

COMMERCIAL PAPER OFFERING MEMORANDUM

BOOK-ENTRY ONLY

Ratings: See Inside Front Cover and
“RATINGS” herein.

In the opinion of Kutak Rock LLP, Bond Counsel to the Department, based on existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations of the Department and continuing compliance by the Department with certain covenants, interest on the Series A Notes and the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, will be excluded from gross income for federal income tax purposes, except interest on any Series B Note for any period during which such Series B Note is held by a “substantial user” of the facilities financed or refinanced by the Series B Notes or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that: (a) interest on the Series A Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, will not be an item of tax preference for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022; (b) interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, will constitute an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (c) with respect to certain corporations, interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, is taken into account in determining the annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Interest on the Series C Notes is not excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Commercial Paper Notes, when issued in accordance with the Subordinate Indenture, will be exempt from State of California personal income taxes. See “TAX MATTERS” herein.



**DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT
Subordinate Revenue Commercial Paper Notes
Subseries A-1, Subseries A-2 and Subseries A-3 (Governmental – Non-AMT)
Subseries B-1, Subseries B-2 and Subseries B-3 (Private Activity – AMT)
Subseries C-1, Subseries C-2 and Subseries C-3 (Federally Taxable)**



The Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries A-1, Subseries A-2 and Subseries A-3 (Governmental – Non-AMT) (collectively, the “Series A Notes”), Subseries B-1, Subseries B-2 and Subseries B-3 (Private Activity - AMT) (collectively, the “Series B Notes”) and Subseries C-1, Subseries C-2 and Subseries C-3 (Federally Taxable) (collectively, the “Series C Notes” and, collectively with the Series A Notes and the Series B Notes, the “Commercial Paper Notes”) will be issued from time to time by the Department of Airports of the City of Los Angeles (the “Department”) in accordance with the terms and provisions of certain resolutions adopted by the Board of Airport Commissioners of the City of Los Angeles (the “Board”), the Master Subordinate Trust Indenture, dated as of December 1, 2002, as amended (the “Master Subordinate Indenture”), by and between the Department and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”), and the Seventh Supplemental Subordinate Trust Indenture, dated as of March 1, 2012, as amended (the “Seventh Supplemental Subordinate Indenture,” and together with the Master Subordinate Indenture, the “Subordinate Indenture”), by and between the Department and the Trustee.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SUBSERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SUBSERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK (AS DESCRIBED HEREIN) PROVIDING THE RELATED LETTER OF CREDIT SUPPORTING SUCH SUBSERIES OF COMMERCIAL PAPER NOTES AND NOT ON THE CREDIT OF THE DEPARTMENT OR LOS ANGELES INTERNATIONAL AIRPORT.

Credit support for the timely payment of each Subseries of Commercial Paper Notes will be provided by the applicable Bank pursuant to the related irrevocable transferable direct-pay letter of credit as identified in the table “SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS” set forth on the inside front cover of this Offering Memorandum, in each case subject to the terms thereof. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—The Letters of Credit,” “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS.”

The Commercial Paper Notes will be issued only as fully registered notes in denominations of \$100,000 and integral multiples of \$1,000 above \$100,000. When issued, the Commercial Paper Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Commercial Paper Notes will be made in book entry only form. Purchasers of beneficial interests in the Commercial Paper Notes will not receive physical delivery of certificates representing their interests in the Commercial Paper Notes. So long as the Commercial Paper Notes are held by DTC, the principal of and interest on the Commercial Paper Notes will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Commercial Paper Notes. See “APPENDIX C—BOOK-ENTRY-ONLY SYSTEM.”

The Commercial Paper Notes are limited obligations of the Department, payable solely from and secured by (a) advances made under the applicable Letter of Credit, (b) proceeds from the sale of the Commercial Paper Notes, and (c) Subordinate Pledged Revenues and certain funds and accounts established pursuant to the Subordinate Indenture. The Commercial Paper Notes do not constitute or evidence an indebtedness of the City of Los Angeles (the “City”) or a lien or charge on any property or the general revenues of the City. Neither the faith and the credit nor the taxing power of the City, the State of California or any public agency, other than the Department, to the extent of the Subordinate Pledged Revenues, is pledged to the payment of the principal of or interest on the Commercial Paper Notes. The Department has no power of taxation. The Commercial Paper Notes shall constitute and evidence an obligation of the Department payable only in accordance with Section 609(b) of the Charter of the City and any other applicable provision thereof. None of the properties of the Airport System is subject to any mortgage or other lien for the benefit of the owners of the Commercial Paper Notes. The Department is under no obligation to pay the Commercial Paper Notes, except from the funds in the LAX Revenue Account of the Airport Revenue Fund and as further specifically provided in the Subordinate Indenture.

This cover page is not intended to be a summary of the terms of, or the security for, the Commercial Paper Notes. Investors are advised to read this Offering Memorandum in its entirety to obtain information essential to the making of an informed investment decision. Capitalized terms not defined on the cover of this Offering Memorandum will have the meanings ascribed to them in this Offering Memorandum. *This Offering Memorandum is intended to apply to prospective purchasers of the Commercial Paper Notes on and after August 25, 2022.*

**BofA Securities
Loop Capital Markets**

**Citigroup
Morgan Stanley
Wells Fargo Securities**

**J.P. Morgan
Ramirez & Co., Inc.**

SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS

	Subseries	Letter of Credit Provider	Letter of Credit Expiration Date	Ratings*		
				Moody's	S&P	Fitch
Governmental- Non-AMT Notes	A-1 ¹	PNC Bank, National Association	August 24, 2027	P-1	A-1	F1
	A-2 ²	Barclays Bank PLC	August 24, 2026	P-1	A-1	F1
	A-3 ³	Bank of America, N.A.	August 24, 2026	P-1	A-1	F1+
Private Activity - AMT Notes	B-1 ¹	PNC Bank, National Association	August 24, 2027	P-1	A-1	F1
	B-2 ²	Barclays Bank PLC	August 24, 2026	P-1	A-1	F1
	B-3 ³	Bank of America, N.A.	August 24, 2026	P-1	A-1	F1+
Federally Taxable Notes	C-1 ¹	PNC Bank, National Association	August 24, 2027	P-1	A-1	F1
	C-2 ²	Barclays Bank PLC	August 24, 2026	P-1	A-1	F1
	C-3 ³	Bank of America, N.A.	August 24, 2026	P-1	A-1	F1+

* Expected ratings; to be released upon delivery of the applicable Letter of Credit. Ratings are based on the applicable Letter of Credit to be issued by the related Bank. Such ratings will expire upon the expiration of the related Letter of Credit. See "RATINGS" herein for additional information.

¹ The Series A-1 Notes, the Series B-1 Notes and the Series C-1 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$109,000,000 (the initial stated amount of the PNC Letter of Credit (as defined herein)).

² The Series A-2 Notes, the Series B-2 Notes and the Series C-2 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$327,000,000 (the initial stated amount of the Barclays Letter of Credit (as defined herein)).

³ The Series A-3 Notes, the Series B-3 Notes and the Series C-3 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$109,000,000 (the initial stated amount of the Bank of America Letter of Credit (as defined herein)).

The information in this Offering Memorandum has been obtained from the Department, the Trustee, the Banks, DTC and other sources believed to be reliable. The references herein to the Subordinate Indenture, the Commercial Paper Notes, the Letters of Credit and the Reimbursement Agreements do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof.

No dealer, salesperson, or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Department or any other person.

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

The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

This Offering Memorandum is not to be construed as a contract between the City or the Department and the purchasers of the Commercial Paper Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Commercial Paper Notes are expected to conduct their own review and analysis before making an investment decision.

The Commercial Paper Notes are exempt from the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The Commercial Paper Notes have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state. The Subordinate Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained therein. The Commercial Paper Notes have not been recommended by any federal or state securities commission or regulatory commission. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum.

Certain statements included or incorporated by reference in this Offering Memorandum constitute “forward-looking statements” within the meaning of federal securities laws. Such statements are based on currently available information, expectations, estimates, assumptions and projections and management’s judgment including those related to the air travel industry. Such words as “expects,” “intends,” “plans,” “believes,” “estimates,” “anticipates” or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not guarantees of future performance. Actual results may vary materially from what is contained in a forward-looking statement. Factors which may cause a result different than expected or anticipated include, but not limited to developments associated with the ongoing COVID-19 pandemic. The Department assumes no obligation to provide public updates of forward looking statements.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein have not been incorporated into, and are not part of,

this Offering Memorandum and should not be relied upon in deciding whether to invest in the Commercial Paper Notes.

No Bank has any responsibility for the form and content of this Offering Memorandum, other than solely with respect to the information describing itself in “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS,” and has not independently verified, did not participate in the preparation of, makes no representation or warranty regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Memorandum or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the information describing itself in “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS.”

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COMMERCIAL PAPER OFFERING MEMORANDUM

DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT
Subordinate Revenue Commercial Paper Notes
Subseries A-1, Subseries A-2 and Subseries A-3 (Governmental – Non-AMT)
Subseries B-1, Subseries B-2 and Subseries B-3 (Private Activity – AMT)
Subseries C-1, Subseries C-2 and Subseries C-3 (Federally Taxable)

INTRODUCTION

This Commercial Paper Offering Memorandum (this “*Offering Memorandum*”), which includes the cover page and appendices, provides general information in connection with the issuance and sale, from time to time, by the Department of Airports of the City of Los Angeles (the “*Department*”) of its (a) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries A-1 (Governmental – Non-AMT) (the “*Subseries A-1 Notes*”), Subseries A-2 (Governmental – Non-AMT) (the “*Subseries A-2 Notes*”), and Subseries A-3 (Governmental – Non-AMT) (the “*Subseries A-3 Notes*,” and collectively with the Subseries A-1 Notes and the Subseries A-2 Notes, the “*Series A Notes*”); (b) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries B-1 (Private Activity – AMT) (the “*Subseries B-1 Notes*”), Subseries B-2 (Private Activity – AMT) (the “*Subseries B-2 Notes*”), and Subseries B-3 (Private Activity – AMT) (the “*Subseries B-3 Notes*,” and collectively with the Subseries B-1 Notes and the Subseries B-2 Notes, the “*Series B Notes*”); and (c) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries C-1 (Federally Taxable) (the “*Subseries C-1 Notes*”), Subseries C-2 (Federally Taxable) (the “*Subseries C-2 Notes*”), and Subseries C-3 (Federally Taxable) (the “*Subseries C-3 Notes*,” and collectively with the Subseries C-1 Notes and the Subseries C-2 Notes, the “*Series C Notes*”). The Series A Notes, the Series B Notes and the Series C Notes shall be collectively referred to herein as the “*Commercial Paper Notes*.” *All references to documents and other materials herein are qualified in their entirety by reference to the complete provisions of those documents and other materials. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after August 19, 2022, and future use of this Offering Memorandum will not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since August 19, 2022.*

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SUBSERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SUBSERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK (AS DESCRIBED HEREIN) PROVIDING THE RELATED LETTER OF CREDIT (AS DEFINED HEREIN) SUPPORTING SUCH SUBSERIES OF COMMERCIAL PAPER NOTES AND NOT ON THE CREDIT OF THE DEPARTMENT OR LOS ANGELES INTERNATIONAL AIRPORT.

THE COMMERCIAL PAPER NOTES

Authorization and Purpose

The Commercial Paper Notes are authorized to be issued under and pursuant to Section 609 of the Charter of the City of Los Angeles, relevant ordinances of the City of Los Angeles (the “*City*”) and

Sections 11.28.1 et seq. of the Los Angeles Administrative Code (collectively, the “*Charter*”); Resolution No. 21434 adopted by the Board of Airport Commissioners of the City (the “*Board*”) on June 6, 2001 and approved by the City Council of the City and the Mayor of the City, and Resolution No. 24710 adopted by the Board on February 13, 2012 (collectively, the “*Resolutions*”); and the Master Subordinate Trust Indenture, dated as of December 1, 2002, as amended (the “*Master Subordinate Indenture*”), by and between the Department and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “*Trustee*”), and the Seventh Supplemental Subordinate Trust Indenture, dated as of March 1, 2012, as amended (the “*Seventh Supplemental Subordinate Indenture*,” and together with the Master Subordinate Indenture, the “*Subordinate Indenture*”), by and between the Department and Trustee. Capitalized terms used but not defined herein shall have the meanings set forth in the Subordinate Indenture and the Reimbursement Agreements (as defined herein).

Pursuant to the Resolutions and the Subordinate Indenture, the Department is authorized to issue and have outstanding, at any one time, Commercial Paper Notes in a maximum aggregate principal amount not exceeding \$500,000,000 (subject to certain conditions set forth in the Resolutions and the Subordinate Indenture). The Subseries A-1 Notes, the Subseries B-1 Notes and the Subseries C-1 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$109,000,000 (the initial stated amount of the PNC Letter of Credit (as defined herein)). The Subseries A-2 Notes, the Subseries B-2 Notes and the Subseries C-2 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$327,000,000 (the initial stated amount of the Barclays Letter of Credit (as defined herein)). The Subseries A-3 Notes, the Subseries B-3 Notes and the Subseries C-3 Notes may be outstanding, from time to time, in a combined amount of principal of and interest thereon not to exceed \$109,000,000 (the initial stated amount of the Bank of America Letter of Credit (as defined herein)).

The Commercial Paper Notes may be issued, from time to time, pursuant to the Charter, the Resolutions and the Subordinate Indenture to, among other things: (a) finance and refinance capital projects at Los Angeles International Airport (“*LAX*”), (b) pay all or a portion of the principal of and interest on the Commercial Paper Notes when due, (c) reimburse the Banks for any authorized draws under the related Letter of Credit, and (d) finance costs of issuance of the Commercial Paper Notes.

Description of the Commercial Paper Notes

The Series A Notes and the Series B Notes will be issued in denominations of \$100,000 or integral multiples of \$1,000 in excess thereof, and will be payable on such dates as the applicable Dealer determines at the time of sale of such Commercial Paper Notes. The Series A Notes and the Series B Notes will mature not more than 270 days after their respective dates of issuance, but, except as provided in the Subordinate Indenture, in no event later than one Business Day prior to the expiration date of the applicable Letter of Credit. The Series A Notes and the Series B Notes will be sold at a price of not less than 100% of the principal amount thereof and may bear interest at rates not in excess of 12% per annum, payable at maturity, calculated on the basis of a 365/366 day year and actual days elapsed.

The Series C Notes will be issued in denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Series C Notes may be issued and sold either as interest bearing notes or at a discount, as determined by the applicable Dealer and approved by a Designated Representative at the time such Series C Notes are issued. The Series C Notes will mature not more than 270 days after their respective dates of issuance, but, except as provided in the Subordinate Indenture, in no event later than one Business Day prior to the expiration date of the applicable Letter of Credit. Interest, if any, payable on Series C Notes will accrue from their respective dates, payable upon maturity, at a rate to be determined upon the issuance thereof calculated on the basis of a 360 day year and actual number of days elapsed. The Series C may bear interest at rates not in excess of 12% per annum.

The Commercial Paper Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“*DTC*”), New York, New York. Beneficial ownership interests in the Commercial Paper Notes will be available in book-entry-form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the Commercial Paper Notes. While held in book-entry-only form, all payments of principal of and interest on the Commercial Paper Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See “APPENDIX C—BOOK-ENTRY-ONLY SYSTEM.”

SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

Security for the Commercial Paper Notes

Each Subseries of the Commercial Paper Notes are limited obligations of the Department, payable solely from and secured by (a) advances made under the applicable Letter of Credit, (b) proceeds from the sale of such Subseries of Commercial Paper Notes, and (c) Subordinate Pledged Revenues (as defined herein) and certain funds and accounts established pursuant to the Subordinate Indenture.

The Commercial Paper Notes do not constitute or evidence an indebtedness of the City or a lien or charge on any property or the general revenues of the City. Neither the faith and the credit nor the taxing power of the City, the State of California (the “*State*”) or any public agency, other than the Department, to the extent of the Subordinate Pledged Revenues, is pledged to the payment of the principal of or interest on the Commercial Paper Notes. The Department has no power of taxation. The Commercial Paper Notes will constitute and evidence an obligation of the Department payable only in accordance with Section 609(b) of the Charter and any other applicable provision thereof. None of the properties of the Airport System (as defined herein) is subject to any mortgage or other lien for the benefit of the owners of the Commercial Paper Notes. The Department is under no obligation to pay the Commercial Paper Notes, except from the funds in the LAX Revenue Account of the Airport Revenue Fund and as further specifically provided in the Subordinate Indenture.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SUBSERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SUBSERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT SUPPORTING SUCH SUBSERIES OF COMMERCIAL PAPER NOTES AND NOT ON THE CREDIT OF THE DEPARTMENT OR LAX.

Letters of Credit

On August 25, 2022, PNC Bank, National Association (“*PNC*”) will issue an irrevocable transferable direct-pay letter of credit (the “*PNC Letter of Credit*”) to provide credit support for the timely payment of the principal of and interest on the Subseries A-1 Notes, the Subseries B-1 Notes and the Subseries C-1 Notes (collectively, the “*PNC Covered Notes*”). The PNC Letter of Credit will be issued in an initial stated amount of \$109,000,000 (to support principal of \$100,000,000 and interest on the PNC Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year), and will expire on August 24, 2027, unless extended or terminated sooner in accordance with its terms. See “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—PNC Letter of Credit and Reimbursement Agreement” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—PNC BANK, NATIONAL ASSOCIATION.”

On August 25, 2022, Barclays Bank PLC (“*Barclays*”) will issue a second amended and restated irrevocable transferable direct-pay letter of credit (the “*Barclays Letter of Credit*”) to provide credit support for the timely payment of the principal of and interest on the Subseries A-2 Notes, the Subseries B-2 Notes and the Subseries C-2 (collectively, the “*Barclays Covered Notes*”). The Barclays Letter of Credit will be issued in an initial stated amount of \$327,000,000 (to support principal of \$300,000,000 and interest on the Barclays Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year), and will expire on August 24, 2026, unless extended or terminated sooner in accordance with its terms. See “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Barclays Letter of Credit and Reimbursement Agreement” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—BARCLAYS BANK PLC.”

On August 25, 2022, Bank of America, N.A. (“*Bank of America*,” and collectively with PNC and Barclays, the “*Banks*”) will issue an amended and restated irrevocable transferable direct-pay letter of credit (the “*Bank of America Letter of Credit*,” and collectively with the PNC Letter of Credit and the Barclays Letter of Credit, the “*Letters of Credit*”) to provide credit support for the timely payment of the principal of and interest on the Subseries A-3 Notes, the Subseries B-3 Notes and the Subseries C-3 Notes (collectively, the “*Bank of America Covered Notes*”). The Bank of America Letter of Credit will be issued in an initial stated amount of \$109,000,000 (to support principal of \$100,000,000 and interest on the Bank of America Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year), and will expire on August 24, 2026, unless extended or terminated sooner in accordance with its terms. See “THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS—Bank of America Letter of Credit and Reimbursement Agreement” and “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—BANK OF AMERICA, N.A.”

Upon satisfaction of certain conditions, the Department may obtain one or more substitute letters of credit to replace one or more of the Letters of Credit then in effect so long as said substitute letter(s) of credit go into effect at least one Business Day prior to the termination of the Letter(s) of Credit then in effect, and the respective expiration date(s) with respect to such substitute letter(s) of credit are no earlier than one year after its effective date. The Department will deliver written notice of the proposed substitution to the Trustee, the Bank that is being replaced, the Holders of the Commercial Paper Notes supported by the Letter of Credit that is being replaced and the Dealers not less than fifteen days prior to the substitution date. All Outstanding Commercial Paper Notes supported by the Letter of Credit that is being replaced will mature on or prior to the date such substitute letter of credit is delivered to the Trustee and becomes effective pursuant to its terms.

Subordinate Pledged Revenues

The Commercial Paper Notes are secured by a pledge of and first lien on Subordinate Pledged Revenues, which includes Pledged Revenues (as defined herein) less LAX Maintenance and Operation Expenses (as defined herein), less all amounts necessary to pay debt service and reserve requirements on the Senior Obligations (as defined herein). The Commercial Paper Notes are secured by a pledge of and lien on Subordinate Pledged Revenues on a parity with the payment obligations of the Department under the Reimbursement Agreements, the Existing Subordinate Bonds (as defined herein), and any additional bonds or other obligations issued on a parity with respect to Subordinate Pledged Revenues pursuant to the Master Subordinate Indenture. For purposes of this Offering Memorandum, the Commercial Paper Notes, the payment obligations of the Department under the Reimbursement Agreements, the Existing Subordinate Bonds, and any other bonds or obligations issued or incurred on parity with respect to Subordinate Pledged Revenues pursuant to the Subordinate Indenture are herein referred to as “*Subordinate Obligations*.” See “LOS ANGELES INTERNATIONAL AIRPORT—Indebtedness—Subordinate Obligations.”

“**Subordinate Pledged Revenues**” include for any given period, the Pledged Revenues for such period less, for such period, the LAX Maintenance and Operation Expenses, less, for such period, the debt service and reserve requirements on the Senior Obligations.

“**Pledged Revenues**” include, except to the extent specifically excluded in the Master Senior Indenture or under the terms of any indenture supplemental to the Master Senior Indenture, LAX Revenues. Pledged Revenues also include any additional revenues designated as Pledged Revenues pursuant to any indenture supplemental to the Master Senior Indenture. To date the Department has not designated any additional revenues as Pledged Revenues. The following, including any investment earnings thereon, are specifically excluded from Pledged Revenues: (i) any amounts received by the Department from the imposition of ad valorem taxes, (ii) gifts, grants and other income (including any investment earnings thereon) otherwise included in the definition of LAX Revenues which are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Obligations and the Subordinate Obligations, (iii) insurance proceeds received as a result of damage or destruction of LAX facilities or any condemnation award or amounts received by the Department from the sale of LAX facilities under the threat of condemnation, to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Senior Obligations and Subordinate Obligations, (iv) any Transfer (as defined in the Master Senior Indenture) and (v) LAX Special Facilities Revenue (as defined in the Master Senior Indenture). In addition, the following, including any investment earnings thereon, are specifically excluded from Pledged Revenues, unless designated as Pledged Revenues under the terms of a supplemental indenture: (a) any swap termination payments received by the Department, (b) facilities construction credits, (c) Passenger Facility Charges unless otherwise so pledged under the terms of any supplemental indenture (provided that only Passenger Facility Charges in respect of LAX may be so pledged), (d) Customer Facility Charges unless otherwise so pledged under the terms of any supplemental indenture (provided that only Customer Facility Charges in respect of LAX may be so pledged), (e) unless otherwise so pledged, all revenues of the Airport System not related to LAX, and (f) Released LAX Revenues (as defined in the Master Senior Indenture). No swap termination payments, facilities construction credits, Passenger Facility Charges, Customer Facility Charges, revenues of the Airport System not related to LAX or Released LAX Revenues have been designated as Pledged Revenues by the Department.

“**LAX Revenues**” include, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the Department from LAX, for any given period, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (1) rates, tolls, fees, rentals, charges and other payments made to or owed to the Department for the use or availability of property or facilities at LAX, (2) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Department at LAX, including facilities construction credits, and (3) rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Department or any successor thereto from the possession, management, charge, superintendence and control of LAX (or any LAX facilities or activities and undertakings related thereto) or from any other facilities wherever located with respect to which the Department receives payments which are attributable to LAX facilities or activities or undertakings related thereto, all of which is required to be deposited in the Airport Revenue Fund pursuant to the Charter and the LAX Revenue Account pursuant to the Master Senior Indenture. LAX Revenues include all income, receipts and earnings from the investment amounts held in the LAX Revenue Account, any construction fund allowed to be pledged by the terms of a supplemental indenture, the senior reserve fund, any debt service reserve fund and allocated earnings on the LAX Maintenance and Operation Reserve Fund.

“**Airport System**” means all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce belonging to or pertaining to the City and under the

jurisdiction and control of the Department, including LAX, the Ontario International Airport, the Van Nuys Airport and Palmdale Regional Airport and any successor entities thereto; and including or excluding, as the case may be, such property as the Department may either acquire or which is placed under its control, or divest or have removed from its control.

“*Master Senior Indenture*” means the Master Trust Indenture, dated as of April 1, 1995, as amended, by and between the Department, acting through the Board, and The Bank of New York Mellon Trust Company, N.A., as successor trustee.

“*Senior Obligations*” include all obligations of the Department with a senior lien on Net Pledged Revenues, including debt service and reserve requirements on the Existing Senior Bonds (as defined herein) and any additional senior obligations issued under the Master Senior Indenture. See “LOS ANGELES INTERNATIONAL AIRPORT—Indebtedness—Senior Obligations.”

“*LAX Maintenance and Operation Expenses*” are, for any given period, the total operation and maintenance expenses of LAX as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of LAX payable from moneys other than Pledged Revenues.

“*Net Pledged Revenues*” are, for any given period, the Pledged Revenues for such period less, for such period, the LAX Maintenance and Operation Expenses.

Rate Covenant

Under the Master Subordinate Indenture, the Department has covenanted that, while any of the Commercial Paper Notes remain Outstanding, it shall establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with LAX and for services rendered in connection therewith, so that Pledged Revenues in each Fiscal Year will be at least equal to the payment of debt service and reserve requirements on the Senior Obligations and the Subordinate Obligations and the payment of LAX Maintenance and Operation Expenses for such Fiscal Year. The Department has further covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with LAX and for services rendered in connection therewith, so that during each Fiscal Year Subordinate Pledged Revenues, together with any Transfer, will be equal to at least 115% of the annual debt service on the Subordinate Obligations for that Fiscal Year.

THE LETTERS OF CREDIT AND THE REIMBURSEMENT AGREEMENTS

The following summary of the Letters of Credit and the Reimbursement Agreements does not purport to be comprehensive or definitive and is subject in all respects to all of the terms and provisions of the respective Letters of Credit and Reimbursement Agreements, to which reference is made hereby. Investors are urged to obtain and review a copy of the respective Letters of Credit and Reimbursement Agreements in order to understand all of their respective terms. Unless otherwise defined in the following summary, capitalized terms used in the following summary are defined in this Offering Memorandum or the Reimbursement Agreements and reference thereto is made for full understanding of their import. In the event of any conflict between a definition set forth under this summary and the corresponding definition set forth in the respective Letters of Credit and Reimbursement Agreements, the definition set forth in the respective Letters of Credit and Reimbursement Agreements shall control for purposes of this summary.

PNC Letter of Credit and Reimbursement Agreement

General. The Department and PNC will enter into a Reimbursement Agreement, to be dated as of August 1, 2022 (the “**PNC Reimbursement Agreement**”), pursuant to which PNC will issue the PNC Letter of Credit to provide credit support for the timely payment of the principal of and interest on the PNC Covered Notes (the Subseries A-1 Notes, the Subseries B-1 Notes and the Subseries C-1 Notes). See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—PNC BANK, NATIONAL ASSOCIATION.” *The PNC Letter of Credit is not pledged to and does not support the payment of the principal of or interest on the Subseries A-2 Notes, the Subseries A-3 Notes, the Subseries B-2 Notes, the Subseries B-3 Notes, the Subseries C-2 Notes or the Subseries C-3 Notes.*

In order to ensure timely payment of the principal of and interest on the PNC Covered Notes, at the Department’s request, PNC will issue the PNC Letter of Credit to the Trustee as beneficiary pursuant to, and upon the terms and conditions stated in, the PNC Reimbursement Agreement. On or before the date of maturity of any PNC Covered Note, the Trustee will draw on the PNC Letter of Credit an amount equal to the principal and interest due on the PNC Covered Notes maturing on such date. Pursuant to the Seventh Supplemental Subordinate Indenture, all amounts received from any drawing on the PNC Letter of Credit are required to be deposited in the related account of the Commercial Paper Debt Service Fund established thereunder and held in trust and set aside exclusively for the payment of the principal of and interest on the PNC Covered Notes for which such drawing was made, and the Trustee is required to apply such amounts to the payment of the principal of and interest on such PNC Covered Notes on the applicable maturity date.

Certain Provisions of PNC Letter of Credit and Reimbursement Agreement.

Certain Provisions of PNC Letter of Credit. On August 25, 2022, in accordance with the PNC Reimbursement Agreement, PNC will issue the PNC Letter of Credit in an initial stated amount of \$109,000,000 (to support principal of \$100,000,000 and interest on the PNC Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year). The stated amount of the PNC Letter of Credit may be reduced and reinstated from time to time pursuant to the provisions of the PNC Letter of Credit. All payments made by PNC under the PNC Letter of Credit will be made with PNC’s own funds in immediately available funds.

The PNC Letter of Credit will expire at 5:00 p.m., New York City time, on the date which is the earliest to occur of (the “**PNC Letter of Credit Termination Date**”): (a) August 24, 2027, as such date may be extended by PNC upon delivery of a notice of extension of the PNC Letter of Credit to the Trustee and the Department, (b) the date of payment of a Drawing (as defined in the PNC Letter of Credit), not subject to reinstatement, which when added to all other Drawings honored under the PNC Letter of Credit which were not subject to reinstatement as provided therein, in the aggregate equals the Stated Amount (as defined in the PNC Letter of Credit) of the PNC Letter of Credit on the date of issuance thereof, as adjusted pursuant to the terms and conditions of the PNC Letter of Credit, (c) the date on which PNC receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that the Trustee has accepted an alternate Credit Facility (as defined in the PNC Letter of Credit) in compliance with the Subordinate Indenture and the PNC Reimbursement Agreement (after PNC honors any properly presented and conforming Drawing, if any, on such date), (d) the date on which PNC receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that all of the PNC Covered Notes have been wholly defeased or no PNC Covered Notes remain outstanding under the Subordinate Indenture and the Department has notified the Trustee that it does not intend to issue any additional PNC Covered Notes and that it desires to terminate the PNC Letter of Credit in accordance with the terms of the PNC Reimbursement Agreement, (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day (as defined in the PNC Letter of Credit), the immediately succeeding Business Day) after the date on which the Trustee receives notice from PNC that a PNC Event of Default (as defined below) has occurred and is continuing

under the PNC Reimbursement Agreement (a “**Tier One Final Drawing Notice**”), and (ii) the date on which the Drawing resulting from the delivery of the Tier One Final Drawing Notice is honored under the PNC Letter of Credit, or (f) the earlier of (i) the 60th day after the date on which the Trustee receives a Tier Two Termination Notice (as defined in the PNC Letter of Credit) from PNC that PNC has determined that it is unable to comply with one or more certain City administrative provisions set forth in the PNC Reimbursement Agreement (the “**City Administrative Provisions**”) (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice that has not been rescinded and has not been superseded by a subsequent Tier Two Termination Notice relating to a New Tier Two Termination Date (as defined below) (after PNC honors any properly presented and conforming Drawing, if any, on such date) and (ii) the date specified by PNC in a New Tier Two Termination Notice which the Trustee has received from PNC stating that PNC has been subjected to monetary and/or civil penalties as a result of PNC’s inability to comply with one or more of the City Administrative Provisions (a “**New Tier Two Termination Notice**”) (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded or superseded (after PNC honors any properly presented and conforming Drawing, if any, on such date).

Events of Default and Remedies Under the PNC Reimbursement Agreement.

Events of Default. If any of the following events occur, each such event will be a “**PNC Event of Default**” under the PNC Reimbursement Agreement:

(a) the Department fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing (as defined in the PNC Reimbursement Agreement) or any Advance (as defined in the PNC Reimbursement Agreement), (ii) any Letter of Credit Fee (as defined in the PNC Reimbursement Agreement) within ten calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (as defined in the PNC Reimbursement Agreement) (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within ten calendar days of the date such Obligation is due; provided that, for the avoidance of doubt, no written notice from PNC shall be required for any such failure to constitute a “PNC Event of Default” under the PNC Reimbursement Agreement;

(b) any representation, warranty or statement made by or on behalf of the Department in the PNC Reimbursement Agreement or in any Program Document (as defined in the PNC Reimbursement Agreement) to which the Department is a party or in any certificate delivered pursuant to the PNC Reimbursement Agreement or thereto proves to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the Department (including unaudited financial reports, budgets, projections and cash flows of the Department with respect to LAX) furnished to PNC by or on behalf of the Department in connection with the transactions contemplated by the PNC Reimbursement Agreement (collectively, the “**Department Information**”), when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made; provided, however, if after the date such Department Information is furnished to PNC it is discovered by the Department or PNC that such Department Information contained an inaccuracy, such inaccuracy shall not be considered an PNC Event of Default if (i) at the time the Department furnished such Department Information to PNC, the Department believed, to the best of its knowledge, that such Department Information was accurate in all material respects, and (ii) within five calendar days of the Department receiving notice of such discovery of the inaccuracy it provides PNC with corrected Department Information;

(c) (i) the Department fails to perform or observe any term, covenant or agreement contained in any of the certain specified sections of the PNC Reimbursement Agreement; or (ii) the Department fails to perform or observe any other term, covenant or agreement contained in the PNC Reimbursement Agreement (other than those referred to in paragraphs (a) and (c)(i) above) and any such failure cannot be

cured or, if curable, remains uncured for 60 days after the earlier of (A) written notice thereof to the Department or (B) an Authorized Representative having actual knowledge thereof;

(d) the Department (i) defaults in any payment of any Debt (as defined in the PNC Reimbursement Agreement), (other than the Commercial Paper Notes, the Drawings or the Advances) secured by a charge, lien or encumbrance on the Net Pledged Revenues or the Subordinate Pledged Revenues with a lien on, pledge of, security interest in or priority of payment from Net Pledged Revenues or Subordinate Pledged Revenues that is senior to, or on a parity with, the Commercial Paper Notes, the Drawings or the Advances, including, without limitation, Senior Lien Revenue Bonds, Subordinate Obligations and Subordinated Obligations (“*Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity (whether by acceleration, redemption, mandatory tender or otherwise);

(e) (i) a court or other Governmental Authority (as defined in the PNC Reimbursement Agreement) with jurisdiction to rule on the validity of the PNC Reimbursement Agreement, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party finds, announces or rules that (A) any material provision of the PNC Reimbursement Agreement or any other Program Document to which the Department is a party; or (B) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note (as defined in the PNC Reimbursement Agreement) or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter (as defined in the PNC Reimbursement Agreement) or the rights and remedies of PNC, is not a valid and binding agreement of the Department or; (ii) the Department contests the validity or enforceability of the PNC Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC or the pledge of, lien on or security interest in the Subordinate Pledged Revenues, or seeks an adjudication that the PNC Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC, is not valid and binding on the Department or the Department repudiates its obligations under the PNC Reimbursement Agreement or any other Program Document; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Subordinate Pledged Revenues granted to the Commercial Paper Notes under the Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture and the Obligations under the PNC Reimbursement Agreement and under the Fee Letter and the Bank Note at any time for any reason ceases to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or is declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) (A) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the

Obligations, the Department's ability to pay the Obligations or perform its obligations under the PNC Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of PNC shall at any time for any reason cease to be in full force or effect, (B) any Program Document to which the Department is a party, except for any Dealer Agreement (as defined in the PNC Reimbursement Agreement) which has been terminated due to a substitution of a Dealer, or any material provision of any of the foregoing documents, shall at any time for any reason cease to be in full force or effect, or (C) the Department or any Person (as defined in the PNC Reimbursement Agreement) acting by or on behalf of the Department denies or disaffirms the Department's obligations under the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party;

(g) a final judgment or order for the payment of money in excess of \$25,000,000 (in excess of the amount of proceeds of applicable insurance actually paid in satisfaction of such judgment) is rendered against the Department and such judgment or order is not satisfied, stayed, vacated, discharged or bonded pending appeal within a period of 90 days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement (as defined in the PNC Reimbursement Agreement)) secured by a lien, charge or encumbrance upon the Subordinate Pledged Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Department seeks to have an order for relief entered with respect to it or LAX or seeking to adjudicate it or LAX insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or LAX or its debts or those of LAX (or the existence of the Department or LAX is dissolved or terminated by any other means); (iii) the Department seeks appointment of a receiver, trustee, custodian or other similar official for itself or LAX or for any substantial part of the Department's property, or the Department makes a general assignment for the benefit of its creditors; (iv) there is commenced against the Department or LAX any case, proceeding or other action of a nature referred to in clause (ii) above and the same remains undismissed; (v) there is commenced against the Department or LAX any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which is not vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) a financial control board, or its equivalent, is imposed upon the Department by a Governmental Authority; (vii) the Department takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph (h); or (viii) the Department or LAX generally is not, or is unable to, or admits in writing its inability to, pay its debts as they become due;

(i) any of Fitch, Moody's or S&P have downgraded its rating of any Subordinate Obligation below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same for any credit-related reason (and such suspension or withdrawal is initiated by the respective rating agency);

(j) any provision of the Charter relating to the Department is repealed, reenacted, amended or otherwise modified (including, without limitation, by legislative or judicial action but excluding any such action pursuant to Charter amendments approved by the voters prior to the date of the PNC Reimbursement Agreement) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, and in the event of a repeal, reenactment, amendment, modification or enactment, such repeal, reenactment, amendment, modification or enactment, in the sole judgment of PNC, has a material adverse effect on any right, interest, security or remedy of PNC under the PNC Reimbursement Agreement or the other Program Documents; or the Department's existence as a department of the City under the Charter terminates;

(k) (i) any “event of default” has occurred and is continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any “event of default” under any Bank Agreement with respect to any Secured Debt has occurred and is continuing beyond the expiration of any applicable grace period; or

(l) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Master Senior Indenture, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Commercial Paper Notes, the Bank Note or the Obligations, becomes subject to any writ, judgment, warrant or attachment, execution or similar process which is not vacated, discharged, or stayed or bonded pending appeal within fifteen days from the entry thereof.

Remedies. Upon the occurrence of any PNC Event of Default, all Obligations will bear interest at the Default Rate (as defined in the PNC Reimbursement Agreement) and PNC may exercise any one or more of the following rights and remedies in addition to any other remedies set forth in the PNC Reimbursement Agreement or by law provided:

(a) by notice of the occurrence of any PNC Event of Default to the Trustee (which notice constitutes a “Tier One Stop Issuance Instruction” for purposes of the Seventh Supplemental Subordinate Indenture) prohibit, until such time, if any, as PNC withdraws (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the stated amount of the PNC Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the PNC Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such stated amount as the then Outstanding Commercial Paper Notes are paid;

(b) issue a Tier One Final Drawing Notice (the effect of which will cause the Termination Date of the PNC Letter of Credit to occur on the 15th day after the date of receipt thereof by the Trustee);

(c) pursue any rights and remedies it may have under the Program Documents, including, without limitation, pursuant to the certain specified terms of the PNC Reimbursement Agreement; or

(d) pursue any other action available at law or in equity.

Any Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice given by PNC will not affect the obligation of PNC to honor drawings under the PNC Letter of Credit, if properly presented and made in strict conformity with the terms of the PNC Letter of Credit, with respect to PNC Covered Notes outstanding at the time such Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice is effective.

Barclays Letter of Credit and Reimbursement Agreement

General. The Department and Barclays will enter into a Second Amended and Restated Reimbursement Agreement, dated as of August 1, 2022 (the “**Barclays Reimbursement Agreement**”), pursuant to which Barclays will issue the Barclays Letter of Credit to provide credit support for the timely payment of the principal of and interest on the Barclays Covered Notes (the Subseries A-2 Notes, the Subseries B-2 Notes and the Subseries C-2 Notes). See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—BARCLAYS BANK PLC.” *The Barclays Letter of Credit is not pledged to and does not support the payment of the principal of or interest on the Subseries A-1 Notes, the Subseries A-3 Notes, the Subseries B-1 Notes, the Subseries B-3 Notes, the Subseries C-1 Notes or the Subseries C-3 Notes.*

In order to ensure timely payment of the principal of and interest on the Barclays Covered Notes, at the Department's request, Barclays will issue the Barclays Letter of Credit to the Trustee as beneficiary pursuant to, and upon the terms and conditions stated in, the Barclays Reimbursement Agreement. On or before the date of maturity of any Barclays Covered Note, the Trustee will draw on the Barclays Letter of Credit an amount equal to the principal and interest due on the Barclays Covered Notes maturing on such date. Pursuant to the Seventh Supplemental Subordinate Indenture, all amounts received from any drawing on the Barclays Letter of Credit are required to be deposited in the related account of the Commercial Paper Debt Service Fund established thereunder and held in trust and set aside exclusively for the payment of the principal of and interest on the Barclays Covered Notes for which such drawing was made, and the Trustee is required to apply such amounts to the payment of the principal of and interest on such Barclays Covered Notes on the applicable maturity date.

Certain Provisions of Barclays Letter of Credit and Reimbursement Agreement.

Certain Provisions of Barclays Letter of Credit. On August 25, 2022, in accordance with the Barclays Reimbursement Agreement, Barclays will issue the Barclays Letter of Credit in an initial stated amount of \$327,000,000 (to support principal of \$300,000,000 and interest on the Barclays Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year). The stated amount of the Barclays Letter of Credit may be reduced and reinstated from time to time pursuant to the provisions of the Barclays Letter of Credit. All payments made by Barclays under the Barclays Letter of Credit will be made with Barclays's own funds in immediately available funds.

The Barclays Letter of Credit will expire at 5:00 p.m., New York City time, on the date which is the earliest to occur of (the "***Barclays Letter of Credit Termination Date***"): (a) August 24, 2026, as such date may be extended by Barclays upon delivery of a notice of extension of the Barclays Letter of Credit to the Trustee and the Department, (b) the date of payment of a Drawing (as defined in the Barclays Letter of Credit), not subject to reinstatement, which when added to all other Drawings honored under the Barclays Letter of Credit which were not subject to reinstatement as provided therein, in the aggregate equals the Stated Amount (as defined in the Barclays Letter of Credit) of the Barclays Letter of Credit on the date of issuance thereof, as adjusted pursuant to the terms and conditions of the Barclays Letter of Credit, (c) the date on which Barclays receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that the Trustee has accepted an alternate Credit Facility (as defined in the Barclays Letter of Credit) in compliance with the Subordinate Indenture and the Barclays Reimbursement Agreement (after Barclays honors any properly presented and conforming Drawing, if any, on such date), (d) the date on which Barclays receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that all of the Barclays Covered Notes have been wholly defeased or no Barclays Covered Notes remain outstanding under the Subordinate Indenture and the Department has notified the Trustee that it does not intend to issue any additional Barclays Covered Notes and that it desires to terminate the Barclays Letter of Credit in accordance with the terms of the Barclays Reimbursement Agreement, (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day (as defined in the Barclays Letter of Credit), the immediately succeeding Business Day) after the date on which the Trustee receives notice from Barclays that a Barclays Event of Default (as defined below) has occurred and is continuing under the Barclays Reimbursement Agreement (a "***Tier One Final Drawing Notice***"), and (ii) the date on which the Drawing resulting from the delivery of the Tier One Final Drawing Notice is honored under the Barclays Letter of Credit, or (f) the earlier of (i) the 60th day after the date on which the Trustee receives a Tier Two Termination Notice (as defined in the Barclays Letter of Credit) from Barclays that Barclays has determined that it is unable to comply with one or more certain City administrative provisions set forth in the Barclays Reimbursement Agreement (the "***City Administrative Provisions***") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice that has not been rescinded and has not been superseded by a subsequent Tier Two Termination Notice relating to a New Tier Two Termination Date (as defined below) (after Barclays honors any properly presented and

conforming Drawing, if any, on such date) and (ii) the date specified by Barclays in a New Tier Two Termination Notice which the Trustee has received from Barclays stating that Barclays has been subjected to monetary and/or civil penalties as a result of Barclays's inability to comply with one or more of the City Administrative Provisions (a "***New Tier Two Termination Notice***") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded or superseded (after Barclays honors any properly presented and conforming Drawing, if any, on such date).

Events of Default and Remedies Under the Barclays Reimbursement Agreement.

Events of Default. If any of the following events occur, each such event will be a "***Barclays Event of Default***" under the Barclays Reimbursement Agreement:

(a) the Department fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing (as defined in the Barclays Reimbursement Agreement) or any Advance (as defined in the Barclays Reimbursement Agreement), (ii) any Letter of Credit Fee (as defined in the Barclays Reimbursement Agreement) within ten calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (as defined in the Barclays Reimbursement Agreement) (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within ten calendar days of the date such Obligation is due;

(b) any representation, warranty or statement made by or on behalf of the Department in the Barclays Reimbursement Agreement or in any Program Document (as defined in the Barclays Reimbursement Agreement) to which the Department is a party or in any certificate delivered pursuant to the Barclays Reimbursement Agreement or thereto proves to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the Department (including unaudited financial reports, budgets, projections and cash flows of the Department with respect to LAX) furnished to Barclays by or on behalf of the Department in connection with the transactions contemplated by the Barclays Reimbursement Agreement (collectively, the "***Department Information***"), when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made, provided, however, if after the date such Department Information is furnished to Barclays it is discovered by the Department or Barclays that such Department Information contained an inaccuracy, such inaccuracy shall not be considered an Barclays Event of Default if (i) at the time the Department furnished such Department Information to Barclays, the Department believed, to the best of its knowledge, that such Department Information was accurate in all material respects, and (ii) within five calendar days of the Department receiving notice of such discovery of the inaccuracy it provides Barclays with corrected Department Information;

(c) (i) the Department fails to perform or observe any term, covenant or agreement contained in any of the certain specified sections of the Barclays Reimbursement Agreement; or (ii) the Department fails to perform or observe any other term, covenant or agreement contained in the Barclays Reimbursement Agreement (other than those referred to in paragraphs (a) and (c)(i) above) and any such failure cannot be cured or, if curable, remains uncured for 60 days after the earlier of (A) written notice thereof to the Department or (B) an Authorized Representative having actual knowledge thereof;

(d) the Department (i) defaults in any payment of any Debt (as defined in the Barclays Reimbursement Agreement), (other than the Commercial Paper Notes, the Drawings or the Advances) secured by a charge, lien or encumbrance on the Net Pledged Revenues or the Subordinate Pledged Revenues with a lien on, pledge of, security interest in or priority of payment from Net Pledged Revenues or Subordinate Pledged Revenues that is senior to, or on a parity with, the Commercial Paper Notes, the Drawings or the Advances, including, without limitation, Senior Lien Revenue Bonds, Subordinate

Obligations and Subordinated Obligations (“*Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity (whether by acceleration, redemption, mandatory tender or otherwise);

(e) (i) a court or other Governmental Authority (as defined in the Barclays Reimbursement Agreement) with jurisdiction to rule on the validity of the Barclays Reimbursement Agreement, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party finds, announces or rules that (A) any material provision of the Barclays Reimbursement Agreement or any other Program Document to which the Department is a party; or (B) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note (as defined in the Barclays Reimbursement Agreement) or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter (as defined in the Barclays Reimbursement Agreement) or the rights and remedies of Barclays, is not a valid and binding agreement of the Department or; (ii) the Department contests the validity or enforceability of the Barclays Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays or the pledge of, lien on or security interest in the Subordinate Pledged Revenues, or seeks an adjudication that the Barclays Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays, is not valid and binding on the Department or the Department repudiates its obligations under the Barclays Reimbursement Agreement or any other Program Document; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Subordinate Pledged Revenues granted to the Commercial Paper Notes under the Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture and the Obligations under the Barclays Reimbursement Agreement and under the Fee Letter and the Bank Note at any time for any reason ceases to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or is declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) (A) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Barclays Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Barclays shall at any time for any reason cease to be in full force or effect, (B) any Program Document to which the Department is a party, except for any Dealer Agreement (as defined in the Barclays Reimbursement Agreement) which has been terminated due to a substitution of a Dealer, or any material provision of any of the foregoing documents, shall at any time for any reason cease to be in full force or effect, or (C) the Department or any Person (as defined in the Barclays Reimbursement Agreement) acting by or on behalf of the Department denies or disaffirms the Department’s obligations under the Master Subordinate

Indenture or the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party;

(g) a final judgment or order for the payment of money in excess of \$25,000,000 (in excess of the amount of proceeds of applicable insurance actually paid in satisfaction of such judgment) is rendered against the Department and such judgment or order is not satisfied, stayed, vacated, discharged or bonded pending appeal within a period of 90 days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement (as defined in the Barclays Reimbursement Agreement)) secured by a lien, charge or encumbrance upon the Subordinate Pledged Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Department seeks to have an order for relief entered with respect to it or LAX or seeking to adjudicate it or LAX insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or LAX or its debts or those of LAX (or the existence of the Department or LAX is dissolved or terminated by any other means); (iii) the Department seeks appointment of a receiver, trustee, custodian or other similar official for itself or LAX or for any substantial part of the Department's property, or the Department makes a general assignment for the benefit of its creditors; (iv) there is commenced against the Department or LAX any case, proceeding or other action of a nature referred to in clause (ii) above and the same remains undismissed; (v) there is commenced against the Department or LAX any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which is not vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) a financial control board, or its equivalent, is imposed upon the Department by a Governmental Authority; (vii) the Department takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph (h); or (viii) the Department or LAX generally is not, or is unable to, or admits in writing its inability to, pay its debts as they become due;

(i) any of Fitch, Moody's or S&P have downgraded its rating of any Subordinate Obligation below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same for any credit-related reason (and such suspension or withdrawal is initiated by the respective rating agency);

(j) any provision of the Charter relating to the Department is repealed, reenacted, amended or otherwise modified (including, without limitation, by legislative or judicial action but excluding any such action pursuant to Charter amendments approved by the voters prior to the date of the Barclays Reimbursement Agreement) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, and in the event of a repeal, reenactment, amendment, modification or enactment, such repeal, reenactment, amendment, modification or enactment, in the sole judgment of Barclays, has a material adverse effect on any right, interest, security or remedy of Barclays under the Barclays Reimbursement Agreement or the other Program Documents; or the Department's existence as a department of the City under the Charter terminates;

(k) (i) any "event of default" has occurred and is continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any "event of default" under any Bank Agreement with respect to any Secured Debt has occurred and is continuing beyond the expiration of any applicable grace period; or

(l) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Master Senior Indenture, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Commercial Paper Notes, the Bank Note or the Obligations, becomes subject to any writ, judgment, warrant or attachment, execution or similar process which is not vacated, discharged, or stayed or bonded pending appeal within fifteen days from the entry thereof.

Remedies. Upon the occurrence of any Barclays Event of Default, all Obligations will bear interest at the Default Rate (as defined in the Barclays Reimbursement Agreement) and Barclays may exercise any one or more of the following rights and remedies in addition to any other remedies set forth in the Barclays Reimbursement Agreement or by law provided:

(a) by notice of the occurrence of any Barclays Event of Default to the Trustee (which notice constitutes a “Tier One Stop Issuance Instruction” for purposes of the Seventh Supplemental Subordinate Indenture) prohibit, until such time, if any, as Barclays withdraws (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the stated amount of the Barclays Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Barclays Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such stated amount as the then Outstanding Commercial Paper Notes are paid;

(b) issue a Tier One Final Drawing Notice (the effect of which will cause the Termination Date of the Barclays Letter of Credit to occur on the 15th day after the date of receipt thereof by the Trustee);

(c) pursue any rights and remedies it may have under the Program Documents, including, without limitation, pursuant to the certain specified terms of the Barclays Reimbursement Agreement; or

(d) pursue any other action available at law or in equity.

Any Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice given by Barclays will not affect the obligation of Barclays to honor drawings under the Barclays Letter of Credit, if properly presented and made in strict conformity with the terms of the Barclays Letter of Credit, with respect to Barclays Covered Notes outstanding at the time such Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice is effective.

Bank of America Letter of Credit and Reimbursement Agreement

General. The Department and Bank of America will enter into an Amended and Restated Reimbursement Agreement, dated as of August 1, 2022 (the “**Bank of America Reimbursement Agreement**”), pursuant to which Bank of America will issue the Bank of America Letter of Credit to provide credit support for the timely payment of the principal of and interest on the Bank of America Covered Notes (the Subseries A-3 Notes, the Subseries B-3 Notes and the Subseries C-3 Notes). See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BANKS—BANK OF AMERICA, N.A.” *The Bank of America Letter of Credit is not pledged to and does not support the payment of the principal of or interest on the Subseries A-1 Notes, the Subseries A-2 Notes, the Subseries B-1 Notes, the Subseries B-2 Notes, the Subseries C-1 Notes or the Subseries C-2 Notes.*

In order to ensure timely payment of the principal of and interest on the Bank of America Covered Notes, at the Department’s request, Bank of America will issue the Bank of America Letter of Credit to the Trustee as beneficiary pursuant to, and upon the terms and conditions stated in, the Bank of America Reimbursement Agreement. On or before the date of maturity of any Bank of America Covered Note, the

Trustee will draw on the Bank of America Letter of Credit an amount equal to the principal and interest due on the Bank of America Covered Notes maturing on such date. Pursuant to the Seventh Supplemental Subordinate Indenture, all amounts received from any drawing on the Bank of America Letter of Credit are required to be deposited in the related account of the Commercial Paper Debt Service Fund established thereunder and held in trust and set aside exclusively for the payment of the principal of and interest on the Bank of America Covered Notes for which such drawing was made, and the Trustee is required to apply such amounts to the payment of the principal of and interest on such Bank of America Covered Notes on the applicable maturity date.

Certain Provisions of Bank of America Letter of Credit and Reimbursement Agreement.

Certain Provisions of Bank of America Letter of Credit. On August 25, 2022, in accordance with the Bank of America Reimbursement Agreement, Bank of America will issue the Bank of America Letter of Credit in an initial stated amount of \$109,000,000 (to support principal of \$100,000,000 and interest on the Bank of America Covered Notes accruing at a maximum rate of 12% for a period of 270 days based on a 360-day year). The stated amount of the Bank of America Letter of Credit may be reduced and reinstated from time to time pursuant to the provisions of the Bank of America Letter of Credit. All payments made by Bank of America under the Bank of America Letter of Credit will be made with Bank of America's own funds in immediately available funds.

The Bank of America Letter of Credit will expire at 5:00 p.m., New York City time, on the date which is the earliest to occur of (the "***Bank of America Letter of Credit Termination Date***"): (a) August 24, 2026, as such date may be extended by Bank of America upon delivery of a notice of extension of the Bank of America Letter of Credit to the Trustee and the Department, (b) the date of payment of a Drawing (as defined in the Bank of America Letter of Credit), not subject to reinstatement, which when added to all other Drawings honored under the Bank of America Letter of Credit which were not subject to reinstatement as provided therein, in the aggregate equals the Stated Amount (as defined in the Bank of America Letter of Credit) of the Bank of America Letter of Credit on the date of issuance thereof, as adjusted pursuant to the terms and conditions of the Bank of America Letter of Credit, (c) the date on which Bank of America receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that the Trustee has accepted an alternate Credit Facility (as defined in the Bank of America Letter of Credit) in compliance with the Subordinate Indenture and the Bank of America Reimbursement Agreement (after Bank of America honors any properly presented and conforming Drawing, if any, on such date), (d) the date on which Bank of America receives a termination certificate signed by a duly authorized officer of the Trustee to the effect that all of the Bank of America Covered Notes have been wholly defeased or no Bank of America Covered Notes remain outstanding under the Subordinate Indenture and the Department has notified the Trustee that it does not intend to issue any additional Bank of America Covered Notes and that it desires to terminate the Bank of America Letter of Credit in accordance with the terms of the Bank of America Reimbursement Agreement, (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day (as defined in the Bank of America Letter of Credit), the immediately succeeding Business Day) after the date on which the Trustee receives notice from Bank of America that a Bank of America Event of Default (as defined below) has occurred and is continuing under the Bank of America Reimbursement Agreement (a "***Tier One Final Drawing Notice***"), and (ii) the date on which the Drawing resulting from the delivery of the Tier One Final Drawing Notice is honored under the Bank of America Letter of Credit, or (f) the earlier of (i) the 60th day after the date on which the Trustee receives a Tier Two Termination Notice (as defined in the Bank of America Letter of Credit) from Bank of America that Bank of America has determined that it is unable to comply with one or more certain City administrative provisions set forth in the Bank of America Reimbursement Agreement (the "***City Administrative Provisions***") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice (as defined in the Bank of America Letter of Credit) that has not been rescinded and has not been superseded by a subsequent Tier Two Termination Notice relating to a New

Tier Two Termination Date (as defined below) (after Bank of America honors any properly presented and conforming Drawing, if any, on such date) and (ii) the date specified by Bank of America in a New Tier Two Termination Notice which the Trustee has received from Bank of America stating that Bank of America has been subjected to monetary and/or civil penalties as a result of Bank of America's inability to comply with one or more of the City Administrative Provisions (a "***New Tier Two Termination Notice***") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded or superseded (after Bank of America honors any properly presented and conforming Drawing, if any, on such date).

Events of Default and Remedies Under the Bank of America Reimbursement Agreement.

Events of Default. If any of the following events occur, each such event will be a "***Bank of America Event of Default***" under the Bank of America Reimbursement Agreement:

(a) the Department fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing (as defined in the Bank of America Reimbursement Agreement) or any Advance (as defined in the Bank of America Reimbursement Agreement), (ii) any Letter of Credit Fee (as defined in the Bank of America Reimbursement Agreement) within ten calendar days of the date such Letter of Credit Fee is due or (iii) any other Obligation (as defined in the Bank of America Reimbursement Agreement) (other than the Obligations described in clause (i) or (ii) of this paragraph (a)) within ten calendar days of the date such Obligation is due; provided that, for the avoidance of doubt, no written notice from Bank of America shall be required for any such failure to constitute a "Bank of America Event of Default" under the Bank of America Reimbursement Agreement;

(b) any representation, warranty or statement made by or on behalf of the Department in the Bank of America Reimbursement Agreement or in any Program Document (as defined in the Bank of America Reimbursement Agreement) to which the Department is a party or in any certificate delivered pursuant to the Bank of America Reimbursement Agreement or thereto proves to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the Department (including unaudited financial reports, budgets, projections and cash flows of the Department with respect to LAX) furnished to Bank of America by or on behalf of the Department in connection with the transactions contemplated by the Bank of America Reimbursement Agreement (collectively, the "***Department Information***"), when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made, provided, however, if after the date such Department Information is furnished to Bank of America it is discovered by the Department or Bank of America that such Department Information contained an inaccuracy, such inaccuracy shall not be considered an Bank of America Event of Default if (i) at the time the Department furnished such Department Information to Bank of America, the Department believed, to the best of its knowledge, that such Department Information was accurate in all material respects, and (ii) within five calendar days of the Department receiving notice of such discovery of the inaccuracy it provides Bank of America with corrected Department Information;

(c) (i) the Department fails to perform or observe any term, covenant or agreement contained in any of the certain specified sections of the Bank of America Reimbursement Agreement; or (ii) the Department fails to perform or observe any other term, covenant or agreement contained in the Bank of America Reimbursement Agreement (other than those referred to in paragraphs (a) and (c)(i) above) and any such failure cannot be cured or, if curable, remains uncured for 60 days after the earlier of (A) written notice thereof to the Department or (B) an Authorized Representative having actual knowledge thereof;

(d) the Department (i) defaults in any payment of any Debt (as defined in the Bank of America Reimbursement Agreement), (other than the Commercial Paper Notes, the Drawings or the Advances)

secured by a charge, lien or encumbrance on the Net Pledged Revenues or the Subordinate Pledged Revenues with a lien on, pledge of, security interest in or priority of payment from Net Pledged Revenues or Subordinate Pledged Revenues that is senior to, or on a parity with, the Commercial Paper Notes, the Drawings or the Advances, including, without limitation, Senior Lien Revenue Bonds, Subordinate Obligations and Subordinated Obligations (“*Secured Debt*”), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity (whether by acceleration, redemption, mandatory tender or otherwise);

(e) (i) a court or other Governmental Authority (as defined in the Bank of America Reimbursement Agreement) with jurisdiction to rule on the validity of the Bank of America Reimbursement Agreement, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party finds, announces or rules that (A) any material provision of the Bank of America Reimbursement Agreement or any other Program Document to which the Department is a party; or (B) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note (as defined in the Bank of America Reimbursement Agreement) or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Bank of America Reimbursement Agreement or under the Fee Letter (as defined in the Bank of America Reimbursement Agreement) or the rights and remedies of Bank of America, is not a valid and binding agreement of the Department or; (ii) the Department contests the validity or enforceability of the Bank of America Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Bank of America Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Bank of America or the pledge of, lien on or security interest in the Subordinate Pledged Revenues, or seeks an adjudication that the Bank of America Reimbursement Agreement, any other Program Document to which the Department is a party or any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Bank of America Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Bank of America, is not valid and binding on the Department or the Department repudiates its obligations under the Bank of America Reimbursement Agreement or any other Program Document; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the Subordinate Pledged Revenues granted to the Commercial Paper Notes under the Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture and the Obligations under the Bank of America Reimbursement Agreement and under the Fee Letter and the Bank Note at any time for any reason ceases to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or is declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) (A) any provision of the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture relating to the security for the Commercial Paper Notes, the Bank Note or the Obligations, the Department’s ability to pay the Obligations or perform its obligations under the Bank of America Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of Bank of America shall at any time for any reason cease to be in full force or effect, (B) any Program Document to which the Department is a party, except for any Dealer Agreement (as defined in the Bank of

America Reimbursement Agreement) which has been terminated due to a substitution of a Dealer, or any material provision of any of the foregoing documents, shall at any time for any reason cease to be in full force or effect, or (C) the Department or any Person (as defined in the Bank of America Reimbursement Agreement) acting by or on behalf of the Department denies or disaffirms the Department's obligations under the Master Subordinate Indenture or the Seventh Supplemental Subordinate Indenture or any other Program Document to which the Department is a party;

(g) a final judgment or order for the payment of money in excess of \$25,000,000 (in excess of the amount of proceeds of applicable insurance actually paid in satisfaction of such judgment) is rendered against the Department and such judgment or order is not satisfied, stayed, vacated, discharged or bonded pending appeal within a period of 90 days from the date on which it was first so rendered;

(h) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt (including, without limitation, amounts due under any Bank Agreement (as defined in the Bank of America Reimbursement Agreement)) secured by a lien, charge or encumbrance upon the Subordinate Pledged Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Department seeks to have an order for relief entered with respect to it or LAX or seeking to adjudicate it or LAX insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or LAX or its debts or those of LAX (or the existence of the Department or LAX is dissolved or terminated by any other means); (iii) the Department seeks appointment of a receiver, trustee, custodian or other similar official for itself or LAX or for any substantial part of the Department's property, or the Department makes a general assignment for the benefit of its creditors; (iv) there is commenced against the Department or LAX any case, proceeding or other action of a nature referred to in clause (ii) above and the same remains undismissed; (v) there is commenced against the Department or LAX any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which is not vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (vi) a financial control board, or its equivalent, is imposed upon the Department by a Governmental Authority; (vii) the Department takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv), (v) or (vi) of this paragraph (h); or (viii) the Department or LAX generally is not, or is unable to, or admits in writing its inability to, pay its debts as they become due;

(i) any of Fitch, Moody's or S&P have downgraded its rating of any Subordinate Obligation below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent), respectively, or suspended or withdrawn its rating of the same for any credit-related reason (and such suspension or withdrawal is initiated by the respective rating agency);

(j) any provision of the Charter relating to the Department is repealed, reenacted, amended or otherwise modified (including, without limitation, by legislative or judicial action but excluding any such action pursuant to Charter amendments approved by the voters prior to the date of the Bank of America Reimbursement Agreement) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, and in the event of a repeal, reenactment, amendment, modification or enactment, such repeal, reenactment, amendment, modification or enactment, in the sole judgment of Bank of America, has a material adverse effect on any right, interest, security or remedy of Bank of America under the Bank of America Reimbursement Agreement or the other Program Documents; or the Department's existence as a department of the City under the Charter terminates;

(k) (i) any "event of default" has occurred and is continuing under any Program Document beyond the expiration of any applicable grace period or (ii) any "event of default" under any Bank

Agreement with respect to any Secured Debt has occurred and is continuing beyond the expiration of any applicable grace period; or

(l) any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Master Senior Indenture, the Master Subordinate Indenture, the Seventh Supplemental Subordinate Indenture or the other Program Documents, that have been pledged to or a lien granted thereon to secure the Commercial Paper Notes, the Bank Note or the Obligations, becomes subject to any writ, judgment, warrant or attachment, execution or similar process which is not vacated, discharged, or stayed or bonded pending appeal within fifteen days from the entry thereof.

Remedies. Upon the occurrence of any Bank of America Event of Default, all Obligations will bear interest at the Default Rate (as defined in the Bank of America Reimbursement Agreement) and Bank of America may exercise any one or more of the following rights and remedies in addition to any other remedies set forth in the Bank of America Reimbursement Agreement or by law provided:

(a) by notice of the occurrence of any Bank of America Event of Default to the Trustee (which notice constitutes a “Tier One Stop Issuance Instruction” for purposes of the Seventh Supplemental Subordinate Indenture) prohibit, until such time, if any, as Bank of America withdraws (in writing) such notice, the issuance of additional Commercial Paper Notes, reduce the stated amount of the Bank of America Letter of Credit to the amount of the then Outstanding Commercial Paper Notes supported by the Bank of America Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such stated amount as the then Outstanding Commercial Paper Notes are paid;

(b) issue a Tier One Final Drawing Notice (the effect of which will cause the Termination Date of the Bank of America Letter of Credit to occur on the 15th day after the date of receipt thereof by the Trustee);

(c) pursue any rights and remedies it may have under the Program Documents, including, without limitation, pursuant to the certain specified terms of the Bank of America Reimbursement Agreement; or

(d) pursue any other action available at law or in equity.

Any Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice given by Bank of America will not affect the obligation of Bank of America to honor drawings under the Bank of America Letter of Credit, if properly presented and made in strict conformity with the terms of the Bank of America Letter of Credit, with respect to Bank of America Covered Notes outstanding at the time such Tier One Stop Issuance Instruction, Tier One Final Drawing Notice, Tier Two Termination Notice or New Tier Two Termination Notice is effective.

THE DEPARTMENT OF AIRPORTS

General Description

The City, acting through the Department, currently operates two airports in the Los Angeles area, including LAX and Van Nuys Airport. In addition, the Department maintains LA/Palmdale Regional Airport, although LA/Palmdale Regional Airport is not currently certificated by the Federal Aviation Administration (“FAA”). LAX, Van Nuys Airport and LA/Palmdale Regional Airport are operated as a financially self-sufficient enterprise, without support from the general fund of the City. The Department is

governed by the seven-member Board, which is in possession, management and control of the Airport System.

LOS ANGELES INTERNATIONAL AIRPORT

Introduction

LAX is located approximately 15 miles from downtown Los Angeles on the western boundary of the City. LAX occupies approximately 3,800 acres in an area generally bounded on the north by Manchester Avenue, on the east by La Cienega Boulevard, on the south by Imperial Highway and on the west by Vista Del Mar. LAX offers commercial air service to every major city in the United States and to virtually every major international destination, and is classified by the FAA as a large hub airport. LAX is classified by the FAA as a large hub airport. According to preliminary U.S. DOT statistics, in calendar year 2021, LAX was the 5th busiest airport in the U.S. as measured by revenue enplaned passengers, and 4th busiest airport in the U.S. in terms of total cargo. According to U.S. DOT statistics, in calendar year 2019 (the last full year prior to the start of the COVID-19 pandemic), LAX was the 2nd busiest airport in the U.S. as measured by revenue enplaned passengers, and 4th busiest airport in the U.S. in terms of total cargo. According to preliminary Airports Council International – North America (“ACI”) statistics, in calendar year 2021, LAX ranked as the 5th busiest airport in the world in terms of total passengers, and 8th busiest airport in the world in terms of total cargo. According to ACI statistics, in calendar year 2019 (the last full year prior to the start of the COVID-19 pandemic), LAX ranked as the 3rd busiest airport in the world in terms of total passengers, and 13th busiest airport in the world in terms of total cargo. Global travel restrictions due to the COVID-19 pandemic and LAX’s share of international passengers relative to other large hub airports contributed to the change in rankings. See “—Passenger Traffic and Market Share” below. The majority of passengers using LAX are originating and destination passengers (that is, passengers beginning or ending their trips at LAX).

Facilities

The Department maintains facilities occupying approximately 3,800 acres at LAX. The central terminal complex features a decentralized design concept with nine individual terminals constructed on two levels lining a U-shaped two-level roadway (the “*Central Terminal Area*”). The total terminal area is approximately 6.2 million square feet. Although many of the terminals are physically connected, they function largely as independent terminals with separate ticketing, baggage, security screening checkpoints and passenger processing systems.

Passenger terminal facilities include ticketing and baggage check-in on the upper departure level and baggage claim on the ground level, fronting on the lower-level roadway. Passenger terminal facilities provide access to and from aircraft arrival/departure areas. LAX currently has a total of 158 contact gates in the Central Terminal Area along with nine remote hard stand positions. Many of the terminal contact gates can accommodate regional jet operations.

The existing airfield consists of four parallel east-west runways configured in two pairs. The north airfield complex includes Runway 6L-24R (8,926 feet) and Runway 6R-24L (10,885 feet). The south airfield complex includes Runway 7R-25L (11,095 feet) and Runway 7L-25R (12,923 feet). All runways are 150 feet wide, except for Runway 7R-25L, which is 200 feet wide. For approaches during Instrument Flight Rules conditions, instrument landing systems are installed on all eight runway ends. The current runway system at LAX can accommodate arrivals and departures of all commercial aircraft currently in service, including the Airbus A380.

Approximately 15,311 public parking spaces are available at LAX in parking lots owned by the Department, including approximately (i) 8,300 public parking spaces in eight parking garages in the Central Terminal Area of which approximately 1,250 are temporarily out of service due to temporary realignment of the garages' exit plazas construction of the Automated People Mover System, (ii) 2,690 public parking spaces in parking Lot E (closed indefinitely as of April 30, 2020), (iii) 21 public parking spaces in a cell phone waiting lot, and (iv) approximately 4,300 public parking spaces in LAX Economy Parking which opened in October 2021.

Cargo facilities at LAX provide approximately 2.2 million square feet of building space in 26 buildings on 166 acres of land devoted exclusively to cargo. Rental car company facilities, major commercial airline maintenance hangars and office buildings, a 12-story administration building, a control tower, a central utility plant, two flight kitchens, a fuel farm and FAA and Transportation Security Administration facilities are also located at LAX.

See “—Capital Program” below.

Passenger Traffic and Market Share

General. For the Fiscal Year ended June 30, 2021 (“*Fiscal Year 2021*”), total domestic passengers (enplaned and deplaned) were 24,688,871 and total international passengers (enplaned and deplaned) were 4,361,760 for a total of 29,050,631 passengers (enplaned and deplaned). For the Fiscal Year ended June 30, 2020 (“*Fiscal Year 2020*”), total domestic passengers (enplaned and deplaned) were 44,801,765 and total international passengers (enplaned and deplaned) were 17,913,305 for a total of 62,715,070 passengers (enplaned and deplaned). For the Fiscal Year ended June 30, 2019 (“*Fiscal Year 2019*”) (the last full Fiscal Year prior to the start of the COVID-19 pandemic), total domestic passengers (enplaned and deplaned) were 61,983,392 and total international passengers (enplaned and deplaned) were 25,922,076 for a total of 87,905,468 passengers (enplaned and deplaned). For of the first nine months of the Fiscal Year ended June 30, 2022, total domestic passengers (enplaned and deplaned) were 35,344,310 and total international passengers (enplaned and deplaned) were 7,949,040 for a total of 43,293,350 passengers (enplaned and deplaned). For of the first nine months of the Fiscal Year ended June 30, 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), total domestic passengers (enplaned and deplaned) were 45,781,044 and total international passengers (enplaned and deplaned) were 19,242,001 for a total of 65,023,045 passengers (enplaned and deplaned).

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LAX is served by a diverse group of airlines. The market shares of the top ten airlines, based upon the number of enplaned commercial passengers, at LAX for Fiscal Year 2021 are set forth in the following table.

**DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
AIRLINE MARKET SHARE – TOP TEN AIRLINES
FISCAL YEAR ENDED JUNE 30, 2021**

<u>Airline</u>	<u>Market Share</u>
Delta ¹	22.1%
American ²	20.2
United ³	14.9
Southwest	10.4
Alaska	8.6
Spirit Airlines	6.4
JetBlue Airways	4.6
Volaris	1.5
Frontier Airlines	1.3
Hawaiian Airlines	<u>1.2</u>
Total	<u>91.2%</u>

¹ Member of Sky Team Alliance. Includes Skywest and Compass Airlines as Delta.

² Member of oneworld Alliance. Includes SkyWest, Envoy, American Eagle and Compass Airlines as American Airlines.

³ Member of Star Alliance. Includes Skywest Airlines as United.

Source: Department of Airports of the City of Los Angeles.

Agreements with Airlines

The Department permits airlines and other parties to use facilities at LAX, and receives payment for the use of facilities at LAX, pursuant to a variety of arrangements, all of which are intended to fulfill the Department’s goal of recovering all costs allocable to areas used from the users of such facilities (including, but not limited to, costs for capital, debt service, maintenance and operations, certain airline equipment and infrastructure). Generally these arrangements consist of: air carrier operating permits; the Airport Terminal Tariff and the Rate Agreement (as defined below); terminal leases; facilities use terms and conditions; concession and parking agreements; non-exclusive licensing agreements; and various other building and miscellaneous leases including for cargo and hangar facilities.

The Department has entered into separate operating permits covering the use of landing and apron facilities with air carriers serving LAX. These operating permits grant operating rights to each airline typically for the same ten-year term. The Department is currently authorized to issue operating permits that expire on June 30, 2032. The operating permits generally require each airline to pay a landing and apron fee to the Department for each aircraft that uses the landing and apron facilities at LAX. The landing and apron fee rates to be charged during each Fiscal Year are based upon the Department’s then-current budget and are adjusted at the end of each Fiscal Year to reflect the actual expenses incurred. All adjustments for deficiencies are billed when determined and overages are credited to the affected airlines

Airlines use terminal space at LAX under the terms of the LAX Passenger Terminal Tariff (the “*Tariff*”). Terminal rates under the Tariff are designed to recover all costs, including administrative and access costs, allocable to terminal space used by the airlines. The Tariff has no term or expiration date but is subject to change from time to time by the Board.

All airlines operating at LAX also have entered into a Rate Agreement (the “*Rate Agreement*”). The Rate Agreement permits the Department to charge the airlines for, among other things, the recovery of certain types of capital costs or operations and maintenance expenses, including those costs related to ground access for vehicles and pedestrians, such as airside and landside access, and Airport access generally. Through annual updates to the rates and charges under the Rate Agreement the Department is entitled to collect from the airlines a significant portion of the capital costs and operation and maintenance expenses related to the Capital Program.

Indebtedness

Senior Obligations. Pursuant to the Master Senior Indenture and several supplemental indentures, the Department has previously issued and, as of August 1, 2022, had outstanding \$2,904,740,000 aggregate principal amount of its Los Angeles International Airport, Senior Revenue Bonds, 2013 Series A, 2015 Series A, 2015 Series B, 2015 Series D, 2015 Series E, 2016 Series C, 2018 Series B, 2020 Series A, 2020 Series B, 2020 Series C, and 2020 Series D (collectively, the “*Existing Senior Bonds*”). Other than the Existing Senior Bonds, the Department has no additional Senior Obligations currently outstanding. On August 24, 2022, the Department expects to issue its Los Angeles International Airport, Senior Revenue Bonds, 2022 Series G, 2022 Series H and 2022 Series I in the aggregate principal amount of \$1,183,380,000 (collectively, the “*Series 2022G/H/I Senior Bonds*”). The Senior Obligations (including the Existing Senior Bonds and the Series 2022G/H Senior Bonds) are secured by a senior pledge and lien on Net Pledged Revenues. The Department’s obligation to repay the Senior Obligations has priority over its obligation to repay the Commercial Paper Notes. Pursuant to the terms and conditions of the Master Senior Indenture, the Department may issue additional Senior Obligations payable from a senior pledge and lien on Net Pledged Revenues.

Subordinate Obligations. Pursuant to the Master Subordinate Indenture and several supplemental subordinate indentures, the Department has previously issued and, as of August 1, 2022, had outstanding \$6,644,090,000 aggregate principal amount of its Subordinate Revenue Bonds, 2009 Series C, 2010 Series C, 2013 Series B, 2015 Series C, 2016 Series A, 2016 Series B, 2017 Series A, 2017 Series B, 2018 Series A, 2018 Series C, 2018 Series D, 2018 Series E, 2019 Series A, 2019 Series B, 2019 Series C, 2019 Series D, 2019 Series E, 2019 Series F, 2021 Series A, 2021 Series B, 2021 Series C, 2021 Series D, 2021 Series E, 2022 Series A, 2022 Series B, 2022 Series C, 2022 Series D, 2022 Series E and 2022 Series F (collectively, the “*Existing Subordinate Bonds*”). In addition to the Existing Subordinate Bonds, as of the date of this Offering Memorandum, the Department has Series A Notes and Series B Notes outstanding in the aggregate principal amount of \$130,803,000. A portion of the proceeds of the Series 2022G/H/I Senior Bonds, along with certain moneys to be contributed by the Department, will be used on August 25, 2022 to repay \$53,599,000 aggregate principal amount of maturing Series A Notes.

The Commercial Paper Notes and the Existing Subordinate Bonds are secured by a pledge of and lien on Subordinate Pledged Revenues. The Department also has granted to the Banks a lien on Subordinate Pledged Revenues on parity with the Commercial Paper Notes and the Existing Subordinate Bonds with respect to certain obligations owed by the Department to the Banks under the respective Reimbursement Agreements.

Pursuant to the terms and conditions of the Master Subordinate Indenture, the Department may issue additional Subordinate Obligations payable from a pledge and lien on Subordinate Pledged Revenues.

Capital Program

The Department is undertaking a multi-billion dollar development program at LAX. Projects in the Department's existing capital program (the "*Existing Capital Program*") are forecasted to cost approximately \$15.1 billion and are expected to be financed with a combination of grants, passenger facility charges, Department and other funds and Senior Obligations and Subordinate Obligations (including Commercial Paper Notes). Projects in the Existing Capital Program include, among others, general infrastructure and utility improvements, improvements at various LAX terminals, construction of various concessions in the LAX terminals, an automated people mover, a consolidated rental car facility, noise mitigation and residential land acquisition programs, replacement of elevators and escalators within the Central Terminal Area, a new midfield satellite concourse, and number of other airfield, apron, roadway and parking projects.

In addition to the Existing Capital Program, the Department has begun focusing on identifying and prioritizing future capital improvements at LAX that are not included in the Existing Capital Program. These new projects could include, among others, an expansion of the midfield satellite concourse, a new concourse connected to the existing Terminal 1, a new terminal that would be located on the southeast side of LAX, and various roadway and airfield improvements (collectively, the "*Next Capital Program*"). The Department expects to finalize the projects in the Next Capital Program later in 2022. The projects in the Next Capital Program could commence as soon as Fiscal Year 2023 and be completed by the end of Fiscal Year 2029. The preliminary estimated cost of the projects included in the Next Capital Program is approximately \$15 billion are expected to be financed with a combination of grants, Department and other funds and Senior Obligations and Subordinate Obligations (including Commercial Paper Notes).

Miscellaneous

The Department maintains certain websites (including an investor relations website) and social media accounts, the information on which is not part of this Offering Memorandum, is not incorporated by reference in this Offering Memorandum and should not be relied upon in deciding whether to invest in the Commercial Paper Notes.

INVESTMENT CONSIDERATION

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SUBSERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SUBSERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT SUPPORTING SUCH SUBSERIES OF COMMERCIAL PAPER NOTES AND NOT ON THE CREDIT OF THE DEPARTMENT OR LAX.

THE PURCHASE AND OWNERSHIP OF THE COMMERCIAL PAPER NOTES INVOLVE INVESTMENT RISK. PROSPECTIVE PURCHASERS OF THE COMMERCIAL PAPER NOTES ARE URGED TO READ THIS OFFERING MEMORANDUM IN ITS ENTIRETY.

TAX MATTERS

Tax-Exempt Notes (Series A Notes and Series B Notes)

General. In the opinion of Kutak Rock LLP, Bond Counsel to the Department ("*Bond Counsel*"), based on existing laws, regulations, rulings and judicial decisions, interest on the Series A Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, dated March 8,

2012, as amended from time to time (the “*Tax Compliance Certificate*”) by the Department, will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion described in the preceding sentence assumes the accuracy of certain representations of the Department and compliance by the Department with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”) that must be met subsequent to the issuance of the Series A Notes. Failure to comply with such requirements could cause interest on the Series A Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Notes. The Department has covenanted to comply with such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series A Notes.

In the opinion of Bond Counsel, based on existing laws, regulations, rulings and judicial decisions, interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, will be excluded from gross income for federal income tax purposes, except for interest on any Series B Note for any period during which such Series B Note is held by a “substantial user” of the facilities financed or refinanced by the Series B Notes or by a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (i) interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, will constitute an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) with respect to certain corporations, interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Compliance Certificate, is taken into account in determining the annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinions described in the preceding sentences assume the accuracy of certain representations of the Department and compliance by the Department with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series B Notes. Failure to comply with such requirements could cause interest on the Series B Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Notes. The Department has covenanted to comply with such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series B Notes.

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series A Notes and the Series B Notes (the “*Tax-Exempt Notes*”), when issued in accordance with the Subordinate Indenture, will be exempt from State of California personal income taxes.

The accrual or receipt of interest on the Tax-Exempt Notes may otherwise affect the federal income tax liability of the owners of the Tax-Exempt Notes. The extent of these other tax consequences will depend upon such owner’s particular tax status and other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Tax-Exempt Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America, and applicable corporations as defined in Section 59(k) of the Code relating to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Tax-Exempt Notes.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Tax-Exempt Notes is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Tax-Exempt Notes from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes to Federal and State Tax Laws. From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Tax-Exempt Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-Exempt Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Tax-Exempt Notes or the market value thereof would be impacted thereby. Purchasers of the Tax-Exempt Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel were based upon then existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of Bond Counsel's final opinion with respect to the Tax-Exempt Notes (a form of which is attached to this Offering Memorandum as Appendix B) and Bond Counsel has expressed no opinion as of any date subsequent to the date of its final opinion with respect to the Tax-Exempt Notes or with respect to any pending legislation, regulatory initiatives or litigation.

Federal Tax Matters of the Series C Notes

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series C Notes under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws.

Potential purchasers of the Series C Notes should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series C Notes.

General Matters. Interest on the Series C Notes is included in gross income for federal income tax purposes. Bond Counsel has expressed no opinion regarding any federal tax consequences arising with respect to the purchase, holding, accrual or receipt of interest on or disposition of the Series C Notes.

In general, interest paid on the Series C Notes, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series C Notes, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Series C Note for a cost greater than its remaining stated redemption price at maturity and holds such note as a capital asset will be considered to have purchased such note at a premium and, subject to prior election permitted by Section 171(c) of the Code,

may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the note's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Series C Notes purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Series C Notes are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. Owners of Series C Notes purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income (notwithstanding the general rule described above in this paragraph) and with respect to the state and local tax consequences of owning such Series C Notes.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Series C Notes under the Code.

Market Discount. An investor that acquires a Series C Note for a price less than the adjusted issue price of such note may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Series C Note originally issued at a discount, the amount by which the issue price of such note, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series C Note not originally issued at a discount, the amount by which the stated redemption price of such note at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series C Note will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the note, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a note or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the

legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series C Note with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series C Note that acquired such note at a market discount also may be required to defer, until the maturity date of such note or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such note in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such note. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on a Series C Note for the days during the taxable year on which the owner held such note and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series C Note matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions. If an owner of a Series C Note sells such note, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such note. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series C Notes were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series C Note should consult its own tax advisor concerning the circumstances in which such note would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of the Series C Notes may result in a deemed sale or exchange of such notes under certain circumstances. Owners of such Series C Notes should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Series C Notes should consult their tax advisors regarding the application of this tax to interest earned on the Series C Notes and to the gain on the sale of a Series C Note.

Backup Withholding. An owner of a Series C Note may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to such Series C Note, if such owner, upon issuance of such Series C Note, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Series C Note that is not a “United States person” (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series C Note will generally not be subject to United States income or withholding tax in respect of a payment on a Series C Note, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Series C Notes owned by foreign investors. In those instances in which payments of interest on the Series C Notes continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series C Notes having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series C Note.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Series C Note incurs acquisition indebtedness with respect to such note, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Series C Note is urged to consult its own tax advisor regarding the application of these provisions.

State Tax Matters of the Series C Notes

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series C Notes, when issued in accordance with the Subordinate Indenture, will be exempt from State of California personal income taxes.

Bond Counsel has expressed no opinion regarding any other state tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series C Notes.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “**ERISA Plans**”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series C Notes must be determined by the

responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to Title I of ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and Section 4975 of the Code generally prohibit certain transactions between an ERISA Plan or "plan" as defined in and subject to Section 4975 of the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of Section 4975 of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Series C Note could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as individual retirement accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Department or any broker dealer of the Series C Notes might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of Section 4975 of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Section 4975 of the Code or Section 503 of the Code. Prohibited transactions within the meaning of ERISA and Section 4975 of the Code or Section 503 of the Code may arise if the Series C Notes are acquired by such plans or arrangements with respect to which the Department or any broker dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series C Notes. The sale of the Series C Notes to a plan is in no respect a representation by the Department or the dealers of the Series C Notes that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Series C Notes should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

By its acceptance of a Series C Note, each purchaser will be deemed to have represented and warranted that either (i) no "plan assets" of any plan have been used to purchase such Series C Note, or (ii) the dealers are not a party in interest with respect to the "plan assets" of any plan used to purchase such Series C Notes, or (iii) the purchase and holding of such Series C Notes is exempt from the prohibited transaction restrictions of ERISA and Section 4975 of the Code pursuant to a statutory exemption or an administrative class exemption.

THE DEALERS

The Board has appointed BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC, Samuel A Ramirez & Company, Inc., and Wells Fargo Bank, National Association, as dealers with respect to the offering and sale of the Commercial Paper Notes (the "**Dealers**"). Under the respective dealer agreements, by and between the Department and each of the respective Dealers, the Dealers have no commitment to purchase any of the Commercial Paper Notes, but are obligated only to use their best efforts as agent of the Department to solicit and arrange sales of the Commercial Paper Notes on behalf of the Department.

In addition, certain of the Dealers have entered into distribution agreements with other broker-dealers that are not Dealers for the distribution of Commercial Paper Notes at the initial public offering prices. Such agreements generally provide that the relevant Dealer will share a portion of its selling concession with the relevant broker-dealer.

Bank of America, N.A., one of the Letter of Credit providers, is an affiliate of BofA Securities, Inc., one of the Dealers for the Commercial Paper Notes. Bank of America, N.A. and BofA Securities, Inc. are both subsidiaries of Bank of America Corporation.

RATINGS

See “SUMMARY OF THE BANKS, THE LETTERS OF CREDIT AND THE RATINGS” on the inside front cover of this Offering Memorandum for the ratings on the Commercial Paper Notes. The ratings on the Commercial Paper Notes provided by the respective rating agencies are based, in part, on information provided by the Department and the Banks. Such ratings reflect only the respective views of such rating agencies, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by the rating agency which issued that rating, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Commercial Paper Notes. Additional information can be obtained directly from the rating agencies at:

Moody’s Investors Service
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Telephone: (212) 553-0300

S&P Global Ratings
55 Water Street
New York, NY 10041
Telephone: (212) 438-2124

Fitch Ratings
33 Whitehall Street
New York, NY 10004
Telephone: (212) 908-0500

LEGAL MATTERS

The opinion to be delivered by Bond Counsel, with respect to the validity of the Commercial Paper Notes, and certain other legal matters, is set forth in Appendix B hereto.

NO CONTINUING DISCLOSURE OBLIGATION

The Commercial Paper Notes are exempt from the continuing disclosure requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

ADDITIONAL INFORMATION

The purpose of this Offering Memorandum is to provide information to purchasers of the Commercial Paper Notes. The information contained herein has been obtained from the Department, the Trustee, the Banks, DTC, and other sources believed to be reliable. No attempt is made herein to summarize the Subordinate Indenture, the Reimbursement Agreements, the terms and provisions of the Commercial Paper Notes or other matters which may be material to a decision to purchase the Commercial Paper Notes. Purchasers of Commercial Paper Notes are expected to conduct their own due diligence and analysis prior to making an investment decision.

The references herein to the Subordinate Indenture, the Commercial Paper Notes, the Letters of Credit and the Reimbursement Agreements do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. Copies of the Subordinate Indenture, the Letters of Credit and the Reimbursement Agreements are on file with the Trustee.

Requests for any of the foregoing should be directed to:

U.S. Bank Trust Company, National Association
100 Wall Street, Suite 600
New York, NY 10005
Telephone: (212) 361-2892
Facsimile: (212) 514-6841
Attention: Global Corporate Trust

This Offering Memorandum is submitted in connection with the issuance and sale of the Commercial Paper Notes and may not be reproduced or used, in whole or in part, for any other purpose. The information contained herein and in the Appendices hereto is subject to change without notice and neither the delivery hereof nor any sale made hereunder will create any implication that there has been no change in the affairs of the Department, LAX or the Banks since the date hereof.

Any statements in this Offering Memorandum involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. Neither any advertisement of the Commercial Paper Notes nor this Offering Memorandum is to be construed as constituting a contract or agreement between the Department and the purchasers or owners of the Commercial Paper Notes.

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AUTHORIZATION

The Board has authorized the distribution of this Offering Memorandum. This Offering Memorandum has been duly executed and delivered by the Chief Financial Officer on behalf of the Department.

DEPARTMENT OF AIRPORTS OF THE CITY OF
LOS ANGELES

By /s/ Tatiana Starostina
Chief Financial Officer

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APPENDIX A

CERTAIN INFORMATION REGARDING THE BANKS

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF A SUBSERIES OF COMMERCIAL PAPER NOTES, PROSPECTIVE PURCHASERS OF SUCH SUBSERIES OF COMMERCIAL PAPER NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE APPLICABLE BANK PROVIDING THE RELATED LETTER OF CREDIT SUPPORTING SUCH SUBSERIES OF COMMERCIAL PAPER NOTES AND NOT ON THE CREDIT OF THE DEPARTMENT OR LAX.

The following information relates to and has been furnished by the respective Bank for inclusion herein. No other party has independently verified or assumes any responsibility for such information, and each of the Department and the Dealers cannot and do not make any representation as to the accuracy or completeness of such information or the absence of material adverse changes in such information subsequent to the date hereof. The delivery of this Offering Memorandum shall not create any implication that there has been no change in the affairs of any of the Banks since the date hereof or that the information contained or referred to in this section is correct as of any time subsequent to the date hereof.

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PNC BANK, NATIONAL ASSOCIATION

THE PNC LETTER OF CREDIT IS SOLELY AN OBLIGATION OF PNC BANK, NATIONAL ASSOCIATION AND IS NEITHER AN OBLIGATION OF NOR GUARANTEED BY THE PNC FINANCIAL SERVICES GROUP, INC. OR ANY OF ITS OTHER AFFILIATES. THE COMMERCIAL PAPER NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

PNC Bank and PNC Financial

PNC Bank, National Association (“*PNC Bank*”) is a national banking association with its headquarters in Pittsburgh, Pennsylvania and its main office in Wilmington, Delaware. PNC Bank is a wholly-owned indirect subsidiary of The PNC Financial Services Group, Inc. (“*PNC Financial*”) and is PNC Financial’s principal bank subsidiary. PNC Bank offers a wide range of commercial banking, retail banking, including residential mortgage banking, and trust and wealth management services to its customers. PNC Bank’s business is subject to examination and regulation by federal banking authorities. Its primary federal bank regulator is the Office of the Comptroller of the Currency (“*OCC*”) and its deposits are insured by the Federal Deposit Insurance Corporation (“*FDIC*”). At March 31, 2022, PNC Bank reported total assets of \$534.9 billion, total deposits of \$454.5 billion and total bank equity of \$46.7 billion. These figures are extracted from PNC Bank’s unaudited Consolidated Reports of Condition and Income (the “*Call Report*”) as of March 31, 2022, prepared in accordance with the regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the FDIC and can be found at www.fdic.gov.

PNC Financial is one of the largest diversified financial services companies in the United States and is headquartered in Pittsburgh, Pennsylvania. PNC Financial has businesses engaged in corporate and institutional banking, asset management, and retail banking, including residential mortgage banking. PNC Financial provides many of its products and services nationally, as well as other products and services in PNC Financial’s primary geographic markets located across the Mid-Atlantic, Midwest and Southeast. PNC Financial also provides certain products and services internationally. Additional information, including the most recent annual report on Form 10-K and any additional quarterly and current reports filed with or furnished to the U.S. Securities and Exchange Commission (the “*SEC*”) by PNC Financial may be obtained at the SEC’s website at www.sec.gov.

The publicly available portions of any of the documents referenced herein (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents) are available upon request by holders of the Commercial Paper Notes or by prospective investors in the Commercial Paper Notes without charge: (1) in the case of PNC Bank documents, by written request addressed to Myra Melanson, Regulatory Reporting, at The PNC Financial Services Group, Inc., One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707; or (2) in the case of PNC Financial documents, (a) for copies without exhibits, by contacting Shareholder Services at 800-982-7652 or via the online contact form at www.computershare.com/contactus, and (b) for exhibits, by contacting Shareholder Relations via e-mail at investor.relations@pnc.com. The interactive data file (“*XBRL*”) exhibit is only available electronically.

The information contained in this section, including financial information, relates to and has been obtained from PNC Bank and is furnished solely to provide limited introductory information regarding PNC Bank and PNC Financial and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents referenced herein.

The delivery hereof shall not create any implication that there has been no change in the affairs of PNC Financial or PNC Bank since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

Except for the contents set forth under this Appendix A under the heading “PNC BANK, NATIONAL ASSOCIATION,” PNC Financial and PNC Bank assume no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.

BARCLAYS BANK PLC

Barclays Bank PLC (“*Barclays*”, and together with its subsidiary undertakings, the “*Barclays Bank Group*”) is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays was re-registered as a public limited company and its name was changed from ‘Barclays Bank International Limited’ to ‘Barclays Bank PLC’. The whole of the issued ordinary share capital of Barclays is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group or Barclays) is the ultimate holding company of the Group. Barclays’s principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group’s operations include consumer banking and payments services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (Barclays UK) division and the Barclays International (Barclays International) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (BBUKPLC) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, Barclays and its subsidiaries, and by certain other entities within the Group

The short term unsecured obligations of Barclays are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long term obligations of Barclays are rated A by S&P Global Ratings UK Limited, A1 by Moody’s Investors Service Ltd. and A+ by Fitch Ratings Limited.

Barclays Bank PLC is responsible only for the information contained in this Appendix A under the heading “CERTAIN INFORMATION REGARDING THE BANKS–BARCLAYS BANK PLC” and did not participate in the preparation of, or in any way verify the information contained in, any other part of this Offering Memorandum. Accordingly, Barclays Bank PLC assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of this Offering Memorandum.

BANK OF AMERICA, N.A.

Bank of America, N.A. (the “*Bank of America*”) is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. Bank of America is a wholly-owned indirect subsidiary of Bank of America Corporation (the “*Corporation*”) and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of March 31, 2022, Bank of America had consolidated assets of \$2.514 trillion, consolidated deposits of \$2.150 trillion and stockholder’s equity of \$229.392 billion based on regulatory accounting principles.

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2021, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the “*SEC*”).

The SEC maintains a website at www.sec.gov which contains the filings that the Corporation files with the SEC such as reports, proxy statements and other documentation. The reports, proxy statements and other information the Corporation files with the SEC are also available at its website, www.bankofamerica.com.

The information concerning the Corporation and Bank of America is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

Bank of America will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case, as filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended), and the publicly available portions of the most recent quarterly Call Report of Bank of America delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporation
Office of the Corporate Secretary/Shareholder Relations
One Bank of America Center
150 N. College St. NC1-028-28-03
Charlotte, NC 28255

PAYMENTS OF PRINCIPAL AND INTEREST ON THE BANK OF AMERICA COVERED NOTES WILL BE MADE FROM DRAWINGS UNDER THE BANK OF AMERICA LETTER OF CREDIT. ALTHOUGH THE BANK OF AMERICA LETTER OF CREDIT IS A BINDING OBLIGATION OF BANK OF AMERICA, THE BANK OF AMERICA COVERED NOTES ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE BANK OF AMERICA COVERED NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or Bank of America since the date of the most recent filings referenced herein,

or that the information contained or referred to in Appendix A under the heading “BANK OF AMERICA, N.A.” is correct as of any time subsequent to the referenced date.

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

August 25, 2022

Department of Airports of the City of Los Angeles
Los Angeles, California

Department of Airports of the City of Los Angeles, California
Los Angeles International Airport
Subordinate Revenue Commercial Paper Notes
Series A (Governmental – Non-AMT)
Series B (Private Activity – AMT)
Series C (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Department of Airports of the City of Los Angeles (the “Department”), acting through the Board of Airport Commissioners of the City of Los Angeles (the “Board”), in connection with the Department’s issuance and sale, from time to time, of its (a) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries A-1 through Subseries A-3 (Governmental – Non-AMT) (collectively, the “Series A Notes”), (b) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries B-1 through Subseries B-3 (Private Activity – AMT) (collectively, the “Series B Notes”), and (c) Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Subseries C-1 through Subseries C-3 (Federally Taxable) (collectively, the “Series C Notes”). The Series A Notes, the Series B Notes and the Series C Notes are collectively referred to herein as the “Commercial Paper Notes.” The Commercial Paper Notes will be issued, from time to time, under the terms of the Charter of the City of Los Angeles, relevant ordinances of the City of Los Angeles, and the Los Angeles Administrative Code (collectively, the “Charter”), the Master Subordinate Trust Indenture, dated as of December 1, 2002, as amended (the “Master Subordinate Indenture”), by and between the Department and U.S. Bank Trust Company, National Association, successor in interest to U.S. Bank National Association, as trustee (the “Trustee”), and the Seventh Supplemental Subordinate Trust Indenture, dated as of March 1, 2012, as amended (the “Seventh Supplemental Subordinate Indenture,” and together with the Master Subordinate Indenture, the “Subordinate Indenture”), by and between the Department and the Trustee. Issuance of the Commercial Paper Notes has been authorized by Resolution No. 21434, adopted by the Board on June 6, 2001, and approved by the City Council of the City of Los Angeles and the Mayor of the City of Los Angeles, and Resolution No. 24710, adopted by the Board on February 13, 2012 (collectively, the “Resolutions”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Subordinate Indenture.

In connection therewith, we have examined the following: (a) a copy of the Charter; (b) certified copies of the Resolutions; (c) executed copies of the Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture; (d) an executed counterpart of the Master Trust Indenture, dated as of April 1, 1995, as amended and supplemented, by and between the Department, acting through the Board, and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust

Company, N.A., as successor in interest to BNY Western Trust Company, as successor in interest to U.S. Trust Company of California, as trustee; (e) an executed copy of the Tax Compliance Certificate, dated March 8, 2012, relating to the Series A Notes, the Series B Notes and other matters (the “Tax Certificate”); (f) certifications of the Department and others; (g) an opinion of the City Attorney; and (h) such other documents, opinions and matters as we deemed relevant and necessary in rendering the opinions set forth herein. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies), other than the Department, and the due and legal execution and delivery thereof by, and the validity against, any parties, other than the Department, thereto. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in this paragraph.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or whether any other matters come to our attention after the date hereof. We call attention to the fact that the obligations of the Department, the security provided therefor, as contained in the Commercial Paper Notes and the Subordinate Indenture, may be subject to general principles of equity which permit the exercise of judicial discretion, and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect, and to the limitations on legal remedies against charter cities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Commercial Paper Notes or the Subordinate Indenture. We have not undertaken any responsibility for the accuracy, completeness or fairness of the Commercial Paper Offering Memorandum dated August 19, 2022, or any other offering material relating to the Commercial Paper Notes and express no opinion relating thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. When issued from time to time in accordance with the provisions of the Subordinate Indenture, the Commercial Paper Notes will constitute the valid and binding limited obligations of the Department. The principal of and interest on the Commercial Paper Notes shall be secured by a pledge of and lien upon and are a charge upon and are payable from (a) proceeds of any advances made under a Credit Facility or Credit Facilities, (b) proceeds from the sale of Commercial Paper Notes issued pursuant to the Subordinate Indenture, and (c) Subordinate Pledged Revenues and certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture, and not out of any other fund or moneys of the Department or the City of Los Angeles.

2. The Master Subordinate Indenture and the Seventh Supplemental Subordinate Indenture have been duly authorized, executed and delivered by the Department and, assuming the due authorization, execution and delivery by the Subordinate Trustee, constitute the valid and binding obligations of the Department, enforceable against the Department in accordance with their terms. The Subordinate Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Commercial Paper Notes, of (a) proceeds of any advances made under a Credit Facility or Credit Facilities, (b) proceeds from the sale of Commercial Paper Notes issued pursuant to the Subordinate Indenture, and (c) Subordinate Pledged Revenues and certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture, subject to the provisions of the Subordinate Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

3. The Commercial Paper Notes are not general obligations of the Department. Neither the faith and the credit nor the taxing power of the City of Los Angeles, the State of California or any public agency, other than the Department to the extent of the (a) proceeds of any advances made under a Credit Facility or Credit Facilities, (b) proceeds from the sale of Commercial Paper Notes issued pursuant to the Subordinate Indenture, and (c) Subordinate Pledged Revenues and certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture, is pledged to the payment of the principal of and interest on the Commercial Paper Notes. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Commercial Paper Notes. The Department has no power of taxation.

4. Under existing laws, regulations, rulings and judicial decisions, interest on the Series A Notes, when issued in accordance with the Subordinate Indenture and the Tax Certificate, will be excluded from gross income for federal income tax purposes. Interest on the Series A Notes, when issued in accordance with the Subordinate Indenture and the Tax Certificate, will not be an item of tax preference for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Certificate, will be excluded from gross income for federal income tax purposes, except that such exclusion does not apply with respect to interest on any Series B Note for any period during which such Series B Note is held by a person who is a “substantial user” of the facilities financed or refinanced by the Series B Note or a “related person” to such substantial user within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Certificate, will constitute an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. With respect to certain corporations, interest on the Series B Notes is taken into account in determining the annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

6. Under existing laws, regulations, rulings and judicial decisions, interest on the Commercial Paper Notes, when issued in accordance with the Subordinate Indenture, will be exempt from present State of California personal income tax.

The opinions set forth in numbered paragraphs 4 and 5 above regarding the exclusion of interest from gross income of the recipient is subject to continuing compliance by the Department with covenants regarding federal tax law contained in the Subordinate Indenture and the Tax Certificate. Failure to comply with such covenants could cause interest on the Series A Notes or the Series B Note, as applicable, to be included in gross income retroactive to the date of issue of the Series A Notes or the Series B Notes, as applicable. Although we are of the opinion that interest on the Series A Notes and the Series B Notes, when issued in accordance with the Subordinate Indenture and the Tax Certificate, will be excluded from gross income for federal tax purposes, the accrual or receipt of interest on the Series A Notes or the Series B Notes, as applicable, may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

Interest on the Series C Notes is included in gross income for federal income tax purposes. Other than as expressly described in paragraph 6 above, we express no opinion regarding the tax consequences relating to the ownership of, receipt of interest on or disposition of the Series C Notes.

Our engagement with respect to the Commercial Paper Notes has concluded as of the date hereof, and we disclaim any obligation to update, revise or supplement this opinion letter.

Very truly yours,

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption “—General” below has been provided by The Depository Trust Company (“DTC”). The Department, the Trustee and the Dealers make no representation as to the accuracy or the completeness of such information. The Beneficial Owners (as defined below) of the Commercial Paper Notes should confirm the following information with DTC, the Direct Participants (as defined below) or the Indirect Participants (as defined below).

NEITHER THE DEPARTMENT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF NOTES UNDER THE SUBORDINATE INDENTURE, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNERS OF THE COMMERCIAL PAPER NOTES; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF NOTES; OR (E) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Master Note Certificate will be issued for each Subseries of the Commercial Paper Notes, each such Master Note Certificates being in the aggregate principal amount of \$500,000,000, and is on deposit with DTC.

DTC 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of “AA+.” The DTC Rules applicable to Direct

Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The Department has not undertaken any responsibility for and make no representations as to the accuracy or the completeness of the content of such material contained on the websites described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department or the Trustee 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 Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Commercial Paper Notes 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 Department or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or

registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Department or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the Department or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Commercial Paper Notes are required to be printed and delivered.

The Department may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Commercial Paper Notes will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Department believes to be reliable, but the Department takes no responsibility for the accuracy thereof.

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