of (a) United's annual report on Form 10-K for the fiscal year ended December 31, 2019, as amended and (b) all of United's filings, if any, on Form 8-K subsequent to December 31, 2019;

(17) The Certificate of Incorporation, as amended, of United, and a certificate of good standing for United, each certified as of a date within 15 days of the Closing by the Secretary of State or other government official in the State of Delaware and in the State, and a copy of the by-laws of United, together with a certificate, dated the date of the Closing, manually executed by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer of United, stating that such by-laws are true, complete and correct as amended to date, and remain in full force and effect on the date of the Closing;

(18) A copy of the DTC Letter of Representations for the City;

(19) All other material documentation of proceedings relating to the authorization and issuance of the Bonds;

(20) Evidence that [Standard & Poor's Ratings Services] has provided a rating for each series of the Bonds of "[]";

(21) One or more verification reports with respect to the Terminal E Refunding Project, Terminal Refunding Project and Non-Terminal Refunding Project;

(22) Executed copies of the Escrow Agreements; and

(23) *[NTD: Add any additional documents, opinions, certificates, etc. to be delivered in connection with the Closing.]*

(24) Such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the

representations, warranties and covenants of the City contained herein and in the Trust Indentures and of United contained in the Letter of Representation, and of the statements contained in the Preliminary Official Statements and the Official Statements and the due performance or satisfaction by the City and United at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City and United.

(g) If the City or United shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the City shall be under further obligation hereunder, except that the respective obligations of the City, United and the Underwriters set forth in Paragraph 11 hereof shall continue in full force and effect.

9. Establishment of Issue Price of Bonds. Notwithstanding any provision of this Purchase Contract to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(a) For purposes of this Paragraph 9, the following definitions apply:

(1) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Tax Law Underwriter (as defined below) or a Related Party (as defined below) to a Tax Law Underwriter.

(2) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(3) "Sale Date" means the date of execution of this Purchase Contract by all parties.

(4) "Tax Law Underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the Representative to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds

to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(b) The Representative, on behalf of the Underwriters, agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate substantially in the form attached hereto as Exhibit G (the "*Issue Price Certificate*"), together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Bonds. All actions to be taken by the City under this Paragraph 9 to establish the issue price of the Bonds may be taken on behalf of the City by the City's co-financial advisors identified in the Official Statement and any notice or report to be provided to the City may be provided to the City's co-financial advisors.

(c) [Except as otherwise set forth in the Issue Price Certificate,] the City will determine the issue price of the Bonds based on the first price at which ten percent (10%) of each maturity of the Bonds is sold to the Public (the "10% Test"). For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the Public each maturity of Bonds.

(d) [The Underwriters agree to make a bona fide offering of all the Bonds at prices not in excess of the initial offering prices set forth on the inside cover page of the applicable Official Statement with respect to each series of the Bonds (which may be expressed in terms of yield). The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the 10% test was not satisfied as of the Sale Date (each such maturity of the Bonds being referred to as a "Held Maturity"). The City and the Representative agree that (i) the Representative will retain the unsold Bonds of each Held Maturity and will not allocate any bonds of such a Held Maturity to any other Tax Law Underwriter and (ii) the restrictions set forth in the next sentence will apply, which will allow the City to treat the initial offering price to the public of each such Held Maturity as of the Sale Date as the issue price of that maturity (the "Hold-the-Offering-Price Rule"). The Representative will neither offer nor sell unsold Bonds of a Held Maturity to any person at a price that is higher than the Initial Offering Price of such Held Maturity during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Tax Law Underwriters have sold at least 10% of such Held Maturity of the bonds to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity.

The Representative shall promptly advise the City or the City's municipal advisor when the Tax Law Underwriters have sold 10% of any Held Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.]

(e) [Matters Relating to Certain Agreements. The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Representative is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable:

(i) (A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Representative, and (B) to comply with the Hold-the-Offering Price Rule, if applicable, for so long as directed by the Underwriter and as set forth in the related pricing wires;

(ii) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to a Tax Law Underwriter participating in the initial sale of the Bonds to the Public; and

(iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Representative will assume that each order submitted by the dealer or broker-dealer is a sale to the Public.

(2) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bond of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the Hold-the-Offering Price Rule, if applicable, in each case if and for so long as

directed by the Representative or the applicable Underwriter or dealer and as set forth in the relating pricing wires.]

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Tax Law Underwriter shall not constitute sales to the Public for the purposes of this Paragraph 9.

10. The Representative shall have the right to terminate the Underwriters' obligations under this Purchase Contract with respect to a series of the Bonds by notifying the City and United in writing of its election to do so, if subsequent to the date hereof and at or prior to the Closing any of the following events shall occur in the sole and reasonable judgment of the Representative:

- (i) legislation shall be introduced in, or adopted by either House of the Congress of the United States of America, or recommended to the Congress or otherwise endorsed for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee, by any member thereof or presented as an option for consideration by either such committee, by the staff of such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House of the Congress, or a decision by a court established under Article III of the constitution of the United States or by the United States Tax Court shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the United States federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal taxation of interest received on obligations of the general character of the Bonds and which, in each case, in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or
- (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the "*Securities Act*"), the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"); or

- (iii) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act or that an applicable Trust Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities laws as amended and then in effect; or
- (iv) there shall have occurred any (1) new material outbreak or escalation of hostilities (including, without limitation, an act of terrorism), declaration by the United States of a national or international emergency or war or (2) any other new material national or international calamity or crisis including, but not limited to, a material escalation in the scope or magnitude of any pandemic (including an escalation of the current outbreak of COVID-19) or natural disaster that has a material adverse impact on the financial markets of the United States or elsewhere or (3) a new material financial crisis that results in a downgrade in the sovereign debt rating of the United States by any major credit rating agency or a payment default on United States Treasury obligations; which, in each of the foregoing clauses (1), (2), and (3), in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or
- (v) there shall have occurred (1) a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or (2) any national securities exchange shall have: (A) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (B) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in each of the foregoing clauses (1), (2)(A), and (2)(B), in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or
- (vi) a general banking moratorium shall have been declared by federal or New York or Texas state authorities having jurisdiction and be in force or a major financial

crisis or a material disruption in commercial banking or securities settlement or clearance services shall have occurred and be continuing which, in each case, in the reasonable judgment of the Representative, materially adversely affects the market price or the marketability for the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

- (vii) [(A) a downgrading or suspension of any rating (without regard to credit enhancement) by [S&P] of the Bonds, or (B) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by [S&P] of the Bonds; or (2)(A) a downgrading in the corporate rating accorded to United by S&P or Fitch Ratings, Inc. ("Fitch"), or (C) there shall have been any official statement publicly announced by S&P or Fitch that it has under surveillance or review, or has changed its outlook with respect to, the corporate rating of United (other than any statement with positive implications of a possible upgrading), which, in each case, in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or] *[[Under review.]]*
- (viii) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made not misleading in any material respect and, in either such event, (a) the City refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative or (b) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Representative, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds.

11. (a) Except as provided in Paragraph 11(b) below, the Underwriters shall be under no obligation to pay, and United shall pay or cause to be paid, all expenses incidental to the performance of the obligations of the parties hereunder, including but not limited to: (i) the cost of the preparation and printing of the definitive Bonds; (ii) the fees and disbursements of Co-Bond Counsel and the City's co-financial advisors; (iii) the fees and disbursements of the Trustees; (iv) the costs of preparation, printing and mailing of the Preliminary Official Statements and the Official Statements; and (v) expenses incurred on behalf of United's and the City's employees which are directly related to the offering of the Bonds, including, but not limited to, meals, transportation, and lodging of such employees. The Underwriters are required to pay fees to the Municipal Advisory Council of Texas in connection with the offering of the Bonds. United acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that

such fees are solely the legal obligation of the Underwriters, United agrees to reimburse the Underwriters for such fees.

(b) The Underwriters shall pay or cause to be paid (from the expense component of the underwriting discount): (i) the costs of preparation and printing of any legal investment survey, this Purchase Contract, the Letter of Representation and any Blue Sky memoranda; (ii) the fees of Counsel to the Underwriters; (iii) all advertising expenses in connection with the public offering of the Bonds; (iv) the fees of Digital Assurance Certificate, L.L.C. for a continuing disclosure compliance review, and (v) all other expenses incurred by them.

12. Any notice or other communication to be given to (A) the City under this Purchase Contract may be given by delivering the same in writing, in person or by certified or registered mail, return receipt requested, at the City's address set forth above, Attention: City Attorney and Aviation Director, Houston Airport System, City of Houston, 16930 JFK Blvd., Houston, Texas 77032 (B) the Underwriters under this Purchase Contract may be given by delivering the same in writing, in person or by certified or registered mail, return receipt requested, to Citigroup Global Markets Inc., 388 Greenwich Street, Trading – 6th Floor, New York, New York, 10013; Attention: Robert J. DeMichiel, and (C) United under this Purchase Contract may be given by delivering the same in writing, in person or by certified or registered mail, return receipt requested, at the address shown for notices given to United pursuant to the Letter of Representation. All notices or communications hereunder by the City, United or the Underwriters shall be given to each of the others.

13. This Purchase Contract constitutes the entire agreement between the Underwriters and the City, superseding all prior agreements between such parties as to the subject matter hereof, and is made solely for the benefit of the City, United and the Underwriters (including their successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. The City's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters and (ii) delivery of, and payment for, the Bonds.

14. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

15. This Purchase Contract shall not be amended without the prior written consent of the City, United and the Representative.

16. The City acknowledges that neither the Representative nor any of the other Underwriters is acting as a municipal advisor as defined in Section 15B of the Securities Exchange Act of 1934, as amended, and that neither the Representative nor any of the other Underwriters has a fiduciary duty as such to the City in connection with the offering and

purchase and sale of the Bonds. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and United, on the one hand, and the Underwriters, on the other hand, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent of the City, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the City or United on other matters) or any other obligation to the City except the obligations expressly set forth in this Purchase Contract or the Letter of Representation and those required by law, if any, and (iv) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

17. *[Paragraphs 17 and 18 apply to each Underwriter.]* The Underwriters represent that, to the extent this Purchase Contract constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable Federal law, including without limitation 50 U.S.C. Section 4607, none of the Underwriters, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriters (i) boycotts Israel or (ii) will boycott Israel through the term of this Purchase Contract. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph mean refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

18. The Underwriters represent that, to the extent this Purchase Contract constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Section 2252.152 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, none of the Underwriters, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Underwriters (i) engages in business with Iran or Sudan in violation of United States law, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

19. This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument, and any party hereto may execute this Purchase Contract by manual or facsimile (pdf or other electronic) signature, which shall be effective as an original signature for all intents and purposes.

20. This Purchase Contract shall be construed in accordance with and shall be governed by the laws of the State.

CITIGROUP GLOBAL MARKETS INC., as
Representative

By: _____
Robert J. DeMichiel
Managing Director

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST ABOVE WRITTEN:

CITY OF HOUSTON, TEXAS

By: _____

Sylvester Turner
Mayor

COUNTERSIGNED AS OF
THE DATE HEREOF:

By: _____

Chris Brown
City Controller

ATTEST/SEAL:

By: _____

Pat J. Daniels, Interim City Secretary

APPROVED AS TO FORM:

By: _____

Gary L. Wood, Senior Assistant City
Attorney

Accepted and Approved:

This ___ day of _____, 2020

UNITED AIRLINES, INC.

By: _____
Pamela S. Hendry
Vice President & Treasurer

EXHIBIT A

LIST OF UNDERWRITERS

Underwriters

Citigroup Global Markets Inc.

Wells Fargo Bank, National Association

Siebert Williams Shank & Co., LLC

EXHIBIT B
OFFICER'S PRICING CERTIFICATES

[To come.]

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL

[To come.]

EXHIBIT D
**FORM OF OPINION OF ASSISTANT GENERAL COUNSEL – COMMERCIAL
TRANSACTIONS**

[To come.]

EXHIBIT E
FORM OF OPINION OF MAYER BROWN LLP

[To come.]

EXHIBIT F

FORM OF CERTIFICATE OF
UNITED

The undersigned Vice President and Treasurer of United Airlines, Inc. (“United”), on behalf of United and pursuant to Paragraph 8(f)(3) of the Purchase Contract, dated [June __], 2020 (the “Purchase Contract”), between the Representative on behalf of the Underwriters and the City of Houston (the “City”) relating to the City’s (i) \$[_____] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the “Series 2020A Bonds”), (ii) \$[_____] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the “Series 2020B-2 Bonds”), and (iii) \$[_____] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2020C (AMT) (the “Series 2020C Bonds,” and together with the Series 2020A Bonds and the Series 2020B-2 Bonds, the “Bonds”), DOES HEREBY CERTIFY as follows:

(i) As of the date hereof, the representations and warranties contained in Section 1 of the Letter of Representation, dated [June __], 2020 (the “Letter of Representation”), from United to the City and the Underwriters, are true and correct in all material respects.

(ii) To the best of my knowledge, there has been no material adverse change in the general affairs or in the financial position or net assets of United as a whole, as shown in each Preliminary Official Statement or Official Statement or in the information incorporated by reference into each Preliminary Official Statement or Official Statement pertaining to United or UAL, other than changes disclosed by or contemplated in such Preliminary Official Statement and Official Statement or in the information incorporated by reference therein or in an amendment or supplement thereto. As used in this Certificate, “Official Statement” means each of: (a) the Official Statement of the City, dated [June __], 2020, relating to the Series 2020A Bonds, (b) the Official Statement of the City, dated [June __], 2020, relating to the Series 2020B-2 Bonds, and (c) the Official Statement of the City, dated [June __], 2020, relating to the Series 2020C Bonds, and “Preliminary Official Statement” means each of (x) the Preliminary Official Statement of the City, dated [June __], 2020, relating to the Series 2020A Bonds, (y) the Preliminary Official Statement of the City, dated [June __], 2020, relating to the Series 2020B-2 Bonds, and (z) the Preliminary Official Statement of the City, dated [June __], 2020, relating to the Series 2020C Bonds, and, in each case, any supplements or amendments thereto prior to the date hereof.

(iii) I have examined each Official Statement and the materials incorporated by reference therein and, in my opinion, except for the statements made in each Official Statement under the United Excluded Sections (as defined in the Letter of Representation) as to which no certification is given, each Official Statement, together with the materials incorporated by reference therein and any supplements or amendments thereto prior to the date hereof, as of its date and as of the date hereof, were and are true, correct and complete in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material

fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Defined terms used but not defined herein shall have the meanings ascribed thereto in the Purchase Contract.

WITNESS my hand this ____ day of _____, 2020.

United Airlines, Inc.

By: _____
Pamela S. Hendry
Vice President & Treasurer

EXHIBIT G

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Terminal E
Project),
Series 2020A (AMT)

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Terminal
Improvement Projects),
Series 2020B-2 (AMT)

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Airport
Improvement Projects),
Series 2020C (AMT)

FORM OF ISSUE PRICE CERTIFICATE

The undersigned officer of Citigroup Global Markets Inc. (the "Representative"), acting on behalf of itself and Wells Fargo Bank, National Association and Siebert Williams Shank & Co., LLC (collectively, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") issued by the City of Houston, Texas (the "City").

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **[IF 10% OF MATURITY SOLD]** For the Bonds maturing in [], the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the [inside] cover of the Official Statement prepared in connection with the Bonds (each, an "Actual Sales Price").

3. **[IF FEWER THAN 10% OF MATURITY SOLD ON SALE DATE]** For the Bonds maturing in [] (each, a "Held Maturity"), the Underwriting Group on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the [inside] cover of the Official Statement prepared in connection with the Bonds (each, an "Initial Offering Price"). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, each member of the Underwriting Group agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the "Hold-the-Offering-Price Rule") and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, during the Hold Period (i) the Representative retained the unsold Bonds of each Held Maturity and did not allocate any such Bonds to any other Tax Law Underwriter and (ii) the Representative has not offered or sold any unsold Bonds of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity.

4. The aggregate of the Actual Sales Prices [and the Initial Offering Prices] is \$[]. [The Bonds were sold with pre-issuance accrued interest in the amount of \$[]. The sum of these two amounts is \$[].]

5. *Defined Terms.*

(a) "Hold Period" means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(c) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is [_____], 20[___].

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the City (or with the Representative to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only, and as it relates to the actions of the other Underwriters, such representations are made to the best of the Representative's knowledge based on the Representative's records. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP and West & Associates, L.L.P., each of Houston, Texas, co-bond counsel to the City, in connection with rendering their opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

Dated: _____, 2020

CITIGROUP GLOBAL MARKETS INC., as
Representative

By: _____
Robert J. DeMichiel
Managing Director

APPENDIX D
FORM OF LETTER OF REPRESENTATION

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Terminal E
Project),
Series 2020A (AMT)

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Terminal
Improvement Projects),
Series 2020B-2 (AMT)

\$[]
City of Houston, Texas
Airport System Special Facilities
Revenue Refunding Bonds
(United Airlines, Inc. Airport
Improvement Projects),
Series 2020C (AMT)

LETTER OF REPRESENTATION

June [], 2020

Citigroup Global Markets Inc.
Wells Fargo Bank, National Association
Siebert Williams Shank & Co., LLC
c/o Citigroup Global Markets Inc.
388 Greenwich Street, Trading – 6th Floor
New York, New York 10013

City of Houston, Texas
901 Bagby, 2nd Floor
Houston, Texas 77002

To the Addressees:

This Letter of Representation is being executed and delivered by United Airlines, Inc. (“United”) in order to induce Citigroup Global Markets Inc., (the “Representative”), acting for and on behalf of itself and Wells Fargo Bank, National Association and Siebert Williams Shank & Co., LLC (each an “Underwriter” and, collectively, the “Underwriters”) and the City of Houston, Texas (the “City”) to enter into a Purchase Contract, dated the date hereof (the “Purchase Contract”), a copy of which has been delivered to and approved by United, relating to the purchase by the Underwriters of the City’s (i) \$[] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the “Series 2020A Bonds”), (ii) \$[] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) (the “Series 2020B-2 Bonds”), and (iii) \$[] Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2020C (AMT) (the “Series 2020C Bonds,” and together with the Series 2020A Bonds and the Series 2020B-2 Bonds, the “Bonds”). The Bonds shall be dated as of the date of their issuance (their “Issue Date”), shall accrue interest as of such Issue Date, and shall mature in the amounts and at the times and be subject to redemption as described in the Purchase Contract,

and: (A) with respect to the Series 2020A Bonds, in the Official Statement of the City, to be dated as of the date hereof and relating to the Series 2020A Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing, collectively, the "*Terminal E Official Statement*"), (B) with respect to the Series 2020B-2 Bonds, in the Official Statement of the City, to be dated as of the date hereof and relating to the Series 2020B-2 Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing (as defined in the Purchase Contract), collectively, the "*Terminal Official Statement*"), and (C) with respect to the Series 2020C Bonds, in the Official Statement of the City, to be dated as of the date hereof and relating to the Series 2020C Bonds (said Official Statement, including all the appendices thereto and all the information incorporated by reference therein, and as the same may be supplemented and amended from time to time prior to the Closing, collectively, the "*Non-Terminal Official Statement*" and together with the Terminal E Official Statement and the Terminal Official Statement, the "*Official Statements*"). The Bonds shall bear interest payable on the date(s) and at the interest rate(s), and shall have the other details, set forth in the Purchase Contract and in the applicable Official Statement.

The 2020A Bonds are described in, and being issued by the City as Refunding Bonds (as defined in the Terminal E Trust Indenture, as defined below), under and pursuant to a Second Supplemental Trust Indenture dated as of June 1, 2020 (the "*Second Supplemental Terminal E Trust Indenture*"), which supplements that certain Trust Indenture dated as of August 1, 2001, as previously supplemented by that certain First Supplemental Trust Indenture dated as of June 1, 2014 (as supplemented through and including the Second Supplemental Terminal E Trust Indenture, the "*Terminal E Trust Indenture*"), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to The Chase Manhattan Bank (the "*Terminal E Trustee*"). The 2020B-2 Bonds are described in, and being issued by the City as Refunding Bonds (as defined in the Terminal Trust Indenture, as defined below), under and pursuant to a Fourth Supplemental Terminal Trust Indenture dated as of June 1, 2020 (the "*Fourth Supplemental Terminal Trust Indenture*"), which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by that certain First Supplemental Terminal Trust Indenture dated as of December 1, 1998, by that certain Second Supplemental Terminal Trust Indenture dated as of November 1, 2011, and by that certain Third Supplemental Terminal Trust Indenture dated as of March 1, 2015 (as supplemented through and including the Fourth Supplemental Terminal Trust Indenture, the "*Terminal Trust Indenture*"), each between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association (the "*Terminal Trustee*"). The 2020C Bonds are described in, and being issued by the City as Refunding Bonds (as defined in the Non-Terminal Trust Indenture, as defined below), under and pursuant to, a Fourth Supplemental Non-Terminal Trust Indenture dated as of June 1, 2020 (the "*Fourth Supplemental Non-Terminal Trust Indenture*"), which supplements that certain Trust Indenture dated as of March 1, 1997, as previously supplemented by that certain First Supplemental Non-Terminal Trust Indenture dated as of December 1, 1998, by that certain Second Supplemental Non-Terminal Trust Indenture dated as of March 1, 2015, and by that certain Third Supplemental Non-Terminal Trust Indenture dated as of February 1, 2018 (as supplemented through and including the Fourth Supplemental

Non-Terminal Trust Indenture, the "*Non-Terminal Trust Indenture*" and, together with the Terminal E Trust Indenture and the Terminal Trust Indenture, the "*Trust Indentures*" and each individually, a "*Trust Indenture*"), each by and between the City and The Bank of New York Mellon Trust Company, National Association, as successor trustee to Chase Bank of Texas, National Association and to Texas Commerce Bank National Association (the "*Non-Terminal Trustee*" and, together with the Terminal E Trustee and the Terminal Trustee, each a "*Trustee*"). The Series 2020A Bonds, and all bonds previously issued or to be issued in the future on a parity with such Series 2020A Bonds under the Terminal E Trust Indenture will be collectively referred to herein as the "*Terminal E Bonds*," the Series 2020B-2 Bonds and all bonds previously issued or to be issued in the future on a parity with such Series 2020B-2 Bonds under the Terminal Trust Indenture will be collectively referred to herein as the "*Terminal Bonds*," and the Series 2020C Bonds, and all bonds previously issued or to be issued in the future on a parity with such Series 2020C Bonds under the Non-Terminal Trust Indenture will be collectively referred to herein as the "*Non-Terminal Bonds*."

The Series 2020A Bonds are being issued for the purpose of defeasing the July 1, 2020 maturity of the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (the "*Series 2014 Bonds*," and the July 1, 2020 maturity of such Series 2014 Bonds, the "*Refunded 2014 Bonds*," and such refunding, the "*Terminal E Refunding Project*"), and paying related costs of issuance. The proceeds of the Series 2020A Bonds will be deposited with the Terminal E Trustee in its capacity as escrow agent under an escrow agreement (the "*Terminal E Escrow Agreement*") to effect the defeasance of the Refunded 2014 Bonds. The Series 2020B-2 Bonds are being issued for the purpose of defeasing the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2015B-2 (AMT) (the "*Series 2015B-2 Bonds*" and such refunding, the "*Terminal Refunding Project*") and paying related costs of issuance. The proceeds of the Series 2020B-2 Bonds will be deposited with the Terminal Trustee in its capacity as escrow agent under an escrow agreement (the "*Terminal Escrow Agreement*") to effect the defeasance of the Series 2015B-2 Bonds. The Series 2020C Bonds are being issued for the purpose of defeasing the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2015C (the "*Series 2015C Bonds*" and such refunding, the "*Non-Terminal Refunding Project*"), and paying related costs of issuance. The proceeds of the Series 2020C Bonds will be deposited with the Non-Terminal Trustee in its capacity as escrow agent under an escrow agreement (the "*Non-Terminal Escrow Agreement*") to effect the defeasance of the Series 2015C Bonds.

Pursuant to: (i) that certain Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001, between the City and United (as amended and supplemented from time to time, the "*Terminal E Lease*"), with respect to the Terminal E Bonds, (ii) that certain Second Amended and Restated Special Facilities Lease Agreement, effective as of November 17, 2011, between the City and United, as amended by that certain Amendment No. 1 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of February 21, 2013, and Amendment No. 2 to Second Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Terminal Improvement Projects), dated as of April 10, 2015 (as amended and supplemented from time to time, the "*Terminal Lease*"), with respect to the Terminal Bonds, and (iii) that certain First

Amended and Restated Special Facilities Lease Agreement (Continental Airlines, Inc. Airport Improvement Projects) dated as of December 1, 1998, between the City and United, as amended by that certain Amendment No. 1 to First Amended and Restated Special Facilities Lease Agreement dated as of February 1, 2018 (as amended and supplemented from time to time, the “*Non-Terminal Lease*” and together with the Terminal E Lease and the Terminal Lease, the “*Leases*”), with respect to the Non-Terminal Bonds, United has agreed to make certain rental payments directly to the Terminal E Trustee, the Terminal Trustee, or the Non-Terminal Trustee, as applicable, as assignee of the City, in an amount sufficient, among other things, to pay when due the principal of, premium, if any, and interest on, respectively, the Terminal E Bonds issued under the Terminal E Trust Indenture, the Terminal Bonds issued under the Terminal Trust Indenture, and the Non-Terminal Bonds issued under the Non-Terminal Trust Indenture.

Other rental payments are also required to be made by United directly to the City pursuant to the Leases, which rental payments will not constitute security for any of the Bonds. United will also execute and deliver (a) to the Terminal E Trustee, the Terminal Trustee, and the Non-Terminal Trustee, separate Continuing Disclosure Agreements, each dated as of [June __, 2020] (the “*United Terminal E Disclosure Agreement*,” the “*United Terminal Disclosure Agreement*,” and the “*United Non-Terminal Disclosure Agreement*,” respectively, and collectively the “*United Disclosure Agreements*”), pursuant to which United will agree to disclose certain information on a continuing basis in order to permit the Underwriters to satisfy their obligations under paragraph (b)(5) of the Rule, (b) to the Terminal Trustee a separate Guaranty Agreement, dated as of [June __, 2020], pursuant to which United will unconditionally guarantee payment of the principal of, premium, if any, and interest when due on the Series 2020B-2 Bonds (the “*Terminal Guaranty*”), (c) to the Non-Terminal Trustee a separate Guaranty Agreement, dated as of [June __, 2020], pursuant to which United will unconditionally guarantee payment of the principal of, premium if any, and interest when due on the Series 2020C Bonds (the “*Non-Terminal Guaranty*”), and (d) to Co-Bond Counsel, one or more tax certificate(s) regarding the Terminal E Refunding Project, the Terminal Refunding Project, and the Non-Terminal Refunding Project and the use of Bond proceeds, to be dated the date of issuance of the Bonds (the “*United Tax Certificate(s)*”), relating to the Bonds. United has previously executed a Guaranty Agreement, dated as of August 1, 2001, as amended and restated as of June 1, 2014, pursuant to which United has unconditionally guaranteed payment of the principal of, premium, if any, and interest when due on all bonds issued under the Terminal E Trust Indenture (including the Series 2020A Bonds) (the “*Terminal E Guaranty*”). In connection with the issuance of the Bonds, certain authorized officers of the City will execute and deliver one or more No-Arbitrage Certificate(s) to be dated the date of issuance of the Bonds (the “*City Tax Certificate(s)*”). The City has previously executed and delivered to The Depository Trust Company (“*DTC*”) a Blanket Letter of Representations (the “*DTC Letter of Representations*”), relating to the book entry system of registration and transfer of ownership of the Bonds.

1. To induce the Underwriters and the City to enter into the Purchase Contract and to carry out the offering and sale of the Bonds therein contemplated, United hereby represents, warrants and agrees with the City and the Underwriters as follows:

a. Except for the information set forth under the captions “GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General,” “NO LITIGATION,” “CO-FINANCIAL ADVISORS,” “UNDERWRITING,” and “TAX MATTERS,” and in Appendix

E—“Book-Entry Only System” and Appendix G—“Form of Opinion of Co-Bond Counsel” (collectively, the “*United Excluded Sections*”), as to which no representation, warranty or covenant is made, (1) each of (i) the Preliminary Official Statement dated [June ___, 2020] relating to the Series 2020A Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the “*Terminal E Preliminary Official Statement*”), (ii) the Preliminary Official Statement dated [June ___, 2020] relating to the Series 2020B-2 Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the “*Terminal Preliminary Official Statement*”), and (iii) the Preliminary Official Statement dated [June ___, 2020] relating to the Series 2020C Bonds (including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto prior to the date hereof, the “*Non-Terminal Preliminary Official Statement*” and, together with the Terminal E Preliminary Official Statement and the Terminal Preliminary Official Statement, the “*Preliminary Official Statements*”), as of the date thereof was and as of the date hereof is, true, correct and complete in all material respects and did not as of the date thereof, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that information may be omitted to the extent permitted by the Rule), and (2) each Official Statement as of its date is, and as of the date of Closing will be, true, correct, and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided that United makes no representation or warranty as to any statement or omission to state any fact necessary to make the statements made in each Preliminary Official Statement or Official Statement not misleading that was made or omitted as a result of any amendment to the applicable Official Statement between the date hereof and the Closing that has not been approved by United. United confirms that it will duly approve and deliver each Official Statement, and authorizes the Underwriters to use each Official Statement, and ratifies and approves the use of each Preliminary Official Statement by the Underwriters prior to the date hereof, in connection with the public offering and sale of the applicable series of Bonds. In accordance with the terms hereof, United confirms that it approves the purchase price to be paid by the Underwriters for the Bonds, as well as the other terms of the Bonds and all of the terms and conditions of the issuance, sale and delivery of the Bonds, as set forth in the Purchase Contract, and the offering price for the Bonds and the maturities and interest rates to be borne by the Bonds as set forth in the Purchase Contract and in the applicable Official Statement.

b. The financial statements of United and its parent company, United Airlines Holdings, Inc. (“*UAL*”) included or incorporated by reference in the Official Statements and the Preliminary Official Statements, including the notes thereto, present fairly the financial position of United and UAL as of the dates indicated and the results of their operations for the periods specified, and except as otherwise disclosed in such financial statements, such financial statements have been prepared in all material respects in conformity with generally accepted accounting principles applied on a consistent basis for the periods involved. The accountants who have certified the annual financial statements of United and UAL contained or incorporated by reference in the Official Statements are independent with respect to United, UAL and their consolidated subsidiaries within the meaning of the rules and regulations under the Securities Exchange Act of 1934.

c. Except as disclosed in an Official Statement or incorporated therein by reference, United is in compliance with all applicable statutes, regulations and orders of, and all applicable regulations imposed by, all governmental bodies, domestic or foreign, in respect of conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls) and is not in breach of or in default under any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument, to which United is a party or to which United or any of its property or assets is otherwise subject, except such non-compliances, breaches or defaults that would not, in the aggregate, be reasonably likely to have a material adverse effect on the business, operations, property, assets, condition (financial or otherwise) or prospects of United. No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument that would, in the aggregate, be reasonably likely to have a material adverse effect on the business, operations, property, assets, condition (financial or otherwise) or prospects of United.

d. United will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters as the Representative may reasonably request to obtain the ratings with respect to each series of the Bonds.

e. (i) The United Disclosure Agreements, this Letter of Representation, the Terminal Guaranty, the Non-Terminal Guaranty, and the United Tax Certificate(s) (collectively, the "2020 United Documents") have been or will have been, as of the date of Closing, duly authorized, executed and delivered by United, and assuming proper authorization, execution and delivery or acceptance by the other parties thereto, the 2020 United Documents, the Leases, and the Terminal E Guaranty (collectively, the "United Documents") constitute, or will constitute as of the date of the Closing, legal, valid and binding obligations of United enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, to general principles of equity and to the extent rights to indemnification may be limited under applicable law. (ii) Performance by United under the United Documents (a) will not conflict with, or result in a breach or violation of, or constitute a default under, any provision of any indenture, mortgage, deed of trust, resolution, loan agreement, note agreement, lease, judgment or decree or any other agreement or instrument to which United is a party or by which it is bound (except for any such conflicts, breaches, violations or defaults that would not materially adversely affect the transactions contemplated by any of the United Documents, the Purchase Contract, the Preliminary Official Statements, or the Official Statements or the financial condition of United, or that would not adversely affect the validity or enforceability of those provisions of the Trust Indentures, the Bonds, the Purchase Contract, or the other United Documents that relate to or could affect the full and timely payment of debt service on the Bonds), and (b) will not conflict with, or result in a breach or violation of, or constitute a default under, its Certificate of Incorporation, as amended, or its by-laws.

f. Except as contemplated herein or as contemplated or set forth or incorporated by reference in the Preliminary Official Statements and the Official Statements, or as the result of operations in the ordinary course of business, United, subsequent to the dates as of which information is given in the Preliminary Official Statements and the Official Statements and prior to the date hereof, has not incurred any material liabilities or obligations, direct or contingent,

that would require it to amend or supplement any of its filings with the Securities and Exchange Commission that have been incorporated by reference into the applicable Preliminary Official Statement and Official Statement; and, except as contemplated by or set forth or incorporated by reference in the Preliminary Official Statements and the Official Statements, subsequent to the dates as of which information is given in the Preliminary Official Statements and the Official Statements and prior to the date hereof, there has been no material adverse change in the condition, financial or otherwise, of United and its consolidated subsidiaries, taken as a whole, that would require them to amend or supplement any of their filings with the Securities and Exchange Commission that have been incorporated by reference into the applicable Preliminary Official Statement and Official Statement.

g. (i) United has been duly incorporated and is now validly existing and in good standing under the laws of the State of Delaware; and (ii) United is duly licensed or qualified to do business as a foreign corporation authorized to do business in the State of Texas (the "State") and is duly licensed or qualified to do business and is in good standing as a foreign corporation authorized to do business in all other states and jurisdictions wherein the character of the properties owned or the nature of the activities conducted, in the opinion of United, make such license or qualification necessary, except where the failure to be so licensed or qualified could not reasonably be expected to have a material adverse effect on the financial condition of United and its consolidated subsidiaries, taken as a whole.

h. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court or agency or other public board or body other than as described in the Preliminary Official Statements and the Official Statements (or incorporated by reference therein), pending or, to the best knowledge of United, threatened against United that in United's opinion is likely to materially adversely affect the transactions contemplated by any of the United Documents or the Official Statements or the financial condition of United or materially adversely affect the validity or enforceability of those provisions of the Trust Indentures, the Bonds, the Purchase Contract, the Leases, or any of the other United Documents that relate to or could affect the full and timely payment of debt service on the Bonds.

i. To the best of its knowledge after reasonable investigation, no consent, approval or other action by any governmental authority or agency of the State of Delaware or the State of Texas or the United States of America is required to be obtained by United in connection with the execution and delivery by United of the United Documents, except such as have already been obtained; provided, however, no representation is made concerning compliance with the federal securities laws or the securities or "Blue Sky" laws of the various jurisdictions of the United States of America.

j. United has the corporate power and authority to carry on the business conducted or to be conducted by it as described in the Preliminary Official Statements and the Official Statements, except where the failure to possess such power and authority would not have a material adverse effect on (a) the transactions contemplated by any of the United Documents, or the Preliminary Official Statements and the Official Statements or (b) the financial condition of United and its consolidated subsidiaries, taken as a whole.

k. United will apply or cause to be applied the proceeds from the sale of: (i) the Series 2020A Bonds to the financing of the Terminal E Refunding Project, as described in the Terminal E Preliminary Official Statement and the Terminal E Official Statement and as provided for in the Terminal E Trust Indenture, (ii) the Series 2020B-2 Bonds to the financing of the Terminal Refunding Project, as described in the Terminal Preliminary Official Statement and the Terminal Official Statement and as provided for in the Terminal Trust Indenture, and (iii) the Series 2020C Bonds to the financing of the Non-Terminal Refunding Project, as described in the Non-Terminal Preliminary Official Statement and the Non-Terminal Official Statement and as provided for in the Non-Terminal Trust Indenture.

l. United will notify the Representative and the City if, prior to the date of the Closing, United becomes aware of any event that, in the reasonable judgment of United, makes any statement in any Official Statement (including the financial statements included or incorporated by reference therein) untrue in any material respect or that requires the making of any change to the applicable Official Statement in order to make the statements therein (including the financial statements), in the light of the circumstances under which they were made, not misleading, and United will thereupon diligently cooperate with the Representative and the City to make any such changes. During the period from the time each Official Statement becomes available until the time when such Official Statement is available to any person from the Municipal Securities Rulemaking Board (the "MSRB"), but in no case less than 25 days following the "end of the underwriting period" (as defined below), if United becomes aware of the occurrence of any event as a result of which, in the opinion of United or the Representative, it is necessary to amend or supplement such Official Statement in order to cause the same to not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, United, with the approval of the City (which approval shall not be unreasonably withheld), will notify the Representative and the City of such event and prepare and furnish to the Representative either amendments or supplements to such Official Statement so that such Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were, made, not misleading. The expenses in connection with the printing and distribution of such amendment or supplement to an Official Statement shall be paid by United. For purposes of this subparagraph, the term "end of the underwriting period" shall have the meaning given to such term in paragraph (f)(2) of the Rule, provided that if the Representative does not notify the City and United to the contrary on or prior to the Closing, the "end of the underwriting period" shall be deemed to be the date of the Closing for purposes of this Letter of Representation. The Representative, by its acceptance of this Letter of Representation, agrees (i) to file, or cause to be filed, with the MSRB's Electronic Municipal Market Access System, each Official Statement promptly after the same is made available to the Representative by the City, and (ii) to notify the City and United promptly after the Underwriters retain no unsold balance of each series of the Bonds for sale to the public. United and the City will, before any Official Statement is amended or supplemented at any time subsequent to the time of the Closing, furnish a copy of each proposed amendment or supplement to the Representative, which will have the right to approve it, approval of which shall not be unreasonably withheld. Any amendment made pursuant to this subparagraph shall not preclude the Representative from exercising its rights pursuant to Paragraph 10(viii) of the Purchase Contract.

m. United will furnish such information to, and execute such instruments and take such other action in cooperation with, the Representative as the Representative may reasonably request (i) to qualify each series of the Bonds for offer and sale under the "Blue Sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Representative may (in its sole discretion) designate, (ii) for the application for exemption from such qualification, and (iii) for the determination of their eligibility for investment under the laws of such jurisdictions as the Representative designates, and to provide for the continuance of such qualification or exemptions in effect for so long as required for distribution of each series of the Bonds. Notwithstanding the foregoing, United shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in any jurisdiction where it is not now so subject. It is understood that United is not responsible for compliance or the consequences of failure to comply with applicable "Blue Sky" laws.

n. United agrees to take all actions and perform and observe all of the obligations and covenants contemplated to be taken, performed and observed by it in the Purchase Contract, subject to all of the terms and conditions set forth therein, including the payment of costs of issuance of the Bonds pursuant to Paragraph 1 of the Purchase Contract, the payment of the expenses to be paid by it pursuant to Paragraph 11(a) of the Purchase Contract (subject to the terms and conditions set forth therein), and, if the Bonds are not delivered as a result of a default by United under this Letter of Representation, United shall pay in addition to any other damages of the Underwriters (i) the reasonable fees and disbursements of O'Melveny & Myers LLP, Counsel to the Underwriters, and the other reasonable expenses and disbursements of the Underwriters, and (ii) the reasonable expenses and disbursements of the City (including the reasonable fees of Co-Bond Counsel).

o. United confirms that each Preliminary Official Statement (other than the information set forth under the captions "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS") was "deemed final" as of its date by United solely for purposes and within the meaning of paragraph (b)(1) of the Rule. United agrees that it shall cooperate with the City in delivering, or causing to be delivered, to the Underwriters, as soon as reasonably practicable and in no event more than seven (7) business days after the date of the City's acceptance of the Purchase Contract and in sufficient time to accompany any confirmation that requests payment from any customer, copies of each Official Statement in sufficient quantity to enable the Underwriters to comply with paragraph (b)(4) of the Rule and the rules of the MSRB. Except as otherwise disclosed in an Official Statement, United has complied, in all material respects, with its prior continuing disclosure obligations under the Rule for the past five (5) years.

p. United agrees to deliver to the City, on the date hereof, a written approval of the terms of the Series 2020A Bonds, the Series 2020B-2 Bonds, the Series 2020C Bonds, and the forms of the Second Supplemental Terminal E Trust Indenture, the Fourth Supplemental Terminal Trust Indenture, and the Fourth Supplemental Non-Terminal Trust Indenture, as required by and in the manner set forth in the respective Leases.

2. The acceptance of this Letter of Representation on behalf of the City shall constitute a representation and warranty by the City to United that the representations and

warranties of the City contained in Paragraph 5 of the Purchase Contract are true as of the date hereof and will be true in all material respects as of the Closing.

3. (a)(1) United agrees to indemnify, defend and hold harmless any "Underwriter Indemnified Party" (as hereinafter defined) to the extent permitted under applicable law, against any and all losses, claims, damages, liabilities and expenses (including reasonable legal fees and expenses and expenses of investigation) to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, caused by any untrue or misleading or alleged untrue or misleading statement of a material fact contained in any Preliminary Official Statement or in any Official Statement (other than in the United Excluded Sections) or caused by any omission or alleged omission to state therein (other than in the United Excluded Sections) a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the indemnity with respect to each Preliminary Official Statement shall not inure to the benefit of any Underwriter Indemnified Party on account of any loss, claim, damage, liability or expense arising from the sale of the applicable Bonds by the Underwriters to any person if United or the City, acting at the request or direction of United, shall have furnished to the Representative at least twenty-four hours prior to the sale of such Bonds to the Underwriters, as effected hereby, proposed amendments or supplements to the applicable Preliminary Official Statement relating to the untrue or misleading or alleged untrue or misleading statement or omission or alleged omission with respect to which indemnity is sought and such Preliminary Official Statement, if it had been so amended or supplemented, would have corrected the statement or omission giving rise to and forming the basis for the loss, claim, damage, liability or expense asserted by such person. This indemnity agreement will be in addition to any liability that United may otherwise have.

The indemnity agreement under this Paragraph 3(a)(1) shall extend to the Underwriters and to each person or entity, if any, who controls the Underwriters within the meaning of Section 15 of the Securities Act of 1933, as amended (the "*Securities Act*"), and each officer, director, employee, and agent of the Underwriters (each such person or entity an "*Underwriter Indemnified Party*") upon the same terms and conditions as such indemnity agreement extends to the Underwriters. Notwithstanding the foregoing, United will not be liable in any case to any Underwriter Indemnified Party to the extent that any loss, claim, damage, liability or expense arises out of or is based in whole or in part upon (x) an untrue or misleading statement, or alleged untrue or misleading statement, or any misconduct, negligence or unlawful act, or information disseminated by any such persons other than as contained in the applicable Preliminary Official Statement or Official Statement or (y) any untrue or misleading statement or alleged untrue or misleading statement or omission or alleged omission made in any Preliminary Official Statement or Official Statement in the United Excluded Sections.

In the event that the indemnity provided herein is unavailable or insufficient to hold harmless an indemnified party for any reason, United and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to

which United and the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by United on the one hand and by the Underwriters on the other from the offering. If the allocation provided by the immediately preceding sentence is unavailable for any reason, United and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of United on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, as well as any other relevant equitable considerations. In no case shall any Underwriter (except as may be provided in any agreement among the Underwriters relating to the offering, if applicable) be responsible for any amount in excess of the purchase discount or fee applicable to the Bonds purchased by the Underwriter hereunder. Benefits received by United shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Official Statement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by United on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. United and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each person who controls any Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of any Underwriter shall have the same rights to contribution as the Underwriters, and each person who controls United within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of United shall have the same rights to contribution as United, subject in each case to the applicable terms and conditions of this paragraph.

(a)(2) United agrees to indemnify, defend and hold harmless any "City Indemnified Party" (as hereinafter defined) to the extent permitted under applicable law, against any and all losses, claims, damages, liabilities and expenses (including reasonable legal fees and expenses and expenses of investigation) to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, caused by any untrue or misleading or alleged untrue or misleading statement of a material fact contained in any Preliminary Official Statement or in any Official Statement (other than in the United Excluded Sections) or caused by any omission or alleged omission to state therein (other than in the United Excluded Sections) a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The indemnity agreement under this Paragraph 3(a)(2) shall extend to the City and to each person or entity, if any, who controls the City within the meaning of Section 15 of the Securities Act, and to each employee, officer, elected official, agent, attorney, member, board member, consultant, and official of the City (each such person or entity a "*City Indemnified Party*") upon the same

terms and conditions as such indemnity agreement extends to the City. Notwithstanding the foregoing, United will not be liable in any case to any City Indemnified Party to the extent that any loss, claim, damage, liability or expense arises out of or is based upon (x) an untrue or misleading statement, or alleged untrue or misleading statement, any misconduct, negligence or unlawful act, or information disseminated by any such persons other than as contained in the applicable Preliminary Official Statement or Official Statement or (y) any untrue or misleading statement or alleged untrue or misleading statement or omission or alleged omission made in any Preliminary Official Statement or Official Statement in the United Excluded Sections. This indemnity agreement will be in addition to any liability that United may otherwise have pursuant to the United Documents, the Purchase Contract, the Leases, the Official Statements, or the Preliminary Official Statements, or in connection with the transactions contemplated thereby.

(b) If any action or claim (including any governmental investigation) shall be brought or asserted against any Underwriter Indemnified Party or City Indemnified Party based upon any Preliminary Official Statement or Official Statement or any amendment or supplement thereto, and in respect of which indemnity may be sought from United under subparagraph (a) above, the person or entity seeking such indemnity shall promptly notify United in writing, and United shall assume the defense thereof, including the employment of counsel and the payment of all expenses. The person or entity seeking such indemnity shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the person or entity seeking such indemnity unless (i) United has specifically authorized the employment of such counsel and has agreed to pay the fees and expenses of such counsel, (ii) within 60 days after receipt of notification, United has failed to notify the named parties that it shall assume the defense and employ counsel or (iii) the named parties to any such action (including any impleaded parties) include both United and any Underwriter Indemnified Party or City Indemnified Party (any such person or entity, an "*Indemnified Party*"), and the Indemnified Party shall have been advised by its counsel (which advice shall have been concurred with by counsel representing United) that there are one or more legal defenses available to it that are different from, or additional to, those available to United and that representation of the Indemnified Party and United by counsel representing United would be inappropriate under applicable standards of professional conduct (in which case United shall not have the right to assume the defense of such action on behalf of the Indemnified Party); provided that United shall not be liable, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, for the fees and expenses of more than (A) one separate firm of attorneys at any point in time for the Underwriter Indemnified Parties (which firm shall be designated in a written notice to United signed by the Representative) and (B) one separate firm of attorneys for the City Indemnified Parties (which firm shall be designated in a written notice to United signed by the City). Notwithstanding the foregoing, United shall not be liable, in connection with any such action or separate but substantially similar actions arising out of the same general allegations or circumstances, for the fees and expenses of more than one separate firm of attorneys (which firm shall be designated in a written notice to United signed by the Representative or the City) at any point in time for the Underwriter Indemnified Parties and the City Indemnified Parties, unless (x) an Underwriter Indemnified Party shall have been advised by its counsel (which

advice shall have been concurred with by counsel representing United) to the effect that there are one or more legal defenses available to it that are different from, or additional to, those available to a City Indemnified Party or (y) a City Indemnified Party shall have been advised by its counsel (which advice shall have been concurred with by counsel representing United) to the effect that there are one or more legal defenses available to a City Indemnified Party that are different from or additional to those available to an Underwriter Indemnified Party, and that representation of an Underwriter Indemnified Party and a City Indemnified Party by a single firm of attorneys would be inappropriate under applicable standards of professional conduct. United shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of United, or if there is a final judgment for the plaintiff in any such action, United will indemnify and hold harmless any Indemnified Person from and against any loss or liability by reason of such settlement or judgment, to the extent required under the indemnity provisions hereof. Each Indemnified Party shall promptly pay over to United any monies awarded to such Indemnified Party in connection with the defense of any such action or claim for which United had previously paid funds or incurred liability to such Indemnified Party.

(c) The Underwriters agree to indemnify and hold harmless United and each of its officials, directors, officers, and employees, to the same extent as the foregoing indemnity from United to the Underwriters and the City with respect to information in each Preliminary Official Statement or Official Statement under the heading "UNDERWRITING" or furnished by the Underwriters, or on their behalf, for use in each Preliminary Official Statement or the Official Statement or any amendment to supplement thereto. In case any action or claim shall be brought against United based upon any Preliminary Official Statement or Official Statement and in respect of which indemnity may be sought against the Underwriters under this Paragraph 3(c), the Underwriters shall have the rights and duties given to United in Paragraph 3(b); and United shall have the rights and duties given to the Underwriters by Paragraph 3(b). The indemnity agreement of this Paragraph 3(c) shall extend upon the same terms and conditions to each officer, director and employee of United involved in the preparation of the applicable Preliminary Official Statement or Official Statement or any amendment or supplement thereto and to each person or entity, if any, who controls United within the meaning of Section 15 of the Securities Act.

4. This Letter of Representation is made solely for the benefit of the City, the Underwriters and United, including each person, if any, who controls the City, the Underwriters or United within the meaning of Section 15 of the Securities Act, the respective employees, officers, directors and officials of the City, the Underwriters or United involved in the preparation of the Preliminary Official Statements, the Official Statements or any amendment or supplement thereto, and the respective successors and assigns of the City, the Underwriters and United, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. The terms "successors" and "assigns" shall not include any purchaser of Bonds from any Underwriters merely because of such purchase.

5. The execution and delivery of this Letter of Representation by United shall constitute United's approval of and consent to the City's entering into, acceptance and execution

of the Purchase Contract and performance thereunder. It is hereby recognized and agreed that the Purchase Contract has been entered into for the benefit of United and further that United has entered into this Letter of Representation in consideration of the obligations of the City and the Underwriters contained herein or therein, and that United shall be entitled to take any legal action that it would be entitled to take if it were a party to the Purchase Contract.

6. In order to enable the Underwriters to comply with paragraph (b)(4) of the Rule, United agrees to notify the Representative of, and to provide the Representative upon request, without charge and promptly after the same shall become available, a copy of any or all of the documents relating to United incorporated by reference in any Official Statement (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such document). The provisions of this Paragraph 6 shall remain in effect during the period described in Paragraph 1(l) hereof.

7. Any notice or other communication to be given to United under this Letter of Representation may be given by delivering the same in writing, in person or by registered or certified mail, return receipt requested, to United at the following address: United Airlines, Inc., 233 South Wacker Dr., WHQTS, Chicago, IL 60606, Attention: Vice President & Treasurer. Any notice or other communication to be given to the Representative may be given by delivering the same in writing, in person or by registered or certified mail, return receipt requested, to Citigroup Global Markets Inc. at its address set forth above, to the attention of Robert J. DeMichiel. Any notice or communication to be given to the City may be given by delivering the same in writing, in person or by registered certified mail, return receipt requested, to the City at City of Houston, 900 Bagby, Houston, Texas 77002, Attention: City Attorney and Aviation Director, Houston Airport System, City of Houston, 16930 JFK Blvd., Houston, Texas 77032. United, the City and the Underwriters shall each be fully entitled to rely upon notice given pursuant to this Paragraph 7 and to act thereon.

8. This Letter of Representation shall become effective upon execution hereof and the effectiveness of the Purchase Contract referred to herein. It shall terminate upon termination of the Purchase Contract except as provided in the next sentence. The representations and warranties contained herein and the indemnification agreements contained in Paragraph 3 hereof shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters or by or on behalf of the City or United or by or on behalf of any person controlling any of them; (ii) the delivery of the Bonds at the time of the Closing and payment therefor; or (iii) any termination of the Purchase Contract or this Letter of Representation subsequent to the Closing.

9. The Underwriters agree with United that they will perform and observe all of the conditions and agreements made or undertaken by them in the Purchase Contract, subject to all of the terms and conditions therein set forth.

10. United acknowledges that neither the Representative nor any of the other Underwriters is acting as a municipal advisor as defined in Section 15B of the Securities Exchange Act of 1934, as amended, and that neither the Representative nor any of the other Underwriters has a fiduciary duty as such to United in connection with the offering and purchase and sale of any series of the Bonds. United further acknowledges and agrees that (i) the purchase

and sale of the Bonds pursuant to the Purchase Contract is an arm's-length commercial transaction between the City and United, on the one hand, and the Underwriters, on the other hand, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is acting solely as a principal and not as an agent of the City or United, (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the City or United with respect to the offering of the Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the City or United on other matters) or any other obligation to the City or United except the obligations expressly set forth in the Purchase Contract or this Letter of Representation and those required by law, if any, and (iv) United has consulted with its own legal and financial advisors to the extent it deems appropriate in connection with the offering of the Bonds.

11. The validity, interpretation and performance of this Letter of Representation shall be governed by the laws of the State of Texas.

12. This Letter of Representation may be executed in several counterparts, which together shall constitute one and the same instrument, and any party hereto may execute this Letter of Representation by pdf or other electronic signature, which shall be effective as an original signature for all intents and purposes.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, United has executed and delivered this Letter of Representation on this ___ day of _____, 2020.

Very truly yours,

UNITED AIRLINES, INC.

By: _____
Pamela S. Hendry
Vice President & Treasurer

Accepted and Approved:

This ____ day of _____, 2020

CITIGROUP GLOBAL MARKETS INC., as Representative

By: _____

Robert J. DeMichiel
Managing Director

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST ABOVE WRITTEN:

CITY OF HOUSTON, TEXAS

By: _____

Sylvester Turner
Mayor

COUNTERSIGNED AS OF
THE DATE HEREOF:

By: _____

Chris Brown
City Controller

ATTEST/SEAL:

By: _____

Pat J. Daniels, Interim City Secretary

APPROVED AS TO FORM:

By: _____

Gary L. Wood, Senior Assistant City
Attorney

APPENDIX E
FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED JUNE [], 2020

NEW ISSUE—BOOK-ENTRY ONLY

Rating: See "RATING" herein.

In the opinion of Bracewell LLP and West & Associates, L.L.P. ("Co-Bond Counsel"), under existing law, (i) interest on the Series 2020A Bonds (as defined below) is excludable from gross income for federal income tax purposes, except for any period during which a Series 2020A Bond is held by a person who is a "substantial user" of the facilities refinanced with the proceeds of the Series 2020A Bonds or a "related person" of such a "substantial user," each within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and as described under "TAX MATTERS" herein, and (ii) interest on the Series 2020A Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer's alternative minimum tax liability. See "TAX MATTERS" herein for a discussion of the opinion of Co-Bond Counsel.

\$[]*
City of Houston, Texas

Airport System Special Facilities Revenue Refunding Bonds
(United Airlines, Inc. Terminal E Project),
Series 2020A (AMT)

Dated: Delivery Date (as defined below)

Due: [] 1], as shown on the inside cover page hereto

The City of Houston, Texas Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the "Series 2020A Bonds") will be issued in fully-registered form in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), and will be available to ultimate purchasers under the book-entry only system maintained by DTC. The Series 2020A Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. So long as Cede & Co. is the registered owner of the Series 2020A Bonds, principal of, premium, if any, and interest on the Series 2020A Bonds will be payable by The Bank of New York Mellon Trust Company, National Association, as trustee (the "Trustee"), to DTC, which will in turn remit such payments to its participants for subsequent disbursement to beneficial owners of such Series 2020A Bonds, as more fully described herein. Interest on the Series 2020A Bonds will be payable on each January 1 and July 1, commencing January 1, 2021, until maturity or earlier redemption.

The Series 2020A Bonds will be subject to optional redemption, mandatory sinking fund redemption, and extraordinary required redemption prior to maturity, each as more fully described herein under "THE SERIES 2020A BONDS—Optional Redemption," "—Mandatory Sinking Fund Redemption," and "—Extraordinary Required Redemption."

The Series 2020A Bonds are being issued by the City of Houston, Texas (the "City") for the purpose of defeasing the July 1, 2020 maturity of the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (the "Series 2014 Bonds") and paying related costs of issuance. See PLAN OF FINANCE AND APPLICATION OF THE SERIES 2020A BOND PROCEEDS herein. The Series 2014 Bonds were originally issued to provide a portion of the funds for the redemption of the City's outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the "Series 2001 Bonds"), which Series 2001 Bonds were originally issued to finance a portion of the cost of the construction, improvement and equipping of an international passenger terminal and related airport facilities (the "Special Facilities") for use by United Airlines, Inc. ("United," formerly known as Continental Airlines, Inc.) at George Bush Intercontinental Airport/Houston (the "Airport"). The Special Facilities were substantially completed in 2005 and are currently in service at the Airport.

The Series 2020A Bonds will be secured on a parity with the Series 2014 Bonds and will be issued as special limited obligations of the City, payable solely from and secured by a pledge of certain pledged revenues, consisting primarily of rentals to be paid by United pursuant to a Lease described herein between the City and



In addition, the payment to the Trustee of all amounts required for the full and prompt payment of the principal of, premium, if any, and interest on the Series 2020A Bonds will be unconditionally guaranteed by United pursuant to a Guaranty between United and the Trustee, as further described herein. The Series 2020A Bonds will also be payable from and secured by a portion of certain rentals that may be received by the City following a termination of United's possession rights under the Lease while any Series 2020A Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, all as further described herein.

The Series 2020A Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Series 2020A Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City's airport system. In addition, the Series 2020A Bonds shall not constitute obligations of the City's airport system and no revenues of the City's airport system are pledged or will be made available to repay any of the Series 2020A Bonds.

AN INVESTMENT IN THE SERIES 2020A BONDS INVOLVES SIGNIFICANT RISKS. For more complete information with respect to the security and sources of payment for the Series 2020A Bonds and certain risks with respect thereto, see "SECURITY FOR THE SERIES 2020A BONDS," and "CERTAIN BONDOWNERS' RISKS" herein.

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

This cover page and the inside cover page hereto contain certain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in any of the Series 2020A Bonds. Investors are advised to read the Official Statement in its entirety before making an investment decision.

The Series 2020A Bonds are offered when, as and if issued by the City and accepted by the Underwriters (as defined herein) and subject to the approving opinion of the Attorney General of the State of Texas and to receipt of the approving legal opinion of Co-Bond Counsel. Certain legal matters will be passed upon for United by Richa Himani, its Assistant General Counsel - Commercial Transactions and by Mayer Brown LLP, its outside counsel, and for the Underwriters by their counsel O'Melveny & Myers LLP. The Series 2020A Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about June __, 2020 (the "Delivery Date").

Citigroup

Wells Fargo Securities

Siebert Williams Shank & Co., LLC

June __, 2020

* Preliminary, subject to change.

This Preliminary Official Statement and the information herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under applicable securities laws of any such jurisdiction.

\$[]*

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

\$[]* []% Term Bond due [], 20[]
Priced at []% (Yield []%) CUSIP† []

* Preliminary, subject to change.

† CUSIP is a registered trademark of The American Bankers Association. CUSIP numbers have been assigned to the Series 2020A Bonds by the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided solely for the convenience of potential investors. None of the City, United, or the Underwriters are responsible for the selection or accuracy of the CUSIP numbers set forth herein.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement (including Appendices) in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the City, United or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or United since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any of the Series 2020A Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

The City neither has nor assumes any responsibility as to the accuracy of the information in this Official Statement (other than that under the headings "GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General," "NO LITIGATION" and "CO-FINANCIAL ADVISORS," for which the City assumes full and sole responsibility).

THE SERIES 2020A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST INDENTURE (AS DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2020A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE SERIES 2020A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE SERIES 2020A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2020A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF ANY OF THE SERIES 2020A BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

This Official Statement is not to be construed as a contract or an agreement between either the City or United and the purchasers or holders of any of the Series 2020A Bonds. Any statements made in this

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

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

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

[Subject to comments from United's SEC counsel.]

Certain statements contained in or incorporated by reference in this Official Statement are forward-looking and thus reflect the current expectations and beliefs of the City, the Underwriters, or United, as the case may be, with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to United's operations and business environment and other factors that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "remains," "believes," "estimates," "forecast," "guidance," "outlook," "goals," "targets," and similar expressions are intended to identify forward-looking statements.

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

United's actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: [the existing global COVID-19 pandemic and its consequences on economic conditions and the travel industry in general and its impact on the financial position and operating results of the Company, which have been material, are changing rapidly, and cannot be predicted; the outbreak of any other disease or similar public health threat that affects travel demand or travel behavior]; the final terms of borrowing pursuant to the Loan Program under the CARES Act, if any, and the effects of the grant and promissory note through the Payroll Support Program under the CARES Act; the costs and availability of financing; its significant amount of financial leverage from fixed obligations and ability to seek additional liquidity and maintain adequate liquidity; its ability to comply with the terms of its various financing arrangements; the material disruption of its strategic operating plan as a result of COVID-19, and its ability to execute its strategic operating plans in the long term; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel, and energy refining capacity in relevant markets); risks of doing business globally, including instability and political developments that may impact its operations in certain countries; demand for travel and the impact that global economic and political conditions have on customer travel patterns; its capacity decisions and the capacity decisions of its competitors; competitive pressures on pricing and on demand; changes in aircraft fuel prices; disruptions in its supply of aircraft fuel; its ability to cost-effectively hedge against increases in the price of aircraft fuel, if it decides to do so; the effects of any technology failures or cybersecurity or significant data breaches; disruptions to services provided by third-party service providers; potential reputational or other impact from adverse events involving its aircraft or operations, the aircraft or operations of its regional carriers or its codeshare partners or the aircraft or operations of another airline; its ability to attract and retain customers; the effects of any terrorist attacks, international hostilities or other security events, or the fear of such events; the mandatory grounding of aircraft in its fleet; disruptions to its regional network, as a result of the COVID-19 pandemic or otherwise; the impact of regulatory, investigative and legal proceedings and legal compliance risks; the success of its investments in other airlines, including in other parts of the world, which involve significant challenges and risks, particularly given the impact of the COVID-19 pandemic; industry consolidation or changes in airline alliances; the ability of other air carriers with whom it has alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; costs associated with any modification or termination of its aircraft orders; disruptions in the availability of aircraft, parts or support from its suppliers; its ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with its union groups; any disruptions to operations due to any potential actions by its labor groups; labor costs; the impact of any management changes; extended interruptions or disruptions in service at major airports where it operates; U.S. or foreign governmental legislation, regulation, and other actions (including Open Skies agreements, environmental regulations, and the United Kingdom's withdrawal from the European Union); the seasonality of the airline industry; weather conditions; the costs and availability of aviation and other insurance; its ability to realize the full value of its intangible assets and long-lived assets; any impact to its reputation

or brand image; and other risks and uncertainties described in the section entitled "CERTAIN BONDOWNERS' RISKS" of this Official Statement or set forth under Part I, Item 1A, "Risk Factors" in United's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and under Part II, Item 1A, "Risk Factors" in United's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as well as other risks and uncertainties set forth from time to time in the reports filed by United with the U.S. Securities and Exchange Commission. Consequently, the forward-looking statements should not be regarded as representations or warranties by United that such matters will be realized.

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OFFICIAL STATEMENT
relating to

\${_____}]*

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

INTRODUCTION

This Official Statement, dated as shown on the cover page hereof, of the City of Houston, Texas (the "City") is provided to furnish information concerning \$[_____]* aggregate principal amount of the City's Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020A (AMT) (the "Series 2020A Bonds"). The City is a municipal corporation organized as a home rule city, situated principally in Harris County, Texas. The City owns and manages George Bush Intercontinental Airport/Houston (the "Airport"), among other airports within the City.

The Series 2020A Bonds

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

The Series 2020A Bonds are being issued for the purpose of defeasing the July 1, 2020 maturity of the City's outstanding Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2014 (AMT) (such series of bonds, the "Series 2014 Bonds," and the July 1, 2020 maturity of such Series 2014 Bonds being refunded with the proceeds of the Series 2020A Bonds, the "Refunded Series 2014 Bonds") and paying related costs of issuance. See "PLAN OF FINANCE AND APPLICATION OF THE SERIES 2020A BOND PROCEEDS" herein.

The Series 2020A Bonds will be secured on a parity under the Trust Indenture with the outstanding Series 2014 Bonds and any Additional Bonds and Refunding Bonds (each as defined below) issued in the future under the Trust Indenture. Following the refunding of the Refunded Series 2014 Bonds, \$274,480,000 aggregate principal amount of Series 2014 Bonds will remain outstanding. The Series 2014 Bonds, the Series 2020A Bonds, any bonds issued in the future under the Trust Indenture for the purpose of financing Special Facilities (defined herein) ("Additional Bonds"), and any bonds issued under the Trust Indenture to refund any Bonds or Additional Bonds ("Refunding Bonds") are referred to herein as the "Bonds."

The Series 2014 Bonds were originally issued by the City in the principal amount of \$308,660,000 to provide a portion of the funds for the redemption of the City's outstanding Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal E Project), Series 2001 (the "Series 2001 Bonds"), which Series 2001 Bonds were originally issued to finance the construction, improvement and equipping of certain components (the "United Project Components") of an international passenger terminal known as Terminal E and related airport facilities for United Airlines, Inc. ("United," then known as Continental Airlines, Inc.) at the Airport. The United Project Components, together with all extensions, additions or modifications thereto and any facilities financed in the future with Additional Bonds will be collectively referred to in this Official Statement as the "Special Facilities." The City was responsible for separately financing and constructing certain other components of

* Preliminary, subject to change.

Terminal E (the "City Project Components," and together with the United Project Components, the "Terminal E Project"). The Terminal E Project was constructed in two phases (the "Phases"), each of which included certain United Project Components and certain City Project Components. The first Phase (the "South Concourse Phase"), substantially completed in 2004, included United Project Components consisting of the passenger concourse and boarding area of Terminal E and a garage check-in facility, and City Project Components consisting of an aircraft ramp/parking area surrounding Terminal E, a fuel distribution system, and certain utilities infrastructure for Terminal E. The second Phase (the "International Ticketing Facility Phase"), substantially completed in 2005, included the ticketing/check-in area of Terminal E (the "Terminal E Ticketing Hall"), baggage system facilities and related improvements. The interior construction of the Terminal E Ticketing Hall, as well as the baggage system facilities, were United Project Components. The exterior of the Terminal E Ticketing Hall, together with certain passenger bridges between buildings and a baggage tunnel connecting the Terminal E Ticketing Hall to United's baggage system, were City Project Components. See "SECURITY FOR THE SERIES 2020A BONDS" herein.

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

In connection with the Terminal E Project and the issuance of the Series 2001 Bonds, the City and United entered into a Terminal E Lease and Special Facilities Lease Agreement, dated as of August 1, 2001 (as amended and supplemented, the "Lease"). Pursuant to the Lease, United was obligated to construct the United Project Components and the City was obligated to construct the City Project Components of both Phases. Following substantial completion of both Phases of the Terminal E Project, United became unconditionally obligated to pay certain rentals under the Lease (the "Special Facilities Payments") to the Trustee, as assignee of the City, in an amount sufficient to pay the principal of, premium, if any, and interest when due on the Bonds. In addition, United is obligated under the Lease to pay to the City certain additional amounts, including for the right to use and occupy the ground areas underlying the United Project Components (the "Ground Rentals"), certain operating and maintenance expenses and other charges related to the Terminal E Project (the "City Charges"), and certain aircraft landing fees based on the total landed weight of United's aircraft operating at the Airport (the "Landing Fees"), which payments are not pledged to the payment of principal of, premium, if any, and interest on the Series 2020A Bonds.

The Series 2020A Bonds will be issued as special limited obligations of the City payable solely from and secured by a pledge of certain pledged revenues of the City relating to the Terminal E Project (the "Pledged Revenues"), including all Special Facilities Payments paid or payable by United under the Lease, but not including the Ground Rentals, the City Charges or the Landing Fees. Pledged Revenues also include certain revenues that may be realized by the City following a termination of United's possession rights under the Lease with respect to the Terminal E Project while any Bonds remain outstanding, through a reletting of the Special Facilities by the City to one or more replacement tenants, as further described herein. In addition, pursuant to a Guaranty Agreement entered into between United and the Trustee at the time of issuance of the Series 2001 Bonds, as amended and restated as of June 1, 2014 (the "Guaranty"), United has unconditionally guaranteed the payment to the Trustee of all amounts required for the full and prompt payment of the principal of, premium, if any, and interest on the Bonds, including the Series 2020 Bonds.

The Series 2020A Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Series 2020A Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City's airport system. In addition, the Series 2020A Bonds shall not constitute obligations of the City's airport system and no revenues of the City's airport system are pledged or will be made available to repay any of the Series 2020A Bonds.

AN INVESTMENT IN THE SERIES 2020A BONDS INVOLVES SIGNIFICANT RISKS. See "SECURITY FOR THE SERIES 2020A BONDS," and "CERTAIN BONDOWNERS' RISKS" herein.

Simultaneous Issuance

On the date of issuance of the Series 2020A Bonds (the “Delivery Date”), the City intends to issue (i) its Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects), Series 2020B-2 (AMT) to defease in full, and pay related costs of issuance with respect to, the City’s Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal Improvement Projects) Series 2015B-2 (AMT) (the “Series 2015B-2 Bonds”), which refinanced certain improvements at Terminals B, C, and D at the Airport and (ii) its Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2020C to defease in full, and pay related costs of issuance with respect to, the City’s Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2015C (AMT) (the “Series 2015C Bonds”), which refinanced certain non-terminal facilities at the Airport.

Information Relating to Other Matters

United is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith, files reports and other information with the Securities and Exchange Commission (the “SEC”), which may be in the form of combined reports reflecting information about both United and its parent company, United Airlines Holdings, Inc. (“UAL”). Certain information with respect to United and UAL is furnished herein and in APPENDIX A hereto and incorporated therein by reference from materials on file with the SEC. See “UNITED AIRLINES, INC.” herein and Appendix A—“Availability of Certain Information Relating to United Airlines, Inc.” Such information has been provided by United and has not been independently verified by the City or the Underwriters, and neither the City nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. In addition, certain information with respect to the City and its airport system is furnished herein under the captions “GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON—General,” “NO LITIGATION,” and “CO-FINANCIAL ADVISORS.” Such information has been provided by the City and has not been independently verified by United or the Underwriters, and neither United nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information. Further, in connection with the issuance and sale of the Series 2020A Bonds, United will agree to provide certain annual financial information and notices of the occurrence of certain events. See “CONTINUING DISCLOSURE” and Appendix F—“Form of Continuing Disclosure Agreement” herein.

This Official Statement contains certain information and descriptions relating to the Airport, United, the Terminal E Project, the Special Facilities, the Series 2020A Bonds, the Lease, the Guaranty, and the Trust Indenture. Such information and descriptions do not purport to be comprehensive or definitive. All references herein to specified documents are qualified in their entirety by reference to each such document, copies of which are available from United and the Underwriters during the initial offering period, and all references to any of the Series 2020A Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the aforesaid documents. Capitalized terms not defined herein have the meanings specified in the Trust Indenture. See Appendix B—“Certain Provisions of the Trust Indenture—Selected Definitions from the Trust Indenture.”

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

PLAN OF FINANCE AND APPLICATION OF THE SERIES 2020A BOND PROCEEDS

Plan of Finance

The Series 2020A Bonds are being used for the purpose of defeasing the Refunded Series 2014 Bonds and paying related costs of issuance. See “—Estimated Sources and Uses of Funds for the Series 2020A Bonds” below.

Refunded Bonds

A portion of the proceeds of the Series 2020A Bonds will be deposited in an escrow fund (the "Escrow Fund") with The Bank of New York Mellon Trust Company, National Association, as escrow agent (the "Escrow Agent"), in an amount sufficient to pay, when due, the principal of and interest on the Refunded Series 2014 Bonds. The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the securities, together with other available funds held in the Escrow Fund, to provide for the payment of the Refunded Series 2014 Bonds, will be verified by Robert Thomas CPA, LLC.

On the Delivery Date, by making the deposits to the Escrow Fund required by the Trust Indenture and the escrow agreement to be entered into with the Escrow Agent in connection with the Refunded Series 2014 Bonds (the "Escrow Agreement"), firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Series 2014 Bonds pursuant to the provisions of Chapter 1207, Texas Government Code, as amended. Thereafter, the Refunded Series 2014 Bonds will be deemed to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor pursuant to the Escrow Agreement.

Estimated Sources and Uses of Funds for the Series 2020A Bonds

The following table sets forth the estimated sources and uses of funds for the Series 2020A Bonds:

SOURCES OF FUNDS

Par Amount	\$ _____
[Original Issue Premium/Discount]	_____
Total	\$ _____

USES OF FUNDS

Deposit into Escrow Fund ¹	\$ _____
Deposit into Series 2020A Proceeds Fund to Pay Costs of Issuance ²	_____
Interest and Redemption Fund deposit	_____
Total	\$ _____

¹ The deposit into the Escrow Fund is calculated to be sufficient to pay the principal amount of and accrued interest on the Refunded Series 2014 Bonds at the date of their maturity on July 1, 2020 (and such calculations will be verified by Robert Thomas CPA, LLC, verification agent).

² Includes underwriting discount and other costs of issuance.

GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON

General

The Airport is the nation's 14th busiest airport (as measured by enplaned passengers in calendar year 2018) and is classified as a "large hub airport" by the Federal Aviation Administration ("FAA"). The Airport is situated on approximately 10,000 acres of land approximately 22 miles north of downtown Houston. Opened in 1969, it is the Houston area's busiest commercial airport. It serves as an international gateway airport and a primary connecting point in the national air transportation system. Additionally, the Airport is the primary air cargo airport for the region. There are also two other airports located in the Houston area, William P. Hobby Airport and

Ellington Airport, both of which are also owned and operated by the City and included as part of the City's airport system.

The Airport's passenger terminal facilities currently consist of five terminal buildings and related concourses -- Terminals A, B, C, D and E -- with a total of 128 aircraft gates. The facilities provide public parking for nearly 24,000 automobiles in multi-story garages and surface lots, an automated underground inter-terminal train system (the "Subway") that connects (pre-security) the existing five terminals and the Marriott Hotel, and an above-ground level automated people mover system (the "Skyway") that connects (post-security) all five terminals and a central federal customs and immigration inspection services building (the "Central FIS Facility") accommodating international arrivals from Terminals D and E.

Terminal A contains 19 aircraft gates, including seven hardstand positions, and is used by various airlines (including United and its United Express affiliates) for domestic and precleared international aircraft operations. Foreign-flag airlines operate international operations out of Terminal D, which contains 12 aircraft gates. Additionally, Terminal D is used by United and its United Express affiliates and Spirit Airlines for some international arrivals. Terminals B, C, and E are used exclusively by United and its United Express affiliates. Terminal B, containing 42 aircraft gates, is used by United for its regional jet operations. United has been redeveloping Terminal B, which redevelopment has consisted of two completed phases; additional phases may or may not be constructed in the future. Opened in May 2013, Phase 1 of the redevelopment consisted of the construction of a new South Concourse building containing 30 ground-level loading positions for regional jet operations. The development of the new North Concourse building in Terminal B (also known as Terminal C North), which opened March 20, 2017 contains 11 aircraft gates and was Phase 2 in the redevelopment of Terminal B. Additional phases of the redevelopment of Terminal B may or may not be constructed by United, as determined in its sole discretion, provided that the Director of the Houston Airport System must consent to the construction of any such additional phase. Terminal C contains 19 aircraft gates and primarily accommodates United and its United Express domestic operations. Terminal E, containing 23 gates, is used by United for mainline international arrivals and departures and some domestic arrivals and departures and by United Express for some international arrivals. The Central FIS Facility is located between Terminal D and Terminal E and has the capacity to process up to approximately 4,500 arriving international passengers per hour. In addition, the City is planning to undertake a redevelopment of Terminal D. The Terminal D redevelopment is expected to take multiple years to complete, and will include, among other things, an increase in the number of wide-body aircraft gates at Terminal D and the construction of a new ticketing hall adjacent to the existing Central FIS Facility and will be designed to enhance international service to and from Houston.

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

Also located at the Airport property are multiple air cargo buildings providing nearly one million square feet of space and a fuel farm that currently provides approximately 13 million gallons of storage capacity for jet fuel. Two fixed base operators provide airline, corporate and general aviation aircraft operations support. The Marriott Hotel is located between Terminals B and C and has 568 rooms that underwent a substantial renovation completed in January 2016. United leases aircraft hangar and maintenance facilities at the Airport. United also leases an aircraft catering kitchen and a flight attendant training facility at the Airport. ExpressJet operates a flight training center. A consolidated rental car facility opened in August 2003 and was financed with the proceeds of certain bonds issued in 2001 that are not obligations of the City or of United and that are secured by and payable from a customer facility charge assessed on rental car customers at the Airport.

United's Operations at the Airport

[Additional language to be provided.]

United's Current Terminal Facilities at the Airport

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

Terminal A

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

Terminal B

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
Second Amended and Restated Special Facilities Lease ("Terminal B and C Lease") effective as of November 17, 2011	Exclusive use of 12 aircraft gates and preferential use of 30 aircraft gates	Ending November 16, 2041 with respect to certain facilities, and ending December 31, 2024 with respect to certain other facilities, subject in each case to certain extension rights and early termination provisions
	Exclusive use of 14 hardstand aircraft parking positions	
	Exclusive use of 11 aircraft gates in the North Concourse of Terminal B (also known as Terminal C North)	
	Exclusive use of certain related support facilities	
	Preferential use of certain airfield apron areas	

Terminal C

<u>Agreements</u>	<u>Facilities</u>	<u>Term</u>
Terminal C South Net Use and Lease Agreement effective as of April 10, 2015 (the "Use and Lease Agreement")	Exclusive use of 19 aircraft gates	Ending December 31, 2037, subject to certain extension rights and early termination provisions
	Exclusive use of certain related support facilities	
	Preferential use of certain airfield apron areas	
Terminal B and C Lease	Certain facilities located in Terminal C	Ending December 31, 2027, subject to certain extension rights and early termination provisions

Terminal D

<u>Agreement</u>	<u>Facilities</u>	<u>Term</u>
International Facilities Agreement effective as of July 1, 2004 (the "International Facilities")	Common use rights to aircraft gates Common use of certain baggage and support facilities	December 31, 2021, subject to either party's right to terminate upon thirty (30) days' prior written notice to

Agreement”)

the other party

Terminal E

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

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

The only rent payments pledged to the repayment of the Series 2020A Bonds are Special Facilities Payments paid by United under the Lease, and none of United’s payments of rentals under agreements other than the Lease are pledged to the repayment of the Series 2020A Bonds.

Certain bonds, in addition to the Series 2014 Bonds, have previously been issued by the City for the benefit of United to finance and/or refinance improvements used by United at various terminals at the Airport. Specifically, the following such bonds are currently outstanding and will remain outstanding following issuance of the Series 2020A Bonds: \$113,305,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (Continental Airlines, Inc. Terminal Improvement Projects), Series 2011 (AMT) (the “Series 2011 Bonds”), which financed improvements at Terminal B at the Airport, and \$176,650,000 aggregate principal amount of the City’s Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Terminal Improvement Projects) Series 2015B-1 (AMT) (the “Series 2015B-1 Bonds”), which financed improvements at Terminal B at the Airport.

In addition, the Series 2015B-2 Bonds, which refinanced improvements at Terminal B and Terminal C at the Airport, are currently outstanding in the aggregate principal amount of \$47,390,000, and the City expects to defease the Series 2015B-2 Bonds in their entirety simultaneously with the issuance of the Series 2020A Bonds. See “INTRODUCTION—Simultaneous Issuance” herein. The bonds previously issued and to be issued by the City to finance or refinance terminal facilities, other than Terminal E facilities, for the benefit of United at the Airport are collectively referred to herein as the “Terminal Bonds.”

The outstanding Terminal Bonds will not be affected by the issuance of the Series 2020A Bonds. Under United’s various lease agreements with the City, United is obligated to pay net rentals to the City in an amount sufficient to pay as and when due all debt service payments on the Terminal Bonds. No such payments with respect to any Terminal Bonds are pledged to the repayment of the Series 2020A Bonds, and none of the Pledged Revenues under the Lease are pledged to repayment of any Terminal Bonds. There are no currently-outstanding bonds for which United is responsible in connection with the facilities used by United at Terminals A or D at the Airport.

United’s Other Facilities at the Airport

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

training operations in Denver. United also leases various off-airport facilities in the immediate vicinity of the Airport for various United support functions.

Certain bonds have previously been issued by the City for the benefit of United to finance and/or refinance some of such non-terminal support facilities and improvements used by United at the Airport. The bonds previously issued and to be issued by the City to finance or refinance certain support facilities for the benefit of United at the Airport are collectively referred to herein as the "Support Facility Bonds." Specifically, the following Support Facility Bonds are currently outstanding and will remain outstanding following issuance of the Series 2020A Bonds: (i) \$46,425,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Airport Improvement Projects), Series 2018C (AMT), which financed the improvement, renovation, expansion and repair of certain facilities to support United's operations at the Airport, including improvements to an existing aircraft maintenance hangar facility, and (ii) \$90,650,000 aggregate principal amount of the City's Airport System Special Facilities Revenue Bonds (United Airlines, Inc. Technical Operations Center Project), Series 2018 (AMT), which financed the construction and installation of a technical operations center and related facilities at the Airport. In addition, the Series 2015C Bonds, which refinanced certain non-terminal facilities at the Airport, are currently outstanding in the aggregate principal amount of \$65,785,000, and the City intends to issue the Series 2020C Bonds in an aggregate principal amount sufficient to defease in full the Series 2015C Bonds simultaneously with the issuance of the Series 2020B-2 Bonds. See "INTRODUCTION—Simultaneous Issuance" herein.

None of the Support Facility Bonds will be affected by the issuance of the Series 2020A Bonds. Under United's lease agreements with the City with respect to United's support facilities at the Airport financed with the proceeds of the Support Facility Bonds, United is obligated to pay net rentals to the City in an amount sufficient to pay as and when due all debt service payments on the Support Facility Bonds. No such payments with respect to any Support Facility Bonds are pledged to the repayment of the Series 2020A Bonds, and none of the Special Facilities Payments or other Pledged Revenues under the Trust Indenture are pledged to repayment of any Support Facility Bonds.

THE TERMINAL E PROJECT AND RELATED LEASE ARRANGEMENTS

Description of the Terminal E Project

The Terminal E Project, United's rental payments for which will constitute the primary security for the Series 2020A Bonds, consists of an approximately 625,000 square foot international passenger terminal building at the Airport known as Terminal E, which includes a passenger concourse and boarding area containing 23 aircraft gates and various retail shops and concessions. The Terminal E Project also includes an approximately 100,000 square foot ticketing/check-in facility, baggage system facilities, certain airside improvements (such as aircraft ramp/parking areas and a fuel distribution system), a garage check-in facility, and certain ancillary improvements. Most of United's international flight operations at the Airport are operated out of Terminal E, as are many of United's domestic flight operations.

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

See "—Memorandum of Agreement Relating to the Lease" herein for a description of the terms of the Memorandum of Agreement between the City and United relating to the City's intent to construct a New Central Processor Building that will replace the Terminal E Ticketing Hall.

The Lease

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

Term. The term of the Lease will end on January 31, 2030 (which is beyond the final scheduled maturity of the Series 2020A Bonds), unless terminated earlier on account of an event of default thereunder. (For a description of potential events of default under the Lease, see Appendix C—“Certain Provisions of the Lease—Article 10—Events of Default and Remedies.”) United has the option to extend the term of the Lease for an additional five-year period, subject to certain requirements and conditions. See “—Memorandum of Agreement Relating to the Lease” herein for a description of the terms to which the City and United have agreed relating to amending the term of the Lease.

Rentals. Under the Lease, for so long as any Bonds remain outstanding, United is obligated to pay Special Facilities Payments to the Trustee, as assignee of the City, in an amount that, together with certain amounts on deposit in the Interest and Redemption Fund established under the Trust Indenture, is sufficient to pay as and when due the principal of, premium, if any, and interest on the outstanding Bonds, including the Series 2020A Bonds.

In addition, under the Lease, United is obligated to pay directly to the City additional amounts, including certain Ground Rentals for the right to use and occupy the ground areas underlying the United Project Components, certain City Charges with respect to operating and maintenance expenses and other charges in connection with the Terminal E Project, and certain Landing Fees based on the total landed weight of United’s aircraft operating at the Airport. United’s payments of the Special Facilities Payments under the Lease, but not the Ground Rentals, City Charges, Landing Fees, or any other rentals under agreements other than the Lease, will constitute the principal security for the Series 2020A Bonds. See “SECURITY FOR THE SERIES 2020A BONDS—Special Facilities Payments” herein.

Memorandum of Agreement Relating to the Lease

The City and United have also entered into an Amended and Restated Memorandum of Agreement, effective as of December 31, 2018 (the “Memorandum of Agreement”), which, among other things, includes terms pursuant to which United may sublease to the City certain of United’s exclusive lease space in Terminal E (which is currently leased to United by the City pursuant to the Lease), including the Terminal E Ticketing Hall, to enable the City to construct, at the City’s cost and expense, a new central processor building (the “New Central Processor Building”). The New Central Processor Building to be constructed by the City is expected to consolidate the following functions serving Terminal D and Terminal E: ticketing, security screening checkpoint, checked baggage inspection and screening, domestic and pre-cleared baggage claim, and roadways and curbsides. [Pursuant to the terms of the Memorandum of Agreement, in place of the space that United will sublease to the City, the City will lease to United new permanent space in the consolidated and expanded ticketing hall and check-in facility.] [*Confirm intended reletting rights with respect to MOA facilities.*] The construction of the New Central Processor Building may, prior to the time that United has access to the new ticketing and check-in facility, require a temporary relocation of United’s current Terminal E ticketing operation. The City and United have not yet entered into an agreement for United to sublease to the City United’s exclusive lease space in Terminal E.

In the Memorandum of Agreement, the City and United agreed that they anticipate amending the Lease to replace United’s five-year extension option for Terminal E with an option period of 15 years, other than with respect to the existing Terminal E Ticketing Hall (which, if exercised, would cause the Lease to expire in 2045), subject to applicable state law regarding length of term and subject to applicable federal tax laws and state laws regarding the Bonds.

THE SERIES 2020A BONDS

General

The Series 2020A Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof.

The Series 2020A Bonds will mature on the date and in the principal amount, and bear interest at the rate per annum, shown on the inside cover page hereto. Interest on each Series 2020A Bond will accrue from the Delivery Date, payable on each January 1 and July 1, commencing January 1, 2021, until maturity or earlier redemption. Interest on the Series 2020A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2020A Bonds will mature on their stated date(s) unless redeemed prior to such date(s), as described herein. For as long as the Series 2020A Bonds are book-entry bonds, as described in Appendix E—"Book-Entry-Only System," payment of the principal of, premium, if any, and interest on such Series 2020A Bonds and all notices with respect to such Series 2020A Bonds shall be made and given in accordance with The Depository Trust Company's ("DTC") operational arrangements. If, in the future, the Series 2020A Bonds cease to be book-entry bonds, the principal of any Series 2020A Bond will be payable, on presentation and surrender of such Series 2020A Bond, in lawful money of the United States of America, without exchange or collection charges to the registered owner of such Series 2020A Bond, at the corporate trust office of the Trustee, as the paying agent for the Series 2020A Bonds. All interest accruing prior to maturity on any Series 2020A Bond that ceases to be a book-entry bond shall be paid by check mailed to the registered owner of such Series 2020A Bond as of December 15 (with respect to interest payments on the following January 1) or June 15 (with respect to interest payments on the following July 1), at such registered owner's address as it appears on the registration books of the Trustee.

Except as described in Appendix E—"Book-Entry-Only System," the transfer of any Series 2020A Bond shall be registerable only upon presentation and surrender thereof at the corporate trust office of the Trustee, acting in its capacity as bond registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered owner or his authorized representative in form satisfactory to the Trustee. Upon due presentation of any Series 2020A Bond for registration of transfer, the Trustee shall authenticate and deliver in exchange therefor a new Series 2020A Bond or Series 2020A Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing or accruing interest at the same rate as the Series 2020A Bond or Series 2020A Bonds so presented and surrendered. The City or the Trustee may require the registered owner of any Series 2020A Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the registration of transfer or exchange of such Series 2020A Bond.

The City, the Trustee, and any other person may treat the person in whose name any Series 2020A Bond is registered as the absolute registered owner of such Series 2020A Bond for the purpose of making payment of the principal of and premium, if any, on such Series 2020A Bond, and for the further purpose of making payment of interest thereon, for the purpose of giving notice to the holder of such Series 2020A Bond, and for all other purposes, whether or not such Series 2020A Bond is overdue, and neither the City nor the Trustee shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the registered owner of any Series 2020A Bond in accordance with the Trust Indenture shall be valid and effectual and shall discharge the liability of the City and the Trustee upon such Series 2020A Bond to the extent of the sums paid.

Redemption of the Series 2020A Bonds

Optional Redemption

The Series 2020A Bonds maturing on July 1, 20__ may be redeemed at the option of the City, upon the request of United, prior to their stated maturity, in whole or in part, at any time on or after July 1, 20__, for an amount equal to the accrued interest thereon to the date fixed for redemption plus a redemption price equal to 100% of the principal amount to be redeemed.

Mandatory Sinking Fund Redemption

The Series 2020A Bonds issued as term bonds ("Term Bonds" and each a "Term Bond") maturing on July 1 in the years 20__ and 20__ are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as hereinafter provided), on the following dates ("Mandatory Redemption Dates"), at a price equal to the principal amount of the Term Bonds to be redeemed plus accrued interest to (but not including) the applicable Mandatory Redemption Date, subject to the conditions set forth below:

\$ _____ Term Bond Maturing July 1, 20__	
Mandatory Redemption Date (July 1)	Principal Amount to be Redeemed
	\$

*Maturity

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

Extraordinary Required Redemption

The Series 2020A Bonds are subject to extraordinary required redemption on any date at a redemption price equal to the principal amount of such Series 2020A Bonds to be redeemed plus accrued interest, if any, to the redemption date, under the following circumstances:

(i) in whole or in part in the event all or any part of the United Project Components in either or both of the South Concourse Phase or the International Ticketing Facility Phase are damaged or destroyed, or taken or condemned in any eminent domain or like proceeding, from such insurance proceeds or condemnation awards as may be provided pursuant to the Lease, to the extent proceeds from insurance or condemnation are not used to rebuild such United Project Components (see "SECURITY FOR THE SERIES 2020A BONDS—Insurance Proceeds, Condemnation and Related Matters" below);

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

(iii) in whole or in part, at any time not later than 120 days after interest on the Series 2020A Bonds shall be finally determined, upon the basis of a ruling of the Internal Revenue Service (which ruling is not challenged by appropriate proceedings) or a final determination by a court of

competent jurisdiction (which is not or cannot be appealed), to be includable in gross income for federal income tax purposes (except with respect to interest on any Series 2020A Bond during such time that it is held by any registered owner who is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2020A Bonds or a "related person" to such a "substantial user," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended) as a result of the failure of United to comply with its obligations under the Lease (a "Determination of Taxability"). The Series 2020A Bonds will be redeemed in whole upon a Determination of Taxability, unless in the opinion of nationally recognized bond counsel, redemption of a portion of such Series 2020A Bonds would have the result that interest payable on the remaining Series 2020A Bonds outstanding after redemption would not be so included in gross income for federal income tax purposes, in which event only such portion will be redeemed.

Redemption Procedures

Notice of any mandatory, extraordinary required, or optional redemption identifying the Series 2020A Bonds to be redeemed, shall be given in writing by the Trustee by first-class mail, postage pre-paid to the registered owners of all of the Series 2020A Bonds to be so redeemed not less than thirty (30) days before the date fixed for such redemption and, in the case of optional redemption or extraordinary required redemption, shall be given in writing by the City to the Trustee not less than forty-five (45) days before the date fixed for redemption, or such shorter period as may be acceptable to the Trustee. Notice of redemption shall also be sent to any securities depository institutions registered under the Securities Exchange Act of 1934, as amended, acting as securities depository for the Series 2020A Bonds, and such notice shall be delivered to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. Each redemption notice shall contain the name of the Series 2020A Bonds, CUSIP numbers, certificate numbers (if applicable), the date fixed for redemption, the redemption price, the redemption agent's name and address with a contact telephone number, the date of issuance, the maturity date, and any condition to the redemption, and may contain any other information appropriate to identify the Series 2020A Bonds to be redeemed. If such written notice of redemption is given, and if due provision for payment of the redemption price is made by the City with the Trustee or escrow agent (as applicable), all as provided above, the Series 2020A Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid by the Trustee with the funds so provided for such payment. Optional redemption of the Series 2020A Bonds, pursuant to the notice described herein, may be conditioned upon a deposit of funds sufficient to pay the Series 2020A Bonds scheduled to be redeemed prior to maturity, and may be made subject to any other condition specified by the City in the notice of redemption. If due provision for such payment is not made by the date fixed for redemption or if any specified condition is not satisfied by the redemption date, the Series 2020A Bonds shall continue to bear interest and remain outstanding and the applicable redemption notice shall have no effect.

In the event of a redemption of less than all of the Series 2020A Bonds, the particular Series 2020A Bonds to be redeemed shall be selected in accordance with the terms of this paragraph. In the event of any optional redemption of less than all of the Series 2020A Bonds, the particular maturity and principal amount of Series 2020A Bonds to be redeemed shall be selected by United, or if not so selected then by lot or other customary method determined by the Trustee (subject to DTC operational requirements for term bonds held by DTC) and the reduction in principal amount of Series 2020A Bonds to be mandatorily redeemed on any Mandatory Redemption Date as a result of any such redemption of less than all of the Series 2020A Bonds, as provided above, shall be made as provided under the subheading "—Mandatory Sinking Fund Redemption" above. In the event of any extraordinary required redemption of less than all of the Series 2020A Bonds outstanding, the particular Series 2020A Bonds to be redeemed shall be determined by the Trustee, allocating the principal amount to be redeemed as nearly as feasible pro rata among the maturities (and among mandatory redemption requirements within maturities) and interest rates of all Series 2020A Bonds (subject to DTC operational requirements for term bonds held by DTC). The portion of any Series 2020A Bonds to be redeemed shall be in integral multiples of \$5,000, provided that no such redemption shall leave any Series 2020A Bond outstanding in an amount less than \$100,000.

SECURITY FOR THE SERIES 2020A BONDS

Pursuant to the Trust Indenture, the City has assigned to the Trustee, for the benefit of the holders of the Bonds, including the Series 2020A Bonds, and to secure the due payment of the principal of, premium, if any, and interest on the Bonds, including the Series 2020A Bonds, all of its right, title and interest in and to certain Pledged Revenues, including (i) all Special Facilities Payments received or receivable from United by the City under the Lease, (ii) certain net receipts derived by the City from the exercise of any right, obligation or remedy specified or permitted by the Lease, including the potential reletting of the Special Facilities and related ground areas to a replacement tenant or tenants following an event of default by United under the Lease, (iii) any insurance proceeds or refunds and all condemnation awards available or payable to the City and related to the United Project Components and (iv) any amounts on deposit in certain funds and accounts held by the Trustee under the Trust Indenture, including, without limitation, the Interest and Redemption Fund.

The Series 2020A Bonds shall never constitute an indebtedness of the City within the meaning of any provisions of the Constitution or laws of the State of Texas or the City's Home Rule Charter and shall not be general obligations of the City. The holders of the Series 2020A Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and may not be repaid in any circumstances from tax revenues or general revenues of the City's airport system. In addition, the Series 2020A Bonds shall not constitute obligations of the City's airport system and no revenues of the City's airport system are pledged or will be made available to repay any of the Series 2020A Bonds.

AN INVESTMENT IN THE SERIES 2020A BONDS INVOLVES SIGNIFICANT RISKS. See "CERTAIN BONDOWNERS' RISKS" herein.

A more detailed description of certain of the Pledged Revenues and other matters related to the security for the Series 2020A Bonds follows.

Special Facilities Payments

Under the Lease, for so long as any Bonds remain outstanding under the Trust Indenture, United is obligated to pay Special Facilities Payments to the Trustee, as assignee of the City, in an amount that (together with amounts on deposit in the Interest and Redemption Fund established under the Trust Indenture in excess of the amount then needed to pay previously-matured interest, principal and redemption premiums, if any) is sufficient to pay as and when due the principal of, premium, if any, and interest on outstanding Bonds, including the Series 2020A Bonds.

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

United shall pay the Special Facilities Payments to the City by depositing such funds directly with the Trustee for the account of the Interest and Redemption Fund under the Trust Indenture. United is also obligated under the Lease to pay to the City certain Ground Rentals with respect to the ground areas underlying the United Project Components, certain City Charges with respect to operating and maintenance expenses and other charges in connection with the Terminal E Project, and certain Landing Fees based on the total landed weight of United's aircraft operating at the Airport. United will also continue to be obligated to pay other additional rentals to the City under its separate lease agreements with the City with respect to the terminals and other non-terminal facilities at the Airport. Such Ground Rentals, City Charges, Landing Fees and other additional rentals will not be part of the Pledged Revenues under the Trust Indenture and will not constitute security for the Series 2020A Bonds. See Appendix C—"Certain Provisions of the Lease—Article 6—Special Facilities Payments; Other Rent and Charges."

Payments of Special Facilities Payments by United under the Lease will constitute the principal security for the payment of the principal of, premium, if any, and interest on the Series 2020A Bonds. The ability of United to pay such Special Facilities Payments will be dependent upon the financial condition and results of operations of United. For a description of certain risks relating to United and its ability to pay Special Facilities

Payments under the Lease, see “CERTAIN BONDOWNERS’ RISKS—Obligation of United as Primary Security; Certain Risks with Respect to United,” “—Risk Factors Relating to United,” and “—Possible Limitations on Damages Against United Upon a United Bankruptcy” herein.

The Guaranty

The owners of the Series 2020A Bonds are also entitled to the benefits of the Guaranty from United to the Trustee, under which United has unconditionally and irrevocably guaranteed to the Trustee, for the benefit of the owners of the Bonds, including the Series 2020A Bonds, the full and prompt payment of the principal of and premium, if any, on the Bonds when and as the same become due and payable as provided in the Trust Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise, and the full and prompt payment of the interest on the Bonds when and as the same becomes due and payable as provided in the Trust Indenture. United’s obligations under the Guaranty to support payment of the Bonds, including the Series 2020A Bonds, are solely an obligation of United, and not of UAL or any other existing or future subsidiary of UAL. The obligations of United under the Guaranty are unsecured and are intended to be independent of those set out in the Lease and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. However, a bankruptcy court could limit a claim against United under both the Lease and the Guaranty. See “CERTAIN BONDOWNERS’ RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy” and Appendix D—“Certain Provisions of the Guaranty.”

Reletting

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

All gross proceeds derived by the City from any charges and/or rents (net of City Charges and any Ground Rentals attributable to the period after such reletting commences, and up to the amount of all Special Facilities Payments payable under the Lease) shall be remitted to the Trustee for deposit in the Interest and Redemption Fund to support repayment of the Bonds, including the Series 2020A Bonds, and constitute part of the Pledged Revenues securing repayment of the Bonds, including the Series 2020A Bonds. See Appendix C—“Certain Provisions of the Lease—Article 10—Events of Default and Remedies.” See also Appendix B—“Certain Provisions of the Trust Indenture—Selected Definitions from the Trust Indenture—Pledged Revenues.” In the event that the amounts received by the City from any reletting are insufficient, after deduction therefrom of City Charges and Ground Rentals to make all necessary payments of the principal of, redemption premium (if any), and interest on the Bonds (including the Series 2020A Bonds) as and when such amounts become due, the available remaining amounts would be allocated among the outstanding series of Bonds in proportion to the amount of debt service due and payable on each series of Bonds, as and when such payments become due and payable.

Notwithstanding the foregoing, certain legal and practical considerations could inhibit or materially delay the City’s ability to relet the Special Facilities, or otherwise derive sufficient receipts therefrom in order to make all payments when due in respect of the Series 2020A Bonds. Additionally, the amount of any deductions from reletting proceeds for City Charges and Ground Rentals cannot be predicted at this time, may vary from year to year, and could be material in any year (depending, among other things, on market conditions affecting reletting proceeds at the time reletting occurs). See “CERTAIN BONDOWNERS’ RISKS—Limitations Upon the City’s Ability to Relet the Special Facilities; Availability of Reletting Revenues” and “—Possible Limitations on Damages Against United Upon a United Bankruptcy” herein.

Insurance Proceeds, Condemnation and Related Matters

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

If any Special Facilities are subject to a casualty or condemnation, any related insurance or condemnation proceeds shall be used by United to repair and rebuild the affected Special Facilities, and United shall use its own funds to pay for any deficiency if such proceeds are insufficient for such purpose. To the extent any insurance or condemnation proceeds are not used to repair and rebuild the affected Special Facilities, such proceeds shall be used by United to redeem Series 2020A Bonds. See “THE SERIES 2020A BONDS—Extraordinary Required Redemption” above.

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

Additional Bonds

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

UNITED AIRLINES, INC.

[Subject to further review and update by United.]

Corporate Structure

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

The obligation to pay any amounts due to support payment of the Series 2020A Bonds will be solely an obligation of United, and not of UAL or any other existing or future direct or indirect subsidiary of UAL.

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

General

The Company transports people and cargo throughout North America and to destinations in Asia, Europe, Africa, the Pacific, the Middle East, and Latin America. UAL, through United and its regional carriers, operates more than 4,900 flights a day to 362 airports across six continents, with hubs at the Airport, Newark Liberty International Airport, Chicago O’Hare International Airport, Denver International Airport, Los Angeles International Airport, A.B. Won Pat International Airport, San Francisco International Airport and Washington Dulles International Airport.

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

Regional Operations

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. This regional service complements the Company's operations by carrying traffic that connects to Company hubs and allows flights to smaller cities that cannot be provided economically with mainline aircraft. Champlain Enterprises, LLC d/b/a CommutAir, Republic Airline Inc., ExpressJet Airlines LLC, GoJet Airlines LLC, Mesa Airlines, Inc., SkyWest Airlines, Inc., and Air Wisconsin Airlines LLC are all regional carriers that operate with capacity contracted to United under capacity purchase agreements ("CPAs"). Under these CPAs, the Company pays the regional carriers contractually agreed fees (carrier costs) for operating these flights plus a variable rate adjustment based on agreed performance metrics, subject to annual adjustments. The fees are based on specific rates multiplied by specific operating statistics (e.g., block hours, departures), as well as fixed monthly amounts. Under these CPAs, the Company is also responsible for all fuel costs incurred, as well as landing fees and other costs, which are either passed through by the regional carrier to the Company without any markup or directly incurred by the Company. In some cases, the Company owns some or all of the aircraft subject to the CPA, and leases such aircraft to the regional carrier. In return, the regional carriers operate the capacity of the aircraft included within the scope of such CPA exclusively for United, on schedules determined by the Company. The Company also determines pricing and revenue management, assumes the inventory and distribution risk for the available seats and permits mileage accrual and redemption for regional flights through its MileagePlus loyalty program.

Alliances

United is a member of Star Alliance, a global integrated airline network and the largest and most comprehensive airline alliance in the world. As of January 1, 2020, Star Alliance carriers served nearly 1,300 airports in 195 countries with more than 19,000 daily departures. Star Alliance members, in addition to United, are Aegean Airlines, Air Canada, Air China, Air India, Air New Zealand, All Nippon Airways ("ANA"), Asiana Airlines, Austrian Airlines, Aerovías del Continente Americano S.A. ("Avianca"), Brussels Airlines, Copa Airlines, Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, SAS Scandinavian Airlines, Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Air Portugal, THAI Airways International and Turkish Airlines. In addition to its members, Star Alliance includes Shanghai-based Juneyao Airlines as a connecting partner.

United has a variety of bilateral commercial alliance agreements and obligations with Star Alliance members, addressing, among other things, reciprocal earning and redemption of frequent flyer miles, access to airport lounges and, with certain Star Alliance members, codesharing of flight operations (whereby one carrier's selected flights can be marketed under the brand name of another carrier). In addition to the alliance agreements with Star Alliance members, United currently maintains independent marketing alliance agreements with other air carriers, including Aeromar, Aer Lingus, Air Dolomiti, Azul Linhas Aéreas Brasileiras S.A., Boutique Air, Cape Air, Edelweiss, Eurowings, Hawaiian Airlines, Olympic Air, Silver Airways and Vistara. In addition to the marketing alliance agreements with air partners, United also offers a train-to-plane codeshare and frequent flyer alliance with Amtrak from Newark Liberty International Airport on select city pairs in the northeastern United States.

United also participates in four passenger joint business arrangements ("JBAs"), one with Air Canada and the Lufthansa Group (which includes Lufthansa and its affiliates Austrian Airlines, Brussels Airlines, Eurowings and SWISS) covering transatlantic routes, one with ANA covering certain transpacific routes, one with Air New Zealand covering certain routes between the United States and New Zealand, and one with Avianca and Copa Airlines, which, upon receipt of regulatory approvals will cover routes between the United States and Central

and South America, excluding Brazil. These passenger JBAs enable the participating carriers to integrate the services they provide in the respective regions, capturing revenue synergies and delivering enhanced customer benefits, such as highly competitive flight schedules, fares and services. United also participates in cargo JBAs with ANA for transpacific cargo services and with Lufthansa for transatlantic cargo services. These cargo JBAs offer expanded and more seamless access to cargo space across the carriers' respective combined networks.

Additional Information

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

CERTAIN BONDOWNERS' RISKS

[Subject to further review and update by United.]

The following section describes certain risk factors affecting the payment of and security for the Series 2020A Bonds. The following discussion is not meant to be an exhaustive list of all the risks associated with the purchase of any Series 2020A Bonds and does not necessarily reflect the relative importance of the various risks. In evaluating the Series 2020A Bonds, potential investors should carefully consider all of the information contained in or incorporated by reference in this Official Statement, including but not limited to the Annual Report on Form 10-K for the Company for the year ended December 31, 2019 (the "2019 Annual Report"), the Quarterly Report on Form 10-Q for the Company for the quarter ended March 31, 2020, and other information which may be incorporated by reference in this Official Statement after the date hereof. In addition to the risk factors set forth below, potential purchasers of the Series 2020A Bonds should consider risk factors set forth under the caption "Risk Factors" contained in the 2019 Annual Report. More financial information about United may be found at <http://www.sec.gov>. See also "UNITED AIRLINES, INC." above and APPENDIX A—"AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC."

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

Payments of Special Facilities Payments by United under the Lease and any amounts payable by United under the Guaranty will constitute the principal security for the payment of the principal of, premium, if any, and interest on the Series 2020A Bonds. The obligation of United to make payments of Special Facilities Payments under the Lease and to make payments under the Guaranty will constitute an absolute and unconditional general obligation of United. Payment of such amounts will be dependent upon the financial condition and results of operations of United.

Risk Factors Relating to United

[Subject to further review and update by United prior to launch.]

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

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China, and the World Health Organization (the “WHO”) subsequently declared COVID-19 a “Public Health Emergency of International Concern.” As a result of COVID-19, the U.S. Department of State issued a Level 4 “do not travel” advisory for China and subsequently issued multiple Level 3 “reconsider travel” advisories for other jurisdictions, including Italy and South Korea. On March 11, 2020, the WHO declared COVID-19 a “pandemic” and the U.S. Department of State issued a global Level 3 “reconsider travel” advisory for all travel abroad. On March 13, 2020, the U.S. government declared a national emergency. On March 19, 2020, the U.S. Department of State issued a global Level 4 “do not travel” advisory advising U.S. citizens to avoid all international travel due to the global impact of COVID-19. The U.S. government has also implemented enhanced screenings, mandatory 14-day quarantine requirements and other travel restrictions in connection with the COVID-19 pandemic, including restrictions on travel from Europe, Mexico and Canada, and many foreign and U.S. state governments have instituted similar measures (including travel restrictions to and within the European Union) and declared states of emergency.

As of April 15, 2020, approximately 316 million people in at least 42 states, the District of Columbia and Puerto Rico were under instructions to stay home or “shelter in place,” and to avoid any non-essential travel. In the United States and other locations around the world, public events, such as conferences, sporting events and concerts, have been canceled, attractions, including theme parks and museums, have been closed, cruise lines have suspended operations and schools and businesses are operating with remote attendance, among other actions.

Other governmental restrictions and regulations in the future in response to COVID-19 could include additional travel restrictions (including restrictions on domestic air travel within the United States), quarantines of additional populations (including the Company’s personnel), restrictions on the Company’s ability to access its facilities or aircraft or requirements to collect additional passenger data. In addition, governments, non-governmental organizations and entities in the private sector have issued and may continue to issue non-binding advisories or recommendations regarding air travel or other social distancing measures, including limitations on the number of persons that should be present at public gatherings.

The Company began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020, and this reduction in demand has continued through the date of this Official Statement. The decline in demand caused a material deterioration in the Company’s revenues in the first quarter of 2020, resulting in a first quarter net loss of \$1.7 billion. The Company currently expects its results of operations for full-year 2020 to be materially impacted and that it will incur a net loss for full-year 2020. For planning purposes, the Company has assumed that demand will remain suppressed for the remainder of 2020 and likely into 2021.

In response to decreased demand, the Company cut, relative to 2019 scheduled capacity, approximately 80% of its scheduled capacity for April 2020 and approximately 90% of its scheduled capacity for May 2020, with similar cuts expected for June 2020. The Company plans to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery in demand.

The Company has taken a number of actions in response to decreased demand. In addition to the schedule reductions discussed above, the Company has reduced its planned capital expenditures and reduced operating expenditures for the remainder of 2020 (including by postponing projects deemed non-critical to the Company’s operations), suspended share repurchases under its share repurchase program and subsequently terminated the program, entered into approximately \$3.0 billion in secured term loan facilities and new aircraft financings, raised approximately \$1.1 billion in cash proceeds in an underwritten public offering of UAL common stock, entered into an agreement to finance certain aircraft currently subject to purchase agreements through a sale and leaseback transaction, temporarily grounded certain of its mainline fleet and taken a number of human capital management actions.

The Company continues to focus on reducing expenses and managing its liquidity. The Company currently expects daily cash burn during the second quarter of 2020 to average between \$40 million and \$45 million. For this purpose, “cash burn” is defined as net cash from operations, less investing and financing activities. Proceeds

from the issuance of new debt (excluding expected aircraft financing), government grants associated with the Payroll Support Program of the CARES Act (defined below) and issuance of new UAL common stock are not included in this figure. The Company expects to continue to modify its cost management structure, liquidity-raising efforts and capacity as the timing of demand recovery becomes more certain.

On April 20, 2020, in connection with the Payroll Support Program under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), United entered into a Payroll Support Program Agreement with the U.S. Treasury Department providing the Company with total funding of approximately \$5.0 billion. Of the \$5.0 billion, approximately \$3.5 billion will be in the form of a direct grant and approximately \$1.5 billion will be in the form of a low interest 10-year senior unsecured promissory note. On April 21, 2020, the Company received approximately \$2.5 billion of the expected \$5.0 billion through the Payroll Support Program under the CARES Act. The Company also expects to have the ability, through September 30, 2020, to borrow up to approximately \$4.5 billion from the U.S. Treasury Department for a term of up to five years pursuant to the Loan Program under the CARES Act. The grants and/or loans under the CARES Act will subject the Company and its business to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service, requirements to maintain employment levels through September 30, 2020, requirements to issue warrants for UAL common stock to the U.S. Treasury Department and certain limitations on executive compensation. The substance and duration of these restrictions will materially affect the Company's operations, and the Company may not be successful in managing these impacts. In particular, limitations on executive compensation, which, depending on the form of aid, could extend up to six years, may impact the Company's ability to attract and retain senior management or attract other key employees during this critical time.

The Company may also take additional actions to improve its financial position, including measures to improve liquidity, such as the issuance of additional unsecured and secured debt securities, equity securities and equity-linked securities, the sale of assets and/or the entry into additional bilateral and syndicated secured and/or unsecured credit facilities. There can be no assurance as to the timing of any such issuance, which may be in the near term, or that any such additional financing will be completed on favorable terms, or at all. Any such actions could be conducted in the near term, may be material in nature and could result in significant additional borrowing. The Company's reduction in expenditures, measures to improve liquidity or other strategic actions that the Company may take in the future in response to COVID-19 may not be effective in offsetting decreased demand, and the Company will not be permitted to take certain strategic actions as a result of the CARES Act, which could result in a material adverse effect on the Company's business, operating results and financial condition.

The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies discussed above, the duration and spread of COVID-19 and related travel advisories and restrictions, the impact of COVID-19 on overall long-term demand for air travel, the impact of COVID-19 on the financial health and operations of the Company's business partners and future governmental actions, all of which are highly uncertain and cannot be predicted. The COVID-19 pandemic has had a material impact on the Company, and the continuation of reduced demand could have a material adverse effect on the Company's business, operating results, financial condition and liquidity.

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

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

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

In addition, in response to the travel restrictions, decreased demand and other effects the COVID-19 pandemic has had and is expected to have on the Company's business, the Company currently intends to continue to seek material amounts of additional financial liquidity in the short-term, which may include the issuance of additional unsecured or secured debt securities, equity securities and equity-linked securities, the sale of assets as well as additional bilateral and syndicated secured and/or unsecured credit facilities, among other items. There can be no assurance as to the timing of any such issuance, which may be in the near term, or that any such additional financing will be completed on favorable terms, or at all. In addition, the Company has received financial assistance that is available to the airline industry under the CARES Act, which financial assistance subjects the Company and its business to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service, requirements to maintain employment levels through September 30, 2020, requirements to issue warrants for UAL common stock to the U.S. Treasury Department and certain limitations on executive compensation.

Although the Company's cash flows from operations and its available capital, including the proceeds from financing transactions, have been sufficient to meet its obligations and commitments to date, the Company's liquidity has been, and may in the future be, negatively affected by the risk factors discussed in this Official Statement, including risks related to future results arising from the COVID-19 pandemic. If the Company's liquidity is materially diminished, the Company might not be able to timely pay its leases and debts or comply with certain operating and financial covenants under its financing and credit card processing agreements or with other material provisions of its contractual obligations. Moreover, as a result of the Company's recent financing activities in response to the COVID-19 pandemic, the number of financings with respect to which such covenants and provisions apply has increased, thereby subjecting the Company to more substantial risk of cross-default and cross-acceleration in the event of breach, and additional covenants and provisions could become binding on the Company as it continues to seek additional liquidity. In addition, the Company has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of the Company's credit card processing agreements, the financial institutions in certain circumstances have the right to require that the Company maintain a reserve equal to a portion of advance ticket sales that have been processed by that financial institution, but for which the Company has not yet provided the air transportation. Such financial institutions may require cash or other collateral reserves to be established or withholding of payments related to receivables to be collected, including if the Company does not maintain certain minimum levels of unrestricted cash, cash equivalents and short-term investments. In light of the effect COVID-19 is having on demand and, in turn, capacity, the Company has seen an increase in demand from consumers for refunds on their tickets, and it anticipates this will continue to be the case for the near future. Refunds lower the Company's liquidity and put it at risk of triggering liquidity covenants in these processing agreements and, in doing so, could force the Company to post cash collateral with the credit card companies for advance ticket sales. The Company also maintains certain insurance- and surety-related agreements under which counterparties may require collateral.

The Company's substantial level of indebtedness, particularly following the additional liquidity transactions completed and contemplated in response to the impacts of COVID-19, and non-investment grade credit rating, as well as market conditions and the availability of assets as collateral for loans or other indebtedness, which has been reduced as a result of the \$2.75 billion in secured term loan facilities entered into since the beginning of fiscal year 2020 and may be further reduced as the Company continues to seek material amounts of additional financial liquidity, together with the effect the COVID-19 pandemic has had on the global economy generally and the air transportation industry specifically, may make it difficult for the Company to raise additional capital if needed to meet its liquidity needs on acceptable terms, or at all.

In addition, as of April 30, 2020, the Company had \$7.2 billion in variable rate indebtedness, all or a portion of which uses London interbank offered rates (“LIBOR”) as a benchmark for establishing applicable rates. As announced in July 2017, LIBOR is expected to be phased out by the end of 2021. Although many of the Company’s LIBOR-based obligations provide for alternative methods of calculating the interest rate payable if LIBOR is not reported, the extent and manner of any future changes with respect to methods of calculating LIBOR or replacing LIBOR with another benchmark are unknown and impossible to predict at this time and, as such, may result in interest rates that are materially higher than current interest rates. If interest rates applicable to the Company’s variable interest indebtedness increase, the Company’s interest expense will also increase, which could make it difficult for the Company to make interest payments and fund other fixed costs and, in turn, adversely impact the Company’s cash flow available for general corporate purposes.

See Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for additional information regarding the Company’s liquidity as of March 31, 2020.

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

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

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

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

COVID-19 has materially disrupted the Company’s strategic operating plans in the near-term, and there are risks to its business, operating results and financial condition associated with executing its strategic operating plans in the long-term. In recent years, the Company has announced several strategic operating plans, including several revenue-generating initiatives and plans to optimize its revenue, such as its plans to add capacity, including international expansion and new or increased service to mid-size airports, initiatives and plans to optimize and control its costs and opportunities to enhance its segmentation and improve the customer experience at all points in air travel. In developing its strategic operating plans, the Company makes certain assumptions, including, but not limited to, those related to customer demand, competition, market consolidation, the availability of aircraft and the global economy. Actual economic, market and other conditions have been and may continue to be different from the Company’s assumptions. For example, in 2019, its capacity growth was lower than planned due to the grounding of Boeing 737 MAX aircraft, among other factors, which adversely impacted the Company’s ability to execute its strategic operating plans. In 2020, demand has been, and is expected to continue to be, significantly impacted by COVID-19, which has materially disrupted the timely execution of the Company’s strategic operating plans, including plans to add capacity in 2020. If the Company does not successfully execute or adjust its strategic operating plans in the long-term, or if actual results continue to vary significantly from its prior assumptions or vary significantly from its future assumptions, the Company’s business, operating results and financial condition could be materially and adversely impacted.

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

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

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

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

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

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

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

The Company's U.S. operations are subject to competition from traditional network carriers, national point-to-point carriers, and discount carriers, including low-cost carriers and ultra-low-cost carriers. Such carriers may have lower costs and provide service at lower fares to destinations also served by the Company. The significant presence of low-cost carriers and ultra-low-cost carriers, which engage in substantial price discounting, may diminish the Company's ability to achieve sustained profitability on domestic and international routes. The Company's ability to compete in the domestic market effectively depends, in part, on its ability to maintain a competitive cost structure. If the Company cannot maintain its costs at a competitive level, then its business, operating results and financial condition could be materially and adversely affected.

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

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

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

Aircraft fuel is critical to the Company's operations and is one of its largest operating expenses. During the year ended December 31, 2019, the Company's fuel expense was approximately \$9.0 billion. The timely and adequate supply of fuel to meet operational demand depends on the continued availability of reliable fuel supply sources, as well as related service and delivery infrastructure. Although the Company has some ability to cover short-term fuel supply and infrastructure disruptions at some major demand locations, it depends significantly on the continued performance of its vendors and service providers to maintain supply integrity. Consequently, the Company can neither predict nor guarantee the continued timely availability of aircraft fuel throughout the Company's system.

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

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

To protect against increases in the market prices of fuel, the Company may hedge a portion of its future fuel requirements. The Company does not currently hedge its future fuel requirements. However, to the extent the Company decides to start a hedging program, such hedging program may not be successful in mitigating higher fuel costs, and any price protection provided may be limited due to the choice of hedging instruments and market

conditions, including breakdown of correlation between hedging instrument and market price of aircraft fuel and failure of hedge counterparties. To the extent that the Company decides to hedge a portion of its future fuel requirements and uses hedge contracts that have the potential to create an obligation to pay upon settlement if fuel prices decline significantly, such hedge contracts may limit the Company's ability to benefit fully from lower fuel prices in the future. If fuel prices decline significantly from the levels existing at the time the Company enters into a hedge contract, the Company may be required to post collateral (margin) beyond certain thresholds. There can be no assurance that the Company's hedging arrangements, if any, will provide any particular level of protection against rises in fuel prices or that its counterparties will be able to perform under the Company's hedging arrangements. Additionally, deterioration in the Company's financial condition could negatively affect its ability to enter into new hedge contracts in the future.

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

The Company depends on automated systems and technology to operate its business, including, but not limited to, computerized airline reservation systems, demand prediction software, flight operations systems, revenue management systems, accounting systems, technical and business operations systems, telecommunication systems and commercial websites and applications, including www.united.com and the United Airlines app. United's website and other automated systems must be able to accommodate a high volume of traffic, maintain secure information and deliver important flight and schedule information, as well as process critical financial transactions. These systems could suffer substantial or repeated disruptions due to various events, some of which are beyond the Company's control, including natural disasters, power failures, terrorist attacks, equipment or software failures or cyber security attacks. The Company has initiatives in place to prevent disruptions and disaster recovery plans, and it continues to invest in improvements to these initiatives and plans; however, these measures may not be adequate to prevent or mitigate disruptions. Substantial or repeated systems failures or disruptions, including failures or disruptions related to the Company's complex integration of systems, could reduce the attractiveness of the Company's services versus those of its competitors, materially impair its ability to market its services and operate its flights, result in the unauthorized release of confidential or otherwise protected information, result in increased costs, lost revenue and the loss or compromise of important data, and may adversely affect the Company's business, operating results and financial condition.

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

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

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

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

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

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

An accident, catastrophe or incident involving an aircraft that the Company operates, or an aircraft that is operated by a codeshare partner, one of the Company's regional carriers or another airline, or an incident involving the Company's operations, or the operations of a codeshare partner, one of the Company's regional carriers or of another airline, could have a material adverse effect on the Company if such accident, catastrophe or incident created a public perception that the Company's operations, or the operations of its codeshare partners or regional carriers, are not safe or reliable, or are less safe or reliable than other airlines. Additionally, any accident, catastrophe or incident involving an aircraft type that is operated by the Company, its codeshare partners or regional carriers could have a material adverse effect on the Company if such accident, catastrophe or incident creates a public perception that such aircraft type was not safe or reliable. Such public perception could, in turn, result in adverse publicity for the Company, cause harm to the Company's brand and reduce travel demand on the Company's flights, or the flights of its codeshare partners or regional carriers.

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

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

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

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

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

The Company must manage increasing legislative, regulatory and consumer focus on privacy issues and data security. For example, in May 2018, the European Union's (the "EU") General Data Protection Regulation became effective, which imposes significant privacy and data security requirements, as well as potential for substantial penalties for non-compliance. Recent penalties imposed by regulators have resulted in substantial adverse financial consequences to those companies. Also, some of the Company's commercial partners, such as credit card companies, have imposed data security standards that the Company must meet. These standards continue to evolve. The Company will continue its efforts to meet its privacy and data security obligations; however, it is possible that certain new obligations or customer expectations may be difficult to meet and could increase the Company's costs.

Additionally, the Company must manage evolving cybersecurity risks. The Company's network systems and storage applications, and those systems and storage and other business applications maintained by its third-party providers, may be subject to attempts to gain unauthorized access, breach, malfeasance or other system disruptions. In some cases, it is difficult to anticipate or to detect immediately such incidents and the damage caused thereby. In addition, as attacks by cybercriminals become more sophisticated, frequent and intense, the costs of proactive defense measures may increase. While the Company continually works to safeguard its internal network systems, including through risk assessments, system monitoring, information security policies and employee awareness and training, and review and validate its third-party security standards, there is no assurance that such actions will be sufficient to prevent cyber-attacks or data breaches.

The loss, disclosure, misappropriation of or access to customers', employees' or business partners' information or the Company's failure to meet its obligations could result in legal claims or proceedings, penalties and remediation costs. A significant data breach or the Company's failure to meet its obligations may adversely affect the Company's reputation, relationships with its business partners, business, operating results and financial condition.

The mandatory grounding of the Boeing 737 MAX aircraft may have a material adverse effect on the Company's business, operating results and financial condition.

On March 13, 2019, the Federal Aviation Administration (the "FAA") issued an emergency order prohibiting the operation of Boeing 737 MAX series aircraft by U.S. certificated operators (the "FAA Order"). As a result, the Company grounded all 14 Boeing 737 MAX 9 aircraft in its fleet, and Boeing also suspended deliveries of new Boeing 737 MAX series aircraft. The Company does not know whether, on what conditions or when the MAX grounding will end. The long-term operational and financial impact of this grounding is uncertain and could negatively affect the Company based on a number of factors, including, among others, the period of time the aircraft are unavailable, the availability of replacement aircraft, to the extent needed, and the circumstances of any reintroduction of the grounded aircraft to service.

In 2019, the grounding affected the delivery of 16 Boeing 737 MAX aircraft that were scheduled for delivery and were not delivered, and it is also expected to affect the timing of future Boeing 737 MAX aircraft deliveries, including the Boeing 737 MAX aircraft that the Company planned to take delivery in 2020. The extent of the delay of future deliveries is expected to be impacted by the length of time the FAA Order remains in place, Boeing's production rate and the pace at which Boeing can deliver aircraft following the lifting of the FAA Order, among other factors, and these factors could be significantly impacted by the COVID-19 pandemic.

In response to the grounding, the Company has made adjustments to its flight schedule and operations, including substituting replacement aircraft on routes originally intended to be flown by Boeing 737 MAX aircraft. In 2019, the grounding impacted the Company's ability to implement its strategic growth strategy,

reducing the Company's scheduled capacity from its planned capacity, and resulted in increased costs as well as lower operating revenue. The Company had discussions with Boeing regarding compensation from Boeing for the Company's financial damages related to the grounding of the airline's Boeing 737 MAX aircraft, and in March 2020, the Company entered into a confidential settlement with Boeing with respect to compensation for financial damages incurred in 2019.

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

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. These regional operations are an extension of the Company's mainline network and complement the Company's operations by carrying traffic that connects to mainline service and allows flights to smaller cities that cannot be provided economically with mainline aircraft. The Company's business and operations are dependent on its regional flight network, with regional capacity accounting for approximately 11% of the Company's total capacity for the year ended December 31, 2019.

Although the Company has agreements with its regional carriers that include contractually agreed performance metrics, each regional carrier is a separately certificated commercial air carrier, and the Company does not control the operations of these carriers. A number of factors may impact the Company's regional network, including weather-related effects and seasonality. In addition, the decrease in qualified pilots driven by changes to federal regulations has adversely impacted and could continue to affect the Company's regional flying. For example, the FAA's expansion of minimum pilot qualification standards, including a requirement that a pilot have at least 1,500 total flight hours, as well as the FAA's revised pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, have contributed to a smaller supply of pilots available to regional carriers. The decrease in qualified pilots resulting from the regulations as well as factors including a decreased student pilot population and a shrinking U.S. military from which to hire qualified pilots, could adversely impact the Company's operations and financial condition, and could also require the Company to reduce regional carrier flying.

The significant decline in demand for air travel services resulting from the COVID-19 pandemic has also materially impacted demand for regional carrier services and, as a result, the Company's utilization of its regional network is significantly reduced and is expected to remain so for the foreseeable future. The Company expects the disruption to services resulting from the COVID-19 pandemic to adversely affect its regional carriers, some of whom may declare bankruptcy or otherwise cease to operate, and the Company may also incur damages to its regional carriers under its agreements with them. If, as a result of the COVID-19 pandemic or another significant disruption to the Company's regional network, one or more of the regional carriers with which the Company has relationships is unable to perform its obligations over an extended period of time, there could be a material adverse effect on the Company's business, operating results and financial condition.

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

From time to time, the Company is subject to litigation and other legal and regulatory proceedings relating to its business or investigations or other actions by governmental agencies, including as described in Part I, Item 3, Legal Proceedings, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019. No assurances can be given that the results of these or new matters will be favorable to the Company. An adverse resolution of lawsuits, arbitrations, investigations or other proceedings or actions could have a material adverse effect on the Company's financial condition and operating results, including as a result of non-monetary remedies, and could also result in adverse publicity. Defending the Company in these matters may be time-consuming, expensive and disruptive to normal business operations and may result in significant expense and a diversion of management's time and attention from the operation of the Company's business, which could impede our ability to achieve its business objectives. Additionally, any amount that the Company may be required to pay to satisfy a judgment, settlement, fine or penalty may not be covered by insurance. If the Company fails to comply with the terms contained in any settlement, order or agreement with a governmental authority relating to these matters, it could be subject to criminal or civil penalties, which could have a material adverse impact on the Company. Under the Company's charter and certain indemnification agreements that it has entered into (and may in the future enter

into) with its officers, directors and certain third parties, the Company could be required to indemnify and advance expenses to them in connection with their involvement in certain actions, suits, investigations and other proceedings. There can be no assurance that any of these payments will not be material.

The Company's significant investments in other airlines, including in other parts of the world, and the commercial relationships that it has with those carriers may not produce the returns or results the Company expects.

An important part of the Company's strategy to expand its global network includes making significant investments in airlines both domestically and in other parts of the world and expanding its commercial relationships with these carriers. For example, in January 2019, the Company completed the acquisition of a 49.9% interest in ManaAir LLC, which, as of immediately following the closing of that investment, owns 100% of the equity interests in ExpressJet Airlines LLC, a domestic regional airline. The Company also has minority equity interests in CommutAir and Republic Airways Holdings Inc. See Note 9 to the financial statements included in Part II, Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for additional information regarding its investments in regional airlines. The Company also has significant investments in Latin American airlines, including significant investments in Avianca Holdings, S.A. ("AVH") and BRW Aviation LLC ("BRW"), an affiliate of Synergy Aerospace Corporation and the majority shareholder of AVH, and an equity investment in Azul Linhas Aéreas Brasileiras S.A. ("Azul"). In the future, the Company's regional and global business strategy could include entering into JBAs, commercial agreements and strategic alliances with other carriers, and possibly making loan transactions with, and non-controlling investments in, such carriers.

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

As a result of these and other factors, the Company may not realize satisfactory returns on its investments, and it may not receive repayment of any invested or loaned funds. Further, these investments may not generate the revenue or operational synergies the Company expects, and they may distract management focus from the Company's operations or other strategic options. Finally, the Company's reliance on these other carriers in the regions in which they operate may negatively impact the Company's regional and global operations and results if those carriers continue to be impacted by the COVID-19 pandemic and other general business risks discussed above or perform below the Company's expectations or needs and are not able to effectively mitigate these impacts or restore performance levels. Any one or more of these events could have a material adverse effect on the Company's operating results or financial condition. See Note 8 and Note 9 to the financial statements included in Part II, Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for additional information regarding the Company's investments in AVH and Azul, respectively. See also the additional risks with respect to the Company's investment in AVH described elsewhere in the "risk factors" section of this Official Statement.

The Company may also be subject to consequences from any illegal conduct of JBA partners, including for failure to comply with anti-corruption laws such as the U.S. Foreign Corrupt Practices Act. Furthermore, the Company's relationships with these carriers may be subject to the laws and regulations of non-U.S. jurisdictions in which these carriers are located or conduct business. In addition, any political or regulatory change in these jurisdictions that negatively impacts or prohibits the Company's arrangements with these carriers could have an adverse effect on the Company's operating results or financial condition. To the extent that the operations of

any of these carriers are disrupted over an extended period of time (including as a result of the COVID-19 pandemic) or their actions subject the Company to the consequences of failure to comply with laws and regulations, the Company's operating results may be adversely affected.

The Company's significant investments in AVH and its affiliates, and the commercial relationships that it has with Avianca, may not produce the returns or results the Company expects.

In November 2018, as part of the Company's global network strategy, United entered into a revenue-sharing JBA with Aerovías del Continente Americano S.A., a subsidiary of AVH ("Avianca"), Copa Airlines and several of their respective affiliates, subject to regulatory approval. Concurrently with this transaction, United, as lender, entered into a Term Loan Agreement (the "BRW Term Loan Agreement") with, among others, BRW Aviation Holding LLC ("BRW Holding") and BRW, as guarantor and borrower, respectively. Pursuant to the BRW Term Loan Agreement, United provided to BRW a \$456 million term loan (the "BRW Term Loan"), secured by a pledge of BRW's equity, as well as BRW's 516 million common shares of AVH (which are eligible to be converted into the same number of preferred shares, which maybe be deposited with the depository for AVH's American Depositary Receipts ("ADRs"), the class of AVH securities that trades on the New York Stock Exchange (the "NYSE"), in exchange for 64.5 million ADRs) (such shares and equity, collectively, the "BRW Loan Collateral"). In connection with funding the BRW Term Loan Agreement, the Company entered into an agreement with Kingsland Holdings Limited, AVH's largest minority shareholder ("Kingsland"), pursuant to which United granted to Kingsland a right to put its AVH common shares to United at market price on the fifth anniversary of the BRW Term Loan Agreement or upon certain sales of AVH common shares owned by BRW, including upon a foreclosure of United's security interest, and also guaranteed BRW's obligation to pay Kingsland the excess, if any, of \$12 per ADR on the NYSE and such market price of AVH common shares on the fifth anniversary, or upon any such sale, as applicable (the "Cooperation Payment"), for an aggregate maximum possible combined put payment and guarantee amount of \$217 million. See Notes 7 and 9 to the financial statements included in Part I, Item 1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, for additional information regarding the Company's obligations to Kingsland and their interrelationship with the BRW Term Loan Agreement.

BRW is currently in default under the BRW Term Loan Agreement. In order to protect the value of its collateral, on May 24, 2019, United began to exercise certain remedies available to it under the terms of the BRW Term Loan Agreement and related documents. In connection with the delivery by United of a notice of default to BRW, Kingsland, AVH's largest minority shareholder, was granted, in accordance with the agreements related to the BRW Term Loan Agreement, authority to manage BRW, which remains the majority shareholder of AVH. After a hearing on September 26, 2019, a New York state court granted Kingsland summary judgment authorizing it to foreclose on the BRW Loan Collateral under the BRW Term Loan Agreement. Kingsland is continuing with the foreclosure process, which is expected to result in a judicially supervised sale of the BRW Loan Collateral. The New York state court also granted Kingsland's motion for a preliminary injunction that, among other things, enjoins BRW Holding from interfering with Kingsland's ability to exercise voting and other rights in certain equity interests in BRW. These rulings are intermediate steps in the judicial foreclosure process in New York and are subject to appeal, and the entire judicial foreclosure process in New York is currently delayed as a result of the COVID-19 pandemic. The repayment of the BRW Term Loan is dependent on this judicial foreclosure process, and there is no assurance that a judicial foreclosure sale will be completed, or, if completed, will result in the full satisfaction of all of the obligations under the BRW Term Loan, including the obligation to repay United for any payment made in respect of its guarantee of the Cooperation Payment. In that regard, based on United's assessment of AVH's financial uncertainty due to its high level of leverage and the fact that Avianca has currently ceased operations as a consequence of the COVID-19 pandemic, the Company has recently recorded a \$697 million expected credit loss allowance for the BRW Term Loan and the Cooperation Payment. In addition, the Company's ability to enforce a deficiency judgment against BRW in the event that the proceeds from the sale of the BRW Loan Collateral in the judicial foreclosure are insufficient to repay the full amount of the BRW Term Loan may be limited. Any of these circumstances may lead to a loss or delay in the repayment of the BRW Term Loan. Further, the amount the Company receives from the foreclosure sale of the BRW Loan Collateral may be inadequate to fully pay the amounts owed to it by BRW (including in respect of any payment the Company makes in respect of the Cooperation Payment) and its costs incurred to foreclose, repossess and sell the property.

In November 2019, United entered into a senior secured convertible term loan agreement (the “AVH Convertible Loan Agreement”) with, among others, AVH, as borrower, for the provision by the lenders thereunder (including United) to AVH of convertible term loans for general corporate purposes. In December 2019, United provided such a convertible term loan to AVH under the AVH Convertible Loan Agreement in the aggregate amount of \$150 million (the “AVH Convertible Loan”). See Notes 8 and 13 to the financial statements included in Part II, Item 8 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for additional information regarding the Company’s investments in AVH and its affiliates and the Company’s guarantee of the Cooperation Payment, respectively.

These transactions and relationships involve significant challenges and risks, particularly given the impact of the COVID-19 pandemic, AVH’s recent debt restructuring and the judicial foreclosure process to which the repayment of the BRW Term Loan is subject. While AVH has successfully carried out its debt restructuring plan to date, United’s exposure to AVH’s long-term financial condition has increased with the completion of the AVH Convertible Loan, and Avianca has subsequently been materially adversely affected by the precipitous drop in passenger traffic and scheduled flights resulting from the COVID-19 pandemic. While the Company work closely with Avianca in connection with the JBA, and have supported AVH by providing capital in the form of the AVH Convertible Loan, Avianca is a separately certificated commercial air carrier, and the Company does not have control over its or AVH’s operations, strategy, management or business methods. Avianca is also subject to a number of the same risks as the Company’s business, which are described in the “risk factors” section of this Official Statement, including the impact of the COVID-19 pandemic, competitive pressures on pricing, demand and capacity, changes in aircraft fuel pricing, and the impact of global and local political and economic conditions on operations and customer travel patterns, among others, as well as to its own distinct financial and operational risks.

In addition, the value of the BRW Loan Collateral and the collateral securing the AVH Convertible Loan is subject to market and other conditions. Changes in the aviation market may adversely affect the value of the BRW Loan Collateral and the collateral securing the AVH Convertible Loan and thereby lower the value to be derived from a foreclosure or other exercise of remedies with respect to the BRW Term Loan Agreement or the AVH Convertible Loan. As a result of these and other factors, including delays in foreclosure proceedings, the Company may not receive full (or any) repayment of its BRW Term Loan (including any payment the Company makes in respect of the Cooperation Payment) or its AVH Convertible Loan, and the Company may be unable to realize the full (or any) value of the BRW Loan Collateral or the collateral securing the AVH Convertible Loan. As a consequence, the Company may not realize a satisfactory (or any) return on its invested or loaned funds with respect to AVH and its affiliates.

Further, these investments may not generate the revenue or operational synergies the Company expects, and they may distract management focus from the Company’s operations or other strategic options. Finally, the Company’s reliance on Avianca in the region in which it operates may negatively impact the Company’s global operations and results if AVH does not successfully recover from its debt restructuring or the COVID-19 pandemic, or is otherwise impacted by general business risks or performs below the Company’s expectations or needs. Any one or more of these events could have a material adverse effect on the Company’s operating results or financial condition.

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

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

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

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

The Company's orders for new aircraft are typically made years in advance of actual delivery of such aircraft, and the financial commitment required for purchases of new aircraft is substantial. At December 31, 2019, the Company had firm commitments to purchase 304 new aircraft from The Boeing Company ("Boeing"), Airbus S.A.S ("Airbus") and Embraer S.A. ("Embraer"), as well as related agreements with engine manufacturers, maintenance providers and others. As of December 31, 2019, the Company's commitments relating to the acquisition of aircraft and related spare engines, aircraft improvements and other related obligations aggregated to a total of \$26.7 billion.

Subsequent to the Company placing an order for new aircraft, the Company's network strategy may change. As a result, the Company's preference for a particular aircraft that it has ordered, often years in advance, may be decreased or eliminated. If the Company were to modify or terminate any of its existing aircraft order commitments, it may be responsible for material liabilities to its counterparties arising from any such modification. Additionally, the Company may have a need for additional aircraft that are not available under its existing orders. In such cases, the Company may seek to acquire aircraft from other sources, such as through lease arrangements, which may result in higher costs or less favorable terms, or through the purchase or lease of used aircraft. The Company may not be able to acquire such aircraft when needed on favorable terms or at all.

The imposition of new tariffs, or any increase in existing tariffs, on the importation of commercial aircraft that the Company orders may result in higher costs. For example, in October 2019, the United States imposed tariffs on certain imports from the EU, including a customs duty at an ad valorem rate of 10% on new commercial aircraft, which rate, in February 2020, was increased to 15%. These tariffs apply to certain new Airbus aircraft that the Company has on order. While the scope and rate of these tariffs are subject to change, if and to the extent these tariffs are imposed on the Company, they could increase the effective cost of, among other things, new Airbus aircraft.

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

The Company currently sources the majority of its aircraft and many related aircraft parts from Boeing. In addition, the Company's aircraft suppliers are dependent on other suppliers for certain other aircraft parts. Therefore, if the Company is unable to acquire additional aircraft from Boeing, or if Boeing fails to make timely deliveries of aircraft or to provide adequate support for its products, the Company's operations could be materially and adversely affected. The Company is also dependent on a limited number of suppliers for aircraft engines and certain other aircraft parts and could, therefore, also be materially and adversely affected in the event of the unavailability of these engines and other parts.

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

United is a highly unionized company. As of December 31, 2019, the Company and its subsidiaries had approximately 96,000 active employees, of whom approximately 84% were represented by various U.S. labor organizations. See Part I, Item 1. Business—Employees, of the Company's Annual Report on Form 10-K

for the fiscal year ended December 31, 2019, for additional information on its represented employee groups and collective bargaining agreements.

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

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

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

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

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

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

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

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

United provides air transportation under certificates of public convenience and necessity issued by the U.S. Department of Transportation (“DOT”). If the DOT altered, amended, modified, suspended or revoked these certificates, it could have a material adverse effect on the Company’s business. The DOT also regulates consumer protection and, through its investigations or rulemaking authority, could impose restrictions that materially impact the Company’s business. The FAA regulates the safety of United’s operations. United operates pursuant to an air carrier operating certificate issued by the FAA. The FAA’s regulations include stringent pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, as well as minimum qualifications for air carrier first officers. These regulations have caused mainline airlines to hire regional pilots, while simultaneously significantly reducing the pool of new pilots from which regional carriers themselves can hire. Although this is an industry issue, it directly affects the Company and has required it to reduce regional partner flying, as several regional partners have experienced difficulty flying their schedules due to reduced pilot availability. From time to time, the FAA also issues orders, airworthiness directives and other regulations relating to the maintenance and operation of aircraft that require material expenditures or operational restrictions by the Company. These FAA orders and directives have resulted in the temporary grounding of an entire aircraft type if the FAA identifies design, manufacturing, maintenance or other issues requiring immediate corrective action (including the FAA Order grounding Boeing 737 MAX aircraft). These FAA directives or requirements could have a material adverse effect on the Company.

In 2018, the U.S. Congress approved a five-year reauthorization for the FAA, which encompasses significant aviation tax and policy-related issues. The law includes a range of policy changes related to airline customer service and aviation safety which are ongoing and, depending on how they are implemented, could impact the Company’s operations and costs. Additionally, the U.S. Congress may consider legislation related to aviation safety as well as environmental issues which could impact the Company and the airline industry.

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

Access to landing and take-off rights, or “slots,” at several major U.S. airports and many foreign airports served by the Company are, or recently have been, subject to government regulation. Certain of the Company’s major hubs are among the most congested airports in the United States and have been or could be the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. The FAA may limit the Company’s airport access by limiting the number of departure and arrival slots at high density traffic airports, which could affect the Company’s ownership and transfer rights, and local airport authorities may have the ability to control access to certain facilities or the cost of access to their facilities, which could have an adverse effect on the Company’s business. The FAA historically has taken actions with respect to airlines’ slot holdings that airlines have challenged; if the FAA were to take actions that adversely affect the Company’s slot holdings, the Company could incur substantial costs to preserve its slots or may lose slots. If slots are eliminated at an airport, or if the number of hours of operation governed by slots is reduced at an airport, the lack of controls on take-offs and landings could result in greater congestion both at the affected airport or in the regional airspace (e.g., the New York City metropolitan region airspace) and could significantly impact the Company’s operations. Further, the Company’s operating costs at airports, including the Company’s major hubs, may increase significantly because of capital improvements at such airports that the Company may be required to fund, directly or indirectly. Such costs could be imposed by the relevant airport authority without the Company’s approval and may have a material adverse effect on the Company’s financial condition.

The ability of carriers to operate flights on international routes between the United States and other countries is highly regulated. Applicable arrangements between the United States and foreign governments may be amended from time to time, government policies with respect to airport operations may be revised, and the availability of appropriate slots or facilities may change. The Company currently operates a number of flights on

international routes under government arrangements, regulations or policies that designate the number of carriers permitted to operate on such routes, the capacity of the carriers providing services on such routes, the airports at which carriers may operate international flights, or the number of carriers allowed access to particular airports. Any limitations, additions or modifications to such arrangements, regulations or policies could have a material adverse effect on the Company's financial condition and operating results. Additionally, a change in law, regulation or policy for any of the Company's international routes, such as Open Skies, could have a material adverse impact on the Company's financial condition and operating results and could result in the impairment of material amounts of related tangible and intangible assets. In addition, competition from revenue-sharing JBAs and other alliance arrangements by and among other airlines could impair the value of the Company's business and assets on the Open Skies routes. The Company's plans to enter into or expand U.S. antitrust immunized alliances and JBAs on various international routes are subject to receipt of approvals from applicable U.S. federal authorities and obtaining other applicable foreign government clearances or satisfying the necessary applicable regulatory requirements. There can be no assurance that such approvals and clearances will be granted or will continue in effect upon further regulatory review or that changes in regulatory requirements or standards can be satisfied.

See Part I, Item 1. Business—Industry Regulation, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, for additional information on government regulation impacting the Company.

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

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

The Company may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as thunderstorms, hurricanes, flooding, typhoons, tornados and other severe weather events could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in significant loss of revenue and higher costs.

To mitigate climate change risks, the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") has been developed by the International Civil Aviation Organization ("ICAO"), a UN specialized agency. CORSIA is intended to create a single global market-based measure to achieve carbon-neutral growth for international aviation after 2020 through airline purchases of carbon offset credits. Certain CORSIA program details remain to be developed and could potentially be affected by political developments in participating countries or the results of the pilot phase of the program, and thus the impact of CORSIA cannot be fully predicted. However, CORSIA is expected to result in increased operating costs for airlines that operate internationally, including the Company.

In addition to CORSIA, the U.S. Environmental Protection Agency (the "EPA") has begun preliminary work to adopt its own aircraft engine greenhouse gas ("GHG") emission standards, which were expected to be aligned with recent ICAO carbon dioxide emission standards. The timing of any U.S. EPA aircraft engine GHG emission standards is currently unknown, but some jurisdictions in which United operates have adopted or are considering GHG emission reduction initiatives, which could impact various aspects of the Company's business. The precise nature of future requirements and their applicability to the Company are difficult to predict, but the financial impact to the Company and the aviation industry would likely be adverse and could be significant.

See Part I, Item 1. Business—Industry Regulation—Environmental Regulation, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, for additional information on environmental regulation impacting the Company.

The United Kingdom's withdrawal from the EU may adversely impact the Company's operations in the United Kingdom and elsewhere.

In June 2016, United Kingdom ("UK") voters approved an advisory referendum for the UK to exit the EU. The UK parliament voted in favor of allowing the government to commence negotiations to determine the future terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU and other nations. On January 31, 2020, the UK withdrew from the EU, and started a transition period that will potentially run through December 31, 2020. The nature and terms of the UK's relationship with the EU after the transition period remain uncertain.

In connection with a UK exit from the EU, the Company could face new challenges in its operations, such as instability in global financial and foreign exchange markets. This instability could result in market volatility, including in the value of the British pound and European euro, additional travel restrictions on passengers traveling between the UK and other EU countries, changes to the legal status of EU-resident employees, legal uncertainty and divergent national laws and regulations. At this time, the Company cannot predict the impact that the UK's exit from the EU will have on the Company's business generally and its UK and European operations more specifically, and no assurance can be given that its operating results, financial condition and prospects would not be adversely impacted by the result.

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

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

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

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

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

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

The Company may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible or intangible assets, such as aircraft, route authorities, airport slots and frequent flyer database, unfavorable trends in historical or forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. For example, in the first quarter of 2020, the Company recorded impairment charges of \$50 million associated with its China routes as a result of the COVID-19 pandemic and the subsequent suspension of flights to China. In addition, in 2019 and 2018, the Company recorded impairment charges of \$90 million and \$206 million, respectively, associated with its Hong Kong routes, resulting in the full impairment of these assets. The Company can provide no assurance that a material impairment loss of tangible or intangible assets will not occur in a future period, and the risk of future material impairments has been significantly heightened as result of the effects of the COVID-19 pandemic on its flight schedules and business. The value of the Company's aircraft could also be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from the grounding of aircraft. An impairment loss could have a material adverse effect on the Company's financial condition and operating results.

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

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

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

Although United's obligation to make Special Facilities Payments is not secured by a leasehold mortgage on the Special Facilities in favor of the Bondholders, upon and during an event of default by United under the Lease, the City may (or, in the event of a failure by United to pay Special Facilities Payments when due, is required to) use commercially reasonable efforts to relet the Special Facilities and related ground areas to a replacement tenant or tenants on a net rent basis (i.e., the tenant shall be responsible for all occupancy costs) at a rental rate sufficient to provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is obligated to do so. See "SECURITY FOR THE SERIES 2020A BONDS," above. However, certain practical and legal considerations could inhibit or materially delay the City's ability to relet any such facilities or otherwise materially and adversely affect the potential availability of reletting revenues to enable repayment of the Series 2020A Bonds.

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

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

Alternatively, upon and following a bankruptcy filing by United, certain provisions of the United States Bankruptcy Code could significantly delay or inhibit the City's ability to repossess or cause United to surrender promptly any or all of the Special Facilities and related ground areas to enable their potential reletting by

the City. In particular, if a bankruptcy case is filed with respect to United, the Lease would likely be treated as an executory contract or unexpired lease of non-residential real property pursuant to Section 365 of the United States Bankruptcy Code. In the event the Lease is treated as an unexpired lease of non-residential property, then within 120 days after the bankruptcy filing (unless extended by the bankruptcy court for up to an additional 90 days, thereby providing United with up to a total of 210 days after filing, after which any further extensions would require the express consent of the City), United would be required to either (i) assume the Lease, in which case United would remain in possession of the Special Facilities and related ground areas but it would also have to cure all pre-filing monetary defaults (such as unpaid Special Facilities Payments) and perform its future obligations under the Lease as a condition to that agreement's ongoing effectiveness, including during the pendency of the bankruptcy case, (ii) assume and assign the Lease to a third party, or (iii) reject the Lease, in which case United would be required to vacate the Special Facilities and related ground areas and the City could treat the Lease as terminated. While any such rejection of the Lease by United in bankruptcy could eventually facilitate a potential reletting of the Special Facilities and related ground areas, the City could nevertheless experience delays in gaining access to such properties as a result of the bankruptcy filing, and such delays could adversely affect the potential availability of reletting proceeds when needed to effect the timely repayment of the Series 2020A Bonds. Such a rejection of the Lease by United could also result in limited damages against it under the United States Bankruptcy Code. See "CERTAIN BONDOWNERS' RISKS—Possible Limitations on Damages Against United Upon a United Bankruptcy" herein.

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

For all the foregoing reasons, no assurance can be given that United will, or will be required to, surrender the Special Facilities and related ground areas within any specific timeframe following a bankruptcy or other default by it under the Lease. In such event(s), the Special Facilities and related ground areas could be unavailable for potential reletting by the City, for relatively brief or even extended periods of time, to help generate sufficient funds when needed to effect the timely repayment of the Series 2020A Bonds.

Hub Operations; Potential Availability of Other Competing Space at the Airport. United uses the Airport as one of its principal hubs and is the largest user of terminal and other related space at the Airport. While United also serves a large market of origination-and-destination passenger traffic at the Airport, a significant portion of its operations support passenger traffic that is not originated in, or ultimately destined for, the Airport. Because other air carriers may not desire to operate large hub facilities at the Airport, and because competing facilities at the Airport could also be available to prospective replacement tenants at the time the City may be seeking to relet any of the Special Facilities (particularly if the Special Facilities are then available as a result of a retraction by United at the Airport), there can be no assurance that the City would be able to find a replacement tenant or tenants for any of the Special Facilities or that any such replacement tenant(s) would be willing or able to pay sufficient rentals to lease any such Special Facilities to ensure the full payment of the Series 2020A Bonds when due.

Subordination of Special Facilities Payments; Uncertainty Concerning Rental Rates Affecting the Special Facilities. In connection with the reletting of any of the Special Facilities, the City is required to use commercially reasonable efforts to seek a replacement tenant or tenants who would pay or provide for the payment of certain charges, including but not limited to Special Facilities Payments, to the same extent as United is required to do under the Lease. Any such reletting proceeds, however, would first be applied by the City to pay City Charges and to pay Ground Rentals attributable to the period after reletting began, prior to being applied towards Special Facilities Payments (and consequently debt service on the Bonds, including the Series 2020A Bonds). As a result, if all replacement tenants for the Special Facilities should pay less, in the aggregate, for the Special Facilities than

United is required to pay, sufficient Special Facilities Payments to repay the Bonds, including the Series 2020A Bonds, when due would not be available. There can be no assurance that the City would be able to relet the Special Facilities leased by United for sufficient amounts to pay to the City all additional rentals that could be required and, thereafter, Special Facilities Payments on the Bonds.

Potential Impacts on Ability to Receive Reletting Revenues in the Event of a Bankruptcy of the City or the City's Airport System. In the event a bankruptcy case is filed or pending under the United States Bankruptcy Code with respect to the City or the City's airport system during the period of any reletting following a termination of the Special Facilities Lease, parties involved in the proceeding could challenge the validity of the lien of the Trustee on the reletting revenues of the Special Facilities and related ground areas, and creditors of the airport system with liens encumbering the airport system's general revenues could be determined to have a claim on reletting revenues of the Special Facilities and related ground areas that is superior to the rights of Bondholders with respect to such revenues. In either such event, any claim for damages against the City in connection with its reletting obligations with respect to the Series 2020A Bonds could rank as that of a general unsecured creditor of City's airport system. No representation or warranty is made regarding the financial affairs or condition of the City or the City's airport system in connection with the issuance and sale of the Series 2020A Bonds.

Limitations on Trustee's Ability to Accelerate Special Facilities Payments

Upon certain payment-related events of default under the Trust Indenture, the Trustee may declare all amounts owed under the Bonds, including the Series 2020A Bonds, immediately due and payable. See APPENDIX B—"Certain Provisions of the Trust Indenture—Article VIII—Events of Default and Remedies." The Lease provides that United must pay the Special Facilities Payments in an amount sufficient to pay all amounts when due upon the Bonds (including the Series 2020A Bonds) upon acceleration or otherwise. Texas law concerning real property leases provides for certain remedies available to a lessor for breach of a lease for real property, and acceleration of all rental payments due under the lease may not be an available remedy. A court could conclude that the requirement that United pay Special Facilities Payments in an amount equal to the amount due on any of the Bonds following an acceleration of such Bonds is, in effect, an impermissible acceleration of the rent due under a lease for real property and refuse to enforce the payment. If a court were to come to such conclusion, the Trustee could pursue other remedies available under the Trust Indenture. Such remedies, however, may not provide for the full payment of the principal and interest then due on the accelerated Bonds, including the Series 2020A Bonds.

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

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

If United were to participate in any merger or other corporate reorganization as permitted under the Lease, either voluntarily or otherwise, the financial condition and prospects of the surviving or resulting corporation or transferee could be materially different from those of United, and the security for the payment of the Series 2020A Bonds, and the ratings thereon and market price thereof, could be adversely affected as a result of such merger or other corporate reorganization. In any case, there can be no assurance that United will either merge or not merge with or into another entity over the term of the Series 2020A Bonds. Holders of the Series 2020A Bonds do not have the right to require United to repurchase the Series 2020A Bonds because of a merger or other corporate reorganization of United.

Possible Loss of Tax-Exempt Status of Interest on the Series 2020A Bonds

On the date of delivery of and payment for the Series 2020A Bonds, Co-Bond Counsel will render its opinion with respect to the tax-exempt status of the interest on the Series 2020A Bonds, the form of which opinion is set forth in Appendix G hereto. See also "TAX MATTERS" herein.

In the event the interest on any of the Series 2020A Bonds is determined to be includable in gross income of registered owners of such Series 2020A Bonds for federal income tax purposes as a result of a Determination of Taxability, such Series 2020A Bonds will be subject to extraordinary required redemption as described under “THE SERIES 2020A BONDS—Extraordinary Required Redemption” above. In the event the interest on the Series 2020A Bonds is determined to be includable in gross income of registered owners of the Series 2020A Bonds for federal income tax purposes for any reason other than a Determination of Taxability, however, the Series 2020A Bonds will not be subject to extraordinary required redemption. In either such event, there will be no adjustment in the interest rate on such Series 2020A Bonds and the owners will not be indemnified against losses sustained as a result of a determination that the interest on such Series 2020A Bonds is not excludable from gross income for federal income tax purposes. No Determination of Taxability will result if the events that would otherwise give rise to a Determination of Taxability are the result of a change in the Code or regulations promulgated under the Code adopted or becoming effective after the date of issuance of the Series 2020A Bonds.

Further, a Determination of Taxability may not occur for a substantial period of time after interest first becomes includable in the gross income of the owners thereof for federal income tax purposes. Additionally, if, prior to a Determination of Taxability with respect to the Series 2020A Bonds, the lien of the Trust Indenture with respect to such Series 2020A Bonds has been defeased pursuant to the provisions thereof set forth in Appendix B—“Certain Provisions of the Trust Indenture,” such Series 2020A Bonds will not be subject to extraordinary required redemption as a result of such Determination of Taxability. In certain circumstances, the loss of the exclusion of interest on any Series 2020A Bonds from gross income of the owners thereof for federal income tax purposes could be retroactive to the date of issuance of such Series 2020A Bonds. The tax liability of the owners of any Series 2020A Bonds for failure to include interest on such Series 2020A Bonds in their gross income may extend to years for which interest was received on such Series 2020A Bonds, or some portion thereof, and for which the relevant statute of limitations has not yet run.

In addition, for a discussion of how changes in law could limit the tax benefit of the tax exemption applicable to the Series 2020A Bonds, see “TAX MATTERS—Tax Legislative Changes” herein.

Possible Limitations on Damages Against United Upon a United Bankruptcy

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

If the Lease were determined to be an unexpired lease of non-residential real property, the amount of a corresponding claim for damages against United in connection with the Bonds, including the Series 2020A Bonds, may be limited to the amount of the rejection damages claim under the Lease pursuant to Section 502(b)(6) of the Bankruptcy Code, in which case such claim may be limited to the rent payable under the Lease (without acceleration) for the greater of either one year or 15% of the rent due under the remaining term of the Lease, but not to exceed three years of total rent, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City repossessed, or United surrendered, possession of the leased property under the Lease, plus any unpaid rentals under the Lease (without acceleration) on the earlier of such dates. In this event, any claim with respect to the Bonds that do not mature (absent acceleration) within the period of one year or 15% of the remaining term of the Lease (but not in excess of three years) following the bankruptcy commencement date (i.e., the earlier of (a) or (b) above) could be limited to the interest and principal that would accrue on such Bonds during such period and may not permit a claim for the recovery of other principal. Likewise, if the Lease is assumed and then subsequently rejected (because, for example, following its assumption in a Chapter 11 case the case is then converted to liquidation under Chapter 7), the damages arising therefrom may be limited under Section 503(b)(7) of the Bankruptcy Code to not more than 2 years of rent as an allowed administrative expense, albeit junior to the administrative expenses of the Chapter 7 proceeding.

Pursuant to the terms of the Guaranty, United unconditionally guarantees to the Trustee, for the benefit of the owners of the Bonds, including the Series 2020A Bonds, the full and prompt payment of the principal and premium, if any, on such Bonds when and as the same shall become due and payable as provided in the Trust Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise, and the full and prompt payment of the interest on the Bonds when and as the same shall become due and payable as provided in the Trust Indenture. The obligations covered by the Guaranty are intended by the parties to be independent of those set out in the Lease (and thereby not subject to the Bankruptcy Code limitations discussed above) and to be enforceable without regard to the validity or enforceability of the Lease or any obligation of United contained therein. In the event a bankruptcy case were filed with respect to United, the Trustee may file a claim pursuant to the Guaranty, independently of any claim under the Lease and Trust Indenture, for the payment of all amounts, if any, required for the payment of the principal of, redemption premium (if any) and interest on the Bonds when due. Such claim, however, if allowed, would rank as that of a general unsecured creditor of United. A bankruptcy court could determine, however, that the Trustee's claims under the Guaranty should be limited to the same extent as the Bankruptcy Code limitation of claims for damages with respect to non-residential real property leases described above in connection with claims under Lease. No assurance can be given that the Trustee's claims under the Guaranty will not be so limited. If so limited, the Guaranty would provide no additional security for payments due on the Bonds, including the Series 2020A Bonds.

No representation or warranty is made by United or any other party that any claim under any of the Lease or the Guaranty will be allowed or that any recovery on any such claim will be permitted under the United States Bankruptcy Code. If only limited damages were allowed against or recoverable from United under the Lease or the Guaranty as a result of a bankruptcy filing of United, repayment of the Bonds, including the Series 2020A Bonds, would depend upon the availability of other Pledged Revenues, including reletting proceeds as may be provided by a replacement tenant or tenants. See, however, "—Limitations Upon the City's Ability to Relet the Special Facilities; Availability of Reletting Revenues" above.

NO LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body known to the City to be pending or threatened against the City wherein an unfavorable decision, ruling or finding would adversely affect (i) the title to office of any council member or officer of the City or any power of the City material to the authorization and issuance of the Series 2020A Bonds, or (ii) the validity of the proceedings taken by the City for the authorization, execution, delivery and performance by the City of, or the validity or enforceability of, the Series 2020A Bonds, the Trust Indenture, or the Lease.

RATING

[Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business], has provided a rating for the Series 2020A Bonds of _____. This rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from the rating agency furnishing such rating. There is no assurance that such rating will be maintained for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely by such rating agency, if in its sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2020A Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

CO-FINANCIAL ADVISORS

The City has retained Masterson Advisors LLC and The RSI Group, LLC to serve as its co-financial advisors in connection with the issuance of the Series 2020A Bonds (the "Co-Financial Advisors"). The Co-Financial Advisors have not independently verified any of the information contained in this Official Statement and make no guarantee as to its completeness or accuracy. The Co-Financial Advisors' fees for certain of the services rendered with respect to the sale of the Series 2020A Bonds are contingent upon the issuance and delivery of the Series 2020A Bonds.

UNDERWRITING

The Series 2020A Bonds are being purchased by Citigroup Global Markets Inc., on behalf of itself and Wells Fargo Bank, National Association and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters") at a purchase price of \$[_____], which represents (i) the par amount of the Series 2020A Bonds, \$[_____], (ii) [plus/less an original issue premium/discount] of \$[_____], (iii) less an Underwriters' fee of \$[_____], to be funded from bond proceeds, as compensation for the purchase and sale of the Series 2020A Bonds and as reimbursement for certain expenses of the Underwriters related to such Series 2020A Bonds.

The Purchase Contract dated as of [June __, 2020] between the City and Citigroup Global Markets Inc., acting for and on behalf of itself and as representative of the Underwriters, provides that the Underwriters agree, jointly and severally, to purchase all of the Series 2020A Bonds if any are purchased, and that such purchase is subject to certain terms and conditions set forth therein, including the approval of certain legal matters by counsel. United has agreed to indemnify the City and the Underwriters against certain liabilities, including certain liabilities under federal securities laws.

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

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

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

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated as Underwriters of the Series 2020A Bonds) for the distribution of the Series 2020A Bonds at the original public offering prices. Such agreements generally provide that each relevant Underwriter will share a portion of its underwriting compensation with such other broker-dealers.

[NTD: Any additional Underwriter statements regarding distribution agreements to be added.]
Citigroup Global Markets Inc., an underwriter of the Series 2020A Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

CONTINUING DISCLOSURE

General

United will enter into a Continuing Disclosure Agreement with the Trustee upon the issuance and sale of the Series 2020A Bonds to provide certain financial and operating data concerning its affairs and to provide notice of the occurrence of certain events set forth in the Continuing Disclosure Agreement on a continuing basis for

owners of the Series 2020A Bonds through filings with the Electronic Municipal Market Access (“EMMA”) website of the Municipal Securities Rulemaking Board, currently located at <http://emma.msrb.org>. The Continuing Disclosure Agreement will be in substantially the form attached hereto as APPENDIX F—“FORM OF CONTINUING DISCLOSURE AGREEMENT.” United’s covenants in such agreement have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended.

Compliance with Prior Undertakings

[NTD: To be updated.] [United has made timely filings of its Annual Report on Form 10-K and other required periodic reports and current reports with the SEC during the past five years. United has become aware, however, that during the last five years there have been certain instances where it did not timely make event notice filings with EMMA under certain other continuing disclosure agreements that United entered into in connection with prior issuances of special facilities revenue bonds with respect to certain annual disclosures. United has made corrective filings with respect to such matters and anticipates satisfying its continuing disclosure undertakings on a timely basis. United has adopted written policies and procedures relating to its continuing disclosure obligations under Rule 15c2-12 designed to facilitate United’s compliance with its continuing disclosure undertakings.]

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Series 2020A Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership, and disposition of the Series 2020A Bonds.

Tax Exemption

In the opinion of Bracewell LLP and West & Associates, L.L.P., Co-Bond Counsel, under existing law (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes, except for any period during which a Series 2020A Bond is held by a person who is a “substantial user” of the facilities re financed with the proceeds of the Series 2020A Bonds or a “related person” to such a “substantial user,” each within the meaning of section 147(a) of the Internal Revenue Code, as amended (the “Code”), and (ii) interest on the Series 2020A Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer’s alternative minimum tax liability.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Series 2020A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the “Service”). The City has covenanted in the Trust Indenture and United has covenanted in the Lease that they will comply with these requirements.

Co-Bond Counsel’s opinion will assume continuing compliance with the covenants of the Trust Indenture and Lease pertaining to those sections of the Code that affect the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the City, United, the Co-Financial Advisors and the Underwriters with respect to matters solely within the knowledge of the City, United, the Co-Financial Advisors and the Underwriters, respectively, which Co-Bond Counsel has not independently verified. If the City or United fails to comply with the covenants in the Trust Indenture or the Lease or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Series 2020A Bonds could become includable in gross income from the date of delivery of the Series 2020A Bonds, regardless of the date on which the event causing such inclusion occurs.

The Code imposes an alternative minimum tax on the “alternative minimum taxable income” of an individual, if the amount of such alternative minimum tax is greater than the amount of such individual’s regular income tax. Generally, the alternative minimum taxable income of an individual will include items of tax preference

under the Code, such as the amount of interest received on "private activity bonds" issued after August 7, 1986. Accordingly, Co-Bond Counsel's opinion will state that interest on the Series 2020A Bonds is an item of tax preference that is includable in alternative minimum taxable income for purposes of determining a taxpayer's alternative minimum tax liability.

Except as stated above, Co-Bond Counsel will express no opinion as to the amount of interest on the Series 2020A Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Series 2020A Bonds.

Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on Co-Bond Counsel's knowledge of facts as of the date thereof. Co-Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of result and is not binding on the Service; rather, such opinion represents Co-Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinion. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2020A Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer and the owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2020A Bonds could adversely affect the value and liquidity of the Series 2020A Bonds regardless of the ultimate outcome of the audit.

Additional Federal Income Tax Considerations

Collateral Tax Consequences. Prospective purchasers of the Series 2020A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance tax credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2020A Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Series 2020A Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2020A Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium. The issue price of all or a portion of the Series 2020A Bonds may exceed the stated redemption price payable at maturity of such Series 2020A Bonds. Such Series 2020A Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

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

federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount. The issue price of all or a portion of the Series 2020A Bonds may be less than the stated redemption price payable at maturity of such Series 2020A Bonds (the “Original Issue Discount Bonds”). The difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Series 2020A Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Series 2020A Bonds under the subcaptions “—Tax Exemption,” “—Additional Federal Income Tax Considerations—Collateral Tax Consequences,” and “—Tax Legislative Changes” generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

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

The foregoing discussion assumes that (i) the Underwriters have purchased the Series 2020A Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm’s-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. None of the City, United or Co-Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2020A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Series 2020A Bond.

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

Tax Legislative Changes

Public Law No. 115-97 (i.e., Tax Cuts and Jobs Act), which makes significant changes to the Code, including changing certain provisions affecting tax-exempt obligations, such as the Bonds, was signed into law on December 22, 2017. The changes include, among others, changes to the federal income tax rates for individuals and corporations and the alternative minimum tax for tax years beginning after December 31, 2017.

Further, current law may change so as directly or indirectly to reduce or eliminate the benefit of the excludability of interest on the Series 2020A Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

OTHER LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2020A Bonds are subject to the approving opinion of the Attorney General of the State of Texas and the approving opinion of Co-Bond Counsel. Certain legal matters will be passed upon for United by Richa Himani, its Assistant General Counsel – Commercial Transactions and by Mayer Brown LLP, its outside counsel, and for the Underwriters by their counsel, O'Melveny & Myers LLP.

MISCELLANEOUS

The summaries and descriptions herein of the Lease, the Trust Indenture, the Guaranty, the Continuing Disclosure Agreement and any other documents relating to the Series 2020A Bonds and not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of such documents, copies of which may be obtained from United and from the Underwriters during the period of the initial offering of the Series 2020A Bonds. Appendix A to this Official Statement incorporates by reference information concerning United, including certain financial information.

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

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

CITY OF HOUSTON, TEXAS

Approved by:

UNITED AIRLINES, INC.

APPENDIX A

AVAILABILITY OF CERTAIN INFORMATION RELATING TO UNITED AIRLINES, INC.

Available Information

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

Incorporation of Certain Documents by Reference

The Official Statement incorporates by reference the documents listed below that United previously filed with the SEC (excluding any information that has been “furnished” but not “filed” for purposes of the Exchange Act) and that are not delivered with this Official Statement. *[NTD: To be confirmed/updated by United prior to launch.]*

Filings by United and Combined filings by UAL and United	Date filed
Annual Report on Form 10-K for the year ended December 31, 2019	February 25, 2020
Quarterly Report on Form 10-Q for the quarter ended March 31, 2020	May 4, 2020
Current Report on Form 8-K	March 12, 2020
Current Report on Form 8-K	March 26, 2020
Current Report on Form 8-K	April 13, 2020
Current Report on Form 8-K	April 21, 2020
Current Report on Form 8-K	April 23, 2020
Current Report on Form 8-K	April 24, 2020
Current Report on Form 8-K	May 6, 2020
Current Report on Form 8-K/A	May 6, 2020
Current Report on Form 8-K	May 8, 2020
Current Report on Form 8-K	May 12, 2020
Current Report on Form 8-K/A	May 22, 2020

All documents filed by United pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than current reports furnished on Form 8-K under Items 2.02 and 7.01, unless United specifically states in such current report that such information is to be considered “filed” under the Securities Exchange Act of 1934, as amended, or incorporates it by reference into a filing under the Securities Act of 1933, as amended) after the date of this Official Statement and until the earlier of (i) the time when this Official Statement is available to any person from the Municipal Securities Rulemaking Board, but in no case less than 25 days following the “end of the underwriting period” (as defined below), or (ii) 90 days after the “end of the underwriting period,” shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. The “end of the underwriting period” means such time as the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Series 2020A Bonds for sale to the public.

United will provide without charge to each person to whom this Official Statement is delivered, on written or oral request of such person, a copy of any or all documents incorporated by reference in this Official Statement without exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to the Corporate Secretary's Office, United Airlines, Inc., 233 S. Wacker Drive, Chicago, IL 60606.

APPENDIX B

CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following are selected provisions of the Original Trust Indenture dated August 1, 2001, as supplemented by that certain First Supplemental Trust Indenture dated as of June 1, 2014, and as supplemented by that certain Second Supplemental Trust Indenture to be dated as of June 1, 2020 (together, the "Trust Indenture"). As used in this Appendix B, references to "this Indenture" and "hereunder" mean the Trust Indenture. *Such excerpts should be qualified by reference to other portions of the Trust Indenture referred to elsewhere in this Official Statement, and all references and summaries pertaining to the Trust Indenture in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Trust Indenture, a copy of which may be obtained from the City. Certain defined terms used in the Trust Indenture refer to definitions in the Lease. Provisions included herein are in final form but may be amended in accordance with the terms of the Trust Indenture.*

[To be updated as needed.]

SELECTED DEFINITIONS FROM THE TRUST INDENTURE

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

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

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

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

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

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

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

"*Bond Registrar*" shall mean the Trustee.

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

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

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

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

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

"*Defeasance Obligations*" shall mean (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable

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

“Department of Aviation” shall mean that department of the City that manages the Airport System.

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

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

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

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

“Lessee Project Components” shall have the meaning set forth in the Lease.

“Memorandum of Understanding” means the Memorandum of Understanding regarding the Lease between the city and United dated June 1, 2014.

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

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

- (1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
 - (2) Bonds for the payment or redemption of which money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption has been duly given pursuant to this Indenture, or waived, or provision therefor satisfactory to the Trustee has been made;
 - (3) Bonds in lieu of which another Bond has been authenticated and delivered under this Indenture;
- and
- (4) Bonds held or owned by the City or the Lessee.

“Paying Agent” shall mean the Trustee.

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

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

“Pledged Revenues” all mean the aggregate of (i) the Special Facilities Payments received or receivable; (ii) any amounts on deposit in the Construction Fund, inclusive of the accounts and sub-accounts maintained therein; (iii) any amounts on deposit in the Interest and Redemption Fund inclusive of accounts therein; (iv) gross receipts (net of an amount equal to City Charges and Ground Rentals payable as described in the Lease) derived by the City from the exercise of any right, obligation or remedy specified or permitted by the Lease; and (v) any insurance

proceeds or refunds and all condemnation awards related to the Special Facilities that are available or payable to the City pursuant to the Lease. All of the items of money described above constitute "Pledged Revenues."

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

"*Second Supplemental Trust Indenture*" means the Second Supplemental Trust Indenture between the City and the Trustee, dated June 1, 2020, supplementing the Original Trust Indenture and authorizing the issuance, sale and delivery of the Series 2020A Bonds.

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

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

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

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

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

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

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

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

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

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

SELECTED EXCERPTS FROM THE ORIGINAL TRUST INDENTURE

GRANTING CLAUSES

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

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

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

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

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

* * *

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

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

* * *

Section 4.9. Investment of Funds. (a) Moneys from time to time on deposit to the credit of the Interest and Redemption Fund and the Construction Fund, inclusive of the Construction Accounts and Capitalized Interest Sub-Accounts, may be invested by the Trustee in Authorized Investments, as directed in writing by the Lessee, provided that no Event of Default by the Lessee under the Lease has occurred and is continuing. All investments shall belong to the Fund from which such moneys were taken. The Trustee shall have the right to have sold in the open market a sufficient amount of such investments from any Fund to meet its obligations from such Fund if sufficient uninvested monies are not then on deposit therein. Neither the Trustee nor the City shall be responsible for any loss arising from investments made in accordance with this Section, for the Bonds becoming "arbitrage bonds" by reason of any investments so made, or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

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

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

* * *

ARTICLE VI ADDITIONAL BONDS, ADDITIONAL OBLIGATIONS AND REFUNDING BONDS

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

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

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

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

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

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

ARTICLE VII COVENANTS OF THE CITY

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

* * *

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

Section 6A of the Lease to be paid to Trustee on behalf of the City in the amounts and at the times necessary to enable the City to make all deposits to the Interest and Redemption Fund, as required herein and in the Lease.

* * *

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

* * *

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

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

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

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

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

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

Section 8.5. Right of Holders to Direct the Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have

the right, subject to the provisions of Section 10.2 of the Original Trust Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Original Trust Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to the Holders not parties to such direction.

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

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

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

ARTICLE X THE TRUSTEE

* * *

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

* * *

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

Section 10.8. Resignation of Trustee. (a) Except as provided in subsection 10.8(b) hereof, the Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice to the City and the Lessee and by publishing notice of its intended resignation at least ninety (90) days in advance thereof, which notice

shall specify the date on which such resignation shall take effect and shall be given in writing to the Holders of all of the Bonds and such resignation shall take effect from the date specified in such notice, unless a successor to such Trustee shall have been appointed by the Holders of the Bonds or by the City and the Lessee as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Trustee.

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

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

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

Section 10.10. Powers of Successor Trustee. Each successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, the Lessee and to the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor Trustee shall, nevertheless, on the written request of the City, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations of such predecessor hereunder. Each predecessor Trustee shall immediately deliver all properties, securities and moneys held by it to its successor; provided, however, that before any such delivery is required or made, all proper fees, advances and expenses of the predecessor Trustee shall be paid in full. Should any instrument in writing be required from the City by any successor Trustee for properties, rights, powers, trusts, duties and obligations hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee, the appointment of a successor Trustee hereunder, together with all instruments provided for in this Article, shall be filed with such successor Trustee.

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

ARTICLE XI
SUPPLEMENTAL INDENTURES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) the establishment of priorities among Bonds; or

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

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

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

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

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

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

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

Section 11.3. Rights of Trustee. Notwithstanding the foregoing provisions of this Article XI, the Trustee shall not be required to enter into any supplement hereto, unless it shall have received an opinion of counsel (if

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

Section 11.4. Approval by Lessee. Notwithstanding anything contained in the foregoing provisions of this Indenture to the contrary, so long as no Event of Default has occurred and is continuing (other than an Event of Default not attributable to Lessee's actions or failure to act) or Event of Phase Termination has not occurred with respect to both Phases; no supplemental indenture or agreement shall become effective unless and until Lessee delivers to the City and the Trustee a written consent to the terms of such supplemental indenture or agreement, except that the Lessee's consent shall not be required for the issuance of any Additional Obligations as provided herein.

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

ARTICLE XII DEFEASANCE

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

(b) Any Series 2014 Bond shall be deemed to be paid and no longer Outstanding within the meaning of this Indenture when payment of the principal of on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, pursuant to an escrow or trust agreement, a sufficient amount of cash and/or Defeasance Obligations which are certified by an independent certified public accountant to be sufficient to provide for the full and timely payment of the principal amount and redemption premium, if any, of such Series 2014 Bonds plus interest thereon to the date of maturity or redemption plus all fees and charges of the Trustee in connection therewith; provided, however, that if any of such Series 2014 Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving proper notice of redemption therefor.

(c) To accomplish defeasance of any of the Series 2014 Bonds the City shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Series 2014 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2014 Bonds are no longer "Outstanding" under State law and this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City, the Lessee and the Trustee.

(d) The satisfaction and discharge of this Indenture shall be without prejudice to any rights and immunities of the Trustee and the duties of the Trustee as Paying Agent and in connection with registration and

transfer of Bonds shall survive and remain in effect until all of the Bonds have been paid, redeemed or defeased pursuant to this Indenture. The Trustee shall be reimbursed by the City for any expenditures which it may incur in connection with this Article XII.

* * *

SELECTED EXCERPTS FROM THE SECOND SUPPLEMENTAL TRUST INDENTURE

ARTICLE VII DEFEASANCE OF THE SERIES 2020A BONDS

Section 7.1 Defeasance of Series 2020A Bonds. The following provisions are applicable to the Series 2020A Bonds only and do not apply to the other Bonds issued pursuant to the Trust Indenture.

The City may discharge its obligation to the Holders of any or all of the Series 2020A Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now permitted by law or as may be then permitted by law, including, but not limited to, by depositing with an escrow agent or with the Paying Agent for such Series 2020A Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Series 2020A Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or Investments in principal amounts and maturities and bearing interest at rates sufficient (in the opinion of an independent certified public accountant) to provide for the timely payment of the principal amount and redemption premium, if any, of such Series 2020A Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of the Series 2020A Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the Form of Series 2020A Bonds attached to this Second Supplemental Trust Indenture. To accomplish defeasance, the City shall cause to be delivered either a report (a "Report") of an independent certified public accountant acceptable to the Trustee verifying the sufficiency of such deposit or an opinion (a "Defeasance Opinion") of nationally recognized bond counsel to the effect that such Series 2020A Bonds are no longer outstanding under State law and the Trust Indenture; the Report or Defeasance Opinion shall be acceptable in form and substance and addressed to the City, United and the Trustee. Upon such deposit and delivery of the Report or Defeasance Opinion as described in this Section, such Series 2020A Bonds shall no longer be regarded to be Outstanding or unpaid.

For the purpose of this Article, "Investments" shall mean:

(i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States;

(ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2020B-2 Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent;

(iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City authorizes the discharge by deposit of any or all of the Series 2020B-2 Bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than AAA or its equivalent; and

(iv) any other obligation or investment permitted under Chapter 1207, Texas Government Code, as amended.

* * *

APPENDIX C

CERTAIN PROVISIONS OF THE LEASE

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

ARTICLE I DEFINITIONS AND INTERPRETATIONS

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

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

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

* * *

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

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

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

* * *

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

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

* * *

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

"Bonds" shall mean collectively the Series 2001 Bonds and any Additional Bonds and Refunding Bonds from time to time hereafter issued.

* * *

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

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

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

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

"City Charges" shall mean those charges authorized in Section 6.07.

* * *

"City International Ticketing Facility Components" shall mean the Terminal E Pedestrian Bridges, the Shell for Central Ticketing Facility and Associated Ramp and the Baggage Tunnel.

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

capital replacements or charges resulting from the negligence or breach of existing agreements by the City, its employees or contractors.

“City Project Components” shall mean those components of the Terminal E Project being constructed and financed by the City, other than with the Bonds, which consist of the Terminal E Apron Area, the Terminal E Fueling Facilities, the Terminal E Pedestrian Bridges, the Terminal E Utilities, the Shell for Central Ticketing Facility and Associated Ramp and Baggage Tunnel, all as more fully described herein and made a part hereof, together with any modifications, additions or reductions thereto approved by the Director subject to the limitations imposed by the Trust Indenture. The City Project Components include the City South Concourse Components and the City International Ticketing Facility Components.

“City South Concourse Components” shall mean the Terminal E Apron Area, the Terminal E Fueling Facilities and the Terminal E Utilities.

* * *

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

* * *

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

* * *

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

* * *

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

- (i) all amounts paid to design, construct, acquire, fabricate, equip and install the Lessee Project Components or other Special Facilities, including without limitation, all costs of utility extensions and connections and all amounts paid under all contracts for goods, services and facilities related thereto;
- (ii) all amounts necessary to provide for work performed, material purchased or expenditures incurred, pertaining to or in connection with the Lessee Project Components or any other Special Facilities approved by City including, without limitation, the charges of any architects or engineers for plans, specifications, drawings, supervision and inspection for the Lessee Project Components or Special Facilities;

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

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

(v) legal, accounting and bond advisory, underwriting and consultant fees and expenses, including any fees and expenses of any bond insurer and provider of any reserve fund surety, bond rating agencies and all costs and expenses incident to the authorization, issuance, delivery and sale of the Bonds, including without limitation the preparation, execution, delivery and recording of this Agreement, the Trust Indenture, any preliminary and the final offering documents pertaining to the Bonds, and any printing fees for such documents, any purchase agreements pursuant to which the Bonds will be sold, all credit agreements and other documents providing security for the Bonds or the obligations owing to the City hereunder and all other agreements and documents involved and contemplated hereby, the costs and fees, including legal fees, incident to the qualification of the Bonds for offer and sale under securities laws and the preparation of any memorandum as to the eligibility of the Bonds for offer and sale and for investment under state laws if required or if applicable;

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

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

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

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

“Department” shall mean the Department of Aviation of the City.

“Director” shall mean the Director of the Department or his designee.

* * *

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

* * *

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

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

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

“Ground Rentals” shall mean the rentals to be paid directly to the City pursuant to Section 6.06 as consideration for the Ground Lease Properties.

“Guaranty” means the Guaranty dated as of August 1, 2001, as amended and restated as of June 1, 2014, from United to the Trustee guaranteeing the payment of principal of, premium, if any, and interest on the Series 2014 Bonds, any Additional Bonds and any Refunding Bonds.

* * *

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

* * *

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

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

* * *

“Landing Fees” shall mean the landing fees payable by Lessee as provided in Section 6.08 hereof.

“Lessee Project Components” shall mean the South Concourse, Lessee’s Central Ticketing Facility, Lessee’s Terminal C-East Garage ATO Facility and Lessee’s Terminal E Baggage System Improvements, all as more fully described herein and made a part hereof, together with any modifications, additions or reductions thereto approved by the Director.

“Lessee South Concourse Components” shall mean the South Concourse and the Lessee’s Terminal C-East Garage ATO Facility.

“Lessee’s Terminal C-East Garage ATO Facility” shall mean those tenant improvements, fixtures, equipment and related facilities in the parking facility located east of Terminal C at the Airport known as the Terminal C-East Garage, including walkways to connect the same with the South Concourse as described herein.

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

“Outstanding” shall have the meaning assigned in the Trust Indenture.

* * *

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

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

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

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

* * *

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

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

"Shell for Central Ticketing Facility and Associated Ramp" shall mean those portions of the Central FIS that encase Lessee's Central Ticketing Facility together with the vehicle ramp adjacent thereto, as more fully described herein.

"South Concourse" shall mean those buildings, improvements, fixtures, equipment and related facilities as more fully described herein and as more fully provided in the Program Definition Manual.

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

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

"Special Facilities Payments" shall mean the rentals payable to the Trustee on behalf of the City pursuant to Section 6.01(a)(i) and (ii) hereof for the purpose of being applied to the payment of the Bonds and making required deposits to the Interest and Redemption Fund.

* * *

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

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

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

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

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

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

"Terminal E Apron Area" shall mean the apron area more fully described in this Agreement.

"Terminal E Fueling Facilities" shall mean the fueling facilities more fully described in this Agreement.

"Terminal E Pedestrian Bridges" shall mean the pedestrian bridges more fully described in this Agreement.

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

"Terminal E Utilities" shall mean the utilities more fully described in this Agreement.

* * *

"Use Agreement" shall mean the Continental Airport Use and Lease Agreement and/or any other successor use and lease agreement or other successor agreement, howsoever denominated, between Lessee and the City, pursuant to which Lessee is granted the right to operate its commercial air transportation business on the Airport in consideration for its payment of landing fees and other amounts and its agreement to abide by certain rules and regulations regarding its operations on the Airport, and if none shall exist, subject to Section 12.15 hereof, any such agreement between the City and any other carrier engaged in the air passenger transportation business at the Airport, and if none shall exist with any other carrier, then it shall mean the ordinance or ordinances of the City regulating such matters and imposing such landing fees and other rates and charges.

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

* * *

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

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

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

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

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

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

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

made by another, Lessee shall be compensated for such use by the user thereof in an amount reasonably acceptable to the City and Lessee).

* * *

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

* * *

Section 4.02. Issuance of Additional Bonds and Additional Obligations. (a) The City, at the direction of Lessee, may issue Additional Bonds in amounts sufficient to pay (i) any part of the Costs of the Lessee Project Components not fully funded or provided for out of the proceeds of the Series 2001 Bonds, or (ii) the Costs of the Special Facilities for any additional Special Facilities approved pursuant to Section 5.05 hereof. The City agrees to use its Best Efforts to issue any Additional Bonds required under clause (i) above, and the Director shall cooperate in a reasonable manner with Lessee to request the City to issue Additional Bonds under clause (ii) above; however, no representation is made or assurance given or implied by the City that it will be able to sell, issue and deliver Additional Bonds on terms and conditions satisfactory to Lessee or that it will agree to issue Additional Bonds for any other purpose than as set forth above. Moreover, the issuance of Additional Bonds is made subject to the same conditions enumerated in Section 4.01 and the additional condition that, if deemed necessary by the City, there shall have been executed a supplement to this Agreement to provide for the manner of construction, acquisition and payment for any additional Special Facilities to be financed with such Additional Bonds and to provide for any other matters reasonably deemed necessary by the City in connection with such financing. All Additional Bonds shall be secured and payable as provided in the Trust Indenture. Upon the issuance of any Additional Bonds, the Special Facilities Payments payable hereunder shall automatically be increased in the amounts required to provide for the full and timely payment of all principal, interest, redemption premiums, Trustee charges and other related costs and expenses on all Bonds then outstanding, including the Additional Bonds to be issued. However, the City shall not authorize the issuance of Additional Bonds until the terms thereof and of the supplement to the Trust Indenture relating thereto have been approved in writing by Lessee, which written approval shall be conclusively binding upon Lessee. Lessee hereby grants such approval in advance for the issuance of Additional Bonds issued under Sections 6A.06 provided any such Additional Bonds have a final maturity and amortization schedule comparable to the Series 2001 Bonds unless otherwise agreed to by the Lessee and the City.

* * *

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

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

such Bonds, together with any related costs and expenses in connection with such redemption, or (ii) that Refunding Bonds will be issued to finance all such costs and expenses or (iii) any combination thereof.

ARTICLE 6
SPECIAL FACILITIES PAYMENTS; OTHER RENT AND CHARGES

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

- (i) on or before each interest and/or principal payment date on the Bonds:
 - (A) all interest payable on all Bonds on such date; plus
 - (B) all principal (if any) payable on all Bonds on such date, whether payable at maturity or earlier redemption (regardless of whether such redemption is optional, extraordinary or mandatory); plus
 - (C) all redemption premiums (if any) payable on all Bonds on such date.
- (ii) immediately upon receipt of written notice from the Trustee for the Bonds advising it that such amounts are due and payable:
 - (A) all unpaid principal, accrued interest and redemption premiums on all Bonds which are declared due and payable under any extraordinary redemption or acceleration provision in the Trust Indenture.
- (iii) In addition to the above described Special Facilities Payments, there shall be paid as additional rent (x) directly to the Trustee, all Trustee charges and any other related costs and expenses in connection with the payment of principal, interest or redemption premiums on the Bonds in accordance with the Trust Indenture, (y) directly to the Trustee at such times and in such amounts, together with amounts available therefor under the Trust Indenture, so as to ensure compliance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and (z) directly to any bond insurer or other credit enhancer or provider of a reserve fund surety, all fees, charges, reimbursements, expenses and interest charges due in connection therewith;

* * *

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

* * *

Section 6.02 Obligation to Pay Special Facilities Payments Unconditional. It is understood and acknowledged that the Bonds will be sold to the purchasers thereof in reliance upon the commitment to make the payments of Special Facilities Payments provided in Section 6.01(a) above and elsewhere as provided herein, subject only to the reductions provided in Section 6.01(b) and the limitations in Article 6A. Accordingly, subject to the above-referenced limitations, the obligation to make the payments of Special Facilities Payments thus required shall be absolute and unconditional and so long as the Bonds remain Outstanding within the meaning of the Trust Indenture, but except as expressly provided in Article 6A, (i) there shall be no suspension or discontinuance of any payments of Special Facilities Payments provided herein or any offset against obligations to pay such amounts or recoupment of any amounts so paid, and (ii) there will be no termination of this Agreement or other effort to seek to avoid or to reduce the payment of Special Facilities Payments for any reason, including without limiting the generality of the foregoing, termination of the Use Agreement, failure to complete the Lessee Project Components, voluntary or involuntary bankruptcy of the City, any Event of Default hereunder, failure to complete the construction or acquisition of any other Special Facilities, failure of the City to pay or cause to be paid any Costs of the Special Facilities (but without limiting the City's obligations under Section 4.03 hereof) or any acts or circumstances that may constitute failure of consideration, destruction or damage to or condemnation of such facilities, or frustration of purpose, any change in the tax or other laws of the United States of America or the State of Texas, or any political subdivision of either thereof or any failure of the City to perform or observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. It is provided, however, that nothing contained in this Section shall be construed to release the City from the performance of any of the agreements on its part herein contained, and in the event the City should fail to perform such agreement, the Lessee may, without limitation of any other rights that the Lessee may then have, institute such actions against the City as it may deem necessary to compel the performance thereon, to seek damages or other relief or to restrain or enjoin forbidden acts provided that such institution of such actions shall not result in a reduction of the payment of Special Facilities Payments hereunder.

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

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

* * *

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

advance and (ii) for the footprint of Lessee's Central Ticketing Facility, \$0.32 per square foot beginning upon the date of Substantial Completion of the Central FIS, and escalating 15% on each succeeding fifth year anniversary thereof during the term of this Agreement payable monthly in advance.

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

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

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

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

1. Direct and indirect City Operation and Maintenance Expenses allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area); provided that, it is acknowledged by the City that the only direct City Operation and Maintenance Expenses allocable to any Lessee Project Components shall be those City Operation and Maintenance Expenses, if any, as are incurred by the City for the sole benefit of such Lessee Project Components, such as, without limitation, any security personnel assigned thereto.
2. City Amortization of the unamortized costs of each City Capital Improvement allocable to such Phase (other than the Terminal E Apron Area) as of June 30, 1998 over the remaining useful life of the City Capital Improvement at the weighted City's Cost of Capital for all City Capital Improvements at the Airport at that date.
3. City Amortization of the net cost of each City Capital Improvement placed in service on or after July 1, 1998, which is allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area).
4. Interest on the cost of land allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area) computed at City's historical average City's Cost of Capital.
5. Annual Systems Costs allocable to such Phase of the Terminal E Project.
6. Annual replenishment of the Renewal and Replacement Fund allocable to such Phase of the Terminal E Project (other than the Terminal E Apron Area), if necessary, as required by the City's Airport System Revenue Bond ordinances.

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

1. Direct and indirect City Operation and Maintenance Expenses allocable to the Terminal E Apron Area.
2. City Amortization of the unamortized net cost of each City Capital Improvement allocable to the Terminal E Apron Area (including improvements associated with the Terminal E Fueling Facilities) as of June 30, 1998 over the remaining Useful Life of the City Capital Improvement at the weighted City's Cost of Capital for all City Capital Improvements at the Airport as of that date.
3. City Amortization of the net cost of each City Capital Improvement placed in service allocable to the Terminal E Apron Area on or after July 1, 1998.
4. Interest on the cost of land allocable to the Terminal E Apron Area computed at the historical average of the City's Cost of Capital.
5. Annual Systems Costs allocable to the Terminal E Apron Area.
6. Annual replenishment of the Renewal and Replacement Fund allocable to the Terminal E Apron Area, if necessary, as required by City's Airport System Revenue Bond ordinance.

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

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

1. Fixed Costs: Fixed costs shall include the costs of the guideway structures, control system and stations. Until extended to Terminal A, the costs of guideway structures and control systems shall be separately identified and tracked by link, and the cost of each link shall be allocated equally (50%/50%) between the two terminals served by the link, except for any link to an APM Maintenance Facility, which shall be allocated entirely to the APM Maintenance Facility. The fixed costs of each station shall be allocated to the terminal served by that station. Fixed costs associated with the APM Maintenance Facility, power distribution and central controls shall be allocated equally among terminals served by the system. The APM Maintenance Facility shall be amortized over 10 years if the City reasonably determines that it is an interim facility and 25 years if the City reasonably determines that it is a permanent facility.
2. Variable Costs: Variable costs shall include City Operation and Maintenance Expenses and annual Systems Costs allocable to the APM and amortization of the cost of vehicles (or, in the case of the original two vehicles for the Terminal B-C link, debt service on the Series 1997A Bonds or, if such Series 1997A Bonds are refinanced by the City, the debt service on such refunding bonds or other City funds allocable to those two vehicles). Until extended to Terminal A, variable costs shall be allocated in a two-step process. First, variable costs will be allocated to links between Terminals B and C and between Terminals C and D/E based on the number of vehicle-trips traversed on each link. (One vehicle moving from one terminal station to another terminal station is one vehicle-trip. APM control systems will be designed to account for vehicle trips by link). Second, variable costs allocable to each link will be further allocated equally (50%/50%) between the terminals served by each link. For this purpose, Terminals D and E will be considered a single terminal.

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

- (a) The annual fixed and variable costs of the APM will be determined in accordance with paragraphs C.1 and C.2.
- (b) Total estimated APM costs will be allocated to terminals based on the allocation methods described in paragraphs C.1 and C.2 above. Within any terminal, total allocable APM costs will be further allocated to airlines based on passengers enplaning in such terminal. Within the Terminal D/E and Central FIS complex, 50% of APM costs will be allocated to the Central FIS and recovered through Central FIS charges, and the remaining 50% of the costs will be allocated based on total (international and domestic) enplaned passengers using Terminals D and E.
- (c) APM charges will be payable monthly.

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

Section 6.08 Landing Fees. Commencing on the Substantial Completion of the Terminal E Project, Lessee agrees to pay the City monthly Landing Fees on Lessee's total aircraft landed weight as reported under Section 6.05, which shall be calculated as follows through December 31, 2017:

- 1. The following Airfield Area costs will be added:
 - a. Direct and indirect City Operation and Maintenance Expenses allocable to the Airfield Area.
 - b. City Amortization of the unamortized net cost of each City Capital Improvement allocable to the Airfield Area as of June 30, 1998, over the remaining Useful Life of the City Capital Improvement at the weighted City's Cost of Capital for all City Capital Improvements as of that date.
 - c. City Amortization of the net cost of each City Capital Improvement placed in service allocable to the Airfield Area on or after July 1, 1998.
 - d. Interest on the cost of land allocable to the Airfield Area computed at City's historical average of the City's Cost of Capital.
 - e. Annual Systems Costs allocable to the Airfield Area.
 - f. Annual replenishment of the Renewal and Replacement Fund allocable to the Airfield Area, if necessary as required by City's Airport System Revenue Bonds ordinances.
- 2. The net costs of the Airfield Area will then be calculated by subtracting revenues from general aviation fuel flowage fees but only if and to the extent the City's bond counsel is of the opinion such subtraction will not affect the tax exempt status of the City's Airport System Revenue Bonds.
- 3. The Landing Fee rate will then be calculated by dividing the net costs of the Airfield Area by the total aircraft landed weight reported by all airlines using the Airport. The landed weight reported shall be the same as provided under the Continental Airport Use and Lease Agreement.

The delayed effective date for Lessee's obligation to pay Landing Fees under this Agreement shall not affect Lessee's obligation to pay landing fees under the Continental Airport Use and Lease Agreement or any other agreement.

* * *

Section 6.10 Conforming Adjustments After December 31, 2017. It is the intent of the City and Lessee that City shall charge Lessee, and Lessee shall pay to the City, City Charges and Landing Fees after December 31, 2017 on the same basis as such charges and fees are assessed to other airlines operating in a similar manner at the Airport. Accordingly it is the intention of the City and Lessee that all such provisions for City Charges, Landing Fees and their payment should be modified to conform to such standards and practices as are generally imposed at the Airport after such date.

* * *

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

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

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

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

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

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

Section 8.01A Maintenance of City Project Components and APM.

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

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

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

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

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

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

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

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

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

* * *

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

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

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

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

* * *

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

* * *

ARTICLE 9 LIABILITY, INSURANCE AND CONDEMNATION

Section 9.01 Release and Indemnification of City and Trustee.

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

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

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

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

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

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

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

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

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

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

Section 9.03 Risks and Minimum Limits of Coverage.

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

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

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

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

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

Section 9.04 Other Provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10 EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11 ASSIGNMENTS, SUBLETTING AND TERMINATION BY LESSEE

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

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

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

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

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

ARTICLE 12 MISCELLANEOUS

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

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

* * *

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

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

* * *

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

* * *

APPENDIX D

CERTAIN PROVISIONS OF THE GUARANTY

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

[NTD: Excerpts of Guaranty to be updated as necessary.]

* * *

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

1. Obligations Guaranteed.

- (a) United hereby unconditionally guarantees to the Trustee, for the benefit of the registered owners of the Bonds (the "Bondholders") (i) the full and prompt payment of the principal amount of all Bonds when and as the same shall become due and payable as provided in the Indenture, whether at the stated maturity thereof, by redemption, acceleration or otherwise and (ii) the full and prompt payment of the interest and any premium due on all Bonds, when and as the same shall become due and payable as provided in the Indenture.
- (b) The obligations covered by this Guaranty are intended by the parties hereto to be independent of those set out in, and enforceable without regard to the validity of enforceability of, all or any provisions of the Terminal E Lease and Special Facilities Lease Agreement dated as of August 1, 2001 (the "Lease") between United and the City, or any obligation of United contained therein.
- (c) This Guaranty is a guarantee of payment only, and not a guarantee of collectability.

* * *

3. Enforcement.

- (a) If United fails to perform its obligations hereunder, the Trustee shall have the right to proceed immediately against United to enforce its rights under this Guaranty, *provided, however*, that the Trustee shall credit against United's payment obligations under this Guaranty any and all corresponding rental payments received from United pursuant to Section 6.01 of the Lease and,

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

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

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

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

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

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

* * *

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

* * *

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

* * *

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2020A Bonds, payment of principal and purchase price, if any, and premium, if any, and interest and other payments with respect to the Series 2020A Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Series 2020A Bonds and other related transactions by and among DTC, the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations is made concerning these matters, and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City, United or the Trustee.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020A Bond will be issued for each maturity of the Series 2020A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC’s records. The ownership interest of each actual purchaser of a Series 2020A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive definitive certificates representing their ownership interests in the Series 2020A Bonds, except in the event that use of the book-entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of Series 2020A Bonds may wish to ascertain that the nominee holding the Series 2020A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020A Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, United or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, redemption proceeds and purchase price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee from the sources provided in the Trust Indenture, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

THE CITY, UNITED AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2020A BONDS (I) PAYMENTS OF PRINCIPAL OR PURCHASE PRICE, IF ANY, OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2020A BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2020A BONDS OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2020A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, ITS DIRECT PARTICIPANTS OR ITS INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE CITY, UNITED AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2020A BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE CITY KEPT BY THE TRUSTEE AS BEING A BONDHOLDER. THE CITY, UNITED, AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) ANY

OWNERSHIP INTEREST IN THE SERIES 2020A BONDS; (II) THE PAYMENT BY DTC TO ANY PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR PURCHASE PRICE, IF ANY, OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2020A BONDS; (III) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE; (IV) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2020A BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2020A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE SERIES 2020A BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2020A BONDS.

Discontinuance of Book-Entry System. DTC may discontinue providing its services as securities depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to the Trustee, or the City, with the consent of United, may also terminate its participation in the system of book-entry transfers through DTC or any other securities depository at any time. In the event that the book-entry system is discontinued, the Trustee will execute and make available for delivery, replacement definitive, fully-registered Series 2020A Bonds.

Transfer Fees. For every transfer and exchange of Series 2020A Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax or governmental charge that may be imposed in relation thereto.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of [June __, 2020] (the "Disclosure Agreement"), between United Airlines, Inc. (the "Company") and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its predecessors-in-interest, the "Trustee");

WITNESSETH:

WHEREAS, pursuant to a Purchase Contract dated as of [June __, 2020] (the "Purchase Contract"), the City of Houston, Texas (the "City") intends to sell its Airport System Special Facilities Revenue Refunding Bonds (United Airlines, Inc. Terminal E Project), Series 2020 (AMT) (the "Bonds") to Citigroup Global Markets Inc. and the other underwriters named in Exhibit A thereto (each an "Underwriter" and, collectively, the "Underwriters"), and, in order to permit the Underwriters to satisfy their obligations under Securities and Exchange Commission Rule 15c2-12, the Company has agreed to enter into this Disclosure Agreement;

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

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

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

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

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

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

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

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

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

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

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

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

"SEC" shall mean the Securities and Exchange Commission.

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

"State" shall mean the State of Texas.

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

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

SECTION 3. Provision of Annual Reports.

(a) The Company shall, or shall cause the Dissemination Agent to, not later than the last day of the sixth month following the end of each fiscal year of the Company (which is currently December 31), commencing with the fiscal year ending December 31, 2020, file with the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to such date, the Company shall file the Annual Report with the Dissemination Agent (if any) and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Company as disclosed below may be submitted separately from the balance of the Annual Report. If the Company's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

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

(c) If, after contacting the Company and the Dissemination Agent as required by subsection (b), the

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

(d) The Company agrees that it shall:

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

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

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

2. *[Annual disclosure obligations to be updated following finalization of POS language]* A listing of the number of daily departures operated by the Company and its regional carriers from the Airport as of a date not earlier than the last day of the most recently completed calendar year.

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

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

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

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

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

SECTION 5. Reporting of Listed Events.

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

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

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

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

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

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

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

accounting principles, notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB and the City. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Company to meet its obligations, and to the extent feasible in the view of the Company, shall be quantitative as well. In executing any amendment to this Disclosure Agreement, the Trustee shall be entitled to receive and rely upon an opinion of counsel that such amendment complies with this Section 8.

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

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

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

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

SECTION 13. Notices. Notices required or permitted to be given hereunder to the Company, the City or the Trustee shall be provided as set forth in Section [14.7] of the Trust Indenture.

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

(SIGNATURES ON NEXT PAGE)

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

United Airlines, Inc.

By: _____
Name:
Title:

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

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Houston, Texas

Name of Bond Issue: _____

Name of Company: United Airlines, Inc.

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Company named above has not provided the required annual financial information as required under the Continuing Disclosure Agreement, dated as of _____, 2020, between the Company listed above and the undersigned, as trustee, relating to the Bond Issue described above, on or before the date such information is required to be provided in such Continuing Disclosure Agreement.

Dated: _____

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

By: _____
Title:

APPENDIX G
FORM OF OPINION OF CO-BOND COUNSEL

[To come.]