

**DALLAS FORT WORTH INTERNATIONAL AIRPORT**  
**Board Meeting**  
**October 7, 2021**  
**8:30 a.m.**

**Meeting Place**  
**2400 Aviation Drive**  
**Board Room – DFW Headquarters Building**  
**DFW Airport, TX 75261**

Please be aware that due to COVID-19 restrictions, seating will be limited in the Airport Board Room. An overflow room will be set up. A face mask must be worn at all times. Please also observe social distancing while in the building. Should you wish to attend virtually, please follow the instructions below:

**Public Listening:**

**To enable video:**

1. On your computer or tablet device, open the following link:  
<https://e-meetings.verizonbusiness.com/nc/join.php?i=PWXW2426867&p=1158861&t=c>
2. It is best if you use Google Chrome or download the WebEx Software to your device.
3. Google Chrome may ask you to install a WebEx extension, please do install it.
4. Until the meeting begins, you may not see any video or may see a blank screen.

**To enable audio:**

1. On your phone, dial **800-857-0891**.
2. When prompted, enter the code **1158038#**.
3. You will then hear the audio of the meeting. Please note that it may be silent until the meeting begins.

Requests for interpretive services must be made 48 hours prior to this meeting by contacting Donna Schnell at 972 973-5752 or [BoardSecretary@dfwairport.com](mailto:BoardSecretary@dfwairport.com) or T.D. 1-800-RELAY-TX (1-800-735-2989) for information or assistance.

To register to speak please call 972 973-5752 by 5:00 p.m. on October 6, 2021.

THIS MEETING LOCATION IS ACCESSIBLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING BY CONTACTING DONNA SCHNELL AT 972-973-5752, FAX 972-973-4601, OR T.D. 1-800-RELAY-TX (1-800-735-2989) FOR INFORMATION OR ASSISTANCE. ADDITIONAL SEATING IS AVAILABLE IN THE MULTI-PURPOSE ROOM 1B1002T ACROSS FROM THE BOARD ROOM.

FOR DFW AIRPORT BOARD MEETING INFORMATION OR TO REGISTER TO SPEAK AT A BOARD MEETING, PLEASE EMAIL THE BOARD SECRETARY OR CALL 972 973-5752 BY 5 P.M. THE DAY BEFORE THE MEETING.

Consent Agenda – all items under this heading are a part of the Consent Agenda and require little or no deliberation by the Board. Approval of the Consent Agenda authorizes the Chief Executive Officer or his designee to implement each item in accordance with staff recommendation.

A closed executive session may be held with respect to a posted agenda item if the discussion concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the Board's Legal Counsel. Texas Government Code Section 551.071.
2. Discussion concerning sale or lease of real property, or negotiated contracts for donations to the Board, when such discussions would have a detrimental effect on the negotiating position of the Board. Texas Government Code Section 551.072.
3. Personnel matters involving discussions of the qualifications or performance of identifiable individuals already employed or being considered for employment by the Board. Texas Government Code Section 551.074.
4. The deployment, or specific occasions for implementation, of security personnel or devices. Texas Government Code Section 551.076.

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## **AGENDA**

- A. Invocation – Chaplain DD Hayes
- B. Pledge of Allegiance
- C. Announcements
- D. Strategic Plan
- E. Approve Minutes of the Regular Board Meeting of September 2, 2021.
- F. Financial Report – Chris Poinsett

## **OPERATIONS COMMITTEE**

1. Approve Minutes of the Operations Committee Meeting of August 31, 2021.

### **Consent Items for Consideration**

- |                  |   |
|------------------|---|
| Lisa Gahm        | 2. Approve execution of Contract No. 7007148, for Aircraft Deicing Services, with Swissport SAUSA, LLC, of Raleigh, North Carolina, in an amount not to exceed \$51,765.65, for the five-month term of the Contract.  |
|                  | 3. Approve execution of Purchase Order No. 278253, for Airfield Continuous Friction Measurement equipment, with Halliday Technologies Inc, of Delaware, Ohio, in an amount of \$214,446.88.   |
| Tammy Huddleston | 4. Approve extension of Contract No. 7005231, for the Purchase of Compressed Natural Gas (CNG), with Transtar Energy Company, L.P., dba Clean Energy, of Newport Beach, California, for an additional six years.  |
|                  | 5. Approve execution of Contract No. 7007084, for Painting Services, with JNA Painting & Contracting Company, Inc. of Dallas Texas, in an amount not to exceed \$168,518.72, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.   |
| Brian McKinney   | 6. Approve a Interlocal Training Agreement between the Board and the City of Austin, City of Dallas, City of Fort Worth, City of Harlingen, City of McAllen, City of McKinney, City of San Antonio, City of Temple and the City of Tyler and that the Chief Executive Officer or Designee be authorized to execute an Interlocal Training Agreement for Aircraft Rescue Fire Fighter Training with these same municipalities. |

### **Action Items for Consideration**

- |                  |  |
|------------------|--|
| Robert Horton    | 7. Approve an increase and extension to Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Grand Prairie, Texas, in an amount not to exceed \$500,000.00, for a revised Contract not to exceed amount of \$1,552,832.00.           |
| Tammy Huddleston | 8. Approve execution of Purchase Order No. 278134, for Ultraviolet C Light Technology System material for the Air Handling Units, with Texas AirSystems, LLC, of Irving, Texas, in an amount of \$497,949.57.  |
|                  | 9. Approve execution of Contract No. 7007099, for Grease Interceptor Inspection and Cleaning Services with Southwaste Disposal LLC, of Houston, Texas, in an amount not to exceed \$521,592.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods. |

10. Approve execution of Contract No. 5001011, for Reimbursement Agreement - Atmos - Gas Line Installation at Terminal C, with Atmos Energy Corporation, of Dallas, Texas, in an amount not to exceed \$1,600,000.00, for the 120-calendar day term of the Contract.
11. Approve increases to Contract Nos. 8500382, for Quality Assurance Inspection Services, with Foster CM Group, Inc., of Dallas, Texas; Contract No. 8500388, with Keville Enterprises, Inc., of Irving, Texas, and 8500389, for Quality Assurance Inspection Services, with PSA Constructors, Inc. dba PSA Management, Inc., of Dallas, Texas, in the not to exceed amounts of \$1,660,000.00 per Contract. All Contract revised amounts are \$6,660,000.00. For a total action amount of \$4,980,000.00. Rescind award of Contract No. 8500390, with Southwestern Testing Laboratories, LLC, dba, STL Engineers, LLC of Dallas, Texas.

### **Discussion Items**

- |                  |   |
|------------------|---|
| Tammy Huddleston | 12. Construction and Professional Services Contract increase(s) approved by authorized staff. |
|                  | 13. Decrease(s)/increase(s) in Scope of Work approved by authorized staff.                    |

### **CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE**

14. Approve the minutes of the Concessions/Commercial Development Committee Meeting of August 31, 2021.

### **Action Item for Consideration**

- |                 |   |
|-----------------|---|
| Zenola Campbell | 15. Approve an amendment to the lease for JCDecaux North America and all current Concession leases in Terminal D. |
|-----------------|---|

### **FINANCE/AUDIT COMMITTEE**

- |                    |  |
|--------------------|--|
|                    | 16. Approve the minutes of the Finance/Audit Committee Meeting of August 31, 2021. |
| Abel Palacios      | 17. Financial Report.  |
| Rosa Maria Meagher | 18. Fiscal Year 2021 External Audit Process.                                       |

## **Consent Items for Consideration**

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|------------------|--|
| James Mauldin    | <p>19. Approve authorization to take all necessary actions to prepare, submit and accept any federal, state or other grant applications or agreements available during Fiscal Year 2022, including all understandings and grant assurances included within those applications, and subsequently have the authority to administer any grant awarded, including the authority to close grants, as required.</p> <p>20. Approve authorization to accept and administer funding from FY 2019 State Homeland Security Project Grant #4229001; that the Board agrees that the project SHSP DFW Airport SWAT Equipment Enhancement will be operated through DFW Department of Public Safety; that the Board agrees that in the event of loss or misuse of the Office of the Governor funds, Board assures that the funds will be returned to the Office of the Governor in full; that the Board designates the Vice President of Treasury Management as the grantee's authorized official and gives the authorized official the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency; and that the Board approves submission of the grant application for project 2019 SHSP DFW Airport - SWAT Equipment Enhancement to the Office of the Governor.</p> |
| Elaine Rodriguez | <p>21. Approve an increase to Legal Services Contract No. 8004258 with Munck Wilson Mandala in the amount of \$50,000.00 for a new not to exceed amount of \$495,000.00.</p>   |
| Michael Youngs   | <p>22. Approve execution of Contract No.7007144, for Keeper Password Management Software with Carahsoft Technology Corp., of Reston, Virginia, in an amount not to exceed \$54,795.65, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.</p> <p>23. Approve execution of Contract No. 7007147, for Enterprise Backup Software Maintenance, with Sirius Computer Solutions, Inc., of San Antonio, Texas, in an amount not to exceed \$86,624.34, for the one-year term of the Contract, with options to renew annually, subject to funding availability.</p> <p>24. Approve execution of Contract No. 7007150, for Tableau Software Licenses, with SHI Government Solutions, Inc., of Austin, Texas, in an amount not to exceed \$179,185.73, for the one-year term of the Contract, with options to renew annually.</p>   |

## **Action Items for Consideration**

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|----------------|---|
| Dee Baker Amos | <p>25. Approve execution of Contract No. 8005442, for Social Media Moderation Services, with ModSquad, Inc., of Sacramento, California, in an amount not to exceed \$300,699.36, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.</p> |
|----------------|---|

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|------------------|--|
| Ollie Malone     | 26. Approve extension to Contract No. 8004998 for Employee Medical and Pharmacy Health Plan Services with Blue Cross and Blue Shield of Texas, of Richardson, Texas, and Contract No. 8005020 for Employee Dental Health Plan Services with Cigna Dental Health of Texas, Inc., of Plano, Texas; extend and increase Contract No. 8005021 for Employee Group Life Insurance Services with ReliaStar Life Insurance Company, Inc., of Minneapolis, Minnesota, in an amount not to exceed \$340,800.00; exercise the renewal option and increase Contract No. 8005152 for Employee Vision Benefit Services with HM Life Insurance Company, d.b.a. Davis Vision, Inc., of San Antonio, Texas, in an amount not to exceed \$282,000.00. All Contracts will be extended or renewed for an additional one-year period for a total action amount of \$622,800.00. |
| James Mauldin    | <p>27. Approve the form of the Preliminary Official Statements, prepared in connection with the sale of the Dallas Fort Worth International Airport Joint Revenue Bonds issued under the 60th Supplemental Bond Ordinance and authorize the Authorized Officers to take any necessary actions in connection with the sale of the Bonds.</p> <p>28. Approve authorization to enter into an Interlocal Agreement between DFW Airport, Dallas Area Rapid Transit, and Trinity Metro for bus service between the Trinity Rail Express (TRE) CentrePort Station and DFW Airport in an amount not to exceed \$300,000.00 for a term of three years.</p>  |
| Juanita Ortiz    | 29. Approve execution of Contract No. 7006796, for Coffee Service, with Daiohs USA dba First Choice Coffee Services, of Oakwood Terrace, Illinois, in an amount not to exceed \$656,307.80, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.  |
| Elaine Rodriguez | 30. Approve appointment of John Ackerman to the Board of Directors of the Dallas/Fort Worth International Airport Public Facility Improvement Corporation.   |

### **CLOSED SESSION**

31. In accordance with the provisions of the Texas Government Code, Section 551.076 and Section 418.183(f), a closed session will be held to discuss:
- a) The deployment, or specific occasions for implementation, of security personnel or devices; and
  - b) Information relating to preventing, detecting, responding to, investigating, and managing emergencies and disasters, including those caused by terrorism or related criminal activity.

## **OPEN SESSION**

### **Action Items for Consideration**

- |                |   |
|----------------|---|
| Michael Youngs | 32. Approve execution of Contract No. 7007137, for Privileged Access Management Software, with Freeit Data Solutions, of Austin, Texas, in an amount not to exceed \$319,002.34, for the one-year term of the Contract.   |
|                | 33. Approve execution of Contract No. 7007136, for Cybersecurity Software, with Frontier Media, Inc., dba Axis Technologies, of Plano, Texas, in an amount not to exceed \$565,000.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods. |

### **Discussion Items**

- |               |  |
|---------------|--|
| Tamela Lee    | 34. Monthly D/S/M/WBE Expenditure Report.  |
| Juanita Ortiz | 35. Purchase Orders/Contracts and Professional Service Contracts approved by authorized staff. |

## **FULL BOARD**

- 36. Registered Speakers (items unrelated to agenda items)
- 37. Next Committee meetings – November 2, 2021  
Next Regular Board meeting – November 4, 2021

**AGENDA**  
**OPERATIONS COMMITTEE MEETING**  
**Tuesday, October 5, 2021**  
**12:30 p.m.**

**OPERATIONS COMMITTEE**

1. Approve Minutes of the Operations Committee Meeting of August 31, 2021.

**Consent Items for Consideration**

- |                  |   |
|------------------|---|
| Lisa Gahm        | 2. Approve execution of Contract No. 7007148, for Aircraft Deicing Services, with Swissport SAUSA, LLC, of Raleigh, North Carolina, in an amount not to exceed \$51,765.65, for the five-month term of the Contract.  |
|                  | 3. Approve execution of Purchase Order No. 278253, for Airfield Continuous Friction Measurement equipment, with Halliday Technologies Inc, of Delaware, Ohio, in an amount of \$214,446.88.   |
| Tammy Huddleston | 4. Approve extension of Contract No. 7005231, for the Purchase of Compressed Natural Gas (CNG), with Transtar Energy Company, L.P., dba Clean Energy, of Newport Beach, California, for an additional six years.  |
|                  | 5. Approve execution of Contract No. 7007084, for Painting Services, with JNA Painting & Contracting Company, Inc. of Dallas Texas, in an amount not to exceed \$168,518.72, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.   |
| Brian McKinney   | 6. Approve a Interlocal Training Agreement between the Board and the City of Austin, City of Dallas, City of Fort Worth, City of Harlingen, City of McAllen, City of McKinney, City of San Antonio, City of Temple and the City of Tyler and that the Chief Executive Officer or Designee be authorized to execute an Interlocal Training Agreement for Aircraft Rescue Fire Fighter Training with these same municipalities. |

**Action Items for Consideration**

- |               |  |
|---------------|--|
| Robert Horton | 7. Approve an increase and extension to Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Grand Prairie, Texas, in an amount not to exceed \$500,000.00, for a revised Contract not to exceed amount of \$1,552,832.00. |
|---------------|--|



- Tammy Huddleston
8. Approve execution of Purchase Order No. 278134, for Ultraviolet C Light Technology System material for the Air Handling Units, with Texas AirSystems, LLC, of Irving, Texas, in an amount of \$497,949.57.
  9. Approve execution of Contract No. 7007099, for Grease Interceptor Inspection and Cleaning Services with Southwaste Disposal LLC, of Houston, Texas, in an amount not to exceed \$521,592.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.
  10. Approve execution of Contract No. 5001011, for Reimbursement Agreement - Atmos - Gas Line Installation at Terminal C, with Atmos Energy Corporation, of Dallas, Texas, in an amount not to exceed \$1,600,000.00, for the 120-calendar day term of the Contract.
  11. Approve increases to Contract Nos. 8500382, for Quality Assurance Inspection Services, with Foster CM Group, Inc., of Dallas, Texas; Contract No. 8500388, with Keville Enterprises, Inc., of Irving, Texas, and 8500389, for Quality Assurance Inspection Services, with PSA Constructors, Inc. dba PSA Management, Inc., of Dallas, Texas, in the not to exceed amounts of \$1,660,000.00 per Contract. All Contract revised amounts are \$6,660,000.00. For a total action amount of \$4,980,000.00. Rescind award of Contract No. 8500390, with Southwestern Testing Laboratories, LLC, dba, STL Engineers, LLC of Dallas, Texas.

### **Discussion Items**

- Tammy Huddleston
12. Construction and Professional Services Contract increase(s) approved by authorized staff.
  13. Decrease(s)/increase(s) in Scope of Work approved by authorized staff.

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Aircraft Deicing Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007148, for Aircraft Deicing Services, with Swissport SAUSA, LLC, of Raleigh, North Carolina, in an amount not to exceed \$51,765.65, for the five-month term of the Contract.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Aircraft Deicing Services in support of the Airport's Operations Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Replaces an existing Contract that has been in place for one year.</li><li>This Contract will provide aircraft deicing services for corporate aviation aircraft at a Board-approved designated deicing location on Airport property.</li><li>Services will be provided on an as-needed basis and will be provided by service provider's vehicles and equipment.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, no M/WBE goal was determined for this Contract due to no availability of M/WBE firms that perform this service.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: Five months</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007148			NTE \$51,765.65	
For Information contact	Fund	Project #	External Funding Source	Amount
Lisa Gahm 3-7150 Helen Chaney 3-2523	Various			\$51,765.65

**Additional Information**

- This Contract action is exempt from public procurement in accordance with Local Government Code 252.223, as it is a procurement necessary to preserve or protect the public health and safety of the Airport's traveling public, tenants, and employees.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007148, for Aircraft Deicing Services, with Swissport SAUSA, LLC, of Raleigh, North Carolina, in an amount not to exceed \$51,765.65, for the five-month term of the Contract.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:26 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 23, 2021 11:27 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:05 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Operations  
Sep 21, 2021 6:00 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Airfield Continuous Friction Measurement Equipment		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278253, for Airfield Continuous Friction Measurement equipment, with Halliday Technologies Inc, of Delaware, Ohio, in an amount of \$214,446.88.				
<b>Description</b> <ul style="list-style-type: none"><li>• Purchase two Continuous Friction Measurement Equipment (CFME) devices for Airfield Operations to conduct friction tests on runways.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• The existing CFME devices are at the end of service life.</li><li>• The CFME devices directly supports the Airport's Safe and Secure and Operational Excellence initiatives. The software will provide real-time data to the IOC/EOC for winter weather strategic planning.</li><li>• The Federal Aviation Administration Advisory Circular 150/5320-12 requires periodic friction testing, failure to do so could result in regulatory enforcement action.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished Products)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Purchase Date: October 2021</li><li>• Delivery Date: December 2021</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
		278253	\$214,446.88	\$0
<b>For Information contact</b> Lisa Gahm 3-7150 Melissa Turner 3-5632		<b>Fund</b> DFW Capital Acct	<b>Project #</b> 26941-01	<b>External Funding Source</b>  <b>Amount</b> \$214,446.88

**Additional Information**

- This purchase will be made through an Interlocal Agreement with the Houston-Galveston Area Council of Governments (H-GAC), in accordance with Board Resolution No. 97-07-181, dated July 3, 1997.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278253, for Airfield Continuous Friction Measurement equipment, with Halliday Technologies Inc, of Delaware, Ohio, in an amount of \$214,446.88.

**Approved as to Form by**

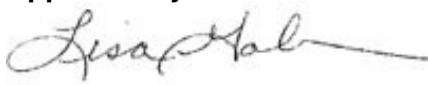

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:27 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 5:45 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:05 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Operations  
Sep 22, 2021 10:02 am

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Purchase of Compressed Natural Gas Fueling Station and Ground Lease		
<b>Action</b> That the Chief Executive Officer or designee be authorized to extend Contract No. 7005231, for the Purchase of Compressed Natural Gas (CNG), with Transtar Energy Company, L.P., dba Clean Energy, of Newport Beach, California, for an additional six years.				
<b>Description</b> <ul style="list-style-type: none"><li>Extend the Contract for the Purchase of Compressed Natural Gas (CNG) Fueling Station and Ground Lease in support of the Energy, Transportation &amp; Asset Management Department.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>To provide for leasing of Airport land at the Rental Car Center Maintenance Facility and 5E for CNG fuel stations. The Rental Car Facility includes a private fueling station for buses that support Rental Car Center transportation operations and a public facility for use by other Board vehicles as well as third party vehicles.</li><li>Extends the agreement for the supply of CNG to service both Board vehicles and third-party vehicles that operate on compressed natural gas.</li><li>Supports the Board's fleet of 161 CNG Buses and 14 other CNG vehicles.</li><li>Contractor is responsible for the operation and maintenance of these fueling stations.</li><li>Total spend on CNG is approximately \$2 million per year.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>Not Applicable</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Current Contract Completion Date: May 31, 2025</li><li>Revised Contract Completion Date: May 31, 2031</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7005231			NTE \$0	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Christian Brewer 3-5322	Various			\$0

**Additional Information**

- On January 7, 2010, by Resolution No. 2010-01-007, the Board awarded Contract No. 7005231, for Compressed Natural Gas Fueling Station and Ground Lease, with Transtar Energy Company, L.P., a wholly owned subsidiary of Clean Energy Fuels Corporation, of Seal Beach, California.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to extend Contract No. 7005231, for the Purchase of Compressed Natural Gas (CNG), with Transtar Energy Company, L.P., dba Clean Energy, of Newport Beach, California, for an additional six years.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:28 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 23, 2021 11:23 am

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:06 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 7:54 am

Pending

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Painting Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007084, for Painting Services, with JNA Painting & Contracting Company, Inc. of Dallas Texas, in an amount not to exceed \$168,518.72, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Painting Services in support of the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement for an existing Contract that has been in place for four years.</li><li>The Airport's extensive building portfolio requires periodic interior and exterior painting on surfaces as a routine maintenance and renewal requirement.</li><li>The Contract will provide qualified painters to perform maintenance, surface preparation and painting work at various Airport-owned facilities.</li><li>Services will be ordered and used on an as-needed basis.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 10%.</li><li>JNA Painting &amp; Contracting Company, Inc. has committed to achieving 10% M/WBE participation utilizing JH Painting (BM-C).</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: October 2021</li><li>Contract Term: One year with four one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007084			NTE \$168,518.72	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Juanita Ortiz 3-0968	Operating Fund			\$168,518.72



**Additional Information**

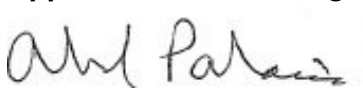
- Three Bids, including one from M/WBE firm, were received on or before the due date of July 28, 2021.
- Bid Tabulation attached
- JNA Painting & Contracting Company, Inc. of Dallas Texas, is the lowest responsive, responsible Bidder and is the incumbent.
- Projected total of Contract including all renewals, if approved, is \$842,593.60.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007084, for Painting Services, with JNA Painting & Contracting Company, Inc. of Dallas Texas, in an amount not to exceed \$168,518.72, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:29 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:04 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:06 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 7:55 am

Pending

Chief Executive Officer

Date

**Contract No. 7007084**  
**Paint Services**

<b>Bidders</b>	<b>Bid Amount</b>
JNA Painting & Contracting Company, Inc. <sup>N2</sup> Dallas, Texas	\$168,518.72
Prestige Building Group, LLC <sup>N2</sup> Houston, Texas	\$556,417.00
Carrco Painting Contractors <sup>N1N2</sup> Dallas, Texas	\$689,405.28
<b>Note:</b> <ol style="list-style-type: none"><li>1. MBE Certified through the North Central Texas Regional Certification Agency.</li><li>2. Bid price variance is attributed to previous Airport work experience for the lowest bidder; and higher costs of labor, equipment and mobilization cost for the two highest bidders.</li></ol>	

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

<b>Date</b>	<b>Committee</b>	<b>Subject</b>	<b>Resolution #</b>
10/07/2021	Operations	Interlocal Fire Training Agreement	
<b>Action</b> That the Chief Executive Officer or designee be authorized to enter into an Interlocal Training Agreement between the Board and the City of Austin, City of Dallas, City of Fort Worth, City of Harlingen, City of McAllen, City of McKinney, City of San Antonio, City of Temple and the City of Tyler and that the Chief Executive Officer or Designee be authorized to execute an Interlocal Training Agreement for Aircraft Rescue Fire Fighter Training with these same municipalities.			
<b>Description</b> <ul style="list-style-type: none"> <li>Execute an Interlocal Agreement with the following municipalities to provide Fire Training Services.               <ol style="list-style-type: none"> <li>City of Austin</li> <li>City of Dallas</li> <li>City of Fort Worth</li> <li>City of Harlingen</li> <li>City of McAllen</li> <li>City of McKinney</li> <li>City of San Antonio</li> <li>City of Temple</li> <li>City of Tyler</li> </ol> </li> </ul>			
<b>Justification</b> <ul style="list-style-type: none"> <li>Interlocal Training Agreements will permit the execution of mutually acceptable agreeable Aircraft Rescue Fire Training between the Airport and the municipalities.</li> <li>This is a revenue producing contract.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>The annual goal for the M/WBE Program is 31%.</li> <li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Interlocal Agreement)</li> </ul>			
<b>Schedule/Term</b> <ul style="list-style-type: none"> <li>Agreement Terms: Indefinite, unless terminated by either Party. Other individual agreements will be based on the project requirements.</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> Brian McKinney 3-3503	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

**Additional Information**

- Interlocal Agreements among public entities are authorized under Title 7, Chapter 791, Subchapter C, Section 791.025, V.T.C.A.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to enter into an Interlocal Training Agreement between the Board and That the Chief Executive Officer or designee be authorized to enter into an Interlocal Training Agreement between the Board and the City of Austin, City of Dallas, City of Fort Worth, City of Harlingen, City of McAllen, City of McKinney, City of San Antonio, City of Temple and the City of Tyler; and that the Chief Executive Officer or Designee be authorized to execute an Interlocal Training Agreement for Aircraft Rescue Fire Fighter Training with these same municipalities.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:31 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:05 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:06 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Public Safety  
Sep 22, 2021 11:59 am

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Emergency Response and Clean-Up for Contaminants		
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase and extend Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Grand Prairie, Texas, in an amount not to exceed \$500,000.00, for a revised Contract not to exceed amount of \$1,552,832.00.				
<b>Description</b> <ul style="list-style-type: none"><li>• Increase and extend the Contract for Emergency Response and Clean-Up for Contaminants to provide glycol removal services, in support of the Airport's Environmental Affairs Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• This Contract increase and additional scope of work will provide all airlines a more cost-effective, consortium approach to the conventional practice where each airline was previously responsible for providing their own cleaning service.</li><li>• Work will include, but not be limited to, providing all labor, supervision, services, parts, materials, supplies, equipment, tools (including any specialty tools and equipment), fueling and equipment maintenance necessary for the proper execution of the work.</li><li>• The enhanced scope will ensure the most efficient equipment is used, reducing time required for pad cleaning operations and allowing for greater operational throughput.</li><li>• Service requests for glycol recovery will be performed on an as-needed basis during the 2021-2022 winter weather season.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the historical SBE Program is 20%.</li><li>• N/A - Not subject to a goal per the Board's historical SBE Policy due to the nature of the procurement. (Emergency Purchase for Public Health &amp; Safety)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Current Contract Completion Date: December 15, 2021</li><li>• Revised Contract Completion Date: June 1, 2022</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7006213			NTE \$500,000.00	\$1,552,832.00
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>
Robert Horton 3-5563 Helen Chaney 3-2523		Operating Fund		Amount \$500,000.00

**Additional Information**

- On February 11, 2021, by Resolution No. 2021-02-043, the Board increased Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Great River, New York.
- On October 1, 2020, by Resolution 2020-10-207, the Board increased Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Great River, New York.
- On May 7, 2020, by Resolution No. 2020-05-104, the Board increased Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Great River, New York.
- On May 7, 2015, by Resolution No. 2015-05-069, the Board awarded Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with Progressive Environmental Services, Inc., of Atlanta, Georgia.
- This Contract action is exempt from public procurement in accordance with Local Government Code 252.223, as it is a procurement necessary to preserve or protect the public health and safety of the Airport's traveling public, tenants, and employees.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase and extend Contract No. 7006213, for Emergency Response and Clean-Up for Contaminants, with NRC Gulf Environmental Services, Inc., of Grand Prairie, Texas, in an amount not to exceed \$500,000.00, for a revised Contract not to exceed amount of \$1,552,832.00.

**Approved as to Form by**

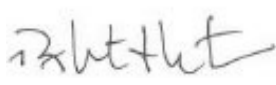

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:33 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:05 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:06 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Environmental Affairs  
Sep 22, 2021 12:21 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Ultraviolet C Light Technology for Air Handling Units		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278134, for Ultraviolet C Light Technology System material for the Air Handling Units, with Texas AirSystems, LLC, of Irving, Texas, in an amount of \$497,949.57.				
<b>Description</b> <ul style="list-style-type: none"><li>• Purchase Ultraviolet C (UV-C) Light Technology Systems material to be installed in existing Heating, Ventilation and Air Conditioning (HVAC) systems at the Airport's Non-Terminal Facilities.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>• When the use of UV-C light technology is combined with other health and safety recommendations such as social distancing, use of face coverings and janitorial sanitization practices, the exposure risk to Airport employees and visitors is reduced, preventing the spread of coronavirus.</li><li>• Due to the ongoing pandemic, UV-C Light systems and bulbs are in high demand requiring the advance purchase of the material to be installed under a separate project and Contract in early 2022.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished Products)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Purchase Date: October 2021</li><li>• Delivery Date: December 2021</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
		278134	\$497,949.57	\$0
<b>For Information contact</b> Tammy Huddleston 3-6132 Melissa Turner 3-5632		<b>Fund</b> DFW Capital Acct	<b>Project #</b> 26916-01	<b>External Funding Source</b>  <b>Amount</b> \$497,949.57

**Additional Information**

- Three Bids, none from M/WBE firms, were received on or before the due date of September 7, 2021.
- The bid submissions of McMillian James Equipment Company, LLC, of Grapevine, Texas; and Trane USA, Inc., of Carrollton, Texas, were determined non-responsive as the submissions did not meet the specifications outlined in the Airport's solicitation.
- Texas AirSystem, LLC, of Irving, Texas, is the lowest responsive, responsible Bidder.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Purchase Order No. 278134, for Ultraviolet C Light Technology System material for the Air Handling Units, with Texas AirSystems, LLC, of Irving, Texas, in an amount of \$497,949.57.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:34 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:06 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:07 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 8:05 am

\_\_\_\_\_  
**Chief Executive Officer**

Pending

Date



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Grease Interceptor Inspection and Cleaning Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007099, for Grease Interceptor Inspection and Cleaning Services with Southwaste Disposal LLC, of Houston, Texas, in an amount not to exceed \$521,592.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Grease Interceptor Inspection and Cleaning Services for the Airport's Energy, Transportation &amp; Asset Management Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement for an existing Contract that has been in place for six years.</li><li>This will provide grease interceptor cleaning services including waste and debris removal from grease interceptor vaults in designated locations at the Airport Terminals.</li><li>The scope of work includes 45 grease interceptor tanks with a volume capacity of 211,741 gallons.</li><li>These tanks service 90 food and beverage concessionaires.</li><li>All services will be performed on an as-needed basis.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, no M/WBE goal was determined for this Contract due to the limited availability of M/WBE firms that perform this service.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: One-year, with four one-year renewal options.</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007099			NTE \$521,592.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Christian Brewer 3-5322	Operating Fund			\$521,592.00

**Additional Information**

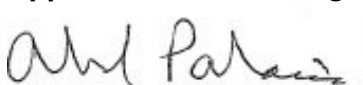
- Two Bids, none from M/WBE firms, were received on or before the due date of August 30, 2021.
- Bid Tabulation attached.
- Southwaste Disposal LLC, of Houston, Texas, is the lowest responsive, responsible Bidder and is the incumbent.
- Projected total of Contract including renewals, if approved, is \$2,607,960.00.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007099, for Grease Interceptor Inspection and Cleaning Services with Southwaste Disposal LLC, of Houston, Texas, in an amount not to exceed \$521,592.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:46 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:06 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 22, 2021 8:07 pm

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 8:08 am

Pending

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

**Contract No. 7007099**  
**Grease Interceptor Inspection and Cleaning Services**

<b>Bidders</b>	<b>Bid Amount</b>
Southwaste Disposal LLC Houston, Texas	\$521,592.00
Liquid Environmental Solutions of Texas, LLC Irving, Texas	\$554,964.00

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Reimbursement Agreement - Atmos - Gas Line Installation at Terminal C		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 5001011, for Reimbursement Agreement - Atmos - Gas Line Installation at Terminal C, with Atmos Energy Corporation, of Dallas, Texas, in an amount not to exceed \$1,600,000.00, for the 120 calendar day term of the Contract.				
<b>Description</b> <ul style="list-style-type: none"><li>• This action will reimburse Atmos Energy Corporation for the cost associated with installing new natural gas service to Terminal C.</li><li>• This project will include installation of approximately 1,100 linear feet of new gas line and meters at Terminal C between northbound International Parkway/Service Road and Terminal C roadway near High C Gates.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• Gas service is being provided to the Terminal concessionaires as part of the High C Demolition and Reconstruction Project, Terminal C Renovations Construction Manager at Risk, Central Terminal Area Expansion Terminals C and A, and future project needs.</li><li>• Natural gas provides flexibility for concessions area food preparation and the resulting variety of offerings concessionaires will be able to make available to customers.</li><li>• This action will reimburse Atmos Energy Corporation for the cost associated with extending natural gas service to the concessions' areas and future needs of Terminal C.</li><li>• Atmos Energy Corporation is the franchised utility provided to all sites on the Airport.</li><li>• Atmos will only recover costs allowed by regulatory authority, without additional profits.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• N/A - Not subject to the Board's Business Diversity Program Policies. (Reimbursement to a Regulated Utility)</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Start Date: October 2021</li><li>• Contract Duration: 120 calendar days</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
5001011			NTE \$1,600,000.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132 Scioscia Flowers 3-1744	Joint Capital Acct	26867-01		\$1,600,000.00

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 5001011, for Reimbursement Agreement - Atmos - Gas Line Installation at Terminal C, with Atmos Energy Corporation, of Dallas, Texas, in an amount not to exceed \$1,600,000.00, for the 120 calendar day term of the Contract.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:47 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:07 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 10:58 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 8:24 am

Pending

Chief Executive Officer

Date

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

Date	Committee	Subject	Resolution #	
10/07/2021	Operations	Quality Assurance Inspection Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Contracts No. 8500382, for Quality Assurance Inspection Services, with Foster CM Group, Inc., of Dallas, Texas; Contract No. 8500388, with Keville Enterprises, Inc., of Irving, Texas, and 8500389, for Quality Assurance Inspection Services, with PSA Constructors, Inc. dba PSA Management, Inc., of Dallas, Texas, in the not to exceed amounts of \$1,660,000.00 per Contract. All Contract revised amounts are \$6,660,000.00. For a total action amount of \$4,980,000.00. Rescind award of Contract No. 8500390, with Southwestern Testing Laboratories, LLC, dba, STL Engineers, LLC of Dallas, Texas.				
<b>Description</b> <ul style="list-style-type: none"><li>• Increase three Contracts for Quality Assurance Inspection Services, in support of the Design, Code and Construction Department.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• Rescind award for Contract No. 8500390 with Southwestern Testing Laboratories, LLC DBA STL Engineers, LLC (STL), of Dallas, Texas. The owner of STL was thereafter awarded Contract No. 9500761, for Central Terminal Area Expansion Terminals A and C (CTA Project), as part of a joint venture partnership of Holder CARCON Source. The owner of STL also owns CARCON which creates a conflict of interest of being engaged in both QA/Inspection Services and Design-Build construction services. When provided the option, the owner chose to remain with the CTA Project.</li><li>• The funding allocated for Contract No. 8500390, Quality Assurance Inspection Services, will be equally divided between the three remaining Contracts.</li><li>• These Contracts provide construction quality assurance inspection services on an indefinite delivery bases, which allows the Airport to rapidly respond to project and program needs as the volume of work dictates.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• The M/WBE contract specific goal for this Board Action is 20%.</li><li>• Foster CM Group, Inc. (BM-C) has committed to achieving 95% overall M/WBE participation.</li><li>• Keville Enterprises, Inc. (WF-C) has committed to achieving 100% overall M/WBE participation.</li><li>• PSA Constructors, Inc. dba PSA Management, Inc. (BM-C) has committed to achieving 100% overall M/WBE participation.</li><li>• List of M/WBE subcontractors are attached</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• The current Contract completion dates of February 2024 are not affected by this action.</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
8500382			NTE \$1,660,000.00	\$6,660,000.00
8500388			NTE \$1,660,000.00	\$6,660,000.00
8500389			NTE \$1,660,000.00	\$6,660,000.00
For Information contact	Fund	Project #	External Funding Source	Amount
Tammy Huddleston 3-6132  Suzanne DeVasher 3-1749	Various			\$4,980,000.00

**Additional Information**

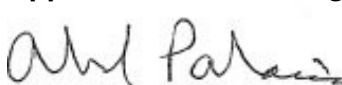
- On February 11, 2021, by Resolution No. 2021-02-028, the Board awarded Contract No. 8500382, for Quality Assurance Inspection Services with Foster CM Group, Inc., of Dallas, Texas; Contract No. 8500388, for Quality Assurance Inspection Services with Keville Enterprises, Inc., of Irving, Texas; Contract No. 8500389, for Quality Assurance Inspection Services with PSA Constructors, Inc. dba PSA Management, Inc., of Dallas, Texas; and Contract No. 8500390, for Quality Assurance Inspection Services with Southwestern Testing Laboratories, LLC DBA STL Engineers, LLC, of Dallas, Texas.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Contracts No. 8500382, for Quality Assurance Inspection Services, with Foster CM Group, Inc., of Dallas, Texas; Contract No. 8500388, with Keville Enterprises, Inc., of Irving, Texas, and 8500389, for Quality Assurance Inspection Services, with PSA Constructors, Inc. dba PSA Management, Inc., of Dallas, Texas, in the not to exceed amounts of \$1,660,000.00 per Contract. All Contract revised amounts are \$6,660,000.00. For a total action amount of \$4,980,000.00. Rescind award of Contract No. 8500390, with Southwestern Testing Laboratories, LLC, dba, STL Engineers, LLC of Dallas, Texas.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:48 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:09 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 10:58 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 8:32 am

Pending

Chief Executive Officer

Date

**Contract 8500388**  
Quality Assurance Inspection Services

**Keville Enterprises, Inc.**  
M/WBE Subcontractors

Crawford Consulting Services	WF-C	5.00%
	<b>Total</b>	<b>5.00%</b>
Lina T. Ramey & Associates	IF-C	5.00%
	<b>Total</b>	<b>5.00%</b>
Keville Enterprises (self-performing)	WF-C	90.00%
	<b>Total</b>	<b>90.00%</b>
<b>Overall Total</b>		<b>100.00%</b>



**Contract 8500382**  
Quality Assurance Inspection Services

**Foster CM Group, Inc.**  
M/WBE Subcontractors

LeVis Consulting Group	BF-C	10.00%
	<b>Total</b>	<b>10.00%</b>
CMTS, LLC	BM-C	11.00%
Foster CM Group (self-performing)	BM-C	74.00%
	<b>Total</b>	<b>85.00%</b>
<b>Overall Total</b>		<b>95.00%</b>

**Contract 8500389**  
Quality Assurance Inspection Services

**PSA Constructions, Inc. dba PSA Management, Inc.**  
M/WBE Subcontractors

Paragon Project Resources	HM-C	22.00%
Urban Engineers Group	HF-C	25.00%
	<b>Total</b>	<b>47.00%</b>
PSA Management, Inc (self-performing)	BM-C	53.00%
	<b>Total</b>	<b>53.00%</b>
<b>Overall Total</b>		<b>100.00%</b>

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
COMMITTEE DISCUSSION ITEM**

<b>Meeting Date</b> 10/07/2021	<b>Subject</b> Monthly Report	<b>Committee</b> Operations
<b>Item For Discussion</b> Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of August 2021.		
<b>Description</b> <ul style="list-style-type: none"><li>• Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of August 2021.</li></ul>		

**CONTRACT/PURCHASE ORDER INCREASES/DECREASES (\$25,000 OR GREATER)  
(APPROVED BY BOARD STAFF UNDER THEIR DELEGATED AUTHORITY – AUGUST 2021)**

CONSULTANT	CONTRACT NO.	CONTRACT TITLE/DESCRIPTION	ACTION TYPE	AMOUNT
Holder Construction – Source Building, A Joint Venture Atlanta, Georgia	9500618	Integrated Operations Center – Construction Manager at Risk (CMAR)	Change Order	\$47,657.12
<b>TOTAL</b>				<b>\$47,657.12</b>

**AGENDA**  
**CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE**  
**Tuesday, October 5, 2021**  
**12:40 p.m.**

**CONCESSIONS/COMMERCIAL DEVELOPMENT COMMITTEE**

14. Approve the minutes of the Concessions/Commercial Development Meeting of August 31, 2021.

**Action Item for Consideration**

- Zenola Campbell      15. Approve an amendment to the lease for JCDecaux North America and all current Concession leases in Terminal D.

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

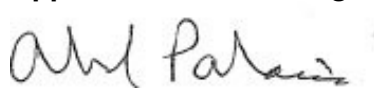
<b>Date</b> 10/07/2021	<b>Committee</b> Concessions/Commercial Development	<b>Subject</b> Base Rent Structure for JCDecaux and Concession locations in Terminal D	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to amend the lease for JCDecaux North America and all current Concession leases in Terminal D.			
<b>Description</b> <ul style="list-style-type: none"> <li>• Rescind Board Resolution 2019-12-314 that approved the resetting of the minimum annual guarantee (MAG) for the Concessions Leases with locations in Terminal D South/Center to 75% of the total rents paid during FY2020.</li> <li>• Board Resolution 2020-06-129 approved the suspension of MAG for Concessions Leases until March 1, 2021.</li> <li>• In light of the pandemic and further decreases in international traffic, this action authorizes staff to suspend MAG for all current Concession Leases in Terminal D from October 1, 2021 to March 31, 2022 (a period of 6 months).</li> <li>• This action would authorize staff to amend Lease No. 010068, JCDecaux North America, to reduce the MAG to \$10 million (the original lease amount) effective October 1, 2021.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>• Increased pressure on international traffic has slowed the recovery of Terminal D.</li> <li>• This action will allow DFW to provide rent relief to those locations affected by the reduction in international traffic.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>• The existing ACDBE and M/WBE commitments will continue to apply to the respective lease terms.</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> Zenola Campbell 3-4830	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b> Amount \$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to amend the lease for JCDecaux North America and all current Concession leases in Terminal D.

**Approved as to Form by**

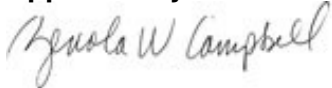

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:06 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:17 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:13 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 2:52 pm

Pending

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
Date

**AGENDA**  
**FINANCE/AUDIT COMMITTEE MEETING**  
**Tuesday, October 5, 2021**  
**12:45 p.m.**

**FINANCE/AUDIT COMMITTEE**

- |                    |  |
|--------------------|--|
|                    | 16. Approve Minutes of the Finance/Audit Committee Meeting of August 31, 2021. |
| Abel Palacios      | 17. Financial Report.  |
| Rosa Maria Meagher | 18. Fiscal Year 2021 External Audit Process.                                   |

**Consent Items for Consideration**

- |                  |   |
|------------------|---|
| James Mauldin    | 19. Approve authorization to take all necessary actions to prepare, submit and accept any federal, state or other grant applications or agreements available during Fiscal Year 2022, including all understandings and grant assurances included within those applications, and subsequently have the authority to administer any grant awarded, including the authority to close grants, as required.  |
|                  | 20. Approve authorization to accept and administer funding from FY 2019 State Homeland Security Project Grant #4229001; that the Board agrees that the project SHSP DFW Airport SWAT Equipment Enhancement will be operated through DFW Department of Public Safety; that the Board agrees that in the event of loss or misuse of the Office of the Governor funds, Board assures that the funds will be returned to the Office of the Governor in full; that the Board designates the Vice President of Treasury Management as the grantee's authorized official and gives the authorized official the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency; and that the Board approves submission of the grant application for project 2019 SHSP DFW Airport - SWAT Equipment Enhancement to the Office of the Governor. |
| Elaine Rodriguez | 21. Approve an increase to Legal Services Contract No. 8004258 with Munck Wilson Mandala in the amount of \$50,000.00 for a new not to exceed amount of \$495,000.00.   |
| Michael Youngs   | 22. Approve execution of Contract No.7007144, for Keeper Password Management Software with Carahsoft Technology Corp., of Reston, Virginia, in an amount not to exceed \$54,795.65, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.  |



23. Approve execution of Contract No. 7007147, for Enterprise Backup Software Maintenance, with Sirius Computer Solutions, Inc., of San Antonio, Texas, in an amount not to exceed \$86,624.34, for the one-year term of the Contract, with options to renew annually, subject to funding availability.
24. Approve execution of Contract No. 7007150, for Tableau Software Licenses, with SHI Government Solutions, Inc., of Austin, Texas, in an amount not to exceed \$179,185.73, for the one-year term of the Contract, with options to renew annually.

### **Action Items for Consideration**

- |                |  |
|----------------|--|
| Dee Baker Amos | 25. Approve execution of Contract No. 8005442, for Social Media Moderation Services, with ModSquad, Inc., of Sacramento, California, in an amount not to exceed \$300,699.36, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.   |
| Ollie Malone   | 26. Approve extension to Contract No. 8004998 for Employee Medical and Pharmacy Health Plan Services with Blue Cross and Blue Shield of Texas, of Richardson, Texas, and Contract No. 8005020 for Employee Dental Health Plan Services with Cigna Dental Health of Texas, Inc., of Plano, Texas; extend and increase Contract No. 8005021 for Employee Group Life Insurance Services with ReliaStar Life Insurance Company, Inc., of Minneapolis, Minnesota, in an amount not to exceed \$340,800.00; exercise the renewal option and increase Contract No. 8005152 for Employee Vision Benefit Services with HM Life Insurance Company, d.b.a. Davis Vision, Inc., of San Antonio, Texas, in an amount not to exceed \$282,000.00. All Contracts will be extended or renewed for an additional one-year period for a total action amount of \$622,800.00. |
| James Mauldin  | <p>27. Approve the form of the Preliminary Official Statements, prepared in connection with the sale of the Dallas Fort Worth International Airport Joint Revenue Bonds issued under the 60th Supplemental Bond Ordinance and authorize the Authorized Officers to take any necessary actions in connection with the sale of the Bonds.</p> <p>28. Approve authorization to enter into an Interlocal Agreement between DFW Airport, Dallas Area Rapid Transit, and Trinity Metro for bus service between the Trinity Rail Express (TRE) CentrePort Station and DFW Airport in an amount not to exceed \$300,000.00 for a term of three years.</p>  |
| Juanita Ortiz  | 29. Approve execution of Contract No. 7006796, for Coffee Service, with Daiohs USA dba First Choice Coffee Services, of Oakwood Terrace, Illinois, in an amount not to exceed \$656,307.80, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.  |

- Elaine Rodriguez
30. Approve appointment of John Ackerman to the Board of Directors of the Dallas/Fort Worth International Airport Public Facility Improvement Corporation.

### **CLOSED SESSION**

31. In accordance with the provisions of the Texas Government Code, Section 551.076 and Section 418.183(f), a closed session will be held to discuss:
- a) The deployment, or specific occasions for implementation, of security personnel or devices; and
  - b) Information relating to preventing, detecting, responding to, investigating, and managing emergencies and disasters, including those caused by terrorism or related criminal activity.

### **OPEN SESSION**

#### **Action Items for Consideration**

- Michael Youngs
32. Approve execution of Contract No. 7007137, for Privileged Access Management Software, with Freeit Data Solutions, of Austin, Texas, in an amount not to exceed \$319,002.34, for the one-year term of the Contract.
33. Approve execution of Contract No. 7007136, for Cybersecurity Software, with Frontier Media, Inc., dba Axis Technologies, of Plano, Texas, in an amount not to exceed \$565,000.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

#### **Discussion Items**

- Tamela Lee
34. Monthly D/S/M/WBE Expenditure Report.
- Juanita Ortiz
35. Purchase Orders/Contracts and Professional Services Contracts approved by authorized staff.



# KPIs and Financial Report – FY 2021

Eleven months ending August 31, 2021 – Unaudited

# Key Performance Indicator Scorecard

Eleven months ending August 31, 2021 – Unaudited

(\$ in millions)

Key Performance Indicator	Year-To-Date					FY 2021	
	FY 2020 Actuals	FY 2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)			Annual Budget
Application of Federal Relief Proceeds	\$138.9	\$103.2	\$123.7	(\$20.5)	(16.6%)	<div></div>	\$142.5
Total Expenditure Budget	\$863.5	\$846.7	\$868.7	(\$22.0)	(2.5%)	<div></div>	\$977.5
Total Passengers (Ms)	44.0	50.0	47.6	2.4	5.0%	<div></div>	53.1
Total Landed Weights (Bs)	33.6	36.3	38.1	(1.8)	(4.8%)	<div></div>	42.0
Results Status Bar	<div><div></div> Improved/Constant</div> <div><div></div> Worse</div>						

# Application of Federal Relief Proceeds

Eleven months ending August 31, 2021 – Unaudited

	Year-to-Date (\$ in millions)			
	August Actuals	August Budget	Actuals vs. Budget Favorable/(Unfavor)	
DFWCC Revenues*	\$272.4	\$265.3	\$7.0	2.7%
Airfield & Terminal Revenues*	507.6	521.2	(13.6)	(2.6%)
Total Revenues *	780.0	786.5	(6.5)	(0.8%)
Total Expenditures	846.7	868.7	22.0	2.5%
Passenger Facility Charges	99.4	94.3	5.1	5.4%
Net Variance			<u><u>\$20.5</u></u>	

\* Excludes Federal Relief Proceeds

# DFW Cost Center

Eleven months ending August 31, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Parking	\$95.1	\$100.1	\$95.8	\$4.3	4.5%	\$107.6
Concessions	57.4	60.2	62.9	(2.7)	(4.2%)	69.8
Rental Car	22.1	28.9	22.6	6.3	28.1%	25.1
Commercial Development	49.6	54.9	52.6	2.3	4.4%	57.4
Other Revenues	38.6	28.2	31.4	(3.3)	(10.4%)	34.5
Total Revenues before FRP	262.8	272.4	265.3	7.0	2.7%	294.4
DFW CC Expenditures						
Operating Expenditures	113.3	101.3	106.8	(5.6)	(5.2%)	125.7
Debt Service, net	59.2	50.0	52.5	(2.5)	(4.8%)	55.3
Total Expenditures	172.5	151.2	159.3	(8.1)	(5.1%)	181.0
Gross Margin - DFW Cost Center	90.3	121.1	106.0	15.1	14.3%	113.4
Less Transfers and Skylink						
DFW Terminal Contribution	2.6	2.6	2.6	0.0	0.0%	2.8
Skylink Costs	36.3	39.0	39.4	(0.4)	(1.0%)	44.3
Net Revenues before FRP	51.4	79.5	64.0	15.5	24.2%	66.2
Federal Relief Proceeds (FRP)	101.4	70.6	86.1	(15.5)	(18.0%)	97.8
Net Revenues	\$152.8	\$150.1	\$150.1	(\$0.0)	(0.0%)	\$164.0

# Airfield and Terminal Cost Centers

Eleven months ending August 31, 2021 – Unaudited

	Year-To-Date				FY 2021	
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Landing Fees	\$78.8	\$80.7	\$84.7	(\$4.0)	(4.7%)	\$93.5
Other Airfield	10.0	11.8	10.6	1.2	11.6%	10.7
Transfer from DFW Cost Center	66.5	64.1	64.1	(0.0)	(0.0%)	70.0
Total Airfield Revenue	155.3	156.7	159.4	(2.7)	(1.7%)	174.2
Terminal Leases	304.5	303.9	304.2	(0.3)	(0.1%)	331.8
FIS Fees	13.3	14.8	13.7	1.1	8.3%	15.3
Turn Fees	14.6	13.8	22.5	(8.7)	(38.6%)	24.7
Other Terminal	21.0	15.8	18.8	(3.0)	(15.8%)	20.8
Total Terminal Revenues	353.3	348.3	359.1	(10.8)	(3.0%)	392.7
DFW Terminal Contributions	2.6	2.6	2.6	0.0	0.0%	2.8
Total Revenues before FRP	511.2	507.6	521.2	(13.6)	(2.6%)	569.7
Expenditures						
Operating Expenditures	286.2	292.3	298.4	(6.1)	(2.1%)	345.8
Debt Service, net	248.5	235.6	248.1	(12.5)	(5.0%)	268.7
Total Expenditures	534.7	527.9	546.5	(18.6)	(3.4%)	614.4
Net Income/(Loss) before FRP	(23.4)	(20.3)	(25.3)	5.0	(19.9%)	(44.7)
Federal Relief Proceeds (FRP)	37.5	32.6	37.6	(5.0)	(13.4%)	44.7
Net Income/(Loss)	\$14.1	\$12.3	\$12.3	\$0.0	0.0%	(\$0.0)

# Operating Fund – Total Expenditures

Eleven months ending August 31, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Operating Expenditures						
Salaries and Wages	\$147.7	\$144.5	\$148.7	(\$4.1)	(2.8%)	\$166.3
Benefits	65.0	66.3	67.4	(1.1)	(1.7%)	84.4
Facility Maintenance Contracts	68.6	74.1	78.1	(4.0)	(5.2%)	86.2
Other Contract Services	89.3	88.1	88.2	(0.1)	(0.2%)	99.8
Utilities	23.8	24.1	23.4	0.7	3.0%	26.1
Equipment and Other Supplies	15.6	14.8	15.4	(0.6)	(3.8%)	17.9
Insurance	6.1	8.2	9.0	(0.8)	(9.0%)	10.0
Fuels	0.3	2.0	2.9	(0.9)	(31.0%)	3.2
General, Administrative, and Other	5.0	3.3	4.2	(0.9)	(20.5%)	9.9
Change in Operating Reserves	8.1	2.2	2.2	0.0	0.0%	5.6
Total Operating Expenditures	429.5	427.7	439.5	(11.9)	(2.7%)	509.4
Debt Service, gross	434.0	419.0	429.2	(10.1)	(2.4%)	468.2
Total Operating Fund Expenditures	\$863.5	\$846.7	\$868.7	(\$22.0)	(2.5%)	\$977.5



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

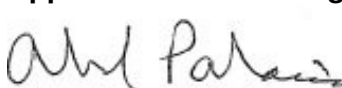
Date	Committee	Subject	Resolution #
10/07/2021	Finance/Audit	Authority to Accept and Administer Grants for FY 2022.	
<b>Action</b> That the Chief Executive Officer or designee be authorized to take all necessary actions to prepare, submit and accept any federal, state or other grant applications or agreements available during Fiscal Year 2022, including all understandings and grant assurances included within those applications, and subsequently have the authority to administer any grant awarded, including the authority to close grants, as required.			
<b>Description</b> <ul style="list-style-type: none"><li>This action authorizes the Chief Executive Officer or designee to prepare, file, accept and administer all federal, state and other grant applications and agreements available to Fiscal Year 2022, on behalf of the Airport Board.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This action satisfies the requirement that the DFW Board has authorized the filing of grant applications, including all understandings and assurances contained in the applications and has appointed an authorized official to act in connection with the applications and provide all information as required by the grant applications.</li></ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>Not Applicable</li></ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0
			<b>Revised Amount</b> \$0
<b>For Information contact</b> James Mauldin 3-5447	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b> \$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to take all necessary actions to prepare, submit and accept any federal, state or other grant applications or agreements available during Fiscal Year 2022, including all understandings and grant assurances included within those applications, and subsequently have the authority to administer any grant awarded, including the authority to close grants, as required.

**Approved as to Form by**

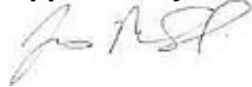

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:52 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:10 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 10:59 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 21, 2021 10:06 am

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

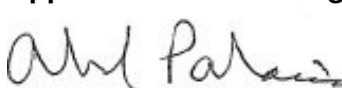
Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	2019 State Homeland Security Project Grants		
<b>Action</b> That the Chief Executive Officer or designee be authorized to accept and administer funding from FY 2019 State Homeland Security Project Grant #4229001; that the Board agrees that the project SHSP DFW Airport SWAT Equipment Enhancement will be operated through DFW Department of Public Safety; that the Board agrees that in the event of loss or misuse of the Office of the Governor funds, Board assures that the funds will be returned to the Office of the Governor in full; that the Board designates the Vice President of Treasury Management as the grantee's authorized official and gives the authorized official the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency; and that the Board approves submission of the grant application for project 2019 SHSP DFW Airport - SWAT Equipment Enhancement to the Office of the Governor.				
<b>Description</b> <ul style="list-style-type: none"><li>• The State Homeland Security Program, established through the Office of the Governor, is awarding \$9,355.96 from a prior fiscal year to the Airport Board to carry out homeland security projects to significantly improve local and regional terrorism prevention, preparedness, and response capabilities.</li><li>• These funds became available due to other entities not spending all of their fiscal year 2019 funds, making them eligible for reallocation to other entities, such as the Airport, who had needs eligible for these grant funds.</li><li>• DFW DPS SWAT Unit will use \$9,355.96 to purchase thermal imagers crucial for operational and response capabilities.</li><li>• No matching funds are required for this grant. The grant allows the Board to use its normal procurement procedures with reimbursement grant funds.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• Board action is required to satisfy new requirements set forth by the Office of the Governor.</li><li>• The Purchase of the thermal imagers allows the DFW Department of Public Safety to further improve local and regional terrorism prevention preparedness, and response capabilities.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%.</li><li>• Grant Acceptance: N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Grants)</li><li>• Equipment Purchase: N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurements. (Finished Goods)</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$9,355.96	<b>Revised Amount</b> \$0
<b>For Information contact</b>	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
James Mauldin 3-5447	DFW Capital Acct	26930-01		\$0

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to accept and administer funding from FY 2019 State Homeland Security Project Grant #4229001; that the Board agrees that the project SHSP DFW Airport SWAT Equipment Enhancement will be operated through DFW Department of Public Safety; that the Board agrees that in the event of loss or misuse of the Office of the Governor funds, Board assures that the funds will be returned to the Office of the Governor in full; that the Board designates the Vice President of Treasury Management as the grantee's authorized official and gives the authorized official the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency; and that the Board approves submission of the grant application for project 2019 SHSP DFW Airport - SWAT Equipment Enhancement to the Office of the Governor.

**Approved as to Form by**

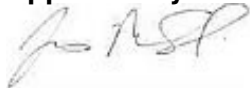

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:50 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:10 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 10:59 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 21, 2021 10:06 am

**Chief Executive Officer**

Pending

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

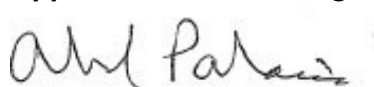
<b>Date</b> 10/07/2021	<b>Committee</b> Finance/Audit	<b>Subject</b> Increase to Legal Services Contract No 8004258 with the firm of Munck Wilson Mandala	<b>Resolution #</b>
<b>Action</b> That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8004258 with Munck Wilson Mandala in the amount of \$50,000.00 for a new not to exceed amount of \$495,000.00.			
<b>Description</b> <ul style="list-style-type: none"> <li>This action would increase the Board's contract for legal services in connection with intellectual property rights matters.</li> </ul>			
<b>Justification</b> <ul style="list-style-type: none"> <li>On October 26, 2011, under the authority of the Chief Executive Officer, the Board entered into a contract with the firm of Munck Wilson Mandala (formerly Munck Carter, LLP) to provide legal services in connection with intellectual property rights matters.</li> <li>Such matters include, but are not limited to, the patent application for interactive interface for a touch screen, an end user licensing agreement, a patent application for the system and method for supporting training of airport firefighters and other personnel and trademark work.</li> <li>This action will increase the amount of the Contract to fund continued legal services regarding such intellectual property matters as they arise.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>In accordance with the Board's historical M/WBE Program, no M/WBE goal was determined for this Contract Increase due to no availability of M/WBE firms that perform this service..</li> </ul>			
<b>Contract #</b> 8004258	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$50,000.00 <b>Revised Amount</b> \$495,000.00
<b>For Information contact</b> Elaine Rodriguez 3-5487	<b>Fund</b> Operating Fund	<b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b> \$50,000.00

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to increase Legal Services Contract No. 8004258 with Munck Wilson Mandala in the amount of \$50,000.00 for a new not to exceed amount of \$495,000.00.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:53 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:12 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 10:59 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Legal  
Sep 22, 2021 9:38 am

Pending

---

**Chief Executive Officer**

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
10/07/2021	Finance/Audit	Breach Keeper Management Solution			
<b>Action</b> That the Chief Executive Officer or Designee be authorized to execute Contract No.7007144, for Keeper Password Management Software with Carahsoft Technology Corp., of Reston, Virginia, in an amount not to exceed \$54,795.65, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.					
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for password management software in support of the Airport's cybersecurity program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Provide a private, encrypted vault for storing and managing passwords, credentials, and files for all Airport board employees.</li><li>Provide software and services, perpetual licensing, and maintenance.</li><li>Provides a flexible and seamless Single-Sign-On (SSO) integration with the Airport's existing infrastructure, including Multi-factor Authentication and compliance/auditing capabilities.</li><li>Professional/software services to assist with user onboarding and training.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE is 31%.</li><li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement (no availability of M/WBE firms that perform this service.</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: October 2021</li><li>Contract Term: One year with four one-year renewal options</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7007144			NTE \$54,795.65	\$0	
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Michael Youngs 3-5350		Operating Fund			\$54,795.65
Mubina Ashraf 3-5458					

**Additional Information**

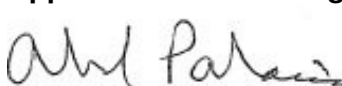
- This Contract is being recommended for award through OMNIA Partners - Public Sector (formerly The Cooperative Purchasing Network) Contract No. 7003632, which is available to government entities, and approved by Board Resolution No. 2004-10-347, dated October 7, 2004.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or Designee be authorized to execute Contract No.7007144, for Breach Keeper Management Solution with Carahsoft Technology Corp., of Reston, Virginia, in an amount not to exceed \$54,795.65, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**

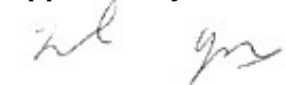

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:54 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:12 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:09 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Sep 22, 2021 12:27 pm

Pending

Chief Executive Officer

Date



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Enterprise Backup Software Maintenance		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007147, for Enterprise Backup Software Maintenance, with Sirius Computer Solutions, Inc., of San Antonio, Texas, in an amount not to exceed \$86,624.34, for the one-year term of the Contract, with options to renew annually, subject to funding availability.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Enterprise Backup Software Maintenance in support of the Airport's technology program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement for a Contract that has been in place for three years.</li><li>Software enables backup and recovery of data and systems that support the safe and efficient operation of DFW Airport.</li><li>A key component of DFW's disaster recovery strategy that allows critical data and systems to be stored offsite and rapidly restored to ensure continuity of operations.</li><li>This Contract provides support services that include critical software updates, 24-hours a day, seven days a week, 365 days a year, by phone and web-based technical support, and vendor-related notifications.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement (Goods/Finished Products).</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: One year with annual renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007147			NTE \$86,624.34	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Michael Youngs 3-5350 Miriam Seymour 3-5548	Operating Fund			\$86,624.34

**Additional Information**

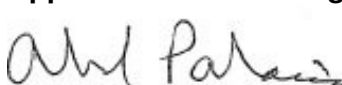
- This Contract is being recommended for award through the Texas Department of Information Resources (DIR) Contract No. DIR-TSO-4315, which is available to government entities, and approved by Board Resolution No. 1997-01-24, dated January 9, 1997.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007147, for Enterprise Backup Software Maintenance, with Sirius Computer Solutions, Inc., of San Antonio, Texas, in an amount not to exceed \$86,624.34, for the one-year term of the Contract, with options to renew annually, subject to funding availability.

**Approved as to Form by**

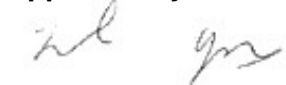

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:55 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:13 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:09 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Sep 22, 2021 12:28 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Tableau Software License and Maintenance		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007150, for Tableau Software Licenses, with SHI Government Solutions, Inc., of Austin, Texas, in an amount not to exceed \$179,185.73, for the one-year term of the Contract, with options to renew annually.				
<b>Description</b> <ul style="list-style-type: none"><li>• Award a Contract for Tableau Software License and Maintenance supports the Airport's technology program.</li><li>• Contract, if approved, will include the following licenses for Tableau: 150 Explorer, 200 Viewer, 50 Creator, and one-year of Premium Support.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• This Contract will allow for continued support of Tableau's visual analytics platform.</li><li>• ITS is working on a new competitive solicitation that will replace a Contract that has been in place for four years.</li><li>• The Contract will include an increase in licenses that aligns with the growth of the Airport's Technology program.</li><li>• Tableau allows the Airport to provide reporting and analytics that measure business and operational performance.</li><li>• Tableau was implemented as part of the Integrated Operations Center to provide dashboards and analytical reports with real-time or near real-time data to facilitate quicker and better decisions.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• The annual goal for the M/WBE Program is 31%</li><li>• In accordance with the Board's M/WBE program, no M/WBE goal was determined for this contract due to no availability of M/WBE firms that perform this service.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>• Start Date: November 2021</li><li>• Contract Term: One year with annual renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007150			NTE \$179,185.73	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Michael Youngs 3-5350 Sara Ramirez 3-2995	Operating Fund			\$179,185.73

**Additional Information**

- This Contract is being recommended for award through the Texas Department of Information Resources (DIR) Contract No. DIR-TSO-4288, which is available to government entities, and was approved by Board Resolution No. 1997-01-24, dated January 9, 1997.
- Projected total of Contract, if approved, is \$179,185.73.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007150, for Tableau Software Licenses, with SHI Government Solutions, Inc., of Austin, Texas, in an amount not to exceed \$179,185.73, for the one-year term of the Contract, with options to renew annually.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:56 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:14 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:09 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Sep 22, 2021 1:46 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Social Media Moderation Services		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 8005442, for Social Media Moderation Services, with ModSquad, Inc., of Sacramento, California, in an amount not to exceed \$300,699.36, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract to provide customer service and social media moderation services for the Airport's Communications and Marketing Department.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement Contract that has been in place for five years.</li><li>Social media moderation involves directly responding to customers on behalf of the Airport outside of regular business hours, including nights, weekends and holidays. This includes responsibility for engaging the customers, monitoring multiple social media networks for content, and escalating issues as needed.</li><li>The Contract also includes project management services including knowledge base and reporting tools.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, the M/WBE goal for this contract is 6%.</li><li>ModSquad, Inc. has committed to achieving 6% M/WBE participation utilizing Integrated Human Capital (HF-C).</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: One year with four one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
8005442			NTE \$300,699.36	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Dee Baker Amos 3-5550 Sara Porras Ramirez 3-2995	Operating Fund			\$300,699.36

**Additional Information**

- Three Proposals, none from M/WBE firms, were received on or before the due date of August 5, 2021:
  - ♦ ModSquad, Inc., of Sacramento, California
  - ♦ Meece Media dba Goodworks Public Relations (GWPR) of Austin, Texas
  - ♦ Smirk New Media of Oklahoma City, Oklahoma
- The Proposals submitted by Meece Media dba Goodworks Public Relations (GWPR) of Austin, Texas; and Smirk New Media of Oklahoma City, Oklahoma, were determined non-responsive as the submissions did not meet the specifications outlined in the Airport's solicitation.
- Based on evaluations of the Proposals submitted, the Evaluation Committee, consisting of representatives for the Airport's Communications and Marketing Department, Concessions, and Business Diversity and Development, recommends that the Contract be awarded to ModSquad, Inc., of Sacramento, California, who is the incumbent.
- Projected total of the Contract including all renewals, if approved, is \$1,661,406.36.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 8005442, for Social Media Moderation Services, with ModSquad, Inc., of Sacramento, California, in an amount not to exceed \$300,699.36, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:58 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:14 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:11 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 2:54 pm

Pending

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Employee Benefit Contracts		
<b>Action</b> That the Chief Executive Officer or designee be authorized to extend Contract No. 8004998 for Employee Medical and Pharmacy Health Plan Services with Blue Cross and Blue Shield of Texas, of Richardson, Texas, and Contract No. 8005020 for Employee Dental Health Plan Services with Cigna Dental Health of Texas, Inc., of Plano, Texas; extend and increase Contract No. 8005021 for Employee Group Life Insurance Services with ReliaStar Life Insurance Company, Inc., of Minneapolis, Minnesota, in an amount not to exceed \$340,800.00; exercise the renewal option and increase Contract No. 8005152 for Employee Vision Benefit Services with HM Life Insurance Company, d.b.a. Davis Vision, Inc., of San Antonio, Texas, in an amount not to exceed \$282,000.00. All Contracts will be extended or renewed for an additional one-year period for a total action amount of \$622,800.00.				
<b>Description</b> <ul style="list-style-type: none"><li>Extend or renew Contracts for employee health and disability benefit services for Airport employees, their qualified dependents and qualified retirees.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>These Contracts provide administrative services and insurance coverage, as applicable, for medical, pharmacy, dental, group life, and accidental death and dismemberment services for Airport employees, their qualifying dependents, retirees and offers voluntary, employee-paid supplemental insurance coverage at reduced rates.</li><li>Monthly premium rates or administration fees are based on current enrollment for the benefit plans and are subject to fixed rates for the full term of the one-year extension or renewal period.</li><li>These extensions or renewals will support continuity of services for the Airport's benefits program for Airport employees as we transition to a post-pandemic operation and for those who participated in the early retirement program.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>In accordance with the Board's historical SBE Program, no SBE goal was determined for these Contracts due to the limited availability of SBE firms that perform these services.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: January 2022</li><li>Contract Term: Extension or Renewal for each Contract/policy: One year</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b>	<b>Revised Amount</b>
8005021			NTE \$340,800.00	\$4,634,988.00
8005152			NTE \$282,000.00	\$1,276,365.00
<b>For Information contact</b>	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Ollie Malone 3-1161 Ron Duncan 3-5613	Operating Fund			\$622,800.00

**Additional Information**

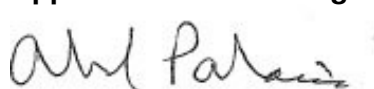
- On July 2, 2015, by Resolution No. 2015-07-125, the Airport awarded Contract No. 8004998, for Employee Medical and Pharmacy Health Plan Services, with Blue Cross and Blue Shield of Texas, of Richardson, Texas; Contract No. 8005020, for Employee Dental Health Plan Services, with Cigna Dental Health of Texas, Inc., of Plano, Texas; and Contract No. 8005021, for Employee Group Life Insurance Services, with ReliaStar Life Insurance Company, Inc., of Minneapolis, Minnesota.
- On September 7, 2017, by Resolution No. 2017-09-210, the Airport awarded Contract No. 8005152, for Employee Vision Benefit Services, with HM Life Insurance Company, d.b.a., Davis Vision, Inc., of San Antonio, Texas
- Each Contract amount is to cover administrative fees and insurance premiums only.
- Life and Accidental Death and Dismemberment insurance cost include only the Airport-funded benefit cost. Employee-paid voluntary supplemental insurance cost are separately paid from payroll deductions approved by each participating employee.
- Stop loss insurance will be solicited separately and a separate OBA presented later this year to award a stop loss insurance policy to support the Airport's health benefits program.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to extend Contract No. 8004998 for Employee Medical and Pharmacy Health Plan Services with Blue Cross and Blue Shield of Texas, of Richardson, Texas, and Contract No. 8005020 for Employee Dental Health Plan Services with Cigna Dental Health of Texas, Inc., of Plano, Texas; extend and increase Contract No. 8005021 for Employee Group Life Insurance Services with ReliaStar Life Insurance Company, Inc., of Minneapolis, Minnesota, in an amount not to exceed \$340,800.00; exercise the renewal option and increase Contract No. 8005152 for Employee Vision Benefit Services with HM Life Insurance Company, d.b.a. Davis Vision, Inc., of San Antonio, Texas, in an amount not to exceed \$282,000.00. All Contracts will be extended or renewed for an additional one-year period for a total action amount of \$622,800.00.

**Approved as to Form by**



Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 5:59 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:14 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:12 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Human Resources  
Sep 22, 2021 9:05 am

Pending

Chief Executive Officer

Date



# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

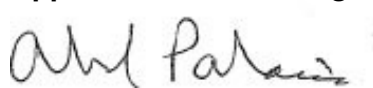
Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Approve the form of the Preliminary Official Statements for the 2021 Bond Issuances.		
<b>Action</b> That the Airport Board approves the attached resolution, approving the form of the Preliminary Official Statements, prepared in connection with the sale of the Dallas Fort Worth International Airport Joint Revenue Bonds issued under the 60th Supplemental Bond Ordinance and authorize the Authorized Officers to take any necessary actions in connection with the sale of the Bonds.				
<b>Description</b> <ul style="list-style-type: none"><li>On May 12 and May 18, 2021 respectively, the Cities of Dallas and Fort Worth approved the 60th Supplemental Bond ordinance authorizing issuances of bonds in an amount not to exceed \$2.4B</li><li>The bonds are currently anticipated to be issued in multiple instances in late October</li><li>The intended purpose for the proceeds of these bonds is to advance refund for savings, Alternative Minimum Tax Bonds callable on 11/1/2022, and refund Commercial Paper and Tax-Exempt Bonds currently callable on 11/1/2021</li><li>It is requested that the Airport Board approves the attached resolution, approving the form of the Preliminary Official Statements and authorizing the Authorized Officers to take any necessary actions in connection with the sale of the bonds</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>The planned refunding bond issuances, as briefed in the April meeting, is expected to provide Net Present Value savings in excess of 22% and approximately \$289M in cash flow savings over the life of the bonds.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>Not Applicable</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
			\$0	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
James Mauldin 3-5447				\$0

**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board approves the attached resolution, approving the form of the Preliminary Official Statements, prepared in connection with the sale of the Dallas Fort Worth International Airport Joint Revenue Bonds issued under the 60th Supplemental Bond Ordinance and authorize the Authorized Officers to take any necessary actions in connection with the sale of the Bonds.

**Approved as to Form by**

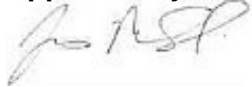

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:02 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:15 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:12 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 7:08 am

Pending

Chief Executive Officer

Date

**Airport Board Resolution**

**RESOLUTION NO. 2021- \_\_ - \_\_**

**APPROVING THE FORM OF THE PRELIMINARY OFFICIAL  
STATEMENTS PREPARED IN CONNECTION WITH THE ISSUANCE  
OF ONE OR MORE SERIES OF SERIES 2021 BONDS; AND  
AUTHORIZING THE AUTHORIZED OFFICERS TO TAKE OTHER  
NECESSARY ACTIONS IN CONNECTION THEREWITH**

THE STATE OF TEXAS	§
COUNTIES OF DALLAS AND TARRANT	§
DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD	§

WHEREAS, prior to the adoption of this resolution (herein defined and cited as the “Resolution”), the City Councils of the Cities of Dallas and Fort Worth (the “Cities”) have passed the Master Bond Ordinance (defined and cited herein as the “Master Bond Ordinance”) relating to the Dallas Fort Worth International Airport (the “Airport”); and

WHEREAS, terms not defined herein shall have the meanings set forth in the Master Bond Ordinance; and

WHEREAS, the Master Bond Ordinance constitutes the controlling bond ordinance of the Cities that relate to the financing of the Airport and that, together (i) prescribe the terms and conditions upon the basis of which the Additional Obligations, Credit Agreements, and Parity Credit Agreement Obligations may be issued and executed, and (ii) provide and establish the pledge, security, and liens securing the Cities’ special obligations to pay when due the Outstanding Obligations, and Parity Credit Agreement Obligations, and any Additional Obligations; and

WHEREAS, in accordance with the Master Bond Ordinance, the Cities have adopted the Sixtieth Supplemental Concurrent Bond Ordinance (the “Sixtieth Ordinance”) authorizing the issuance of one or more series of Dallas Fort Worth International Airport Joint Revenue Refunding Bonds (collectively, the “Series 2021 Bonds”); and

WHEREAS, the proceeds of the Series 2021 Bonds, which constitute Additional Obligations pursuant to the Master Bond Ordinance, will be used to finance certain costs of the airport and refund certain previously issued and outstanding obligations of the Cities relating to the Airport, pay for certain other purposes set forth in the Sixtieth Ordinance and for other purposes as permitted by the Master Bond Ordinance; and

WHEREAS, the Sixtieth Ordinance authorizes, among other things, the preparation of preliminary and final official statements (“Preliminary Official Statements” and “Official Statements,” respectively) for use in connection with the offer and sale of the Series 2021 Bonds; and

WHEREAS, it is the desire of the Board to approve the form of the Preliminary Official Statement, with such modifications and amendments as shall be approved in writing by the Chief Executive Officer for each series of Series 2021 Bonds; and

WHEREAS, the Board hereby determines that the meeting at which this Resolution is adopted is open to the public, and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by Applicable Law;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DALLAS FORT WORTH INTERNATIONAL AIRPORT:**

Section 1. That the Preliminary Official Statement substantially in the form attached hereto and made a part hereof, is hereby in all respects approved by the Board. The Chief Executive Officer is hereby authorized to prepare and distribute the Preliminary Official Statements and to prepare, execute and deliver final Official Statements and is directed to deliver executed copies of said Official Statements to the Underwriters named in the Underwriting Agreements for each series of Series 2021 Bonds.

Section 2. That the Preliminary Official Statement, with such subsequent modifications or amendments, including but not limited to modifications for each particular series of Series 2021 Bonds, as shall be approved in writing by the Chief Executive Officer, shall be used by the Underwriters in the sale of the Series 2021 Bonds.

Section 3. That each Authorized Officer (as defined in the Sixtieth Ordinance) is hereby authorized to take any other actions appropriate or necessary in connection with the issuance, sale and delivery of each series of the Series 2021 Bonds, the preparation of any of the documents described or referenced herein, or the delivery of copies of any such documents to the City Councils of the Cities. In the absence of the Chief Executive Officer, the Executive Vice President/CFO and the Vice President – Treasury Management are hereby authorized to act in his stead with respect to such matters.

ADOPTED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD ON THIS \_\_\_\_\_, 2021.

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §  
COUNTIES OF DALLAS AND TARRANT §  
DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD §

I, the undersigned officer of said Board, hereby certifies as follows:

1. That the Dallas Fort Worth International Airport Board convened in Regular Meeting on the \_\_\_\_ day of \_\_\_\_, 2021, at the Airport Administration Building, 2400 Aviation Drive, Dallas Fort Worth Airport, Texas, its regular meeting place, and the roll was called of the duly constituted officers and members of said Board, to wit:

Matrice Ellis-Kirk, Chair	Mayor Mattie Parker	)
Henry Borbolla III, Vice-Chair	Mayor Eric Johnson	)
Gloria M. Tarpley, Secretary	Vernon Evans	)
	Ben Leal	)
	William Meadows	)
	Raj Narayanan	)
	Mario Quintanilla	)
	Eddie W. Reeves	)
	Mayor Wes Mays*	)

\_\_\_\_\_  
\*non-voting member

and all of said persons were present , thus constituting a quorum. Whereupon, among other business, a written resolution **APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENTS PREPARED IN CONNECTION WITH THE ISSUANCE OF ONE OR MORE SERIES OF SERIES 2021 BONDS; AND AUTHORIZING THE AUTHORIZED OFFICERS TO TAKE OTHER NECESSARY ACTIONS IN CONNECTION THEREWITH** was duly introduced for the consideration of said Board of Directors. It was then duly moved and seconded that said Resolution be adopted; and said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: \_\_\_\_\_

NOES: 0

ABSTENTIONS: 0

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the minutes of said

meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

3. That the Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED the \_\_th day of \_\_\_\_\_, 2021.

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Staff Secretary, Dallas Fort Worth  
International Airport Board

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER \_\_, 2021**

7 ISSUE–Book–Entry–Only

**Ratings:**  
**Fitch:**  
**KBRA:**  
**Moody's:**  
(See “RATINGS” herein)

In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is excludible from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not a specific performance item for purposes of the alternative minimum tax. See “Tax Matters” for a discussion of the Opinion of Co-Bond Counsel.

**CITIES OF DALLAS AND FORT WORTH, TEXAS**

\$ \_\_\_\_\_ \*

**Dallas Fort Worth International Airport  
Joint Revenue Refunding Bonds**

**Series 2021A  
(Non-AMT)**

**Issue Date:** \_\_\_\_\_ 1, 2021

**Due:** November 1, as shown on page i

**Interest Accrues:** Date of Initial Delivery

The Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2021A (the “Bonds”) are being issued jointly by the Cities of Dallas and Fort Worth, Texas (the “Cities”) for the purpose of (1) refunding certain outstanding Subordinate Lien Obligations in the form of commercial paper notes (the “Refunded Obligations”) (see **SCHEDULE I – “SCHEDULE OF REFUNDED OBLIGATIONS”**), (2) providing for funding of the Debt Service Reserve Requirement, if any, and (3) paying the costs associated with the issuance of the Bonds. The Bonds constitute “Additional Obligations” under the Master Bond Ordinance described herein and are limited obligations of the Cities payable solely from secured by a pledge of Pledged Revenues and Pledged Funds (as defined in the Master Bond Ordinance) derived from the ownership and operation of the Dallas Fort Worth International Airport (the “Airport”). For a description of the security for the Bonds, see “**SECURITY FOR THE BONDS**” herein. Potential investors should carefully consider the investment considerations described herein. See “**CERTAIN INVESTMENT CONSIDERATIONS**.”

**The Bonds are subject to redemption prior to maturity as described herein.**

Interest will accrue on the Bonds from their date of initial delivery, and will be payable November 1 and May 1 of each year commencing 1, 2022, until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry System described herein. Beneficial ownership may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of Bonds will be made to the purchasers. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, as the initial Paying Agent/Registrar, to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See “**THE BONDS-Book-Entry System**” herein and **APPENDIX E – “DTC BOOK-ENTRY SYSTEM AND BALANCE CLEARANCE PROCEDURES.”**

See the inside cover page for maturities, principal amounts, interest rates, prices and yields.

The Bonds are offered when, as, and if issued by the Cities and accepted by the Underwriters, subject to prior sale, withdrawal or termination of the offer without notice, the approval of legality by the Attorney General of the State of Texas, and by McCall, Parkhurst & Horton LLP, Dallas, Texas and West & Associates L.L.P., Dallas, Texas, Co-Bond Counsel, and certain other conditions. Certain matters will be passed for the Cities and the Airport by Bracewell LLP, Dallas, Texas and Hardwick Law Firm LLC, Dallas, Texas, Co-Disclosure Counsel. Certain matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas, and Escamilla & Poneck LLP, San Antonio, Texas, Co-Underwriters’ Counsel. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC in New York, New York, on or about \_\_\_\_\_.

**Academy Securities**

**Jefferies**

**Wells Fargo Securities**

**Loop Capital Markets**

\* Preliminary, subject to change.

## MATURITY SCHEDULE

\$ \*

**Dallas Fort Worth International Airport  
Joint Revenue Refunding Bonds  
Series 2021A  
(Non-AMT)**

### SERIAL BONDS

<u>Maturity</u> <u>(November 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u> <u>(%)</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup>	<u>ISIN</u> <sup>1</sup>	<u>Common</u> <u>Code</u> <sup>2</sup>
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\* Preliminary, subject to change.

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP and ISIN data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP and ISIN numbers have been assigned by an independent company not affiliated with the Cities and are included solely for the convenience of the registered owners of the Bonds. Neither the Cities nor the Underwriters are responsible for the selection or uses of these CUSIP and ISIN numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP and/or ISIN number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

<sup>2</sup> The Common Code is provided herein by Euroclear Bank S.A./N.V. Common Codes are provided for convenience of reference only. Neither the Cities nor the Underwriters are responsible for the selection or use of this Common Code and no representation is made as to their correctness on the Bonds or as included herein.



**TERM BONDS**

\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_ \*, Interest Rate \_\_\_\_\_ %, Price \_\_\_\_\_ %, CUSIP \_\_\_\_\_

\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_ \*, Interest Rate \_\_\_\_\_ %, Price \_\_\_\_\_ %, CUSIP \_\_\_\_\_

(Interest to accrue from Date of Initial Delivery)

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER \_\_, 2021**

7 ISSUE–Book–Entry–Only

**Ratings:**

**Fitch:**

**KBRA:**

**Moody's:**

(See “RATINGS” herein)

In the opinion of Co-Bond Counsel, under existing law, interest on the Bonds is excludible from gross income for federal income taxes under Section 103 of the Internal Revenue Code of 1986 and is not a specific preference item for purposes of the alternative minimum tax. Tax Matters” for a discussion of the Opinion of Co-Bond Counsel.

**CITIES OF DALLAS AND FORT WORTH, TEXAS**

\$ \_\_\_\_\_ \*

**Dallas Fort Worth International Airport**

**Joint Revenue Refunding Bonds**

**Series 2021B**

**(Non-AMT)**

**1 Date:** \_\_\_\_\_, 1, 2021

**Due:** November 1, as shown on page i

**Interest Accrues: Date of Initial Delivery**

The Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2021B (the “Bonds”) are being issued jointly by the Cities of Dallas and Fort Worth, Texas (the “Cities”) for the purpose of (1) refunding certain outstanding bonds with respect to the Dallas Fort Worth International Airport (the “Refunded Obligations”) (see **SCHEDULE I – “SCHEDULE OF REFUNDED OBLIGATIONS”**), (2) providing for the payment of the Debt Service Reserve Requirement, if any, and (3) paying the costs associated with the issuance of the Bonds. The Bonds constitute “Refunded Obligations” under the Master Bond Ordinance described herein and are limited obligations of the Cities payable solely from and secured by a pledge of Pledged Revenues and Pledged Funds (as defined in the Master Bond Ordinance) derived from the ownership and operation of the Dallas Fort Worth International Airport (the “Airport”). For a description of the security for the Bonds, see “**SECURITY FOR THE BONDS**”. Potential investors should carefully consider the investment considerations described herein. See “**CERTAIN INVESTMENT CONSIDERATIONS**.”

**The Bonds are subject to redemption prior to maturity as described herein.**

Interest will accrue on the Bonds from their date of initial delivery, and will be payable November 1 and May 1 of each year commencing January 1, 2022, until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry System described herein. Beneficial ownership may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of Bonds will be made to the purchasers. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, as the initial Paying Agent/Registrar, to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See “**THE BONDS-Book-Entry System**” herein and **APPENDIX E – “DTC BOOK-ENTRY SYSTEM AND BALANCE CLEARANCE PROCEDURES.”**

See the inside cover page for maturities, principal amounts, interest rates, prices and yields.

The Bonds are offered when, as, and if issued by the Cities and accepted by the Underwriters, subject to prior sale, withdrawal or revocation of the offer without notice, the approval of legality by the Attorney General of the State of Texas, and by McCall, Parkhurst & Horton LLP, Dallas, Texas and West & Associates L.L.P., Dallas, Texas, Co-Bond Counsel, and certain other conditions. Certain matters will be passed on for the Cities and the Airport by Bracewell LLP, Dallas, Texas and Hardwick Law Firm LLC, Dallas, Texas, Co-Disclosure Counsel. Certain matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas, and Escamilla & Poneck LLP, San Antonio, Texas, Co-Underwriters’ Counsel. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC in New York, New York, on or about \_\_\_\_\_.

**ABC Capital Markets**

**Stern Brothers**

**Raymond James**

**Piper Sandler & Co.**

\* Preliminary, subject to change.

\$ ★  
**Dallas Fort Worth International Airport**  
**Joint Revenue Refunding Bonds**  
**Series 2021B**  
**(Non-AMT)**

<u>Maturity</u> (November 1)	<u>Amount</u>	<u>Interest</u> <u>Rate</u> (%)	<u>Price</u>	<u>CUSIP*</u>	<u>ISIN<sup>1</sup></u>	<u>Common</u> <u>Code<sup>†</sup></u>
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\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_\*, Interest Rate \_\_\_\_\_%, Price \_\_\_\_\_%, CUSIP \_\_\_\_\_

\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_\*, Interest Rate \_\_\_\_\_%, Price \_\_\_\_\_%, CUSIP \_\_\_\_\_

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**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER \_\_, 2021**

NEW ISSUE–Book–Entry–Only

**Ratings:**  
**Fitch:**  
**KBRA:**  
**Moody's:**  
(See “RATINGS” herein)

*The Bonds are not obligations described in Section 103(a) of the Internal Revenue Code of 1986. See “TAX MATTERS” herein.*

**CITIES OF DALLAS AND FORT WORTH, TEXAS**

**\$ \_\_\_\_\_ \***

**Dallas Fort Worth International Airport  
Joint Revenue Refunding Bonds  
Taxable Series 2021C**

**Dated Date:** \_\_\_\_\_ 1, 2021

**Due:** November 1, as shown on page i

**Interest Accrues:** Date of Initial Delivery

The Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Taxable Series 2021C (the “Bonds”) are being issued jointly by the Cities of Dallas and Fort Worth, Texas (the “Cities”) for the purpose of (1) refunding certain outstanding bonds with respect to the Dallas Fort Worth International Airport (the “Refunded Obligations”) (see **SCHEDULE I – “SCHEDULE OF REFUNDED OBLIGATIONS”**), (2) providing for the funding of the Debt Service Reserve Requirement, if any, and (3) paying the costs associated with the issuance of the Bonds. The Bonds constitute “Additional Obligations” under the Master Bond Ordinance described herein and are limited obligations of the Cities payable solely from and secured by a pledge of Pledged Revenues and Pledged Funds (as defined in the Master Bond Ordinance) derived from the ownership and operation of the Dallas Fort Worth International Airport (the “Airport”). For a description of the security for the Bonds, see **“SECURITY FOR THE BONDS”** herein. Potential investors should carefully consider the investment considerations described herein. See **“CERTAIN INVESTMENT CONSIDERATIONS.”**

**The Bonds are subject to redemption prior to maturity as described herein.**

Interest will accrue on the Bonds from their date of initial delivery, and will be payable November 1 and May 1 of each year commencing May 1, 2022, until maturity or prior redemption. The Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry System described herein. Beneficial ownership may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of Bonds will be made to the purchasers. Principal of and interest on the Bonds will be payable by U.S. Bank National Association, as the initial Paying Agent/Registrar, to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See **“THE BONDS-Book-Entry System”** herein and **APPENDIX E – “DTC BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURES.”**

**See the inside cover page for maturities, principal amounts, interest rates, prices and yields.**

The Bonds are offered when, as, and if issued by the Cities and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, the approval of legality by the Attorney General of the State of Texas, and by McCall, Parkhurst & Horton L.L.P., Dallas, Texas and West & Associates, L.L.P., Dallas, Texas, Co-Bond Counsel, and certain other conditions. Certain matters will be passed upon for the Cities and the Airport by Bracewell LLP, Dallas, Texas and Hardwick Law Firm, LLC, Dallas, Texas, Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas, and Escamilla & Poneck, LLP, San Antonio, Texas, Co-Underwriters’ Counsel. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC in New York, New York, on or about \_\_\_\_\_.

**Barclays**

**Morgan Stanley**

**J. P. Morgan**

**UBS**

**Cabrera Capital Markets LLC**

\* Preliminary, subject to change.

§ ☆  
**Dallas Fort Worth International Airport**  
**Joint Revenue Refunding Bonds**  
**Taxable Series 2021C**

<u>Maturity</u> <u>(November 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u> <u>(%)</u>	<u>Price</u>	<u>CUSIP</u> <sup>5</sup>	<u>ISIN</u> <sup>1</sup>	<u>Common</u> <u>Code</u> <sup>6</sup>
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\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_\*, Interest Rate \_\_\_\_\_%, Price \_\_\_\_\_%, CUSIP \_\_\_\_\_

\$ \_\_\_\_\_ Term Bond due November 1, \_\_\_\_\_\*, Interest Rate \_\_\_\_\_%, Price \_\_\_\_\_%, CUSIP \_\_\_\_\_

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## REGARDING THE USE OF THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 (the “Rule”) of the Securities Exchange Act of 1934, as amended, this document constitutes an Official Statement of the Cities with respect to the Bonds that has been “deemed final” by the Airport on behalf of the Cities.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Cities or the Airport or the other matters described herein since the date hereof. See “**CONTINUING DISCLOSURE**” for a description of the Cities’ undertaking to provide certain information on a continuing basis.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Airport. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

**Except as specifically noted herein, references contained in this Official Statement to the Airport’s website are for informational purposes, and neither the website nor the information contained on such website shall be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport’s website.**

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

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized by the Cities or the Airport to give any information or to make any representation other than those contained herein, and, if given or made, such other information or

representation must not be relied upon as having been authorized by the Cities, the Airport, the Underwriters, or any other person.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after such Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including to dealers who may sell the Bonds into investment accounts.

None of the Cities, the Airport or the Underwriters makes any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

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

**INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN  
JURISDICTIONS OUTSIDE THE UNITED STATES**

THE CITIES MAKE NO REPRESENTATION AS TO THE ACCURACY OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION. REFERENCES UNDER THIS CAPTION TO “BONDS” MEAN THE BONDS REFERENCED ON THE COVER AND REFERENCES TO THE “UNDERWRITERS” MEAN THE UNDERWRITERS AND THE INITIAL PURCHASERS OF THE BONDS.

**MINIMUM UNIT SALES**

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”)**

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED OR SUPERSEDED, THE “INSURANCE MEDIATION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN

DIRECTIVE 2003/71/EC (AS AMENDED OR SUPERSEDED, THE “PROSPECTUS DIRECTIVE”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE, AS IMPLEMENTED IN MEMBER STATES OF THE EEA, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE CITIES OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE CITIES NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

IN RELATION TO EACH MEMBER STATE OF THE EEA THAT HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A “RELEVANT MEMBER STATE”), WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE, THE OFFER OF ANY BONDS WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN THAT RELEVANT MEMBER STATE, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A “QUALIFIED INVESTOR” AS SUCH TERM IS DEFINED IN THE PROSPECTUS DIRECTIVE; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN “QUALIFIED INVESTORS” AS SUCH TERM IS DEFINED IN THE PROSPECTUS DIRECTIVE), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER OR THE CITIES FOR ANY SUCH OFFER OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE; PROVIDED THAT NO SUCH OFFER OF THE BONDS SHALL REQUIRE THE CITIES OR ANY UNDERWRITER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3(1) OF THE PROSPECTUS DIRECTIVE OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE BONDS IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS, AS THE SAME MAY BE VARIED IN THAT RELEVANT



MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT RELEVANT MEMBER STATE.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A RELEVANT MEMBER STATE WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE. THE CITIES AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM**

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. IT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE OF THE UNITED KINGDOM (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE “FSMA”) IN CONNECTION WITH THE ISSUE OR SALE OF ANY BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

#### **NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG**

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32 OF THE LAWS OF HONG KONG) (THE “C(WUMP)O”)) IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (“SFO”). ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD IN

HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN (A) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, (B) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

#### **NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA**

NEITHER THIS OFFICIAL STATEMENT, NOR ANY PROSPECTUS OR OTHER DISCLOSURE DOCUMENT (AS DEFINED IN THE CORPORATIONS ACT 2001 OF AUSTRALIA (“CORPORATIONS ACT”)) IN RELATION TO THE BONDS HAS BEEN OR WILL BE LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (“ASIC”). EACH UNDERWRITER HAS REPRESENTED AND AGREED THAT IT:

HAS NOT (DIRECTLY OR INDIRECTLY) OFFERED, AND WILL NOT OFFER FOR ISSUE OR SALE AND HAS NOT INVITED, AND WILL NOT INVITE, APPLICATIONS FOR ISSUE, OR OFFERS TO PURCHASE, THE BONDS IN, TO OR FROM AUSTRALIA (INCLUDING AN OFFER OR INVITATION WHICH IS RECEIVED BY A PERSON IN AUSTRALIA); AND

HAS NOT DISTRIBUTED OR PUBLISHED, AND WILL NOT DISTRIBUTE OR PUBLISH, ANY OFFICIAL STATEMENT, ADVERTISEMENT OR OTHER OFFERING MATERIAL RELATING TO THE BONDS IN AUSTRALIA,

UNLESS (1) THE AGGREGATE CONSIDERATION PAYABLE BY EACH OFFEREE OR INVITEE IS AT LEAST AUD500,000 (OR ITS EQUIVALENT IN OTHER CURRENCIES, DISREGARDING MONEYS LENT BY THE OFFEROR OR ITS ASSOCIATES) OR THE OFFER OR INVITATION OTHERWISE DOES NOT REQUIRE DISCLOSURE TO INVESTORS IN ACCORDANCE WITH PART 6D.2 OR PART 7.9 OF THE CORPORATIONS ACT, (2) THE OFFER OR INVITATION IS NOT MADE TO A PERSON WHO IS A “RETAIL CLIENT” WITHIN THE MEANING OF SECTION 761G OF THE CORPORATIONS ACT, (3) SUCH ACTION COMPLIES WITH ALL APPLICABLE LAWS, REGULATIONS AND DIRECTIVES AND (4) SUCH ACTION DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH ASIC.

#### **NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND**

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, SOLD OR ADVERTISED, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE OR ON ANY OTHER EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS AS SUCH TERM IS UNDERSTOOD PURSUANT TO ART. 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE LISTING RULES OF THE SIX SWISS EXCHANGE OR ANY OTHER REGULATED TRADING FACILITY IN SWITZERLAND, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, NOR THE CITIES, NOR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. THE BONDS ARE NOT SUBJECT TO SUPERVISION BY ANY SWISS REGULATORY AUTHORITY, E.G., THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA, AND INVESTORS IN THE BONDS WILL NOT BENEFIT FROM PROTECTION OR SUPERVISION BY SUCH AUTHORITY.

#### **NOTICE TO PROSPECTIVE INVESTORS IN JAPAN**

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIs”) IN RELIANCE ON THE QIIs-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

#### **NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN**

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE CITIES OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE CITIES OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS.

#### **NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE**

THIS OFFICIAL STATEMENT HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS OFFICIAL STATEMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE BONDS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE BONDS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN: (I) TO AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "SFA") UNDER SECTION 274, AS THE CASE MAY BE, SECTION 276(2); (II) TO AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA) IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA OR, AS THE CASE MAY BE, SECTION 276(2); (III) TO A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA) PURSUANT TO SECTION 275(1), OR ANY PERSON PURSUANT TO SECTION 275(1A), OR, AS THE CASE MAY BE, SECTION 276(2) AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA WHERE EACH SUCH PERSON IS (1) AN EXPERT INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA) OR (2) NOT AN INDIVIDUAL. WHERE THE BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON WHICH IS: (A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR, SECURITIES OR SECURITIES-

BASED DERIVATIVES CONTRACTS (EACH TERM AS DEFINED IN SECTION 2(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES' RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE BONDS PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT: (A) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(I)(B) OF THE SFA; (B) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER; (C) WHERE THE TRANSFER IS BY OPERATION OF LAW; (D) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR (E) AS SPECIFIED IN REGULATION 37A OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

**NOTIFICATION UNDER SECTION 309B(I)(C) OF THE SFA**

IN CONNECTION WITH SECTION 309B OF THE SFA AND THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018 OF SINGAPORE (THE “CMP REGULATIONS 2018”), THE CITIES HAVE DETERMINED, AND HEREBY NOTIFY ALL RELEVANT PERSONS (AS DEFINED IN SECTION 309A(1) OF THE SFA), THAT THE BONDS ARE ‘PRESCRIBED CAPITAL MARKETS PRODUCTS’(AS DEFINED IN THE CMP REGULATIONS 2018) AND ARE EXCLUDED INVESTMENT PRODUCTS (AS DEFINED IN MAS NOTICE SFA 04-N12: NOTICE ON THE SALE OF INVESTMENT PRODUCTS AND MAS NOTICE FAA-N16: NOTICE ON RECOMMENDATIONS ON INVESTMENT PRODUCTS).]

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**DALLAS FORT WORTH INTERNATIONAL AIRPORT**  
**P.O. Drawer 619428**  
**DFW Airport, Texas 75261-9428**  
**(972) 973-8888**

**AIRPORT BOARD**

APPOINTED BY:

Matrice Ellis-Kirk, Chair	Dallas
Henry Borbolla, III, Vice Chair	Fort Worth
Gloria Tarpley, Secretary	Dallas
Mayor Eric Johnson, City of Dallas	Dallas
Mayor Mattie Parker, City of Fort Worth	Fort Worth
Vernon Evans	Fort Worth
Ben Leal	Dallas
William Meadows	Fort Worth
Raj Narayanan	Dallas
Mario Quintanilla	Dallas
Eddie Reeves	Dallas
Mayor Rick Stopfer*	Irving

\*Non-voting member

**AIRPORT STAFF**

Sean P. Donohue	Chief Executive Officer
Christopher A. Poinsette	Executive Vice President-Chief Financial Officer
Chris McLaughlin	Executive Vice President-Operations
Vacant	Executive Vice President-Administration and Diversity
Kenneth Buchanan	Executive Vice President-Revenue Management
Paul Puopolo	Executive Vice President-Innovation
John Ackerman	Executive Vice President-Global Strategy & Development
Khaled Naja	Executive Vice President-Infrastructure & Development
Elaine Flud Rodriguez	General Counsel
Rosa Maria Meagher	Director of Audit Services, Interim
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Lisa Gahm	Vice President-Operations
Lance Bodine	Vice President-Integrated Operations Center
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Sharon McCloskey	Vice President-Customer Experience
Zenola Campbell	Vice President-Concessions
Dean Ahmad	Vice President-Parking
Jodie Brinkerhoff	Vice President-Innovation
Milton De La Paz	Vice President-Airline Relations
John Brookby	Vice President-Commercial Development
Tammy Huddleston	Vice President-Design, Code & Construction
Mohamed Charkas	Senior Vice President – Airport Development
Smitha Radhakrishnan	Vice President-Planning
Vacant	Vice President-Energy, Transportation, and Asset Management
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Hilltop Securities, Inc.  
Estrada Hinojosa & Company, Inc.

**OFFICIAL STATEMENT**  
**relating to**  
**Cities of Dallas and Fort Worth, Texas**  
**§**  
**Dallas Fort Worth International Airport**  
**Joint Revenue Refunding Bonds**  
**Taxable Series 2021C**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page, Schedules, and the Appendices hereto, is to furnish information with respect to \$\_\_\_\_\_ \* aggregate principal amount of Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Taxable Series 2021C (the “Bonds”) being issued jointly by the Cities of Dallas and Fort Worth, Texas (the “Cities”). The Bonds are limited obligations of the Cities and are payable solely from and secured solely by a pledge of Pledged Revenues and Pledged Funds derived from the ownership and operation of the Dallas Fort Worth International Airport (“DFW” or “Airport”). The Bonds are “Additional Obligations” under the Master Bond Ordinance adopted by the Cities and effective as of September 22, 2010 (as amended, the “Master Bond Ordinance”. Capitalized terms used herein not otherwise defined shall have the meanings assigned to them in the Master Bond Ordinance. **See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE” for a summary of certain terms applicable to the Bonds, including certain proposed amendments to the Master Bond Ordinance, to which purchasers of the Bonds are deemed to have given consent.**

As noted under “SECURITY FOR THE BONDS” herein, the Master Bond Ordinance allows for the issuance of Additional Obligations on a parity with the Bonds and the other Outstanding Obligations and any Parity Credit Agreement Obligations, subject to meeting certain tests under the Master Bond Ordinance. The Master Bond Ordinance also allows for the issuance of Subordinate Lien Obligations, Special Revenue Bonds, and Special Facility Bonds.

**Prospective purchasers of the Bonds are urged to carefully review “CERTAIN INVESTMENT CONSIDERATIONS.” The Airport’s ability to generate Pledged Revenues in an amount sufficient to pay debt service on the Bonds depends upon sufficient levels of aviation activity and passenger traffic at the Airport.**

Concurrently with the issuance of the Bonds, the Cities anticipate the issuance of two additional series of Additional Obligations, being the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2021A (the “Series 2021A Bonds”) in the aggregate principal amount of \$\_\_\_\_\_ and the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2021B (the “Series 2021B Bonds”) in the aggregate principal amount of \$\_\_\_\_\_. Upon the issuance of the Bonds, the Series 2021A Bonds and the Series 2021B Bonds \$\_\_\_\_\_ \* in aggregate principal amount of Obligations will be Outstanding pursuant to the Master Bond Ordinance (excluding the Refunded Obligations and the Obligations refunded with the proceeds of the Series 2021A Bonds and the Series 2021B Bonds). In addition to the Obligations, the Airport has certain Subordinate Lien Obligations that are outstanding. **See “OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT – Subordinate Lien Obligations.”**

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\*Preliminary, subject to change.

The Bonds are being offered pursuant to this Official Statement. The Series 2021A Bonds and the Series 2021B Bonds are separate and distinct securities offerings being issued and sold independently, each of which has a separate official statement.

### **PURPOSE AND PLAN OF FINANCING**

The Bonds are being issued under the provisions of the Master Bond Ordinance, as supplemented and amended by the Sixtieth Supplemental Concurrent Bond Ordinance and the Officer's Pricing Certificate authorized therein (together, the "Sixtieth Supplement") for the purpose of (1) refunding certain bonds with respect to the Airport (the "Refunded Obligations") (see **SCHEDULE I – "SCHEDULE OF REFUNDED OBLIGATIONS"**), (2) providing for the funding for the Debt Service Reserve Requirement, if any and (3) paying the costs associated with the issuance of the Bonds.

The principal and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates and respective maturity or redemption dates from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Cities and U.S. Bank National Association (the "Escrow Agent" or "Issuing and Paying Agent"). The Sixtieth Supplement provides that from a portion of the proceeds from the sale of the Bonds and other available Airport Funds, the Cities will deposit with the Escrow Agent, the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on the respective maturity or redemption dates. Such funds will be held by the Escrow Agent in a special account (the "Escrow Account") and used to purchase certain "Escrowed Securities" that mature at such times and in such amounts sufficient to pay principal and accrued interest on the Refunded Bonds on the respective maturity or redemption dates. Under the Escrow Agreement, the Escrow Account is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds. The Cities will deposit to the note payment fund (the "Note Payment Fund") an amount sufficient to pay principal and interest coming due on the Series I Notes.

By the deposit of the Bond proceeds and other funds with the Escrow Agent and Issuing and Paying Agent to the Escrow Account and to the Note Payment Fund, respectively, the Cities will have defeased the Refunded Obligations in accordance with laws of the State of Texas (the "State"). As a result of such defeasance, the Refunded Obligations will be outstanding only for the purpose of receiving payments from funds on deposit in the Escrow Account and Note Payment Fund, respectively, and held for such purpose by the Escrow Agent and Issuing and Paying Agent, respectively, and such Refunded Obligations will not be deemed as being Outstanding Obligations under the Master Bond Ordinance. See **"VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS."**

## SOURCES AND USES OF FUNDS\*

The following table sets forth the estimated application of the proceeds of the Bonds, the Series 2021A Bonds, the Series 2021B Bonds and available Airport funds:

### Sources of Funds

	The Bonds	Series 2021A Bonds	Series 2021B Bonds
Principal Amount	\$	\$	\$
Premium			
Available Airport Funds	_____	_____	_____
<b>TOTAL</b>	\$		

### Uses of Funds

Deposit to Escrow Fund	\$	\$	\$
Deposit to Note Payment Fund			
Deposit to Debt Service Reserve Fund			
Underwriters' Discount			
Costs of Issuance	_____	_____	_____
<b>TOTAL</b>	\$		

## THE BONDS

### Interest Payments

The Bonds will accrue interest from their date of initial delivery, which interest shall be payable on November 1 and May 1 of each year, commencing May 1, 2022, until maturity or prior redemption. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

### Optional Redemption\*

**Make-Whole Redemption.** The Cities reserve the right, at their option, to redeem the Bonds at any time at a redemption price equal to the greater of: (1) 100% of the principal amount of the Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the stated maturity date of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus [ ] basis points, plus, in each case, accrued interest on such Bonds to be redeemed to but not including the redemption date.

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\* Preliminary, subject to change.

“Treasury Rate” means, with respect to any redemption date, the yield to maturity as of such redemption date of U.S. Treasury securities with a constant maturity most nearly equal to the period from the redemption date to the maturity date of such Bond (taking into account any sinking fund installments for such Bonds); however, if the period from the redemption date to such maturity date (taking into account any sinking fund installments for such Bonds) is less than one year, the yield to maturity of the U.S. Treasury securities with a constant maturity of one year, in each case, as compiled and published in the most recent Federal Reserve Release H.15 which has become publicly available at least two business days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Release is no longer published, any publicly available source of similar market data reasonably selected by the Trustee.

**Redemption at Par.** The Cities reserve the right, at their option, to redeem Bonds maturing on and after November 1, 20\_\_, on November 1, 20\_\_ and any day thereafter, at par plus accrued interest to the date of redemption, without premium.

### **Mandatory Redemption**

The following Bonds (the “Term Bonds”), are subject to mandatory redemption prior to their respective maturities at a price of par plus accrued interest to the redemption date as follows:

\$ _____	% Term Bonds due _____	1, 20 _____
<u>Redemption Date</u>		<u>Principal Amount</u>

The principal amount of the Term Bond required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board on behalf of the Cities, by the principal amount of any Term Bond having the same maturity which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Board on behalf of the Cities at a price not exceeding the principal amount of such Term Bond plus accrued to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

### **Selection of Bonds to be Redeemed**

If less than all of the Bonds are to be redeemed, the particular maturities of the Bonds to be redeemed will be determined by the Cities in their sole discretion.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Bonds, if less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be allocated on a *pro rata pass-through distribution of principal* basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made

in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

The Cities intend that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Cities nor the Underwriters can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis.

In connection with any repayment of principal, including payments of scheduled mandatory sinking fund payments, the Paying Agent/Registrar will direct DTC to make a pass-through distribution of principal to the holders of the Bonds. A Pro Rata Pass-Through Distribution of Principal table is included as Schedule II to this Official Statement and reflects the current schedule of mandatory sinking fund redemptions applicable to the Bonds and the factors applicable to such redemption amounts and remaining bond balances, which is subject to change upon certain optional redemptions. See **SCHEDULE II —“PRINCIPAL PAYDOWN FACTOR TABLE-PRO RATA PASS-THROUGH DISTRIBUTION OF PRINCIPAL.”**

For purposes of calculation of the “pro rata pass-through distribution of principal,” “pro rata” means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Bonds where (a) the numerator of which is equal to the amount due to the respective bondholders on a payment date, and (b) the denominator of which is equal to the total original par amount of the respective Bonds.

If the Bonds are no longer registered in book-entry-only form, each owner will receive an amount of Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Bonds of any maturity will continue to be paid to the registered owners of such Bonds on a pro-rata basis, based on the portion of the original face amount of any such Bonds to be redeemed.

### **Notice of Redemption**

Not less than 30 days prior to any redemption date for the Bonds, the Cities shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each Holder of a Bond to be redeemed, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the time such notice of redemption is mailed, which will be Cede & Co. as long as the Book-Entry System is in effect. Interest on such Bonds will cease to accrue from and after the redemption date.

With respect to any optional redemption of Bonds, unless the prerequisites to such redemption required by the Master Bond Ordinance or the Sixtieth Supplement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Cities, be conditional upon the satisfaction of such prerequisites and any other conditions set forth in such notice and receipt of such moneys by the Paying Agent on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Cities shall not redeem such Bonds and the Paying Agent shall provide notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

## **Book-Entry System**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC. For additional information with respect to DTC see **APPENDIX D — “DTC Information” and APPENDIX E – “DTC Book-Entry System and Global Clearance Procedures.”**

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry System, references in other sections of this Official Statement to registered owners should be read to include the person for whom the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry System, and (ii) except as described above, notices that are to be given to registered owners under the Master Bond Ordinance will be given only to DTC.

## **Paying Agent/Registrar**

U.S. Bank National Association is the initial Paying Agent/Registrar. In the Master Bond Ordinance, the Cities retain the right to replace the Paying Agent/Registrar. The Cities covenant to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be a commercial bank and a trust company, organized under applicable laws, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Cities agree to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by the United States mail, first class, postage prepaid, which notice shall also give the address of the replacement Paying Agent/Registrar.

## **Record Date for Interest Payment**

The record date (“Record Date”) for the interest payable on any interest payment date shall be the 15th day of the preceding month. In the event of non-payment of interest on the Bonds on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment for such maturity or maturities (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Airport. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date” which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first class United States mail, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

## **Transfer, Exchange and Registration**

The Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the Holder, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds of the same maturity will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the office of the Paying Agent/Registrar, or sent by first class United States mail, postage prepaid, to the new



registered Holder or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered Holder or assignee of the Holder in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount of the same series as the Bond or Bonds surrendered for exchange or transfer. Neither the Cities, the Airport, nor the Paying Agent/Registrar is required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation is not applicable to an exchange by the Holder of the uncalled principal of a Bond.

## SECURITY FOR THE BONDS

### Authority

The Cities, pursuant to a certain Contract and Agreement (the “Contract and Agreement”), dated and effective as of April 15, 1968, authorized and directed the Dallas-Fort Worth International Airport Board (the “Board”), acting on behalf of the Cities, to proceed with the development of the Airport. Pursuant to the Contract and Agreement, the Cities adopted the 1968 Ordinance (the “1968 Ordinance”) authorizing the issuance of Joint Revenue Bonds for financing of the Airport. The 1968 Ordinance was amended by the Thirtieth Supplement which became effective as of February 23, 2000. The 1968 Ordinance and the Thirtieth Supplement were amended and restated by the Master Bond Ordinance effective as of September 22, 2010. The Cities have adopted the Fifty-Ninth Supplemental Concurrent Bond Ordinance (the “Fifty-Ninth Supplement”), which provides for an amendment to the Master Bond Ordinance. Such amendments will become effective upon the consent of Holders of not less than a majority of the principal amount of the Outstanding Obligations and each Credit Provider, if applicable. **Purchasers of the Bonds are deemed to have given consent to such amendments. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE-Proposed Amendments.”**

The Bonds are being issued pursuant to the Sixtieth Supplement as Additional Obligations under the Master Bond Ordinance. The Sixtieth Supplement, effective May 18, 2021, authorized the issuance, pursuant to certain parameters set forth therein, of up to \$2.4 billion in principal of the Bonds. The Sixtieth Supplement provides for the designation of an “Authorized Officer” to approve the specific terms of the Bonds within the parameters set forth therein and provides that the Bonds may be issued in multiple series within 12 months of the effective date of the Sixtieth Supplement. The Bonds will be issued under provisions of Applicable Law, including Chapter 22 of the Transportation Code, as amended, Chapters 1207 and 1371 of the Texas Government Code, as amended, and the provisions of the Master Bond Ordinance.

### Pledge

The Bonds are payable solely from and secured by an irrevocable first lien on and pledge of Pledged Revenues and Pledged Funds on parity with all Parity Credit Agreement Obligations and other Obligations issued or to be issued under the Master Bond Ordinance.

Pledged Revenues include as Gross Revenues the revenues received by the Airport from the rentals, fees and charges collected from the Signatory Airlines (as defined herein) and other airlines and from other non-airline sources. See the subcaption “—**Airline Agreements**” below. For the definitions of Pledged Revenues, Pledged Funds, Gross Revenues and Special Revenues see **APPENDIX B —**

## **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE - Selected Definitions.”**

### **Funds and Flow of Funds**

**Funds.** The Master Bond Ordinance provides for five funds (the “Funds”), each a part of the Joint Airport Fund originally created pursuant to the 1968 Ordinance. Each of these Funds is governed by the terms of the Master Bond Ordinance:

- (i) the Debt Service Fund;
- (ii) the Debt Service Reserve Fund;
- (iii) the Capital Improvements Fund;
- (iv) the Operating Revenue and Expense Fund; and
- (v) the Construction Fund.

The Debt Service Fund and the Debt Service Reserve Fund are special trust funds, to be held by the Airport for the benefit of the Holders of Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable. All funds and accounts created or confirmed in the Master Bond Ordinance and in any Additional Supplemental Ordinance, and the books and records of account with respect thereto, will be kept and maintained in such manner as will record on a regular basis all deposits therein and the source thereof, withdrawals therefrom and the purposes therefor, and the earnings realized with respect thereto. All moneys on deposit in the special funds described under this caption on the date of delivery of any of the Bonds will be held therein and thereafter will be maintained, supplemented, invested, and applied as directed in the Master Bond Ordinance and in Additional Supplemental Ordinances, as applicable.

**Flow of Funds.** All Gross Revenues, when and as received by the Airport, will be promptly deposited to the credit of the Operating Revenue and Expense Fund.

Unless made more frequent by an Additional Supplemental Ordinance, the Airport will transfer, only to the extent required, all amounts on deposit in the Operating Revenue and Expense Fund monthly on or before the last Business Day of each month to the following Funds and in the following order of priority:

(i) **First**, to the Debt Service Fund, an amount equal to the lesser of (A) all funds available for transfer, or (B) an amount equal to the Accrued Aggregate Debt Service for such monthly period, subject to the provisions under the subcaption “—**Adjustments in Transfer Requirements**”;

(ii) **Second**, if and to the extent required by an Additional Supplemental Ordinance pursuant to which Obligations are issued and/or related Parity Credit Agreements are authorized, to a special account or accounts, such amount as is necessary to pay any Administrative Expenses that are due and payable during the succeeding month;

(iii) **Third**, to the Debt Service Reserve Fund, the lesser of (A) all funds available for transfer, or (B) subject to the alternative funding methods permitted under the Master Bond Ordinance and described herein, up to the amount required to cause the amount on deposit therein to be equal to the lesser of (y) the Debt Service Reserve Requirement, or (z) the amount then required to be on deposit therein, plus any amounts required to restore or replenish any deficiencies in the Debt Service Reserve Fund so that the amounts required by the Master Bond Ordinance are on deposit therein when, as, and in the amounts therein required;

(iv) **Fourth**, to any other fund or account required by any Additional Supplemental Ordinance authorizing Obligations and/or Parity Credit Agreement Obligations, the amounts required to be deposited therein; and

(v) **Fifth**, to a special account or fund, if any, created by the Cities in an Additional Supplemental Ordinance, for the purpose of paying the principal and redemption price of, the interest on, and reserves for Subordinate Lien Obligations, and paying Credit Agreement Obligations that are declared to be on parity therewith.

Unless otherwise directed by an Additional Supplemental Ordinance, during each month, subject to the requirements as described above under this subcaption, the Airport is authorized to expend or set aside any money on deposit in the Operating Revenue and Expense Fund for the following purposes, in the following order of priority:

(i) **First**, expending such money for the purpose of paying the Operation and Maintenance Expenses of the Airport in accordance with the current annual budget of the Airport; and

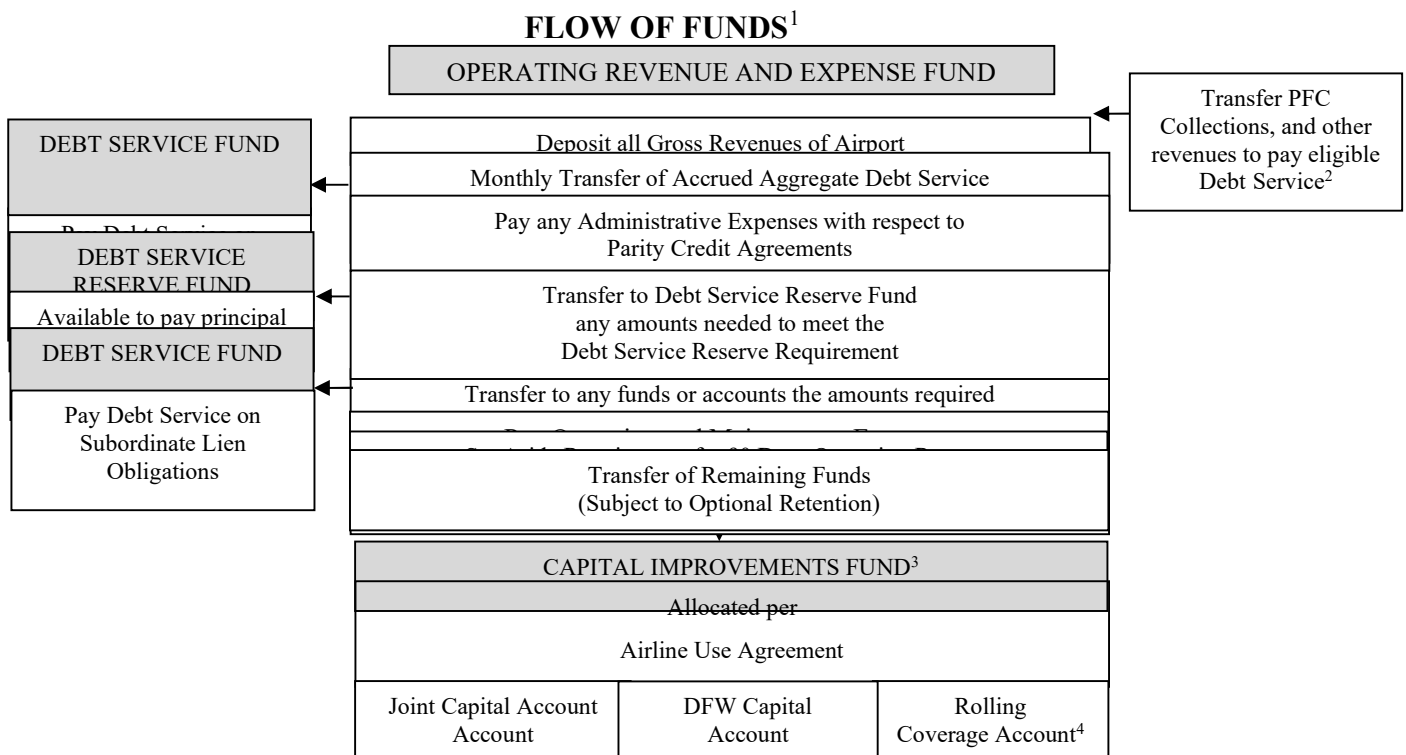
(ii) **Second**, setting aside into a separate account an amount sufficient to pay Operation and Maintenance Expenses for the ensuing period of ninety (90) days, as estimated by an Authorized Officer.

Gross Revenues remaining unexpended at the close of business on the last day of each Fiscal Year, after expending or setting aside the money required for the purposes set forth in the above paragraphs of this subcaption, will be deposited to the credit of the Capital Improvements Fund for use, deposit and application as described under the subcaption “—**Capital Improvements Fund**”; provided, however, an Authorized Officer may, at such time, elect to keep all or a portion of such unexpended funds in the Operating Revenue and Expense Fund.

Notwithstanding the deposits to the Capital Improvements Fund described immediately above, an Authorized Officer may transfer amounts in the Operating Expense and Revenue Fund to the Capital Improvements Fund at any time and from time to time to the extent it can be certified by an Authorized Officer that: (A) the rate covenants described in the second and third paragraphs under the caption “**SECURITY FOR THE BONDS—Rate Covenant**” have been met to date and (B) there is no information available that the Airport will not satisfy such rate covenants for the remainder of the Fiscal Year.

Notwithstanding the other provisions of this subcaption, Gross Revenues received from or through the United States of America, the State, or other sources, the use of which is limited, will be used as Gross Revenues in compliance with any requirements placed on the use of such funds.

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<sup>1</sup> This diagram is merely a summary of, and is qualified in all respects by reference to, the provisions contained in the Master Bond Ordinance. See **APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds.”**

<sup>2</sup> Although not included as part of Gross Revenues, Passenger Facility Charges and certain payments made by the Public Facility Improvement Corporation (“PFIC”) pursuant to agreements made with the Airport to pay debt service on certain previously issued Obligations are currently committed to pay debt service on the Airport’s Obligations. In addition, unencumbered PFIC funds are available to pay debt service on Airport Obligations. Upon deposit to the Operating Revenue and Expense Fund such amounts become a part of the Pledged Funds. See **“OPERATIONAL INFORMATION – Passenger Facility Charges”** and **“NON-AIRLINE BUSINESS UNITS INFORMATION-Rental Cars”** and **“Public Facility Improvement Corporation.”**

<sup>3</sup> See **APPENDIX B - “SUMMARY OF CERTAIN PROVISIONS OF MASTER BOND ORDINANCE—Particular Covenants—Transfers of Airport and Facilities.”** Currently such revenues are deposited to the DFW Capital Account.

<sup>4</sup> The Rolling Coverage Account must equal 25% of aggregate debt service each year. See **“RATE SETTING – Airline Use Agreement Rate Model – Rolling Coverage Account.”**

**Adjustments in Transfer Requirements.** The Accrued Aggregate Debt Service required to be transferred to the Debt Service Fund as described in clause (i) under the subcaption **“SECURITY FOR THE BONDS—Funds and Flow of Funds—Flow of Funds”** for the respective monthly period will be reduced by an amount equal to the total of any moneys already on deposit in the Debt Service Fund and in any account created therein, or on deposit in another Pledged Fund, if any, that is created in an Additional Supplemental Ordinance, and after taking into account investment earnings actually realized and on deposit therein (inclusive of accrued interest and amortization of original issue discount or premium), excess deposits made on account of Variable Rate Obligations and the assumed interest rates thereof and money deposited therein from the proceeds of Obligations as capitalized interest or otherwise. It is provided, however, that the amounts required to be transferred will never be reduced to an amount below the amount necessary to pay all amounts then due and owing on the Obligations and Parity Credit Agreement Obligations when due and payable.

Other than termination payments, in the event the counterparty to a Swap Agreement becomes obligated to make payments to the Airport, such amounts will be deposited to the Debt Service Fund. Currently, the Airport has no swaps outstanding.

The Airport may at any time increase the amounts of any transfers required under the subcaption **“SECURITY FOR THE BONDS—Funds and Flow of Funds—Flow of Funds”** from funds on deposit in the Operating Revenue and Expense Fund, or from any other lawfully available moneys, so long as such transfers do not reduce the amounts required to be transferred to any particular fund or account under such subcaption.

**Debt Service Fund.** The Airport will pay, out of the Debt Service Fund, to the respective Paying Agents for any of the Obligations from time to time Outstanding, or directly to a Credit Provider holding a Parity Credit Agreement Obligation, as applicable (i) on the date specified in the Outstanding Ordinances and in any Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than each Interest Payment Date, the amount (as determined by each Paying Agent or other party designated in each applicable Outstanding Ordinance and Additional Supplemental Ordinance) required for the payment of interest on the Obligations or Parity Credit Agreement Obligations due on such Interest Payment Date, and (ii) on the date specified in the Outstanding Ordinances and Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Obligations or Parity Credit Agreement Obligations to be redeemed or paid unless the payment of such accrued interest is otherwise provided for. Such amounts described in clause (ii) above and paid to Paying Agents will be held and applied by the Paying Agents solely to pay the amounts due and owing on the Obligations with respect to which such transfers were made and upon demand for such payment by a proper Holder.

The Airport will pay, out of the Debt Service Fund, to the respective Paying Agents, on the dates specified in the Outstanding Ordinances and each Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Obligations from time to time Outstanding or Parity Credit Agreement Obligations coming due, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment of any Principal Installments and any Redemption Price that are due on Obligations, and similar amounts that are due and payable on Parity Credit Agreement Obligations on such Principal Payment Date and such amounts paid to Paying Agents or Credit Providers shall be held and applied by the Paying Agents or Credit Providers as directed in each Outstanding Ordinance and in each Additional Supplemental Ordinance.

The amount accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by an Additional Supplemental Ordinance shall, be applied prior to a day preceding the due date of such Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

- (i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Additional Supplemental Ordinance, or

(ii) the redemption of Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations or Parity Credit Agreement Obligations, is not a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date will be deemed to be the next succeeding Business Day and no interest will accrue between the stated day and the applicable succeeding Business Day.

**Capital Improvements Fund.** Moneys transferred to the Capital Improvements Fund will be:

- (i) used for any purpose permitted by Applicable Law related to the Airport.
- (ii) notwithstanding the provision described in (i) immediately above, moneys on deposit in the Capital Improvements Fund shall be used to prevent a default in the payment of any Obligations or Parity Credit Agreement Obligations.

*Current Disposition of Capital Improvements Fund Amounts.* The Airport has entered into agreements with certain airlines called “Signatory Airlines,” regarding use, operation, and charges of the Airport. These agreements are collectively referred to herein as “Use Agreements.” The Use Agreements provide for the creation of three accounts within the Capital Improvements Fund: DFW Capital Account, Joint Capital Account and Rolling Coverage Account. Funds in the DFW Capital Account may be used for any lawful purpose related to the Airport to fund costs and projects. The DFW Capital Account will be funded with amounts deposited in the Capital Improvements Fund from the net proceeds of the DFW Cost Center (“DFWCC”), which consists of non-airline business units, plus interest income earned on the DFW Capital Account, and amounts representing reimbursable PFCs and grants.

The Joint Capital Account is funded primarily with: proceeds from the sale of natural gas and interest in real property, subject to the limitations set forth in the Master Bond Ordinance (see **APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF MASTER BOND ORDINANCE—Particular Covenants—Transfers of Airport and Facilities”**); interest income earned from the Joint Capital Account; amounts representing reimbursable PFCs and grants; and amounts deposited thereto from the issuance of debt. Funds in the Joint Capital Account may be used for any lawful purpose that is approved by a majority-in-interest of the Signatory Airlines and the Airport. The Signatory Airlines have pre-approved spending from this Account for certain purposes as part of the Use Agreements.

The Rolling Coverage Account was initially funded from existing funds. At the beginning of each Fiscal Year, the Airport is required to transfer the amounts in the Rolling Coverage Account to the Operating Revenue and Expense Fund as Gross Revenues to be included in the calculation of its rate covenants. Each Fiscal Year, the Airport will determine the amount to be deposited to the Rolling Coverage Account, plus any incremental coverage collected during the Fiscal Year.

**Restoration of Deficiencies.** Should the Debt Service Fund or the Debt Service Reserve Fund, or any other fund or account of any of the types described in the second paragraph under the subcaption **“SECURITY FOR THE BONDS—Funds and Flow of Funds—Flow of Funds,”** contain less than the amount required to be on deposit therein, then such deficiency will be restored from Pledged Revenues over a period not longer than sixty (60) months, and further transfers to the Capital Improvements Fund as described in the next to last paragraph of the subcaption **“SECURITY FOR THE BONDS—Funds and Flow of Funds—Flow of Funds”** will be suspended until such deficiency has been restored.

## **Reserves Established for Outstanding Obligations**

The Master Bond Ordinance provides for the establishment of a Debt Service Reserve Fund for Obligations in the amount of the Debt Service Reserve Requirement. The amount of the Debt Service Reserve Requirement to be deposited and maintained in the Debt Service Reserve Fund on account of the Outstanding Obligations is an amount equal to the average annual Debt Service on and with respect to the Outstanding Obligations from time to time. The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded on account of the Bonds and Outstanding Obligations, including any Additional Obligations, will be established and funded, or funding will be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, but will be in an amount that is not less than the average annual Debt Service that will be required to be paid on or with respect to all Outstanding Obligations from time to time, except that no increase in the Debt Service Reserve Requirement is required on account of any series of Interim Obligations that are secured, guaranteed, or insured by a Credit Provider. Under the Master Bond Ordinance the Debt Service Reserve Requirement may be satisfied in whole or in part by one or more Credit Agreements.

The current Debt Service Reserve Requirement is \$ \_\_\_\_\_ and it is fully funded. Upon the issuance of the Bonds, the Series 2021A Bonds and the Series 2021B Bonds, the Debt Service Reserve Requirement will be \$ \_\_\_\_\_\* and will be fully funded.

For a complete discussion of the Debt Service Reserve Fund and the Debt Service Reserve Requirement, see **APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund.”**

## **Rate Covenant**

In the Master Bond Ordinance the Cities have covenanted that the Airport will fix and place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and related services (collectively, the “Airport Rates”) which is reasonably estimated to produce the amounts set forth in the following two paragraphs (the “Rate Covenant”). From time to time and as often as it appears necessary, the Authorized Officers will make recommendations to the Airport as to the revision of the Airport Rates. Upon receiving such recommendations, the Airport will revise, insofar as it may legally do so, the Airport Rates for the use, operation and occupancy of the Airport, its Facilities, and related services in order to continually fulfill the requirements set forth in the Master Bond Ordinance. This Rate Covenant is not to be construed to require adjustment or revision in long-term agreements which by their terms are not subject to adjustment or revision.

The schedule of rentals, rates, fees and charges required above shall be at least sufficient to produce in each Fiscal Year Gross Revenues sufficient to pay (i) the Operation and Maintenance Expenses, plus (ii) 1.25 times the amount of Accrued Aggregate Debt Service, as adjusted by taking into consideration certain investment earnings accruing during each Fiscal Year, respectively, plus (iii) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (iv) any additional amounts required by the terms of an Additional Supplemental Ordinance.

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\*Preliminary, subject to change.

Additionally, such schedule shall be at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (i), (iii) and (iv) of the paragraph immediately above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

The Airport will cause all rentals, fees, rates and charges pertaining to the Airport to be collected when and as due, will prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and will provide methods of collection and penalties to the end that the Gross Revenues and the Current Gross Revenues will be adequate to meet these respective requirements.

A significant portion of Gross Revenues is generated from payments from airlines using the Airport. For a discussion of the current agreements with the Signatory Airlines, see “**AIRLINE AGREEMENTS.**” See also “**CERTAIN INVESTMENT CONSIDERATIONS.**”

### **Additional Obligations**

The Cities reserve the right to issue additional debt securities for the purpose of improving, constructing, replacing, or otherwise extending the Airport, or for the purpose of refunding or refinancing any debt or obligation of or relating to the Airport permitted by Applicable Law. The Master Bond Ordinance provides that the Cities may issue several categories of Airport-related debt: Additional Obligations; Subordinate Lien Obligations; Special Revenue Bonds; and Special Facility Bonds. In addition, the Cities may enter into various Credit Agreements, including Parity Credit Agreement Obligations, to provide credit support for any series of Obligations, Subordinate Lien Obligations or Net Revenue Obligations. See “**OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT**” for a discussion of the currently outstanding amounts of Airport-related debt.

Of these types of debt and debt-related securities, only Additional Obligations and Parity Credit Agreement Obligations would be on parity with the Bonds with respect to the pledge of Pledged Revenues and Pledged Funds. The Cities may not issue Additional Obligations unless the Airport delivers the following certifications and orders:

- (1) an Authorized Officer’s certification that all conditions relating to the issuance of the Additional Obligations contained in the Master Bond Ordinance and any Additional Supplemental Ordinances have been satisfied;
- (2) an Authorized Officer’s certification that no Event of Default has occurred and is then continuing under the Master Bond Ordinance or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Obligations;
- (3) an Authorized Officer’s written order directing that the Additional Obligations be authenticated, if they are required to be authenticated under the terms of the Additional Supplemental Ordinance; and
- (4) an Authorized Officer’s certification that the Cities have received at least one of the following:
  - (i) an Airport Consultant’s written report or Certificate of an Authorized Officer projecting Gross Revenues and Operation and Maintenance Expenses and indicating that (A) the estimated Net Revenues for each of the three consecutive Fiscal Years, beginning with the first Fiscal Year in which Debt Service on the Additional Obligations is due, are equal to at least 125% of the Debt Service that will be due for each of the three consecutive Fiscal Years and (B) the schedule of rentals, rates, fees and



charges then in effect meets the requirements of certain provisions of the Master Bond Ordinance's Rate Covenant; or

(ii) a Certificate of the Airport's Chief Financial Officer showing that (A) for either the Airport's most recent complete Fiscal Year, or for any twelve consecutive months out of the most recent eighteen months, the Net Revenues were equal to at least 125% of the maximum Debt Service scheduled to be paid during the then-current or any future Fiscal Year, taking into consideration the proposed Additional Obligations and (B) the schedule of rentals, rates, fees and charges then in effect meets the requirements of certain provisions of the Master Bond Ordinance's Rate Covenant.

Set forth above is a summary description of the certificates and orders the Airport must deliver in order for the Cities to issue Additional Obligations; for a more complete description see **APPENDIX B —“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Additional Indebtedness” and —“Proposed Amendments.”**

Under the Master Bond Ordinance, the Cities may not issue any debt, other than Additional Obligations and Parity Credit Obligations, on parity with the Bonds and the other Outstanding Obligations. Subordinate Lien Obligations are payable from a pledge of Gross Revenues that is subordinate to the pledge of Gross Revenues supporting payment of the Outstanding Obligations. Such debt may also be secured by a pledge of Special Revenues as provided in the documents authorizing their issuance. Special Revenue Bonds are payable in whole or in part from a pledge of Special Revenue, and payments made pursuant to Net Rent Leases secure the payment of Special Facility Bonds. For a more complete description of Subordinate Lien Obligations, Special Revenue Bonds and Special Facility Bonds, and the security for each of them, see **“OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT.”**

### **Airline Agreements**

In 2010, the Airport entered into agreements with various air carriers utilizing the Airport. Such agreements are hereinafter collectively referred to as the “Use Agreements.” The Use Agreements signed by each Signatory Airline are substantially similar. The Airport currently has Use Agreements with 23 passenger airlines and 20 freight airlines. **The current Use Agreements expire September 30, 2021; however, the Airport and the Signatory Airlines have agreed to a month-to-month extension while negotiations of a new use agreement continue.** There can be no assurance that the Airport and Signatory Airlines will reach an agreement for a new use agreement, or that the terms of the new use agreement will be substantially similar to the terms of the current Use Agreement. If the parties are unable to reach agreement on a new agreement, the Airport may elect to implement rates by ordinance as acknowledged under FAA rules and regulations. These rules and regulations allow an airport to charge airlines the cost to operate the airfield and terminals, including debt service, coverage and reserves. The FAA rules and regulations do not require DFW to share net revenues from nonairline sources such as parking and concessions. DFW has budgeted to share approximately \$67.5 million of net revenues with the airlines in Fiscal Year 2022 to reduce landing fees.

The following is a summary of certain provisions of the current Use Agreements. The summary does not purport to be complete or to follow the exact language of the Use Agreements and is subject in all respects to the detailed provisions of the Use Agreements, copies of which are available for inspection at the office of the Airport. The capitalization of any word or phrase which is not defined herein, or not conventionally capitalized, indicates such word or phrase as defined in the Use Agreements.

**Term and Extensions.** The Use Agreement expired September 30, 2021, but the Airport and the Signatory Airlines have agreed to a month by-month extension as allowed under the current agreement.

**Use of Airport.** Each Signatory Airline has the right to use the Airport for any lawful, reasonable and appropriate activity in connection with such Airline's business of transportation by aircraft. Such use includes, among other things, terminal structures, aircraft parking ramps, runways and taxiways.

**General Commitment.** In consideration of its use, occupancy and operation of the Airport, each Signatory Airline agrees to pay rentals, fees and charges based on the methodology described in "**RATE SETTING -Airline Use Agreement Rate Model.**" The Airport and the Signatory Airlines are currently negotiating a new agreement that may have different methodologies for calculating rates and charges.

**Adjustments to Rates and Charges.** If during any Fiscal Year, the Airport anticipates that collected revenues from the Airfield Cost Center and certain sub-cost centers will be insufficient by an amount at least equal to 3% of that projected for the associated cost center or sub-cost center, then the Airport may, without Signatory Airlines approval, increase rates or fees during such Fiscal Year in an amount sufficient to recover the shortfall by the end of such Fiscal Year. Nothing in the Use Agreements is intended to limit the ability of the Airport to adjust rates, fees and charges, including without limitation landing fees, from time to time, in order to meet the requirements of the Master Bond Ordinance, including, without limitation, debt service reserve fund adjustments, the Rate Covenant, and the flow of funds requirements under the Master Bond Ordinance.

**New Capital Projects.** The Use Agreements establish procedures regarding airline approval of new capital projects. Before commencing certain projects that are to be funded from the Joint Capital Account or from the proceeds of Obligations, except for certain pre-approved projects, the Airport must, subject to certain exceptions, obtain the approval of a majority-in-interest of the Signatory Airlines. Projects funded solely from the DFW Capital Account do not require approval of a majority-in-interest of the Signatory Airlines. The Airport and Airlines are currently negotiating a new Use Agreement that may include additional pre-approved capital projects including new terminal development. See "**CAPITAL PROJECTS.**"

**Assignment by Airline.** A Signatory Airline may not make an assignment of or sublease under its Use Agreement without the written consent of the Airport, which consent will not be unreasonably withheld; provided, however, that so long as the Signatory Airline's obligations under its Use Agreement are assumed by the assignee, such agreement may be assigned without such consent to any successor in interest of the Signatory Airline with or into which the Signatory Airline may merge or consolidate, or which may succeed to the assets of the Signatory Airline or a major portion of its assets related to its air transport system.

**Termination by Airline.** A Signatory Airline may not terminate its Use Agreement as long as any Joint Revenue Bonds are outstanding. Thereafter, a Signatory Airline may terminate its Use Agreement if the Airline's Certificate of Public Convenience and Necessity is suspended, cancelled or terminated, or if it is prevented from using all or a substantial part of the airfield under various circumstances and for various minimum periods of time ranging from 30 to 90 days, or in the event of an uncured default by the Airport. If Signatory Airline(s) are in a holdover tenancy upon the expiration of the Use Agreement on September 30, 2021, then either party may terminate the Use Agreement upon 30 days written notice. See "**CERTAIN INVESTMENT CONSIDERATIONS - Effect of Bankruptcy on Use Agreement.**"

**Events of Default and Remedies.** The Use Agreements set forth certain occurrences or events which constitute events of default thereunder and remedies on default.

## **Enforceability; Bondholders' Remedies**

The Master Bond Ordinance provides that if the Cities default in the payment of principal of or interest on any Outstanding Obligations, including the Bonds, or the performance of any duty or covenant provided by law or in the Master Bond Ordinance, Owners of such Outstanding Obligations, including the Bonds, may pursue all legal remedies afforded by the Constitution and the laws of the State to compel the Cities to remedy such default and to prevent further default or defaults.

The Master Bond Ordinance neither appoints nor makes any provision for the appointment of a trustee to protect the rights of Owners of the Bonds. Furthermore, the Master Bond Ordinance does not provide for acceleration of maturity of the Bonds or for foreclosure on Pledged Revenues or possession of Pledged Revenues by a trustee or agent for Owners of the Bonds or for operation of the Airport by an independent third party in the event of default.

No lien has been placed on any of the physical properties comprising the Airport to secure the payment of or interest on the Bonds. Moreover, in the event of default, the owners of the Bonds have no right or claim under the laws of the State against the Airport or any property of the Cities other than their right to receive payment from Pledged Revenues and Pledged Funds maintained pursuant to the Master Bond Ordinance. Owners of the Bonds have no right to demand payment of principal of or interest or premium, if any, on the Bonds from any funds raised or to be raised by taxation or from any funds of the Cities except those specifically pledged by the Master Bond Ordinance. Further, unless sovereign immunity is expressly waived by the Texas Legislature or it is determined that the provision of airport services is a proprietary rather than a governmental function of the Cities, local governmental immunity would be available as a defense against suits for money damages against the Cities or the Airport in connection with the Bonds. The Cities will not waive sovereign immunity against suit in connection with the issuance of the Bonds. Accordingly, the only practical remedy in the event of a default may be a mandamus proceeding to compel the Cities to increase rates and charges reasonably required for the use and service of the Airport or perform its other obligations under the Master Bond Ordinance, including the deposit of the Pledged Revenues into the special Funds provided in the Master Bond Ordinance and the application of such Pledged Revenues and such Pledged Funds in the manner required in the Master Bond Ordinance. Such remedy may need to be enforced on a periodic basis because maturity of the Bonds is not subject to acceleration. In addition, the Cities' ability to comply with the Rate Covenant will be limited by contractual and competitive supply and demand constraints. See **APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Particular Covenants--Rates, Charges and Free Use of Land."**

The enforcement of a claim for payment of principal of or interest on the Bonds and the Cities' other obligations with respect to the Bonds are subject to the applicable provisions of the federal bankruptcy laws and to any other similar laws affecting the rights of creditors of political subdivisions generally. The Cities may seek relief from their creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"); however, Chapter 9 recognizes a security interest in a specifically pledged source of revenues, such as the Pledged Revenues. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the pursuit of any other legal action by creditors or bondholders against an entity that seeks protection under Chapter 9. Therefore, should either City avail itself of Chapter 9 protection from creditors, the ability to enforce any other remedies available to the registered owners, may be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the U.S. Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it.

## **RATE SETTING**

### **Controlling Documents and Budgetary and Rate Setting Processes**

The Cities entered into the Contract and Agreement in 1968 for the purpose of developing and operating the Airport as a joint venture. In addition to the Contract and Agreement, the Airport is governed by several other key documents, including the Master Bond Ordinance and the Use Agreements. Collectively, these documents are called the “Controlling Documents.” The Controlling Documents establish the framework for much of DFW’s budgeting, rate setting and financial reporting processes. See **“SECURITY FOR THE BONDS — Airline Agreements — Term and Extensions.”**

Each year, management prepares an annual budget of projected expenditures for the Operating Revenue and Expense Fund. This budget includes the Airport’s projected operating expenses, plus an amount equal to at least 1.25 times the amount of Accrued Aggregate Debt Service accruing during such Fiscal Year, plus any incremental amount required to maintain a 90-day operating reserve.

The budget also includes airline and tenant revenues (primarily landing fees and terminal rents), non-airline revenues (e.g., parking and concessions) and non-operating revenues (e.g., interest income and PFCs). The revenues and expenses are allocated among three cost centers: Airfield Cost Center, Terminal Cost Center and DFW Cost Center (“DFWCC”). Management uses this information to prepare an annual Schedule of Rates, Fees, and Charges which is the basis for charging the airlines, tenants, and other airport users for Airport services.

The annual budget is prepared by management, reviewed with the Signatory Airlines, approved by the Board and the Cities by September 30 each year. Management has the authority to adjust individual line items within the budget provided the total budget is not exceeded.

For additional financial information regarding the Airport refer to [www.dfairport.com/investors](http://www.dfairport.com/investors). Information provided by the Airport on its website is not a part of the Cities’ continuing disclosure obligations under its continuing disclosure agreement relating to the Bonds (“Continuing Disclosure Agreement”). This reference to the Airport’s website is for informational purposes only, and neither the website nor the information contained on such website shall be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport’s website.

### **Airline Use Agreement Rate Model**

The Use Agreement is a hybrid model, whereby the Signatory Airlines pay landing fees and terminal rentals based on the net cost to provide those services, and DFW retains a portion of the net revenues from non-airline business units in the DFWCC.

**Airline Cost Centers.** The Airline Cost Centers (consisting of Airfield Cost Center and the Terminal Cost Center) are cost recovery in nature, such that the amount charged to the airlines equals the cost of DFW to provide services, after certain adjustments. Landing fees and terminal rental rates are based on the net cost to operate and maintain the airfield and terminals, respectively. DFW charges the direct operating and maintenance costs for the airfield and terminals, plus allocated Texas Department of Public Safety (“DPS”) and overhead costs, plus debt service net of PFCs to each cost center; then DFW subtracts ancillary revenues generated in these cost centers; and credits or charges certain transfers and/or adjustments (see True-Up Adjustments below). The budgeted landing fee rate is determined by dividing the net cost of the

airfield by projected landed weights. The budgeted average terminal rental rate is determined by dividing the net cost of the Terminal Cost Center by leasable square footage. The Use Agreement requires the Airport to charge an equalized terminal rental rate for all five terminals.

**DFW Cost Center (DFWCC).** All non-airline business units, plus interest income, are included in the DFWCC. The DFWCC also pays for the costs associated with the Skylink people mover system and makes a contribution to the Terminal Cost Center based on unused leasable space. A portion of the net revenues from this cost center are transferred to Airfield Cost Center to reduce landing fees with the remainder transferred to the DFW Capital Account.

**Joint Capital Account (“JCA”).** Funds in the JCA generally require DFW and Signatory Airline approval before money can be spent. The JCA is funded from the proceeds from natural gas royalties and the sale of land, plus interest income on the account. Supplemental funding for projects paid from the JCA comes from grants and the issuance of debt.

**Rolling Coverage Account.** The Rolling Coverage Account was established by the Use Agreement to implement “rolling coverage.” Each year, the Rolling Coverage Account is rolled into the Operating Revenue and Expense Fund as a source of revenue and then transferred back into the Rolling Coverage Account as excess revenue at the end of the year. The Rolling Coverage Account must equal 25% of aggregate debt service each year. If new debt is issued during a Fiscal Year or if the Rolling Coverage Account balance is otherwise reduced, rates under the Use Agreement are established to generate the incremental coverage required to fund 25% of the new debt service.

**DFW Capital Account.** This is DFW’s discretionary account and is funded primarily from the DFWCC Net Revenues plus interest income. Supplemental funding for projects paid from the DFW Capital Account comes from grants and the issuance of debt. Funds in this account may be used for any legal purpose without airline approval.

**Threshold Adjustments.** The Use Agreement established Lower and Upper Thresholds for DFWCC Net Revenues (the “Threshold Amounts”). If DFWCC Net Revenues are budgeted to be less than the Lower Threshold (\$47.4 million for the Fiscal Year 2022 Budget), an incremental charge (i.e., a Lower Threshold Adjustment) is collected through landing fees in an amount sufficient to achieve the Lower Threshold amount. The benefit of the Lower Threshold Adjustment is that it guarantees that DFW will have a minimum level of cash to transfer to the DFW Capital Account to replace assets on a timely basis and pay debt service. If DFWCC Net Revenues are budgeted to be greater than the Upper Threshold (\$73.1 million in the Fiscal Year 2022 Budget), then 75% of the excess is credited to the Airfield Cost Center as an Upper Threshold Adjustment. This reduces budgeted landing fees. The remaining 25% is transferred to the DFW Capital Account at the end of the fiscal year. The Threshold Amounts are adjusted annually for inflation.

**True-Up Adjustments.** At the end of each Fiscal Year, DFW performs a reconciliation or true-up, such that revenues collected equal the actual net cost to operate and maintain the airfield and terminals. Any difference becomes a True-Up Adjustment and must either be charged or credited to the appropriate cost center in the next Fiscal Year beginning no later than April 1.

**DFW Terminal Contribution.** Per the terms of the Use Agreement, an annual transfer is made from the DFWCC to the Terminal Cost Center to pay for DFW’s share of common use and

leasable but unleased space in Terminals D and E. This amount is budgeted at \$2.8 million in Fiscal Year 2020.

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The following chart is a summary of the current Airline Use Agreement rate model.

Operating Revenue and Expense Fund (the "102 Fund")		
Airline Cost Centers		DFW Cost Centers
Airfield	Terminal	DFW
<u>Expenses</u> Direct Costs DPS and Overhead Allocations Debt Service (net of PFCs)  <u>Less: Misc Airfield Revenues</u> General Aviation Fueling Facility Lease  <u>+/- Transfers/Adjustments</u> - Lower Threshold Adjustment + Upper Threshold Adjustment +/- True-Up Adjustment Net Cost = Landing Fees	<u>Expenses</u> Direct Costs DPS and Overhead Allocations Debt Service (net of PFCs)  <u>Less: Misc. Terminal Rentals</u> Federal Inspection Fees Turn Fees; TSA Rentals Concessions Reimbursements <u>+/- Transfers/Adjustments</u> + DFW Terminal Contribution + Annual Capital Transfer +/- True-Up Adjustment Net Cost = Terminal Rentals	<u>DFW Revenues (Business Units)</u> Parking, Concessions, RAC, Commercial Development, Employee Transp., Taxes, Utilities, and Interest Income <u>Less: Expenses</u> Direct Costs DPS and Overhead Allocations Debt Service (net of PFCs) <u>- Transfers/Other</u> - Skylink Costs - DFW Terminal Contribution DFW Cost Center Net Revenues +/- Threshold Adjustments +/- True-Up Adjustment Net Revenues to the DFW Capital Account
Airline Cost & Airline Cost per Enplanement		
Capital Accounts ("Capital Improvement Fund")		
Joint Capital Account	Rolling Coverage Account	DFW Capital Account
+ Natural Gas Royalties + Sale of Land Proceeds - Annual Capital Transfer to the Terminal Cost Center	Funded from existing coverage, plus coverage from New Debt Service from all three cost centers as debt service increases	Funded annually from DFW Cost Centers. Contributions currently equal upper threshold plus 25%.

See "SECURITY FOR THE BONDS – Airline Agreements."

## Average Landing Fees and Terminal Rental Rates

Table 1 shows actual average landing fee rates and actual average terminal rental rates for the past five Fiscal Years. Average rates are shown because the Airport makes rate adjustments during the year.

**Table 1**  
**Average Signatory Landing Fee and Terminal Rental Rates**  
**(Unaudited)**

	Fiscal Year Ended, September 30				
	2020	2019	2018	2017	2016
Average Landing Fee Rates*					
Final Rates at the True-up	\$ 2.35	\$ 2.31	\$ 3.09	\$ 2.44	\$ 2.05
Budgeted	\$ 2.23	\$ 2.65	\$ 3.57	\$ 2.40	\$ 2.56
Average Terminal Rental Rates					
Final Rates at the True-up	\$ 302.20	\$ 308.79	\$ 271.62	\$ 229.01	\$ 204.69
Budgeted	\$ 306.85	\$ 310.26	\$ 274.93	\$ 258.98	\$ 209.83

Source: DFW Finance Department.

\* Per 1,000 pounds

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### **Airline Cost and Passenger Airline Cost Per Enplanement (CPE)**

Airline cost measures the total payments by the passenger and air cargo carriers primarily for landing fees and terminal rentals. CPE measures the passenger airline (only) payments divided by the number of enplanements. The Airport's goal is to maintain a CPE that is competitive with other major large hub airports.

Table 2 shows actual airline cost and actual CPE on a Final Rate at the True-Up and Budgeted Rate basis for the past five fiscal years.

**Table 2**

### **Airline Cost and Passenger Airline Cost Per Enplanement (CPE) (Unaudited)**

	Fiscal Year Ended, September 30				
	2020	2019	2018	2017	2016
Airline Cost (millions)					
Final Rates at the True-up	\$ 443.1	\$ 485.5	\$ 458.7	\$ 383.2	\$ 319.6
Budgeted	\$ 501.5	\$ 498.4	\$ 482.8	\$ 401.5	\$ 340.5
Cost per Enplanement					
Final Rates at the True-up	\$ 18.29	\$ 12.95	\$ 12.90	\$ 11.28	\$ 9.50
Budgeted	\$ 12.96	\$ 13.28	\$ 13.87	\$ 11.59	\$ 10.32

Source: DFW Finance Department.

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## DFW Cost Center Net Revenues

Table 3 provides a financial summary of the revenues and expenses of the DFW Cost Center for the past five Fiscal Years and the nine months ended June 30, 2021 and 2020.

**Table 3**  
**DFW Cost Center Net Revenues**  
**(Unaudited, in millions)**

	Nine Months Ended		Fiscal Year Ended September 30				
	Jun-21	Jun-20	2020	2019	2018	2017	2016
Revenues <sup>(1)</sup>							
Parking and Ground Transportation <sup>(3)</sup>	\$ 70.2	\$ 85.0	\$ 100.6	\$ 179.3	\$ 170.6	\$ 163.7	\$ 156.7
Concessions	45.1	49.7	62.0	94.2	86.5	81.8	73.4
Rental Car	22.3	18.7	23.7	33.5	33.1	32.6	33.6
Commercial Development	44.6	40.5	54.3	49.7	45.7	44.2	49.9
Other Revenues	22.1	32.9	41.6	42.7	40.0	36.2	35.1
Federal Relief Proceeds <sup>(4)</sup>	61.2	74.2	107.6	-	-	-	-
Total Revenues	<u>265.5</u>	<u>301.0</u>	<u>389.8</u>	<u>399.4</u>	<u>375.9</u>	<u>358.5</u>	<u>348.7</u>
DFW Cost Center Expenditures							
Operating Expenses	(80.5)	(97.8)	(129.2)	(150.4)	(141.4)	(137.3)	(133.3)
Debt Service, net of PFCs	(43.1)	(51.0)	(70.6)	(66.3)	(72.9)	(60.8)	(51.5)
Total Expenditures	<u>(123.6)</u>	<u>(148.8)</u>	<u>(199.8)</u>	<u>(216.7)</u>	<u>(214.3)</u>	<u>(198.1)</u>	<u>(184.8)</u>
Gross Margin - DFW Cost Center	141.9	152.2	190.0	182.7	161.6	160.4	163.9
Less Transfers and Skylink							
DFW Terminal Contribution	(2.1)	(2.1)	(2.8)	(3.3)	(4.0)	(1.9)	(4.2)
Skylink Costs	(32.7)	(30.0)	(23.2)	(27.0)	(25.3)	(26.5)	(21.6)
Net Revenues from DFW Cost Center	<u>\$ 107.1</u>	<u>\$ 120.1</u>	<u>\$ 164.0</u>	<u>\$ 152.4</u>	<u>\$ 132.3</u>	<u>\$ 132.0</u>	<u>\$ 138.1</u>
Threshold adjustment to Airfield Cost Center <sup>(5)</sup>	-	-	70.5	63.2	49.4	50.3	55.2
Net to DFW Capital Account <sup>(2)</sup>	<u>\$ 107.1</u>	<u>\$ 120.1</u>	<u>\$ 93.5</u>	<u>\$ 89.2</u>	<u>\$ 82.9</u>	<u>\$ 81.7</u>	<u>\$ 82.9</u>

Source: Dallas Fort Worth International Airport, Rates, Fees and Charges.

<sup>(1)</sup> Revenue classifications based on Use Agreement.

<sup>(2)</sup> Reporting additional information for RFC to GAAP reconciliation beginning in FY 2018.

<sup>(3)</sup> Beginning FY 2018 Parking fees were reclassified to contract expenses per GAAP.

<sup>(4)</sup> Total Federal Relief Proceeds revenues received are classified as non-operating revenue for GAAP.

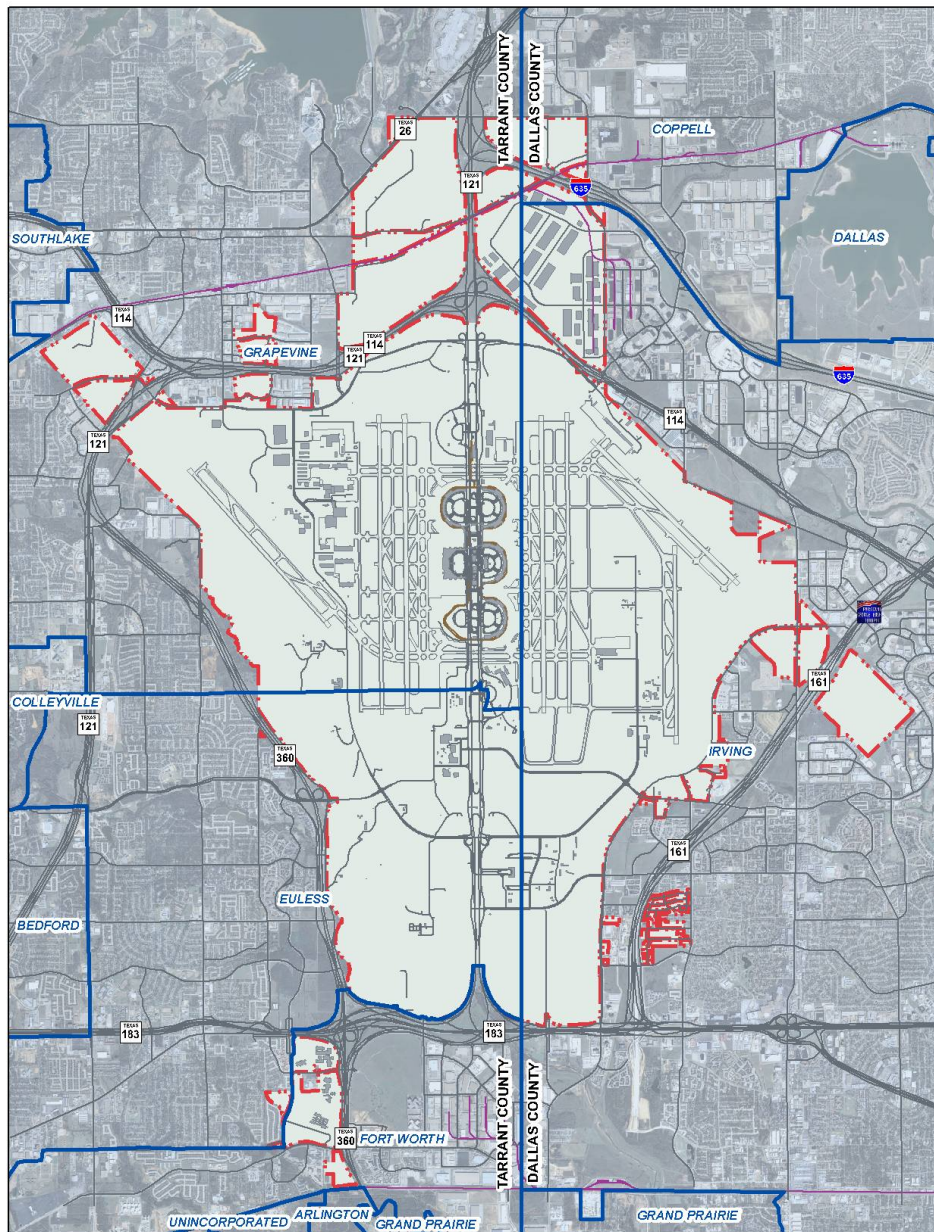
<sup>(5)</sup> Threshold adjustment not available for interim periods.

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## THE AIRPORT

### General

The Airport is the principal air carrier facility serving the North Central region of the State and the Dallas Fort Worth metropolitan area, also referred to as the Metroplex. The Airport is located within a four-hour flight time of 95% of the U.S. population. The primary Airport service region (the “Airport Service Region”) includes the 9,500-square mile, 12-county Dallas Fort Worth Consolidated Metropolitan Statistical Area (“CMSA”). Although owned by the Cities of Dallas and Fort Worth, the Airport sits within the city limits of Coppell, Fort Worth, Grapevine, Euless and Irving, and within Dallas and Tarrant Counties.



**Airfield.** The Airport is one of the highest capacity airports in the world with seven runways: two diagonal runways and five north/south parallels. Four of the Airport's parallel runways are 13,400 feet in length. The Airport has the capacity to land, park and gate the A380, currently the largest passenger airliner in the world. The Airport's designated hourly capacity arrival/departure flow is approximately 108 aircraft operations per hour under reduced instrument flight conditions and approximately 156 to 162 aircraft operations per hour under optimum visual flight conditions, a condition that prevails approximately 94% of the time.

**Terminals.** The Airport has five terminals (A, B, C, D, and E) totaling 6.3 million square feet of building space, including approximately 170 aircraft boarding gates and 15 security checkpoints, with pre-authorized check-in for domestic passengers at 6 of the checkpoints. Collectively, the airlines averaged approximately seven turns per active gate per day in Fiscal Year 2020.

American Airlines ("American" or "American Airlines") operates domestic service in Terminals A, B, C, D, and E. All of American's international arrivals that require U. S. Customs and Immigration clearance are in Terminal D. Their international departures are primarily in Terminal D, with some operated from Terminals A and C. Envoy operates domestic service in Terminals B, D and E, with international service in Terminals B and D. All other airline domestic flights operate from Terminal E (with a few seasonal flights in Terminal D). The other airline international arrivals and most departures operate from the Airport's International Terminal D, with several international departures in Terminal E.

Approximately 93% of all terminal gate leases are preferential and expire concurrently with the Use Agreements which are currently being extended on a month to month basis. See "**SECURITY FOR THE BONDS — Airline Agreements**" for further discussion. The remaining gates are common use gates. Airlines pay a per-turn fee to use these gates.

The Airport is responsible for custodial services in all five terminals, and facilities maintenance in Terminals B, D and E. American is responsible for facilities maintenance in Terminals A, C, and the Terminal E Satellite. Additionally, American handles Terminal D baggage maintenance, American's leased boarding bridges in Terminal D, and six boarding bridges in Terminal B. The costs associated with the Airport's custodial and maintenance services of these facilities are included in the Airport's operating budget. The costs of maintenance activities completed directly by American Airlines are not included in the Airport's operating budget or financial statements.

**Transit System.** The Airport operates an elevated transit system ("Skylink") between its five terminals. Skylink is used to transport members of the general public on the secure side of the terminal. The Airport operates 16 of its 24 fully automated cars on Skylink during normal operations. Skylink cars circle the five terminals in two directions with an average time between terminals of 2 minutes. There are two Skylink stations in each terminal. The average customer ride is estimated to be about 5 minutes.

The Airport also uses buses to transport passengers and employees between terminals, parking lots and the consolidated rental car facility.

The Airport has two train stations located in the Central Terminal Area that provide connections to the region's mass transit systems, one rail station adjacent to Terminal B that is operated by Trinity Metro's TEXRail service to the Fort Worth Central Business District with intervening stops and a rail station adjacent to Terminal A that is operated by Dallas Area Rapid Transit which provides service to the Dallas Central Business District with intervening stops. Trinity Metro also operates a shuttle service from the Airport to the nearest Trinity Rail Express station south of the Airport.

**Integrated Operations Center (IOC).** The Integrated Operations Center (IOC) serves as a single point of contact to centralize communications for the Airport's passengers, guests, tenants, employees, and contractors. This includes the 9-1-1 call management of police, fire and emergency medical response teams and 3-1-1 non-emergency services. Newly opened in 2021, the IOC is a fully integrated operations center and emergency operations center. This next generation facility brings together staff and operating functions from across the Airport into an open, collaborative environment where decisions are made using integrated processes and the associated enabling technologies.

**Aircraft Fueling System/Fuel Farm Consortium.** Signatory Airlines that are members of the fuel consortium entered into a Limited Liability Corporation known as the Dallas Fort Worth Fuel Company, LLC to provide aircraft fuel on the Airport and manage the fuel farm. The fuel farm sits on 35 acres of land, has a holding capacity of approximately 28.4 million U.S. gallons, and provides single point refueling at all terminal apron gate areas. The fuel farm is managed and operated by a third party for the consortium. The Airport does not receive a fueling fee from consortium members but does receive payments for the ground rent. The fuel farm agreement between the Airport and the Dallas Fort Worth Fuel Company, LLC is a twenty-year agreement, effective October 1, 2014 and expiring October 1, 2034. DFW Airport's Corporate Aviation began Into-Plane fueling operations on September 15, 2020 for general aviation aircraft. Total fuel volume (Avgas, retail Jet A, and contract Jet A) for June 2021 is up approximately 80% (or 61,300 gallons) year-over-year.

### **Airport Board of Directors**

Under the terms of the Contract and Agreement, the Board of Directors provides oversight of the Airport on behalf of the Cities. The Board of Directors oversees and provides strategic direction to management to plan, acquire, establish, develop, construct, maintain, equip, operate, lease, regulate and police the Airport and is charged with the responsibility of exercising on behalf of the Cities, the powers of each with respect thereto.

The Board of Directors consists of 11 members, 7 from the City of Dallas and 4 from the City of Fort Worth. Both the Mayor of Dallas and the Mayor of Fort Worth sit on the Board. The remaining Board members are appointed by the respective City Councils of the Cities. In addition, the Board has one non-voting member who is selected by the Cities of Coppell, Euless, Grapevine and Irving, Texas, respectively, on a rotating basis. Board members serve without compensation.

### **Airport Management**

The operations of the Airport are administered by a Chief Executive Officer. There are currently seven Executive Vice Presidents, 23 Vice President positions, one General Counsel, and a Director of Audit Services. The Chief Executive Officer is also supported by a General Counsel and Internal Audit Director who report directly to the Board. The approved Fiscal Year 2022 Budget includes 2,273 full time positions.

*Sean P. Donohue* (Chief Executive Officer). In his role as Chief Executive Officer, Mr. Donohue is responsible for the management, operation and future development of the Airport. Mr. Donohue joined the Airport in October of 2013, following a distinguished 28-year career in the airline industry. Prior to his arrival at the Airport, Mr. Donohue served for three years as the Chief Operating Officer for Virgin Australia Airlines, where he led day-to-day operations for Australia's second largest air carrier. Prior to that, Mr. Donohue served for 25 years with United Airlines in a variety of executive roles that included operations, sales and commercial startups. Mr. Donohue graduated from Boston College with a Bachelor of Science degree in Marketing and Economics and is a native of Massachusetts.

*Christopher A. Poinatte* (Executive Vice President-Chief Financial Officer). Mr. Poinatte was appointed Executive Vice President-Chief Financial Officer for the Airport in September 2003. In this position, Mr. Poinatte is responsible for the business and financial planning, budgeting, accounting, information technology systems, treasury functions and aviation real estate. Mr. Poinatte has over 40 years of financial experience in the private and public sectors. Before coming to the Airport, Mr. Poinatte was the Chief Financial Officer of NextJet Technologies, Inc., a start-up transportation management and logistics software company. Prior to that, Mr. Poinatte served as the Chief Financial Officer for the Dallas Area Rapid Transit (“DART”). Mr. Poinatte is a graduate of the University of Notre Dame and has been a Certified Public Accountant in Texas since 1981.

*Kenneth Buchanan* (Executive Vice President-Revenue Management). Mr. Buchanan was appointed Executive Vice President-Revenue Management in August 2005 and is responsible for the Airport’s strategic direction to maximize non-aviation revenues and increase customer satisfaction. He oversees and directs the Airport’s concession, customer service, and parking business units. During his career Mr. Buchanan has acquired more than 30 years of industry experience in revenue management, sales, merchandising technology, sales planning and marketing. Prior to joining the Airport, he served as the Director of Strategic Initiatives and Sales Planning for Coors, Inc. He has also held executive level positions at Kmart Corp., Pepsi, Information Resources, Inc., and Kroger Corp. Mr. Buchanan attended Memphis State University, earning a B.A. in Business, and earned an MBA from Jackson State University. He has also completed the Airport Management Professional Accreditation Programmer (AMPAP) and received the AIP designation through Joint ACI-ICAO.

*Chris McLaughlin* (Executive Vice President of Operations). Mr. McLaughlin was appointed Executive Vice President of Operations for the Airport in June 2021. In this position, Mr. McLaughlin provides the vision, strategy, direction, and execution that drives business objectives regarding the physical operation of the Airport, including public safety, airside operations, sustainability, environmental compliance, and integrated operations. Mr. McLaughlin has more than 20 years of operational experience in both the public and private sector. Before joining DFW Airport, Mr. McLaughlin was executive vice president and chief operating officer at Denver International Airport. Mr. McLaughlin is a graduate of Connecticut College and completed the Center for Homeland Defense and Security Executive Leadership Series through the Naval Post Graduate School.

*John Ackerman* (Executive Vice President-Global Strategy and Development). Mr. Ackerman was appointed Executive Vice President-Global Strategy and Development for the Airport in January 2015. In this position, Mr. Ackerman is responsible for strategy, airline relations, government relations, research and analytics, and the Airport’s quantitative parking pricing efforts. Mr. Ackerman has 30 years of experience in public and private sector aviation, including military, airline, and airports. Before coming to the Airport, Mr. Ackerman was the Chief Commercial Officer of the Denver International Airport. Prior to that, Mr. Ackerman held roles as a pilot and executive at United Airlines, led Standard and Poor’s global Xpressfeed business line, and was a Marine Corps officer and pilot. Mr. Ackerman is a graduate of Duke University.

*Khaled Naja* (Executive Vice President-Infrastructure and Development). Mr. Naja was appointed as Executive Vice President for the Airport in January 2015. In this position, Mr. Naja oversees the planning, design, code, construction, commercial development, energy, transportation and asset management. His professional career includes serving as Vice President in the Aviation Division for Parsons Corporation and as Chief Operating Officer of the Chicago Department of Aviation. Mr. Naja is a registered professional engineer licensed in Virginia, and a member of the National Board of Directors for the Construction Association of America (CMAA). He holds a Master of Civil Engineering from Pennsylvania State University and a Bachelor of Science in Civil Engineering from the University of Virginia.

*Paul Puopolo* (Executive Vice President-Innovation). Mr. Puopolo was appointed Executive Vice President-Innovation for the Airport in August 2018. In this position, Mr. Puopolo is responsible for leading DFW's Innovation function to identify, assess, and drive the collaborative development of new solutions and business models to create new growth and competitive advantage. Mr. Puopolo is an experienced "intrapreneur" with multi-industry innovation, emerging technology, and direct to consumer background. Throughout his career he has built and led corporate innovation teams within large, complex organizations. Before coming to the Airport, he served as the VP Innovation at MetLife Inc., VP of Business Innovation & Development at Highmark Inc., and Director of Consumer Innovation at Humana Inc. Mr. Puopolo served as an active duty officer and pilot in the U.S. Navy, is a graduate of Villanova University and the Naval Postgraduate School.

*Elaine Flud Rodriguez* (General Counsel). Ms. Rodriguez was appointed as an Executive Assistant City Attorney for the City of Dallas and General Counsel for the Airport in August 2011. In this position, Ms. Rodriguez directs and manages all legal functions for the Airport, including management of outside legal counsel. Prior to joining the Airport, Ms. Rodriguez served as Senior Vice President, General Counsel and Secretary of two NASDAQ-listed companies, EF Johnson Technologies, Inc. and CellStar Corporation. Prior to joining CellStar, she was General Counsel and Secretary of Zoecon Corporation, a wholly-owned subsidiary of Sandoz Ltd. Earlier in her career, she was engaged in the private practice of law with Atlas & Hall and Akin, Gump, Strauss, Hauer & Feld. Ms. Rodriguez earned her bachelor's degree at Loyola University New Orleans and her Juris Doctor from Tulane University School of Law. She is licensed to practice law in the states of Texas and Louisiana.

### **IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT**

On March 11, 2020, the World Health Organization ("WHO") declared COVID-19 a pandemic. Many state and local governments in the United States issued "stay at home" or "shelter in place" orders, which severely restricted movement and limited businesses and activities to essential functions. Most of these restrictions and limitations have been removed in the United States. However, the COVID-19 outbreak and resulting restrictions severely disrupted, and continue to disrupt, the economies of the United States and other countries. Business failures, worker layoffs, and consumer and business bankruptcies have occurred and may continue.

Airports in the United States were acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the COVID-19 outbreak. The outbreak adversely affected domestic and international travel and travel-related industries. In response, airlines reduced flights in an attempt to match capacity to the modified demand for air travel. Domestic leisure air travel has begun to gradually recover in the United States at many airports; however business and international travel are still slow to recover.

The Delta Variant of COVID-19 has recently significantly increased the number of cases in the United States and throughout the world. It is uncertain how this will ultimately impact domestic and international traffic. It is also uncertain how the Delta variant will impact air service, passenger levels and revenue assumptions at DFW in Fiscal Year 2022. DFW's Fiscal Year 2022 Budget shown in this section was developed prior to the increase in cases due to the Delta variant. However, DFW management believes that it has sufficient Federal Relief Proceeds available to offset potential negative impacts from the Delta variant.

#### **Summary of U.S. Government Relief for Airports and DFW**

The United States government and the Federal Reserve Board have taken statutory and regulatory actions and implemented other measures to mitigate the broad disruptive effects of the

COVID-19 outbreak on the U.S. economy. There have been three relief bills passed by Congress and signed by the President into law since COVID-19 began (collectively called “Federal Relief Proceeds”).

The Coronavirus Aid, Relief, and Economic Security Act (CARES or "CARES Act") was signed into law on March 27, 2020. The CARES Act provided \$10 billion of assistance to U.S. commercial airports. DFW received a grant for \$299,199,046 of CARES Act funds that may be used for debt service and expenses and an additional \$9,846,470 that was used to pay a portion of DFW’s local share primarily for two FAA grant funded airfield capital projects in Fiscal Year 2021.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law on December 27, 2020. CRRSAA included approximately \$2 billion of financial relief for airports. DFW received two grants under this legislation. The first grant for \$52,569,332 can be used for debt service and operating expenses. The second grant of \$7,662,838 is to be used to provide financial relief to in-terminal concessionaires, on-airport rental car companies and on-airport parking operations.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021, totaling approximately \$8 billion for airports. DFW received two grants under this legislation. The first grant of \$221,107,842 is for debt service and operating expenses. The second grant of \$30,651,354 is to be used to provide financial relief to in-terminal concessionaires. These proceeds must be obligated by September 30, 2024. The act also provided DFW with \$8,765,585 of proceeds to be applied against DFW’s local share of a FAA grant funded capital project in Fiscal Year 2022.

The following table summarizes Federal Relief Proceeds received and the expected utilization of these proceeds. DFW has used Federal Relief Proceeds to pay for debt service and to provide concessionaire relief as shown in the table below. Of the \$7.7 million of CRRSAA concessionaire relief provided in Fiscal Year 2021, approximately \$5.2 million flowed through the airline rate base to offset past concessionaire relief offered by DFW, while the remainder was provided to concessionaires as additional relief. The \$30.7 million of concessionaire relief in the Fiscal Year 2022 Budget will be given to concessionaires in the form of billing credits in Fiscal Year 2022. All concessionaires are required to begin paying full rent and minimum annual guarantees beginning October 1, 2021. No further rent relief is anticipated for concessionaires or airlines beginning in Fiscal Year 2022.

The following table shows that DFW budgets to have \$168 million of Federal Relief Proceeds available at the end of Fiscal Year 2022. These remaining funds could be applied to Fiscal Year 2022, if necessary, if passengers and passenger related revenues fall below the Fiscal Year 2022 budget. DFW estimates that a 10% reduction in passengers would require an additional \$40 million of Federal Relief Proceeds to keep rates and charges and DFW Cost Center net revenues the same as the Fiscal Year 2022 budget.



Federal Relief Proceeds and Projected Uses  
As of August 31, 2021  
Millions

	Debt Service	Concessions	Total
Federal Relief Proceeds Available			
CARES	\$ 299.2	\$ -	\$ 299.2
CRRSAA	52.6	7.7	60.3
ARPA	221.1	30.7	251.8
Total Federal Relief Available	<u>\$ 572.9</u>	<u>\$ 38.4</u>	<u>\$ 611.3</u>
Projected Uses			
FY20 Actual	\$ 144.1	\$ -	\$ 144.1
FY21 Projected	148.4	7.7	156.1
FY22 Budget	112.4	30.7	143.1
Available for future use	168.0	-	168.0
Total Projected Uses	<u>\$ 572.9</u>	<u>\$ 38.4</u>	<u>\$ 611.3</u>

**Summary of DFW Actions Taken in Response to COVID-19**

DFW has taken many actions to mitigate the impact of COVID-19 on the airlines, concessionaires and rental car companies. These initiatives are detailed in DFW's Official Statements for the Series 2020A, 2020B and 2020C bonds issued in August 2020, and included cost reductions, deferring capital projects, deferring airline charges and providing rent and expense relief for concessionaires and rental car companies. DFW utilized Federal Relief Proceeds to pay for debt service in amounts sufficient to keep airline rates and charges relatively flat between the Fiscal Years 2020, 2021 and 2022 budgets. DFW provided concessionaires with relief from minimum annual guarantee payments, storage fees and other miscellaneous fees in Fiscal Years 2020 and 2021. The Fiscal Year 2022 budget includes the assumption that DFW will not extend relief into Fiscal Year 2022. However, DFW will pass through the \$30.7 million of ARPA relief through to the concessionaires as billing credits during Fiscal Year 2022. Although the budget does not assume additional relief, DFW could elect to extend selected relief packages in Fiscal Year 2022 that are not anticipated to be material in total.

DFW has continued to focus on cost control throughout Fiscal Year 2021 to reduce airline costs to operate at the airport. On September 2, 2021, DFW announced that it would waive airline landing fees for the month of September 2021, resulting in an estimated savings to the airlines of approximately \$9.0 million. This loss of revenue to DFW will be recovered through higher non-airline revenues and lower expenses than budgeted in Fiscal Year 2021.

**Impact of COVID-19 on Passengers and Operational Data**

The following information is provided to show a comparison of selected operational information for actual results in Fiscal Years 2019 and 2020, the Fiscal Year 2021 Budget and Forecast (as of August 13, 2021) and the Fiscal Year 2022 Budget.

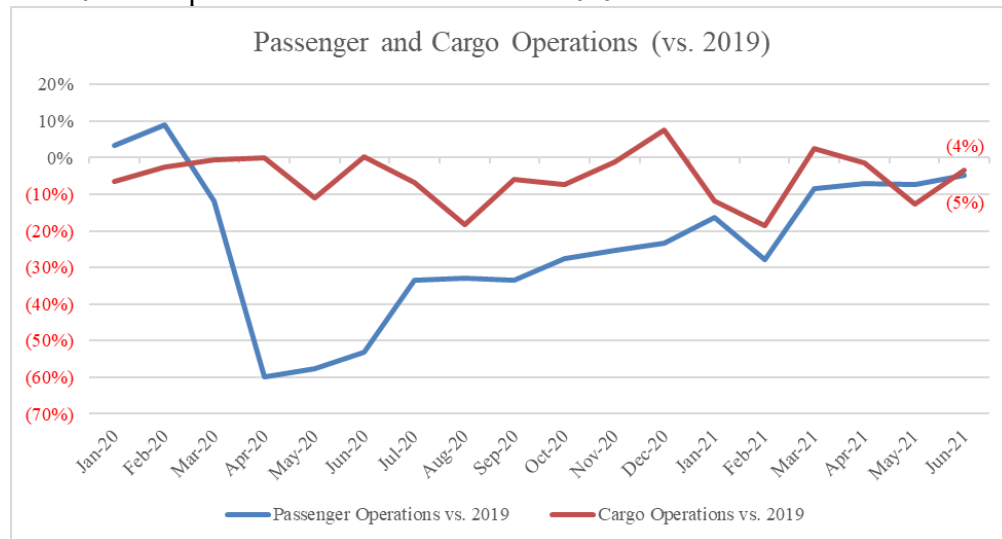
### Passengers and Operating Comparisons

	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Forecast	FY22 Budget	FY21F vs FY22B	
						Amount	Percent
<b>Passengers (Millions)</b>							
Origination	17.0	9.6	11.1	10.3	13.1	2.8	25.4%
Destination	13.2	7.8	8.9	8.0	9.9	2.0	22.1%
Connecting	43.0	29.9	33.1	37.8	44.1	6.3	19.0%
Total Passengers	73.3	47.4	53.1	56.1	67.2	11.1	20.9%
<b>Enplanements (Millions)</b>							
International Deplaned	4.7	2.4	2.7	2.5	3.0	0.5	16.8%
Landed Weights (Billions)	46.8	36.3	42.0	40.2	44.6	4.4	10.4%
Operations (Thousands)	700	557	647	639	702	62.6	9.7%

On May 27, 2020, American Airlines' Chief Revenue Officer, Vasu Raja, publicly announced American's strategy of connecting more traffic through DFW. This has shifted DFW's historic share of connecting passengers as compared with origination and destination passengers. Connecting passengers increased from 58.7% of total traffic in Fiscal Year 2019 to a forecast 67.4% in Fiscal Year 2021 and 65.7% in the Fiscal Year 2022 Budget but are expected to return closer to historic levels in two to three years.

#### Impact of COVID-19 on Aircraft Operations at DFW

The following chart shows passenger and cargo operations by month from January 2020 through June 2021 compared to the same months in 2019.

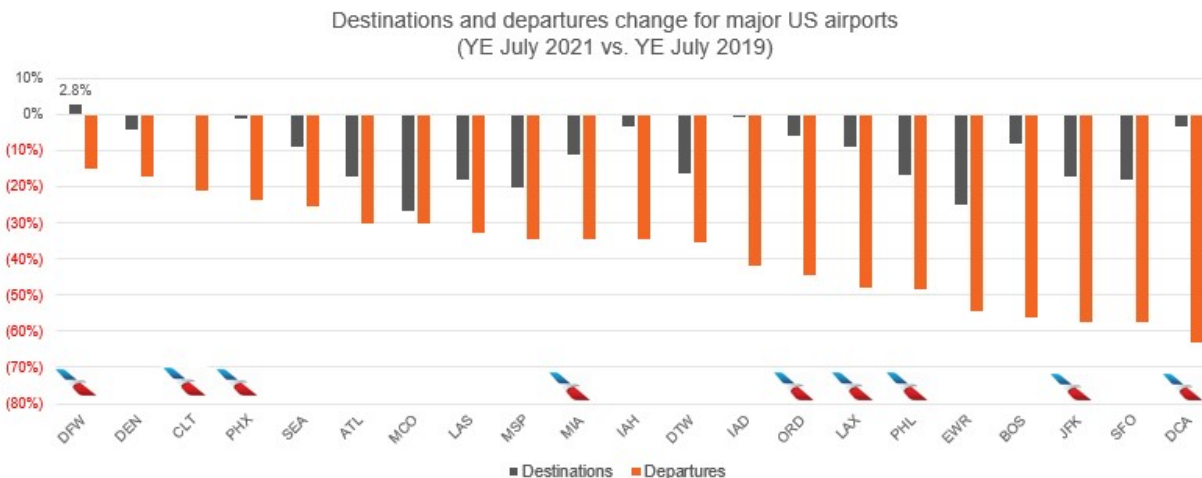


Source: Internal DFW Statistics.

The airlines continued to gradually increase capacity on existing routes and restart additional destinations over the summer months (see forecasts below). The Airport currently estimates total aircraft operations for Fiscal Year 2021 will be 639,000, an 8.7% reduction from Fiscal Year 2019 and an increase of 14.8% from Fiscal Year 2020.

## Impact of COVID-19 on Departures and Destinations at DFW

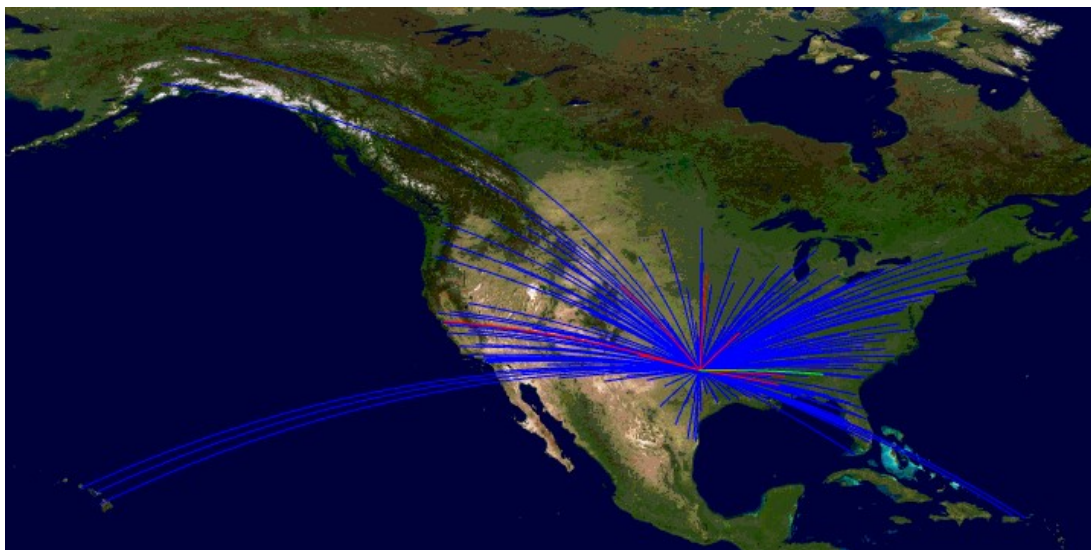
DFW is American Airlines' (AA) largest hub. Compared to 2019, DFW is the only major U.S. hub airport with increased destinations based on scheduled service as of July 2021 and has had fewer reductions in departures than other major U.S. hub airports.



Source: Diio Mi, schedule data YE July 2021 vs. YE July 2019, as of July 20, 2021

For the twelve-month period ended July 2021, DFW has the most active domestic destinations in the US totaling 194 (shown in blue on the map below). Seven destinations are currently suspended and expected to return in calendar 2022 (shown in red). New service to Columbus, Georgia (CSG) commenced on August 18, 2021 (in green). Once these suspended destinations return, DFW will serve 202 total domestic destinations. Since the pandemic began, 11 new domestic destinations (including CSG) have been added. This further illustrates American Airlines' strategy to continue to connect domestic passengers through DFW.

### DFW Domestic Destinations: YE July 2021

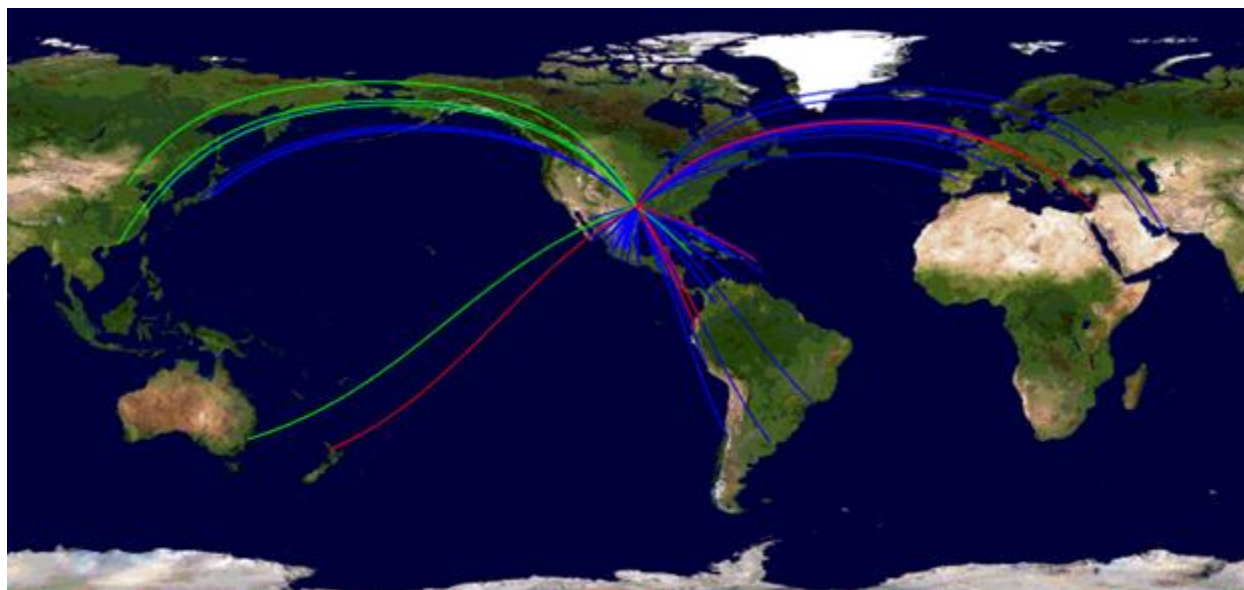


Red lines - suspended or delayed service    Green lines – scheduled to start in calendar year 2021    Blue lines - active/announced destinations

Source: Diio.mi Schedules as of July 20, 2021

For the year ended July 2021, passenger air service is being provided to 64 international destinations (shown in blue), of which nine new destinations have been added since the pandemic began. New service to Tel Aviv, IL (TLV, shown in green) is scheduled to commence on October 30, 2021. Service is scheduled to return to five additional destinations by December 31, 2021 (shown in green), and five destinations have been suspended or inaugural service has been delayed (shown in red).

**DFW International Destinations: as of YE July 31, 2021**



Red lines - suspended or delayed service    Green lines – scheduled to return in calendar year 2021    Blue lines - active/announced destinations

Source: Diio.mi Schedules as of July 20, 2021 and subject to change

The following table highlights the dates when international service is scheduled to return to the destinations shown in the map above, within the next six months, and those that are not yet scheduled to return.

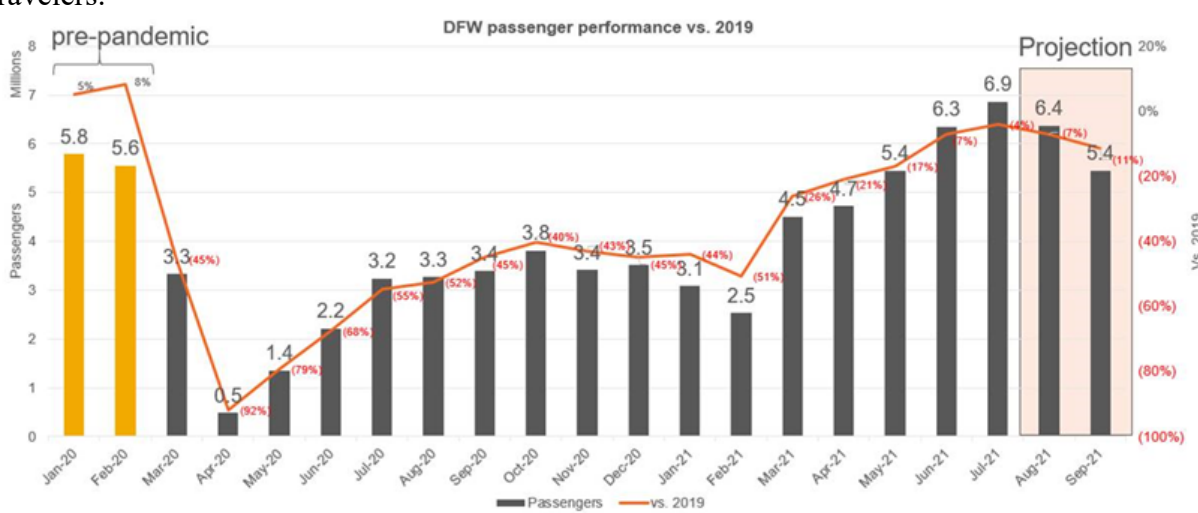
<b><u>Destinations Scheduled to Return</u></b>		<b><u>Not Yet Scheduled to Return</u></b>
Beijing, CN	10/31/2021	Guayaquil, EC
Shanghai, CN	10/30/2021	Managua, NI
Grand Cayman Island, KY	11/27/2021	Munich, DE
Hong Kong, CN	10/30/2021	St. Kitts and Nevis, KN
Tel Aviv, IL	11/1/2021	Quito, Ecuador, EC
Sydney, AU	2/14/2022	

Source: Diio.mi Schedules as of July 20, 2021 and subject to change

It is important to note that in many cases the planned announcements will restore service to the destination but at reduced levels compared to pre-COVID schedules. Additionally, it is possible that announced restarts could be further delayed if anticipated passenger demand does not materialize or international border closures are prolonged or broadened. It is also possible that air service shown as active as of July 20, 2021 could be suspended for a period of time due to the incremental impact of the COVID-19 Delta variant.

## Impact of COVID-19 on Passenger Traffic

The following chart highlights actual and projected passenger traffic at DFW compared to Fiscal Year 2019. DFW passenger traffic reached a peak in July 2021 at 4% lower than Fiscal Year 2019. Most of the recovery in passengers is driven by leisure travel and higher connecting passengers. Approximately half of the projected 7% decrease in August 2021 was due to severe weather that resulted in a significant number of cancellations early in the month. The projected reduction in September is due to school starting and a projected lower number of leisure travelers.



## Debt Service Coverage, Cash and Liquidity

The following table summarizes debt service coverage, unrestricted cash and days cash outstanding for Fiscal Years 2019 and 2020 Actuals and Budget for Fiscal Years 2021 and 2022. DFW management projects unrestricted cash in Fiscal Year 2022 to remain near the forecast level at the end of Fiscal Year 2021.

	FY19A	FY20A	FY21B	FY22B
<b>Debt Service Coverage</b>				
DFW's 1.0x coverage calculation	1.17	1.16	1.17	1.18
DFW's 1.25x coverage calculation	1.42	1.41	1.42	1.43
Includes PFIC and other*	1.63	1.44	1.46	1.49
<b>Unrestricted Cash (millions)</b>				
	\$ 989	\$ 903	\$ 970	\$ 970
<b>Days Cash on Hand</b>				
	631	632	625	624

\* FY19 included a one time \$40 million revenue for the PFIC

Other liquidity factors include:

- DFW has budgeted \$168 million of unprogrammed Federal Relief Proceeds available at the end of Fiscal Year 2022. These remaining funds could be applied to Fiscal Year 2022, if necessary, if passengers and passenger related revenues fall below the Fiscal Year 2022 budget. DFW estimates that a 10% reduction in passengers would require an additional \$40 million of Federal Relief Proceeds to keep rates and charges and DFW Cost Center net revenues the same as the Fiscal Year 2022 budget.

- DFW could restructure principal in future years.
- The Use Agreement allows DFW to raise airline rates and charges anytime revenues drop by 3% or more from the annual budget.
- The Use Agreement provides a “Lower Threshold Adjustment” which guarantees a minimum cash transfer to the DFW Capital Account (\$47.7 million in Fiscal Year 2022). The Airlines would be required to pay higher landing fees if the Lower Threshold was not achieved.

### Comparison of Selected Financial Information

The following table highlights selected financial data for Fiscal Years 2019 and 2020 Actuals and Fiscal Years 2021 and 2022 Budgets. A copy of the DFW Fiscal Year 2022 Budget is available at [www.dfwairport.com/investors](http://www.dfwairport.com/investors).

Selected Financial Data  
Millions, except CPE

	FY19A	FY20A	FY21B*	FY22B	FY22B vs FY21B		FY22B vs FY19A	
					\$	%	\$	CAGR %
Revenues								
Airfield Cost Center	\$ 131.4	\$ 97.0	\$ 104.2	\$ 111.3	\$ 7.1	-19.3%	\$ (20.1)	-5.7%
Terminal Cost Center	401.7	383.3	392.7	388.3	(4.4)	-3.4%	(13.4)	-1.2%
DFW Cost Center	399.4	282.1	294.4	370.5	76.1	-9.8%	(28.9)	-2.2%
Passenger Facility Charges	145.9	101.5	106.0	134.2	28.2	-11.0%	(11.7)	-2.8%
Other Revenues	31.3	31.7	31.8	15.3	(16.5)	-50.3%	(16.0)	-22.3%
Federal Relief - Debt Service*	-	144.1	153.0	112.4	(40.6)	73.4%	112.4	n/a
Total Revenues	\$ 1,109.7	\$ 1,039.8	\$ 1,082.1	\$ 1,131.9	\$ 50	2.1%	\$ 22	0.7%
Expenditures (millions)								
Operating Expenses*	\$ 499.6	\$ 464.9	\$ 509.4	\$ 566.9	\$ 57.5	11.3%	\$ 67.3	4.3%
Debt Service	508.0	473.7	468.2	469.5	1.3	0.3%	(38.5)	-2.7%
Total Expenditures	\$ 1,007.7	\$ 938.7	\$ 977.6	\$ 1,036.4	\$ 58.8	6.0%	\$ 28.7	0.9%
Cost per Enplanement (CPE)	\$ 12.95	\$ 18.29	\$ 17.28	\$ 13.70	\$ (3.58)	-20.7%	\$ 0.75	1.9%

\* FY21 Budget, as amended for use of Board contingency and additional Federal Relief

The Fiscal Year 2022 Budget includes the assumption that total revenues from parking, concessions, rental car and commercial development return to 92% of Fiscal Year 2019 Actuals primarily due to the return of passengers to approximately 93% of Fiscal Year 2019 Actuals. Approximately 90% of all concessions' locations are planned to be open effective October 1, 2021. Rental car revenues are projected to increase in Fiscal Year 2022 compared to Fiscal Year 2021 due to higher average daily rates due to less cars in inventory and increased demand. Commercial development revenues are higher in Fiscal Year 2022 as more acres are leased. Passenger Facility Charges increase in Fiscal Year 2022 due to more passengers. Other Revenues are anticipated to decrease in Fiscal Year 2022 due to lower transfers from the PFIC as the rental car bonds are paid off on November 1, 2021. The Fiscal Year 2022 Budget requires less Federal Relief Proceeds to keep airline costs relatively flat.

The Fiscal Year 2022 operating expense budget reflects cost increases to bring service levels back to pre-COVID levels, contract cost increases, and investments in digital/technology. The Fiscal Year 2022 debt service budget is flat with Fiscal Year 2021 and lower than Fiscal Year 2019 due to the impact of bond refundings over the past two years, offset by increased debt service associated with new borrowing to fund DFW's capital programs.



The Fiscal Year 2022 Budget for CPE returns to near Fiscal Year 2019 levels. If passengers in Fiscal Year 2022 were equal to Fiscal Year 2019 Actuals, then CPE would be \$12.56, \$0.39 less than Fiscal Year 2019 primarily due to lower debt service.

### **Impact of COVID-19 on Public Facility Improvement Corporation (PFIC)**

The following table highlights selected PFIC financial information for Fiscal Years 2019 Actuals, the Fiscal Year 2021 Forecast and the Fiscal Year 2022 Budget. The \$18.8 million increase in net revenues in the Fiscal Year 2022 Budget as compared to the Fiscal Year 2021 Forecast is primarily due to increasing gross margins, lower debt service as the principal on the rental car facility is paid-off on November 1, 2022, and reduced rent credits at Campus West. The lower Net Revenues from the Grand Hyatt are driving the underperformance compared to Fiscal Year 2019 due to the expected slow return of group business due to the pandemic.

#### **PFIC Net Revenues (Ms)**

	Millions				
	FY19A*	FY21F	FY22B	FY22B vs FY21F	FY22B vs FY19A
Operating					
Revenues*	\$ 90.9	\$ 49.2	\$ 66.2	\$ 17.0	\$ (24.7)
Expenses	(41.7)	(26.4)	(36.4)	(10.0)	(5.3)
Gross Margin	49.2	22.8	29.8	7.0	(19.4)
Other Adjustments					
Debt Service (RAC/Grand Hyatt)	(19.3)	(19.6)	(6.8)	(12.8)	(12.5)
DFW/Hyatt Management	(2.0)	(2.0)	(3.1)	1.1	1.1
Other Income	5.1	0.5	0.6	0.1	(4.5)
Net Revenues	<u>\$ 33.0</u>	<u>\$ 1.7</u>	<u>\$ 20.5</u>	<u>\$ 18.8</u>	<u>\$ (12.5)</u>
Net Revenues by Business Unit					
Grand Hyatt	\$ 17.2	\$ (0.8)	\$ 1.7	\$ 2.5	\$ (15.5)
Hyatt Hotel	2.4	0.3	0.6	0.3	(1.8)
RAC (CFC and CTC)	10.6	(0.9)	15.8	16.7	5.2
Campus West*	2.8	3.1	2.4	(0.7)	(0.4)
Net Revenues	<u>\$ 33.0</u>	<u>\$ 1.7</u>	<u>\$ 20.5</u>	<u>\$ 18.8</u>	<u>\$ (12.5)</u>

\* FY19A Campus West revenues exclude \$40M of one-time revenues for comparison purposes

***This statement contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.***

The Airport cannot predict (i) the duration or extent of the COVID-19 outbreak or another outbreak or pandemic; (ii) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down in

response to such restrictions or warnings; (iii) what effect any COVID-19 or other outbreak or pandemic-related restrictions or warnings may have on air travel, including to and from the Airport, the retail and services provided by Airport concessionaires, Airport costs or Airport revenues; (iv) whether and to what extent the COVID-19 or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's capital program, or other Airport operations; (v) the extent to which the COVID-19 outbreak or another outbreak or pandemic, or the resultant disruption to the local, state, national or global economy, may result in changes in demand for air travel, including long-term changes in consumer behavior, or may have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Airport may provide additional deferrals, forbearances, adjustments or other changes to the Airport's arrangements with its tenants and Airport concessionaires; or (vii) whether any of the foregoing may have a material adverse effect on the finances and operations of the Airport. Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, may increase at least over the near term, recovery may be prolonged and, therefore, have an adverse impact on Airport revenues. Future outbreaks, pandemics or events outside the Airport's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Airport revenues. In addition, the continuing impacts of the COVID-19 pandemic have resulted in operational difficulties for certain airlines as they increase capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

## **OPERATIONAL INFORMATION**

The following sections provide comparative operational information for the Airport's core business, including passengers, operations, destinations and landed weights. The information in the following tables is unaudited. Some schedules may not correspond or tie due to rounding of numbers and some amounts may vary from prior official statements due to reclassifications. All amounts are in whole numbers unless stated in the title of the table or on a particular row.

### **Aircraft Operations**

For calendar year 2020, Airports Council International ("ACI") ranks the Airport third among United States airports and third globally for total number of aircraft operations. Table 4 sets forth the total annual aircraft operations at the Airport for each of the past five Fiscal Years and the nine months ended June 30, 2021, and 2020.



**Table 4**  
**Aircraft Operations**  
**(Unaudited, in thousands)**

	Nine Months Ended				Fiscal Year Ended, September 30											
	Jun-21*		Jun-20*		2020*		2019		2018		2017		2016			
	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%	Ops	%
Domestic Passenger	374	84%	355	83%	470	84%	582	83%	550	83%	543	83%	571	84%		
International Passenger	38	9%	39	9%	44	8%	72	10%	68	10%	71	11%	68	10%		
Total Passenger	412	93%	394	92%	514	92%	654	93%	618	93%	614	94%	639	94%		
Cargo Aircraft	21	5%	21	5%	29	5%	29	5%	26 **	4%	25	4%	23	4%		
General Aviation Aircraft	10	2%	11	3%	14	3%	17	2%	18 **	3%	15	2%	13	2%		
Total Annual Operations	443		426		557		700		662		654		675			

Source: DFW Airport Finance Department, based on flight activity reports provided by airlines.

\* Results impacted by COVID-19.

\*\* In FY2018 there was a transposition of numbers in previous reports between Cargo Aircraft and General Aviation Aircraft.

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## Air Service, Destinations and Frequencies

For the year ending July 31, 2021 DFW had passenger service to 194 domestic destinations and 64 international destinations which include seasonal service. See **“IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT”** regarding limits on current activity.

Table 5 summarizes the major markets served from the Airport by departing flights and departing seats as of June 30, 2021. (Note: “AA” is American Airlines and American Eagle, “DL” is Delta Airlines, and “QR” is Qatar Airways.)

**Table 5**  
**Passenger Service Market as of June 30, 2021**  
**(Unaudited)**

### Domestic Markets

Monthly Frequencies				Monthly Seats			
Rank	Market	Total Market	Largest Market Carrier	Rank	Market	Total Market	Largest Market Carrier
1	LAX	445	AA	1	LAX	87,706	AA
2	DEN	427	AA	2	LAS	77,225	AA
3	ATL	426	DL	3	DEN	70,941	AA
4	LAS	413	AA	4	ATL	70,586	DL
5	IAH	366	AA	5	MCO	57,667	AA
6	ORD	344	AA	6	ORD	56,221	AA
7	MCO	307	AA	7	MIA	51,525	AA
8	MSP	287	AA	8	PHX	51,499	AA
9	SLC	283	AA	9	CLT	48,519	AA
10	PHX	275	AA	10	SLC	47,848	AA
11	SEA	265	AA	11	SEA	46,373	AA
12	CLT	261	AA	12	FLL	45,731	AA
13	LGA	256	AA	13	AUS	42,828	AA
14	DTW	251	DL	14	SAT	39,390	AA
15	MIA	251	AA	15	LGA	39,033	AA
16	AUS	248	AA	16	IAH	37,254	AA
17	FLL	242	AA	17	SAN	37,122	AA
18	SAT	239	AA	18	PHL	36,594	AA
19	ELP	214	AA	19	TPA	35,914	AA
20	SAN	208	AA	20	DTW	35,263	AA

### International Markets

Monthly Frequencies				Monthly Seats			
Rank	Market	Total Market	Largest Market Carrier	Rank	Market	Total Market	Largest Market Carrier
1	CUN	259	AA	1	CUN	50,658	AA
2	MEX	177	AA	2	MEX	28,009	AA
3	MTY	157	AA	3	SJD	23,869	AA
4	SJD	137	AA	4	LHR	16,190	AA
5	GDL	84	AA	5	MTY	15,239	AA
6	PVR	81	AA	6	PVR	14,189	AA
7	BJX	69	AA	7	GDL	12,746	AA
8	AGU	60	AA	8	NRT	11,695	AA
9	LHR	60	AA	9	DOH	11,511	QR
10	CUU	60	AA	10	GUA	9,583	AA

Source: DFW Global Strategy & Development Department

## Enplaned Passengers

For calendar year 2020, the ACI report ranks the Airport fourth globally for passengers and second domestically for passengers.

American Airlines (including American Eagle) is the Airport's largest carrier with 87% of total passengers for Fiscal Years 2019 and 2020. The average load factor for all flights departing and arriving at the Airport was approximately 87% in Fiscal Year 2019 and 74% in Fiscal Year 2020.

Table 6 sets forth enplanements categorized by domestic and international service; originating, destination and connecting; and by carrier for each of the past five Fiscal Years and the nine months ended June 30, 2020, and 2021.

**Table 6**  
**Total Domestic and International Enplanements Statistics**  
**(Unaudited, in millions)**

Passengers	Nine Months Ended				Fiscal Year Ended, September 30											
	Jun-21*		Jun-20*		2020*		2019		2018		2017		2016			
	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%	Pass	%
<u>Domestic/International</u>																
Domestic	17.0	91	16.6	89	21.3	90	32.0	87	30.2	88	28.8	87	28.7	88		
International	1.7	9	2.1	11	2.4	10	4.6	13	4.3	12	4.3	13	4.1	12		
Total Enplanements	<u>18.7</u>	<u>100</u>	<u>18.7</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>		
<u>O&amp;D/Connecting</u>																
Origination (O)	3.3	18	4.0	21	4.8	20	8.5	23	8.1	23	7.6	23	7.5	22		
Destination (D)	2.7	14	3.3	18	3.9	17	6.6	18	6.4	19	6.1	18	6.1	19		
O&D subtotal	6.0	32	7.3	39	8.7	37	15.1	41	14.5	42	13.7	41	13.6	41		
Connecting	12.7	68	11.4	61	15.0	63	21.5	59	20.0	58	19.4	59	19.2	59		
Total Enplanements	<u>18.7</u>	<u>100</u>	<u>18.7</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>		
<u>By Airline</u>																
American	11.8	63	12.6	67	15.8	67	25.1	69	23.6	68	22.6	68	22.3	68		
American Eagle (Envoy Air)	4.7	25	3.6	19	4.8	20	6.1	17	5.5	16	5.5	17	5.5	17		
Delta	0.6	3	0.7	4	0.8	3	1.4	4	1.3	4	1.2	4	1.3	4		
United	0.4	2	0.5	3	0.6	3	1.1	3	1.2	4	1.1	3	1.0	3		
Spirit Airlines	0.7	4	0.6	3	0.9	4	1.4	4	1.4	4	1.2	4	1.3	4		
Emirates	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0		
Qantas Airways	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0		
Qatar Airways	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0		
Sun Country Airlines	0.1	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0		
Other	0.4	3	0.6	4	0.7	3	1.1	3	1.1	4	1.1	4	1.0	4		
Total Enplanements	<u>18.7</u>	<u>100</u>	<u>18.7</u>	<u>100</u>	<u>23.7</u>	<u>100</u>	<u>36.6</u>	<u>100</u>	<u>34.5</u>	<u>100</u>	<u>33.1</u>	<u>100</u>	<u>32.8</u>	<u>100</u>		

Source: DFW Airport Finance Department, most current data available, based on flight activity reports provided by airlines.

\* Results impacted by COVID-19 epidemic.

Table 7 shows monthly enplanements (departures) for each of the past five Fiscal Years and the first nine months of Fiscal Year 2021. See “**IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.**”

**Table 7**  
**Total Domestic and International Enplanements**  
**(Unaudited, in thousands)**

	<b>2021*</b>	<b>2020*</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
October	1,905	3,185	2,868	2,917	2,794	2,808
November	1,701	3,007	2,808	2,714	2,593	2,603
December	1,774	3,219	2,842	2,825	2,671	2,684
January	1,517	2,871	2,718	2,601	2,528	2,530
February	1,261	2,770	2,566	2,466	2,366	2,417
March	2,244	1,649	3,048	2,896	2,814	2,780
April	2,369	242	2,999	2,788	2,635	2,625
May	2,737	676	3,318	3,015	2,909	2,835
June	3,192	1,115	3,444	3,275	3,051	2,969
July		1,625	3,557	3,281	3,116	3,056
August		1,620	3,400	3,087	2,956	2,802
September		1,693	3,067	2,647	2,696	2,728
<b>Total</b>	<b>18,700</b>	<b>23,671</b>	<b>36,635</b>	<b>34,512</b>	<b>33,131</b>	<b>32,837</b>
Increase (Decrease) over Prior Period	(0.2%) <sup>(1)</sup>	(35.4%)	6.2%	4.2%	0.9%	1.2%

Source: DFW Airport Finance Department, most current data available, based on flight activity reports provided by airlines.

<sup>(1)</sup> 2021 Increase (Decrease over Prior Period) is 9 month comparison (i.e. Oct-Jun 2021 vs 2020)

\* Results impacted by COVID-19.

## Landed Weights

Table 8 highlights total landed weights by carrier type and airline and cargo tonnage for each of the past five Fiscal Years and the nine months ended June 30, 2021 and 2020. American Airlines (including American Eagle) was the Airport's largest carrier representing approximately 75% of total landed weights at the Airport for the Fiscal Year ended September 30, 2020.

**Table 8**  
**Landed Weights and Cargo Tonnage**  
**(Unaudited, in billions of pounds)**

	Nine Months Ended				Fiscal Year Ended, September 30									
	Jun-21*		Jun-20*		2020*		2019 <sup>(1)</sup>		2018		2017		2016	
	Wgt.	%	Wgt.	%	Weight.	%	Weight.	%	Weight.	%	Weight.	%	Weight.	%
<b>By Carrier Type</b>														
Domestic Passenger Airlines	23.9	85	23.6	85	30.6	84	39.8	86	37.6	86	37.1	87	36.5	88
International Pass. Airlines	0.9	3	0.9	3	1.1	3	2.1	4	1.9	4	1.7	4	1.4	3
Cargo/Integrator Airlines	3.3	12	3.5	12	4.6	13	4.9	10	4.3	10	4.0	9	3.8	9
Total Landed Weights	28.1	100	28.0	100	36.3	100	46.8	100	43.8	100	42.8	100	41.7	100
<b>By Major Airline</b>														
American	15.4	55	16.0	57	20.7	57	27.9	60	26.1	60	25.6	60	25.0	60
American Eagle (Envoy Air)	6.2	22	5.1	18	6.6	18	7.4	16	6.7	15	6.7	16	6.6	16
UPS	1.6	6	1.6	6	2.1	6	1.9	4	1.3	3	1.2	3	1.1	3
Delta	0.9	3	0.9	3	1.1	3	1.6	3	1.4	3	1.4	3	1.4	3
Spirit Airlines	0.7	3	0.7	2	0.9	3	1.4	3	1.4	3	1.2	3	1.4	3
Federal Express	0.6	2	0.5	2	0.7	2	0.6	1	0.6	1	0.6	1	0.6	2
United	0.5	2	0.7	2	0.8	2	1.2	3	1.4	3	1.3	3	1.2	3
British Airways	0.1	0	0.1	1	0.2	1	0.2	0	0.2	1	0.2	1	0.2	1
Korean Air Lines	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Lufthansa German Airlines	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0
Emirates	0.1	0	0.1	1	0.1	1	0.2	1	0.2	1	0.2	0	0.2	1
Etihad Airways	-	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	1	0.1	0
Qantas	0.0	0	0.1	1	0.1	0	0.3	1	0.3	2	0.3	1	0.2	1
Qatar Airways	0.2	1	0.1	0	0.2	1	0.2	1	0.2	1	0.2	1	0.1	0
Sun Country Airlines	0.1	0	0.0	0	0.1	0	0.1	1	0.1	1	0.1	1	0.1	0
Other (Domestic)	1.6	6	1.9	7	2.5	6	3.6	6	3.6	6	3.5	6	3.3	8
Total Landed Weights	28.1	100	28.0	100	36.3	100	46.8	100	43.8	100	42.8	100	41.7	100
Cargo Tonnage	727		678		888		972		911		886		795	

Source: DFW Finance Department, based on flight activity reports provided by airlines.

<sup>(1)</sup> 2019 Domestic Passenger weight adjusted down by 0.4 to 39.8 and Cargo/Integrator adjusted up by 0.4 to 4.9. Total Landed Weights for the year unaffected.

\* Results impacted by COVID-19 epidemic.

## Passenger Facility Charges

Under the Aviation Safety and Capacity Act of 1990 (the "PFC Act"), as modified by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("AIR 21"), as amended, the FAA may authorize a public agency to impose a Passenger Facility Charge ("PFC") of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 on each passenger enplaned at any commercial service airport controlled by the public agency, subject to certain limitations. PFCs are available to airports to finance certain projects that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers.

PFC applications are approved by the FAA for specific projects. An airport may only impose the designated PFC until it collects the authorized total amount of that application. Interest earnings on collections are included in the application total. Under certain circumstances, the FAA grants approval to commence collection of PFCs (“impose only” approval) before approval to spend PFCs on approved projects (“use” approval) is granted. Approval to both collect and spend PFCs is referred to as an “impose and use” approval. PFCs may be spent to pay eligible debt service only on approved PFC projects and the terms of the PFC approval do not permit the use of PFC revenue to pay debt service on any new or outstanding bonds issued to finance projects other than approved PFC projects.

The Airport began collecting PFC revenues in June 1994. PFC collections, at the approved \$4.50 level, and interest for the past five Fiscal Years (October 1 - September 30) on a cash basis are shown below.

**Table 9**

**PFC Collections and Interest on Cash Basis**

<u>Fiscal Year</u>	<u>PFC Revenues (Millions)</u>
2017	\$ 128
2018	132
2019	140
2020	109
2021*	73

\*As of June 30, 2021

Source: FAA SOAR Database, Treasury Department Records

Effective July 1, 2011, PFC Application 11-10-C-00-DFW authorized the Impose and Use of \$4,165,097,984 of which \$1,283,256,087 has been collected as of June 30, 2021, for the purpose of paying debt service on 14 approved PFC projects. The Airport expects such collections could continue until approximately 2036 although the Airport may shorten this timeframe because PFC eligible debt service has been reduced due to savings from refundings. PFCs remitted to the Airport by the airlines are deposited into a separate fund and, to the extent funds are available, are transferred monthly to the Operating Revenue and Expense Fund in an amount sufficient to pay eligible debt service. Although not included as a part of Gross Revenues, pursuant to the PFC Application and the Use Agreements with the Signatory Airlines, PFC revenues may be used only for the purpose of paying eligible debt service on approved PFC projects, and upon deposit to the Operating Revenue and Expense Fund, such amounts become a part of the Pledged Funds. Failure to collect PFC revenues in an amount sufficient to pay eligible debt service on the PFC approved projects may lead to increases in other costs at the Airport, such as landing fees and terminal rents. See **“CERTAIN INVESTMENT CONSIDERATIONS—Passenger Facilities Charges.”**

#### **NON-AIRLINE BUSINESS UNITS INFORMATION**

Set forth below is a summary of the Airport’s most significant revenue producing non-airline business units and the Public Facility Improvement Corporation. The amounts provided herein are unaudited.

## **Parking and Ground Transportation**

The Airport manages its own parking operations and access to the Airport is restricted, with parking control plazas at each entry/exit. Parking is the largest source of non-airline operating revenue at the Airport. As of June 30, 2021, the Airport had a total of approximately 31,000 open public parking spaces. See **“IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.”**

Parking fees are charged based on the length of stay and parking product. The Airport’s primary parking products include terminal (“Terminal”), infield (“Infield”), express (“Express”) and remote (“Remote”) parking. Parking also includes revenues collected from passenger pick-up and drop-off (“Drop-Off/Meeter-Greeter”) other than from Transportation Network Companies (“TNCs”) or other ground transportation (“Other Ground Transportation”) such as taxis, limos and shared ride. In addition, parking revenues include revenues from members of the public using International Parkway as a throughway to traverse the Airport, i.e. without any intention to stop or utilize Airport services (“Pass-Through”).

Over the last several years, TNCs, such as Uber and Lyft, have entered the market. These providers, like other ground transportation modes pay access fees to the Airport to drop off and pick up passengers. The TNCs remit payment to the Airport of \$5 for each pick up or drop off made at the Airport. Since customers can park or be dropped off at DFW, the Airport (and the airport industry) has begun to view parking, TNCs and other ground transportation as one business unit. Accordingly, these revenue streams and transactions have been added into Table 10 below.

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Table 10 highlights key parking and ground transportation financial and operational information for the past five Fiscal Years and the nine months ended June 30, 2020 and 2021. DFW elected to close its one if its express lots and both of its remote parking lot in May 2020 through Fiscal Year 2021 due to COVID. See “IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.”

**Table 10**  
**Summary of Key Parking Financial and Operational Information**  
**(Unaudited)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended, September 30</b>				
	<b>Jun-21 <sup>(1)</sup></b>	<b>Jun-20 <sup>(1)</sup></b>	<b>2020 <sup>(1)</sup></b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Parking Revenues (millions)							
Terminal/Infield	\$ 44.9	\$ 45.8	\$ 55.4	\$ 95.4	\$ 89.1	\$ 85.3	\$ 82.7
Express/Remote	5.3	10.1	11.4	25.5	29.8	31.3	30.8
Drop Off/Meeter-Greeter	9.1	9.0	11.1	17.9	18.2	18.4	18.9
Pass-Through	1.5	1.8	2.3	3.1	4.0	4.2	3.3
Other	0.6	2.8	5.9	11.0	10.7	5.8	6.6
Sub total	<u>\$ 61.4</u>	<u>\$ 69.6</u>	<u>\$ 86.1</u>	<u>\$ 152.9</u>	<u>\$ 151.8</u>	<u>\$ 145.0</u>	<u>\$ 142.3</u>
TNCs	7.9	13.7	15.3	26.6	18.3	12.3	6.5
Other Ground Transportation	1.0	1.7	2.3	4.9	5.8	6.4	7.9
Total	<u>\$ 70.2</u>	<u>\$ 85.0</u>	<u>\$ 103.7</u>	<u>\$ 184.4</u>	<u>\$ 175.9</u>	<u>\$ 163.6</u>	<u>\$ 156.7</u>
Parking Transactions (millions)							
Terminal/Infield	0.87	1.04	1.23	2.10	1.86	1.85	1.92
Express/Remote	0.14	0.23	0.26	0.56	0.64	0.67	0.73
Drop Off/Meeter-Greeter	4.20	3.90	4.92	13.15	12.34	11.27	10.36
Pass-Through	0.27	0.36	0.44	0.85	1.09	1.14	1.69
Sub total	<u>5.48</u>	<u>5.53</u>	<u>6.85</u>	<u>16.66</u>	<u>15.93</u>	<u>14.93</u>	<u>14.70</u>
TNCs	1.58	2.73	3.06	5.32	4.28	3.07	1.62
Other Ground Transportation	0.28	0.50	0.56	0.95	1.41	1.63	1.83
Total	<u>7.33</u>	<u>8.75</u>	<u>10.47</u>	<u>22.93</u>	<u>21.62</u>	<u>19.63</u>	<u>18.15</u>
Average Length of Stay (Days) <sup>(2)</sup>							
Terminal	3.00	2.29	2.15	1.71	2.00	1.92	1.96
Express	4.35	4.66	4.75	3.31	3.71	3.80	3.83
Remote	n/a	4.47	4.38	3.78	4.11	4.11	4.17
Weighted Average	<u>3.18</u>	<u>2.69</u>	<u>2.54</u>	<u>2.10</u>	<u>2.43</u>	<u>2.46</u>	<u>2.52</u>
Parking Revenue per Originating Passenger	\$ 8.98	\$ 8.26	\$ 8.09	\$ 8.13	\$ 8.49	\$ 8.86	\$ 8.75

Source: DFW Finance and Yield Management Departments.

<sup>(1)</sup> Results impacted by COVID-19 epidemic.

<sup>(2)</sup> Parking Transactions and Average Length of Stay vary from CAFR due to corrected calculations.

During Fiscal Year 2018, the Airport implemented an on-line prepaid parking program allowing customers to prebook their parking at discounted rates. For Fiscal Year 2020, prepaid parking accounted for \$11.7 million (17.6%) of the Airport’s total public parking revenues of \$66.8 million for the terminal, express and remote parking products. For the first nine months of Fiscal Year 2021 through June 30,



2021, prepaid parking accounted for \$11.3 million (22.5%) of the Airport's total public parking revenues of \$50 million for the terminal, express and remote parking products. Total off-airport sales volume, including off-Airport valet providers, was approximately \$3.5 million in Fiscal Year 2019 and \$1.6 million in Fiscal Year 2020. Airport management believes that this prepaid option will allow it to fill vacant parking spaces, compete with TNCs and achieve higher revenues.

In addition to revenues from on-airport parking, there are nine off-airport parking providers (six self-park and three dedicated valets) which pay a fee equal to 12% of gross revenue to the Airport for access to the Airport. The off-airport operators report their gross revenues to the Airport on a monthly basis. Total off-airport sales volume, including off-Airport valet providers, was approximately \$3 million in Fiscal Year 2019 and \$1.6 million in Fiscal Year 2020. Gross revenues of off-airport operators is included in Other under Parking Revenues in the table above.

### **Terminal Concessions**

Terminal concessions primarily consist of food and beverage, retail and duty free, advertising, and customer service/amenities. Concessions agreements generally are for a term of 5 to 10 years and include a minimum annual guarantee and percentage rent (i.e., a rental charge based on the revenues of the tenant).

Table 11 highlights key terminal concessions financial and operational data for the past five Fiscal Years and the nine months ended June 30, 2020 and 2021. See **“IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.”**

**Table 11**  
**Summary of Key Terminal and Non-Terminal Concessions**  
**Financial and Operational Information**  
**(Unaudited)**

	<u>Nine Months Ended</u>		<u>Fiscal Year Ended, September 30</u>				
	<u>Jun-21**</u>	<u>Jun-20**</u>	<u>2020**</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Number of concessions locations	226	259	244	252	237	224	230
Leased sq. ft. as of September 30 (000s)	335	337	316	300	275	249	240
Concessions Sales-Terminal (millions):							
Food and beverage	\$ 144.9	\$ 140.5	\$ 180.2	\$ 277.4	\$ 240.0	\$ 223.0	\$ 220.1
Retail and duty free	56.0	61.2	76.1	129.4	123.9	113.9	113.8
Other In Terminal	13.8	20.1	33.0	40.8	30.7	22.6	16.5
Total concessions sales	<u>\$ 214.7</u>	<u>\$ 221.8</u>	<u>\$ 289.3</u>	<u>\$ 447.6</u>	<u>\$ 394.6</u>	<u>\$ 359.5</u>	<u>\$ 350.4</u>
Concessions sales/enplanement	<u>\$ 11.49</u>	<u>\$ 11.86</u>	<u>\$ 12.22</u>	<u>\$ 12.22</u>	<u>\$ 11.44</u>	<u>\$ 10.86</u>	<u>\$ 10.67</u>
Concession sales per sq. ft.	<u>\$ 640</u>	<u>\$ 658</u>	<u>\$ 916</u>	<u>\$ 1,492</u>	<u>\$ 1,433</u>	<u>\$ 1,445</u>	<u>\$ 1,463</u>
Concessions Income to DFW-Terminal (millions):							
Food and beverage	\$ 20.8	\$ 20.6	\$ 25.7	\$ 40.1	\$ 35.6	\$ 32.9	\$ 30.9
Retail and duty free	8.6	10.0	12.1	24.8	23.9	22.6	21.1
Other In Terminal	14.1	18.0	22.2	26.9	24.8	24.1	19.1
Income-Terminal Subtotal	<u>\$ 43.6</u>	<u>\$ 48.6</u>	<u>\$ 60.0</u>	<u>\$ 91.8</u>	<u>\$ 84.3</u>	<u>\$ 79.6</u>	<u>\$ 71.1</u>
Concessions income/enplanement	<u>\$ 2.16</u>	<u>\$ 2.43</u>	<u>\$ 2.52</u>	<u>\$ 2.51</u>	<u>\$ 2.44</u>	<u>\$ 2.40</u>	<u>\$ 2.17</u>
Concessions income per sq. ft.	<u>\$ 130</u>	<u>\$ 144</u>	<u>\$ 190</u>	<u>\$ 306</u>	<u>\$ 306</u>	<u>\$ 320</u>	<u>\$ 297</u>
Concessions - Not In Terminal*	4.91	4.69	7.17	10.17	9.23	8.73	8.02
Total Concessions income to DFW	<u>\$ 48.5</u>	<u>\$ 53.3</u>	<u>\$ 67.2</u>	<u>\$ 102.0</u>	<u>\$ 93.5</u>	<u>\$ 88.3</u>	<u>\$ 79.1</u>

Source: DFW Finance and Concessions Departments, from concessionaire on-line reporting.

\* Non-passenger/non-terminal income. Includes reimbursable services. Not included in ratios.

\*\* Results impacted by COVID-19 epidemic.

## Rental Cars

The consolidated rental car facility (“RAC”) located at the Airport covers approximately 200 acres and includes a common rental building with individual counters and back office space for each rental car company, a parking garage for ready and return car spaces, a bus maintenance facility, maintenance bays, remote service sites and fueling systems. The Airport collects ground lease and percentage rent from the rental car companies. There are six rental car companies with twelve brands operating from the RAC, with a total available inventory of approximately 25,000 cars. The largest three rental car companies are Hertz, Avis and Vanguard, as of June 30, 2021. New rental car alternatives, such as TNCs and peer to peer car sharing services have become a competitive challenge for the rental car companies across the U.S. The Airport now requires these non-traditional companies to have an Airport permit, which mitigates, but does not replace, the revenue impact on traditional rentals. There are no major off-airport rental car companies operating at the Airport.

Table 12 highlights key terminal rental car financial and operational data for the past five Fiscal Years and for the nine months ended June 30, 2021 and 2020. See “**NON-AIRLINE BUSINESS UNITS INFORMATION – Public Facility Improvement Corporation – Rental Car Facility,**” and “**IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.**”

**Table 12**  
**Summary of Key Rental Car Financial and Operational Information**  
**(Unaudited)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended, September 30</b>				
	<b>Jun-21*</b>	<b>Jun-20*</b>	<b>2020*</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Transaction days (thousands)	2,447.8	2,873.4	3,454	5,572	5,500	5,396	5,552
Rental car sales (millions)	\$ 176.0	\$ 149.2	\$ 177.3	\$ 280.9	\$ 273.5	\$ 269.3	\$ 279.9
Income to DFW (millions)	\$ 22.2	\$ 18.7	\$ 23.7	\$ 33.5	\$ 33.1	\$ 32.6	\$ 33.6
Income/destination passenger	\$ 4.15	\$ 2.81	\$ 3.02	\$ 2.54	\$ 2.58	\$ 2.67	\$ 2.76

Source: DFW Finance and Concessions Departments, from rental car companies self-reporting.

\* Results impacted by COVID-19 epidemic.

### **Commercial Development**

The Airport has a total landmass of approximately 17,183 acres. As of August 31, 2021, DFW has 2,304 revenue producing commercial development acres and another [ ] acres currently under development for a total of [ ] commercially developed revenue producing acres. Airport management estimates that approximately 2,783 acres of additional land is available for future development. A commercial development land use plan has been completed and approved by the Board. Airport management focuses primarily on developing land that has airport synergy such as logistics and warehousing.

Commercial development revenues are primarily generated from ground leases, foreign trade zone tariffs, non-terminal facility rents, and property and surface use fees. Multi-year lease agreements are negotiated with tenants on a square foot or acre basis. Some leases such as the Hyatt Regency Hotel and Bear Creek Golf Course also include percentage rent.

The Airport has a 2,400-acre Foreign Trade Zone (“FTZ”) permitting companies with facilities thereon to avoid or defer payment of custom duties.

Table 13 highlights key commercial development financial and operational information for the past five Fiscal Years and the nine months ended June 30, 2021 and 2020. The largest three Airport tenants from a revenue perspective are: American Airlines (17%), Prologis (9%) and PFIC – Campus West (1.5%). Commercial Development revenues are not passenger driven, so these revenue streams have not been impacted by COVID-19

**Table 13**  
**Summary of Key Commercial Development Financial and Operational Information**  
**(Unaudited)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended, September 30</b>				
	<b>Jun-21</b>	<b>Jun-20</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Ground Lease Revs. (millions)	\$ 43.4	\$ 42.5	\$ 56.0	\$ 92.2 <sup>(1)</sup>	\$ 45.8	\$ 44.1	\$ 39.8
Acres Leased* (end of period)	2,304	2,058	2,105	1,863	1,597	1,592	1,455
Average Lease Rate per Acre (thousands)	-	\$ -	\$ 26.6	\$ 49.5	\$ 28.7	\$ 27.7	\$ 27.4

Source: DFW Finance and Commercial Development Departments.

\* Acres leased represents leased acreage that is revenue generating as of the end of the reported period, excludes acres under development.

<sup>(1)</sup> Includes one-time PFIC Campus West lease payment for \$40.0 million.

## **Natural Gas**

On October 6, 2006, the Board signed a lease agreement (the “Lease Agreement”) with Chesapeake Energy Company to begin natural gas exploration and extraction at the Airport. Total SA purchased the natural gas drilling rights from Chesapeake in 2016. Those assets are now managed by Total Exploration and Production Barnett (“TEP Barnett”). The Lease Agreement requires TEP Barnett to pay a royalty fee of 25% of gross natural gas revenues.

Bonuses and royalty payments are not classified as Gross Revenues of the Airport per the Bond Ordinance. They are treated as proceeds from the sale of Airport property and are deposited into the Joint Capital Account within the Capital Improvements Fund. TEP Barnett also pays surface use and other fees to the Airport on an ongoing basis to manage the extraction and transportation of natural gas on and through the Airport. Such surface use and other fees are classified as Gross Revenues of the Airport.

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Table 14 highlights key natural gas financial and operational information for the past five Fiscal Years and the nine months ended June 30, 2021 and 2020. Natural gas revenues have declined over time primarily due to low market prices for natural gas and declining production at existing wells. It is uncertain when or if new wells will be drilled in the future.

**Table 14**  
**Summary of Key Natural Gas Financial and Operational Information**  
**(Unaudited)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended, September 30</b>				
	<b>Jun-21</b>	<b>Jun-20</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Revenues (millions)							
Royalties **	\$ 0.9	\$ 0.8	\$ 1.1	\$ 1.8	\$ 2.3	\$ 10.2 *	\$ 2.0
Surface use and other revenues	0.3	-	0.0	0.0	0.1	0.1	0.1
Total Natural Gas Revenues	<u>\$ 1.2</u>	<u>\$ 0.8</u>	<u>\$ 1.1</u>	<u>\$ 1.8</u>	<u>\$ 2.4</u>	<u>\$ 10.3</u>	<u>\$ 2.1</u>
Operational Information							
Wells in production	57	53	53	53	58	59	70
Production (MMcf)	1.4	1.9	2.4	3.7	3.4	3.4	4.4
Average price paid to DFW <sup>(1)</sup>	<u>\$ 2.50</u>	<u>\$ 1.75</u>	<u>\$ 1.53</u>	<u>\$ 2.23</u>	<u>\$ 2.66</u>	<u>\$ 2.46</u>	<u>\$ 1.81</u>

Source: DFW Finance and Commercial Development Departments, production data from Chesapeake Energy.

\* In addition to the annual royalties from the natural gas lease, DFW received a one-time partial settlement payment of \$8.2M in FY 2017.

\*\* DFW Royalties share is 25% of the Natural gas output.

<sup>(1)</sup> Price is net of transportation costs.

## **Public Facility Improvement Corporation**

The Public Facility Improvement Corporation (“PFIC”) was created in 2001 for the purpose of financing, planning, constructing, equipping, owning, renovating, repairing, improving, maintaining and/or operating one or more facilities within the boundaries of the Airport. The revenues and costs of PFIC projects are separate from the DFWCC and the Airport’s Operating Revenue and Expense Fund, and therefore, not shared with the Airlines. Except as described below, the revenues of the PFIC are not Gross Revenues of the Airport. The PFIC currently leases and operates the Grand Hyatt Hotel, the RAC, the Hyatt Place Hotel and the Verizon campus (called “Campus West”). The PFIC also plans to construct a new Hyatt House hotel; however, this project is on hold as a result of the COVID-19 pandemic. See **“IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT.”** Management may request the Cities to approve additional projects for the PFIC in the future. Except for the financing agreements for the Grand Hyatt and the RAC (described below), PFIC revenues are not Gross Revenues of the Airport. However, unencumbered PFIC revenues are available, if needed, to pay debt service on Obligations.

Grand Hyatt Hotel. The Grand Hyatt Hotel is a 298-room hotel located in Terminal D that opened in Fiscal Year 2005. The hotel is owned by the Airport and leased to the PFIC which is responsible for hotel management. The PFIC has signed an agreement with Hyatt Corporation, a subsidiary of Hyatt Hotels Corporation (“Hyatt”), to provide the day-to-day management of hotel operations. The agreement expires on June 30, 2025 and has two five-year options and one two-year option extensions available.

The PFIC issued approximately \$70 million Public Facility Improvement Corporation Airport Hotel Revenue Bonds, Series 2001 to construct the Grand Hyatt Hotel. In 2012, the Series 2001 Bonds were refunded by the Dallas Fort Worth International Airport Joint Revenue Improvement and Refunding Bonds, Series 2012C. In consideration for the Airport issuing the Series 2012C Bonds, the PFIC entered into a financing agreement whereby the PFIC will deposit, to the extent available, an amount sufficient to pay that portion of the debt service and coverage requirement attributable to the refunding of the Series 2001 Bonds. Amounts transferred to the Airport to pay for debt service and coverage, once received by the Airport and deposited to the Operating Revenue and Expense Fund become part of the Pledged Funds of the Airport. The PFIC also makes monthly contributions to a furniture, fixtures and equipment account and a capital account for the continual renewal and improvement of the hotel. Any excess funds are held by the PFIC and may be used for improvements to the Grand Hyatt Hotel, granted to the Airport, or for other projects approved by the Cities. . The Series 2012C Bonds are part of this refunding (Series 2021B Bonds) and will be fully paid off one year early on November 1, 2030.

Rental Car Facility. In 1998 and 1999, DFW's Facility Improvement Corporation ("FIC") issued approximately \$160 million of taxable bonds (the "FIC Bonds") to construct the RAC. The FIC Bonds were secured by the collection of a Customer Facility Charge (the "CFC") by the rental car companies. The FIC Bonds were defeased with the proceeds of the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011A (the "Series 2011A Bonds"). In consideration for the Cities issuing the Series 2011A Bonds, the FIC entered into a financing agreement whereby the FIC will deposit, to the extent available, an amount sufficient to pay that portion of the debt service and coverage attributable to the Series 2011A Bonds. The CFC is currently \$4.00 per transaction day and may be changed at the discretion of the Airport at any time as necessary to ensure the payment of debt service. The CFC is also used to make capital facility improvements to the RAC and to purchase buses. The final debt service payment on Series 2011A Bonds will be November 1, 2021.

During Fiscal Year 2012 the Cities authorized the assignment of the FIC's assets, obligations and responsibilities, with respect to the RAC, to the PFIC. Amounts transferred to the Airport to pay for debt service and coverage on the 2011A Bonds, once received by the Airport and deposited to the Operating Revenue and Expense Fund, become part of the Pledged Funds of the Airport.

Hyatt Place Hotel. In early 2016, DFW opened a 136-room select service Hyatt Place Hotel in the Southgate Development area near the RAC. The hotel was constructed with PFIC cash. The hotel is owned by the Airport and leased to the PFIC which operates the hotel on behalf of the Airport. The PFIC entered into a fixed-fee management agreement with Select Hotels Group, L.L.C. ("Select Hotels"), a subsidiary of Hyatt, to operate the hotel for the PFIC. The agreement expires on February 26, 2031. All hotel revenues are remitted to the PFIC which then reimburses the Hyatt for all operating expenses of the hotel. The PFIC also makes monthly contributions to a furniture, fixtures and equipment account and a capital account for the continual renewal and improvement of the hotel. Any excess funds are held by the PFIC and may be used for improvements to the Hyatt Place Hotel, granted to the Airport, or for other projects approved by the Cities.

Hyatt House Hotel. In Fiscal Year 2018, DFW received approvals from the Cities to construct and operate a 130-room Hyatt House Hotel which will be located adjacent to the Hyatt Place Hotel. The hotel will be constructed with PFIC cash and managed by Select Hotels under a fixed fee arrangement. This project is on hold as a result of the COVID-19 pandemic.

Campus West. In December 2018, the Airport approved the Campus West lease assignment and designation as an authorized PFIC project. In consideration of PFIC assuming the obligations under the lease with the Airport, and releasing Verizon of such obligations going forward, Verizon paid the PFIC \$40 million. The PFIC will make future lease payments to the Airport in the amount of \$2.2 million per

year. The 77-acre corporate campus includes six buildings totaling over 600,000 square feet, approximately 450,000 of which are currently subleased to Dex Media (now called “Thryv”), who will continue to make annual rental payments of \$5.8 million to the PFIC under a 7-year lease with an option for one five-year extension. PFIC agreed to a rent credit of \$11 million towards major repair of the facility that will be performed by Thryv. The property also contains 109 overnight accommodation rooms for Thryv training purposes, a fitness center, a 450-person auditorium, and an additional 28 acres of airside land for potential development opportunities. The PFIC will attempt to lease the remaining office spaces at Campus West.

DFW Debt Service. In October 2019, the Cities approved DFW Debt Service as an “approved project.” This approval permits PFIC cash and investments to be available to pay Obligations if needed.

As of June 30, 2021, the PFIC had unrestricted available cash and investments of approximately \$157 million and restricted cash and investments of approximately \$22 million.

Table 15 highlights the combined cash flows from operations and debt service coverage for the Grand Hyatt, RAC, and Hyatt Place business for the Fiscal Year ended September 30, 2020. The PFIC cash flow and coverage ratios fell as the result of COVID-19. All bond payments were made as scheduled. See “**IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT**” for further discussion.

**Table 15**  
**Actual/Proforma PFIC Cash Flows and Coverage**  
**Fiscal Year Ended September 30, 2020**  
**(Unaudited in millions)**

	Grand Hyatt	RAC - CFC *	Hyatt Place	RAC - CTC**	Hyatt House	Campus West	Total
Revenues	\$ 22.6	\$ 13.7	\$ 3.6	\$ 8.7	\$ -	\$ 3.8	\$ 52.4
Less:							
Expenses	15.4	-	3.1	\$ 10.2	0.2	0.7	29.6
Net Available for Debt Service	7.2	13.7	0.6	(1.5)	(0.2)	3.1	22.8
Debt Service	\$ 5.1	\$ 14.3	\$ -	\$ -	\$ -	\$ -	\$ 19.4
Coverage Ratio	1.42	0.96	-	-	-	-	1.17

\* Customer Facility Charge

\*\* Customer Transportation Charge

## CAPITAL PROJECTS

As of June 30, 2021, the Airport has approximately 275 approved capital projects currently underway with a total budget of \$2.5 billion. Of this amount, \$910.2 million has been spent, \$364.2 million is committed, and \$1.2 billion is unspent and uncommitted. These projects are planned to be completed through Fiscal Year 2027.

- Renovation of Terminal C and New Piers: DFW and the Signatory Airlines have agreed on the scope for this program and a total program budget of approximately \$2.32 billion. The renovation of Terminal C has a scope similar to the renovations of Terminals A, B and E including improved lighting and flooring, new HVAC and electrical systems, redesigned check-in areas, larger security checkpoints, expanded

concessions spaces and an upgraded parking garage. The piers include five new gates at Terminal A and four new gates at Terminal C. The program has phased openings with final completion scheduled for late 2026. The Airlines have approved \$1.2 billion of this program to date with the remainder to be included in the new Use Agreement which is being negotiated.

- Terminal C Gate Replacement: \$216 million for the demolition, design and rebuilding of 4 gates in Terminal C (commonly called the High C Gates). These gates were built on temporary structures that had reached the end of their useful life. DFW and American Airlines agreed to take this action while flight activity is reduced. The project is expected to reach substantial completion in the summer of 2022. This project is currently on budget and on schedule. DFW has received airline approval of this project.
- Baggage Handling System Renewals and Replacements: \$322 million (gross of \$101 million in TSA grants) for Baggage Handling System (BHS) renewals and improvements in all five terminals. An amount of \$138M will be for TSA grant-eligible BHS and terminal modifications to accommodate the TSA's latest baggage Explosive Detection System (EDS) equipment. This project will be offset by an anticipated TSA grant of \$101 million. Also included are \$35 million in Terminal D BHS Optimization improvements, which are not grant eligible. This is multi-year effort should be completed over the next three to five years.
- Runway Reconstruction: \$160 million for reconstruction of runway 17R, the Airport's primary departure runway. Condition assessments indicated the need for major rehabilitation. Preliminary design is currently underway with substantial completion expected in early 2024. DFW is anticipating FAA grants totaling approximately 75% of eligible construction to offset this cost. The airlines have approved \$15 million for preliminary design.
- Consolidation of Fire Stations: \$122 million for consolidation of DFW's four existing end of life Aircraft Rescue Fire Fighting (ARFF) stations into two locations. The Airport is expecting \$43 million of FAA grants for this project. It has not yet been approved by the airlines.

The Airport has also developed an Infrastructure Capital Program (ICP) to improve and maintain DFW's runways, buildings, bridges, roads and utilities, much of which has been in operation for decades. The Airport uses a structured engineering assessment-based process to prioritize asset replacement, consequently, the ICP program budget varies over time. The estimated ICP cost of between Fiscal Year 2022 and Fiscal Year 2027 is approximately \$2.2 billion, is comprised of hundreds of projects and is included in the airfield, terminal other, landside and other categories in the Capital Uses of Funds table below.

DFW's projected capital program cost and projected sources of funds is approximately \$5.4 billion through Fiscal Year 2027, the year that the Terminal C program is anticipated to be complete, is shown below.



Projected Capital Uses and Sources of Cash (as of June 30, 2021)

Millions

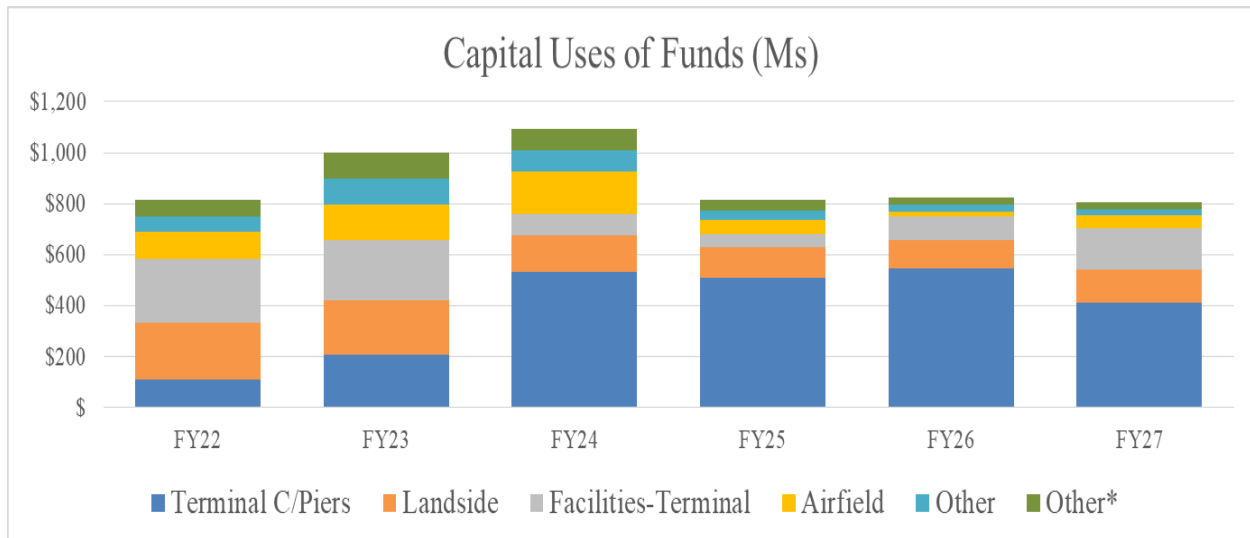
Uses of Funds	FY22	FY23	FY24	FY25	FY26	FY27	Total
Terminal C/Piers	\$111	\$209	\$532	\$509	\$549	\$411	\$2,320
Landside	225	213	144	122	111	132	947
Facilities-Terminal	248	238	82	49	89	159	865
Airfield	105	137	171	58	19	54	543
Commercial Development	152	98	60	44	20	17	391
Other	63	102	83	38	28	24	338
Total Uses of Funds	\$903	\$997	\$1,072	\$819	\$816	\$797	\$5,404

Sources of Funds\*

New Debt	\$777**	\$800	\$829	\$601	\$622	\$604	\$4,233
Cash	93	123	138	148	158	169	829
Grants	32	74	106	70	36	24	342
Total Sources of Funds	\$902	\$997	\$1,072	\$819	\$816	\$797	\$5,404

\* Source - DFW Financial Plan, DFW's Cost Model for Use Agreement negotiation.

\*\* Includes Commercial Paper to be refunded by the Bonds and interim financing for AA projects (see Subordinate Lien Drawdown Bonds)



## CASH AND INVESTMENTS

### Unrestricted and Restricted Cash and Investment Balances

The Airport's Master Bond Ordinance requires the Airport to reserve certain funds for designated purposes. These funds are classified as restricted. The remaining cash and investments are available for any legal purpose (including repayment of debt) and are classified as unrestricted. Table 16 reflects restricted and unrestricted cash balances by primary source and the number of days of unrestricted cash available to pay operating expenses for each of the past five Fiscal Years and as of June 30, 2020 and 2021. See **"IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT - Cash and Liquidity."**

**Table 16**  
**Cash and Investment Balances**  
**(Unaudited, in millions)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended, September 30</b>				
	<b>Jun-21</b>	<b>Jun-20</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Unrestricted Cash and Investments							
Operating revenue and expense fund	\$ 400	\$ 357	\$ 295	\$ 354	\$ 326	\$ 306	\$ 283
Capital improvement fund	343	365	429	459	428	446	444
PFIC	157	182	179	176	113	106	88
Total unrestricted cash/investments	<u>900</u>	<u>904</u>	<u>903</u>	<u>989</u>	<u>867</u>	<u>858</u>	<u>815</u>
Restricted Cash and Investments							
Passenger facility charges	17	19	15	15	21	18	31
Bond/construction funds	17	82	191	224	492	400	746
Debt Service Fund	191	200	296	300	292	253	219
Debt Service Reserve Fund	306	317	305	316	331	328	330
PFIC	22	22	22	22	20	15	13
Commercial Paper	65	2	-	-	-	-	-
Other	4	2	3	3	2	2	2
Total restricted cash/investments	<u>622</u>	<u>644</u>	<u>832</u>	<u>880</u>	<u>1,158</u>	<u>1,016</u>	<u>1,341</u>
Total DFW cash/investments	<u>1,522</u>	<u>1,548</u>	<u>1,735</u>	<u>1,869</u>	<u>2,025</u>	<u>1,874</u>	<u>2,156</u>
Annual Operating Expenses	\$ 382	\$ 400	\$ 538	\$ 572	\$ 527	\$ 499	\$ 489
Unrestricted Cash and Investments/Ops Exps (Days)	<u>644</u>	<u>618</u>	<u>613<sup>(1)</sup></u>	<u>631</u>	<u>600</u>	<u>628</u>	<u>608</u>

Source: DFW Airport Finance Department records.

<sup>(1)</sup> Decreasing Operating expenses for donated materials and other non-cash impacting expenses by \$16.1 million, increases the days of cash to 632.

**Unrestricted Cash.** The cash and investments (collectively called "cash" in this subsection) in the Operating Revenue and Expense Fund includes a 90-day operating reserve, plus the positive cash flow from operations and balance sheet management. The Capital Improvements Fund ("CIF") consists of the Joint Capital Account, Rolling Coverage Account and the DFW Capital Account. The cash in these funds is classified as unrestricted because it can be used for any lawful purpose.

The PFIC currently leases and operates the Grand Hyatt Hotel, the RAC, the Hyatt Place Hotel and Campus West. Except for the financing agreements for the Grand Hyatt and the RAC, PFIC revenues are not Gross Revenues of the Airport. However, unencumbered PFIC revenues are available, if needed, to pay debt service on Obligations.

**Restricted Cash.** Restricted cash includes the PFC Fund, Bond/Construction Fund, Debt Service and Debt Service Reserve Funds, and certain PFIC/FIC cash accounts. PFCs are restricted to the stated use per the terms of the respective PFC application. See “**OPERATIONAL INFORMATION – Passenger Facility Charges.**” Bond/Construction Funds are reserved for projects listed in the respective bond documents. Debt Service and Debt Service Reserve Funds are restricted to the repayment and/or security of outstanding debt (see “**SECURITY FOR THE BONDS-Funds and Flow of Funds**”). Additionally, the Airport has access to Series I Notes that can be issued in an amount of up to \$750,000,000, of which \$380,000,000 is currently outstanding as of September 30, 2021.

## **Investment of Funds**

**Authorized Investments.** Available Airport funds are invested as authorized by the Texas Public Funds Investment Act, as amended, and in accordance with investment policies approved by the Airport. Under Texas law, the Airport is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Airport funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments, a requirement for settlement of securities purchased on a delivery versus payment basis, procedures to monitor securities rating changes, and the liquidation of investments that fall below the minimum rating required.

The Airport utilizes a self-directed security investment program and has adopted an investment policy (the “Investment Policy”) which was most recently updated effective February 1, 2020. The Investment Policy emphasizes the “safety of principal” objective and establishes the Airport’s Finance and Audit Committee as the oversight committee relating to the investment of the Airport’s funds. The Investment Policy currently designates five individuals, including the Chief Financial Officer and the Vice President of Treasury Management as the “Investment Officers” and allows investment in securities consistent with State law, and diversifies investment maturities. The Airport directs investments utilizing projected cash flow needs as the foundation of its investment strategy. Investment maturities are targeted to provide available cash for the operating requirements of the Airport and to enhance interest earnings. The Cash and Investment Manager analyzes specific fund balances and cash flow needs to tailor individual security purchases and overall portfolio structure to achieve the Airport’s investment objectives in accordance with the Investment Policy. A copy of the current Investment Policy is available at <http://www.dfairport.com/investors>. This reference to the Airport’s website is for informational purposes only, and neither the website nor the information contained on the website shall be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport’s website.

The Airport is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (5) bonds issued, assumed or guaranteed by the State of Israel; (6) certificates of deposit and share certificates meeting the requirements of the Public Funds Investment Act; (7) fully collateralized repurchase agreements that have a defined termination date and otherwise meet the

requirements of the Public Funds Investment Act; (8) securities lending programs if the loan under the program meets the requirements of the Public Funds Investment Act; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1, P-1 or the equivalent by two nationally recognized ratings agencies; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission (the "SEC") that have a dollar weighted average stated maturity of 90 days or less; and (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent.

Investments may be made in such obligations directly or through a particular government investment pool pre-approved by the Airport that invests solely in such obligations provided that the pool is rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service.

The Airport may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years.

**Current Investments.** As of June 30, 2021, the Airport's funds were invested in the following categories of investments:

**Table 17**  
**Investments**  
**as of June 30, 2021**

<u>Type of Investment</u>	<u>Percentage of Portfolio</u>	<u>Book Value (\$ in millions)</u>	<u>Market Value (\$ in Millions)</u>
Money Market Funds	18%	\$ 256.6	\$ 256.6
Commercial Paper	12%	177.5	177.5
Agencies	43%	623.2	623.8
Municipals	27%	398.4	398.4
Total	100%	\$ 1,455.6	\$ 1,456.2

As of such date, approximately 52% of the Airport's investment portfolio will mature within twelve months and the market value of the investment portfolio was approximately 100% of its book value. The Master Bond Ordinance does not require market valuations for required fund investments, except for those held in the Debt Service Reserve Fund. No funds of the Airport are invested in (i) derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index of commodity or (ii) leveraged investments.

## OUTSTANDING OBLIGATIONS AND OTHER AIRPORT RELATED DEBT

### Outstanding Obligations

Upon the issuance of the Bonds, the Series 2021A Bonds and the Series 2021B Bonds \$\_\_\_\_\_ in aggregate principal amount of Obligations will be Outstanding (excluding the Refunded Obligations and the obligations anticipated to be refunded with the Series 2021A Bonds and the Series 2021B Bonds). See “**Table 18 - Schedule of Outstanding Obligations**” and “**Table 19 — Outstanding Obligations Pro Forma Debt Service Requirements.**” Any Additional Obligations and Parity Credit Agreement Obligations issued in the future would be on parity with the Outstanding Obligations. There are no currently outstanding Parity Credit Agreement Obligations.

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**Table 18**  
**Schedule of Outstanding Obligations**  
**As of June 30, 2021**

Series	Original Principal Amount	Principal Amount Outstanding	Due November 1, 2021	Scheduled to be Refunded	Projected Outstanding	Final Maturity* (Nov 1)
2011A	111,355,000	13,665,000	13,665,000		-	
2012C	274,925,000	262,360,000	3,025,000	259,335,000	-	
2013A	372,240,000	57,705,000		57,705,000	-	
2013B	450,000,000	450,000,000			450,000,000	2050
2013C	242,000,000	242,000,000		185,400,000	56,600,000	2045
2013D	416,315,000	311,015,000	6,335,000	96,535,000	208,145,000	2033
2013E	225,310,000	105,970,000	14,835,000		91,135,000	2033
2013F	251,960,000	209,155,000	16,345,000		192,810,000	2033
2013G	109,060,000	94,905,000	5,200,000		89,705,000	2043
2014A	201,515,000	196,350,000	210,000		196,140,000	2032
2014B	222,910,000	222,910,000	1,875,000	213,150,000	7,885,000	2045
2014C	124,285,000	117,280,000	2,570,000		114,710,000	2045
2014D	78,430,000	42,790,000	9,805,000		32,985,000	2027
2014E	97,315,000	60,350,000	10,145,000		50,205,000	2027
2016A	280,430,000	50,740,000	50,740,000		-	
2017	302,370,000	302,370,000	40,630,000		261,740,000	2024
2019A	1,167,060,000	1,157,130,000	33,220,000		1,123,910,000	2045
2020A	391,755,000	391,755,000			391,755,000	2035
2020B	459,520,000	459,520,000	19,955,000		439,565,000	2045
2020C	1,193,985,000	1,193,985,000			1,193,985,000	2050
	6,972,740,000	5,941,955,000	228,555,000	812,125,000	4,901,275,000	

\*Bonds may be subject to serial maturities and/or optional redemption features

Source: Treasury Department Records

### Subordinate Lien Obligations

The Cities authorized the issuance of up to \$750,000,000 of Subordinate Lien Commercial Paper Series I Notes (the “Series I Notes”) in September 2019 pursuant to the Fifty-Sixth Supplemental Concurrent Bond Ordinance (the “Fifty-Sixth Supplement”). The Airport currently plans to issue Additional Obligations, including the Bonds, to refund all of the currently outstanding Series I Notes. The Series I Notes are not currently supported by a credit or liquidity facility or line or letter of credit. The Airport may enter into a CP Credit Agreement (as defined in the Fifty-Sixth Supplement) to provide the Airport with liquidity with respect any future Series I Notes that the Airport may issue.

Additionally, in June 2021, the Cities authorized \$225,000,000 of Subordinate Lien Drawdown Bonds (“Drawdown Bonds”), pursuant to the Sixty-Second Supplemental Concurrent Bond Ordinance (the “Sixty-Second Supplement”). The primary intended use of this financing is to provide interim funding for two buildings being constructed and to be occupied by American Airlines (“AA”). The Airport plans to maintain such financing until each building is occupied by AA, at which time such debt will be refunded by Additional Obligations. The ongoing cost of these obligations plus a premium will be paid by AA to the Airport through a monthly lease payment.

As of September 30, 2021, Subordinate Lien Obligations totaling \$423,000,000 are outstanding, consisting of \$380,000,000 in Series I Notes and \$43,000,000 in Drawdown Bonds.

The Airport reserves the right to issue additional Subordinate Lien Obligations in additional forms. Subordinate Lien Obligations are payable from and secured by a pledge of Gross Revenues that is subordinate to the pledge securing the Bonds and the other Outstanding Obligations. For a description of Subordinate Lien Obligations, see **APPENDIX B - “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE - Additional Indebtedness - Subordinate Lien Obligations.”**

### **Special Revenue Bonds**

No Special Revenue Bonds are currently outstanding. In the event that the Cities issue Special Revenue Bonds in the future, such Special Revenue Bonds will be payable from and secured by a pledge of Special Revenues to support payment of such Special Revenue Bonds. Unless any portion of such Special Revenues are included as part of Gross Revenues under the provisions of an Additional Supplemental Indenture, none of such Special Revenues would be Gross Revenues and would not secure the Bonds. For a description of Special Revenue Bonds, see **APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE - Additional Indebtedness - Special Revenue Bonds.”**

### **Special Facilities Bonds**

No Special Facility Bonds are currently outstanding. In the event the Cities issue Special Facility Bonds in the future, each series of Special Facility Bonds will be payable solely from the rentals received in respect of each Special Facility pursuant to a Net Rent Lease. Any such Special Facility rentals would not be Gross Revenues and would not secure the Bonds. For a description of Special Facility Bonds: See **APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE - Additional Indebtedness - Special Facility Bonds.”**

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## OUTSTANDING OBLIGATIONS DEBT SERVICE REQUIREMENTS

Table 19 sets forth the pro forma debt service requirements for all Outstanding Obligations including the Bonds, the Series 2021B Bonds and the Series 2021C Bonds.

**Table 19**  
**Joint Revenue Debt Service Requirements<sup>(1) (2)</sup>**  
**(Unaudited)**

	Outstanding Obligations (1)			Series 2021A			Series 2021B			Series 2021C			Total	Net
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Debt Service	Debt Service
11/1/2022	216,695,000	183,438,095	400,133,095	-	8,347,170	8,347,170	13,285,000	12,846,990	26,131,990	4,780,000	17,017,365	21,797,365	56,276,525	456,409,619
11/1/2023	226,055,000	175,992,512	402,047,512	-	8,561,200	8,561,200	16,510,000	12,512,150	29,022,150	13,360,000	17,430,764	30,790,764	68,374,114	470,421,625
11/1/2024	229,285,000	168,563,502	397,848,502	4,925,000	8,561,200	13,486,200	18,400,000	11,686,650	30,086,650	24,790,000	17,346,596	42,136,596	85,709,446	483,557,948
11/1/2025	161,925,000	160,753,429	322,678,429	5,170,000	8,314,950	13,484,950	31,485,000	10,766,650	42,251,650	16,115,000	17,113,570	33,228,570	88,965,170	411,643,599
11/1/2026	175,245,000	155,270,812	330,515,812	5,430,000	8,056,450	13,486,450	29,250,000	9,192,400	38,442,400	23,880,000	16,929,859	40,809,859	92,738,709	423,254,520
11/1/2027	180,745,000	148,556,872	329,301,872	5,700,000	7,784,950	13,484,950	4,145,000	7,729,900	11,874,900	20,185,000	16,597,927	36,782,927	62,142,777	391,444,648
11/1/2028	183,755,000	140,980,481	324,735,481	5,985,000	7,499,950	13,484,950	4,345,000	7,522,650	11,867,650	30,460,000	16,299,189	46,759,189	72,111,789	396,847,269
11/1/2029	199,520,000	133,124,701	332,644,701	6,285,000	7,200,700	13,485,700	4,550,000	7,305,400	11,855,400	26,080,000	15,772,231	41,852,231	67,193,331	399,838,032
11/1/2030	203,340,000	124,520,540	327,860,540	6,600,000	6,886,450	13,486,450	4,770,000	7,077,900	11,847,900	35,850,000	15,292,359	51,142,359	76,476,709	404,337,249
11/1/2031	218,755,000	115,561,618	334,316,618	6,930,000	6,556,450	13,486,450	-	6,839,400	6,839,400	35,500,000	14,596,869	50,096,869	70,422,719	404,739,337
11/1/2032	243,365,000	106,138,457	349,503,457	7,275,000	6,209,950	13,484,950	-	6,839,400	6,839,400	25,300,000	13,872,669	39,172,669	59,497,019	409,000,476
11/1/2033	249,995,000	95,937,531	345,932,531	7,640,000	5,846,200	13,486,200	-	6,839,400	6,839,400	34,360,000	13,318,599	47,678,599	68,004,199	413,936,730
11/1/2034	255,975,000	84,522,380	340,497,380	8,020,000	5,464,200	13,484,200	-	6,839,400	6,839,400	29,460,000	12,514,575	41,974,575	62,298,175	402,795,555
11/1/2035	272,630,000	75,380,700	348,010,700	8,425,000	5,063,200	13,488,200	-	6,839,400	6,839,400	30,135,000	11,795,751	41,930,751	62,258,351	410,269,050
11/1/2036	160,285,000	65,612,023	225,897,023	8,760,000	4,726,200	13,486,200	-	6,839,400	6,839,400	26,265,000	11,030,322	37,295,322	57,620,922	283,517,945
11/1/2037	165,590,000	60,311,527	225,901,527	9,110,000	4,375,800	13,485,800	-	6,839,400	6,839,400	26,975,000	10,336,926	37,311,926	57,637,126	283,538,652
11/1/2038	175,215,000	54,633,528	229,848,528	9,475,000	4,011,400	13,486,400	-	6,839,400	6,839,400	28,805,000	9,508,793	38,313,793	58,639,593	288,488,121
11/1/2039	181,250,000	48,561,218	229,811,218	9,855,000	3,632,400	13,487,400	-	6,839,400	6,839,400	38,510,000	8,624,480	47,134,480	67,461,280	297,272,498
11/1/2040	183,440,000	42,426,145	225,866,145	10,250,000	3,238,200	13,488,200	-	6,839,400	6,839,400	44,455,000	7,442,223	51,897,223	72,224,823	298,090,968
11/1/2041	189,580,000	35,953,479	225,533,479	10,660,000	2,828,200	13,488,200	-	6,839,400	6,839,400	45,835,000	6,077,454	51,912,454	72,240,054	297,773,533
11/1/2042	196,070,000	29,412,686	225,482,686	11,085,000	2,401,800	13,486,800	-	6,839,400	6,839,400	47,235,000	4,670,320	51,905,320	72,231,520	297,714,205
11/1/2043	125,345,000	22,635,753	147,980,753	11,530,000	1,958,400	13,488,400	54,775,000	6,839,400	61,614,400	48,740,000	3,163,523	51,903,523	127,006,323	274,987,076
11/1/2044	149,595,000	17,840,953	167,435,953	11,990,000	1,497,200	13,487,200	56,970,000	4,648,400	61,618,400	18,010,000	1,608,717	19,618,717	94,724,317	262,160,270
11/1/2045	155,460,000	11,951,983	167,411,983	12,470,000	1,017,600	13,487,600	59,240,000	2,369,600	61,609,600	18,555,000	1,034,198	19,589,198	94,686,398	262,098,381
11/1/2046	38,420,000	6,202,550	44,622,550	12,970,000	518,800	13,488,800	-	-	-	13,865,000	442,294	14,307,294	27,796,094	72,418,644
11/1/2047	39,400,000	5,020,771	44,420,771	-	-	-	-	-	-	-	-	-	-	44,420,771
11/1/2048	40,405,000	3,810,385	44,215,385	-	-	-	-	-	-	-	-	-	-	44,215,385
11/1/2049	41,435,000	2,570,663	44,005,663	-	-	-	-	-	-	-	-	-	-	44,005,663
11/1/2050	42,500,000	1,300,875	43,800,875	-	-	-	-	-	-	-	-	-	-	43,800,875
Totals \$	4,901,275,000	\$ 2,276,986,169	\$ 7,178,261,169	\$ 196,540,000	\$ 130,559,020	\$ 327,099,020	\$ 297,725,000	\$ 182,570,890	\$ 480,295,890	\$ 707,505,000	\$ 279,837,563	\$ 987,342,563	\$ 1,794,737,473	\$ 8,972,998,642

<sup>(1)</sup> Excludes Refunded Bonds and November 1, 2021 interest payments

<sup>(2)</sup> Debt service has not been adjusted to reflect required monthly deposits of the Board under the Master Bond Ordinance

## Debt Service Coverage

The Airport’s Master Bond Ordinance (see “**SECURITY FOR THE BONDS—Rate Covenant**”) requires that the Airport establish rates and charges which are reasonably estimated to achieve the two debt service coverage ratios defined below. The Airport has added an additional coverage calculation for information purposes that includes net cash flows from sources that are not Gross Revenues. The computation of these ratios is summarized in Table 20.

**Gross Revenues** - The Master Bond Ordinance requires that the Airport set rates at levels to produce Gross Revenues sufficient to pay the operating expenses plus 1.25 times Accrued Aggregate Debt Service. This calculation includes the Rolling Coverage amount which is a Gross Revenue of the Airport.

**Current Gross Revenues** - The Master Bond Ordinance obligates the Airport to set rates at levels sufficient to produce Current Gross Revenues sufficient to pay operating expenses plus 1.0 times Accrued



Aggregate Debt Service. Current Gross Revenues differ from Gross Revenues in that they exclude transfers from the Capital Improvements Fund such as Rolling Coverage and the Annual Capital Transfer. See “**RATE SETTING - Airline Use Agreement Rate Model.**” In other words, Current Gross Revenues only include operating revenues from rates and charges, Special Revenues, plus interest income. The Use Agreement limits the Airport’s ability to significantly improve the Current Gross Revenue coverage ratio because it must use 75% of DFWCC Net Revenues in excess of the Upper Threshold to reduce landing fees. See “**RATE SETTING - Airline Use Agreement Rate Model.**”

All Sources - This coverage ratio adds other available net revenues not classified as Gross Revenues (e.g., PFIC net revenues and proceeds from natural gas royalties and the sale of land) to the Gross Revenue calculations. The ratio computation is presented both with and without Capital Improvements Fund transfers.

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**Table 20**  
**Debt Service Coverage**  
**(Unaudited, in millions)**

	Fiscal Year Ended September 30				
	2020	2019	2018	2017	2016
Coverage Calculation - Gross Revenues					
Operating Revenues					
Airfield cost center	\$ 167.5	\$ 184.1	\$ 196.9	\$ 166.2	\$ 151.5
Terminal cost center	378.4	402.8	347.5	306.4	272.1
DFW cost center (non-airline revenues)	208.9	332.9	322.4	306.3	289.3
Total Operating Revenues	\$ 754.8	\$ 919.8	\$ 866.8	\$ 778.9	\$ 712.9
Non-operating Revenues	121.1	165.1	148.1	158.4	148.7
Federal Relief Proceeds	144.1	-	-	-	-
Rolling coverage	119.6	125.0	116.8	103.8	90.0
Total Gross Revenues	\$ 1,139.6	\$ 1,209.9	\$ 1,131.7	\$ 1,041.1	\$ 951.6
Less Operating Expenses	(464.9)	(499.6)	(464.1)	(438.2)	(416.7)
Gross Revenues available for debt service	\$ 674.7	\$ 710.2	\$ 667.6	\$ 602.9	\$ 534.9
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9
Coverage ratio - Gross Revenues	1.41	1.42	1.42	1.45	1.49
Coverage Calculation - Current Gross Revenues					
Gross Revenues available for debt service	\$ 674.7	\$ 710.2	\$ 667.6	\$ 602.9	\$ 534.9
Less: Transfers and Rolling Coverage	(119.6)	(125.0)	(116.8)	(107.8)	(98.0)
Current Gross Revenues available for debt service	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9
Coverage ratio - Current Gross Revenues	1.16	1.17	1.17	1.19	1.21
Coverage Calculation - All Revenues Sources					
Current Gross Revenues available for debt service	\$ 555.1	\$ 585.3	\$ 550.8	\$ 495.1	\$ 437.0
Natural Gas Royalties, Investment Income, Other	12.7	30.4	11.4	17.9	14.6
PFIC <sup>(2)</sup>	4.0	73.3	26.2	25.8	23.8
All Current Revenues available for debt service	\$ 571.8	\$ 689.0	\$ 588.3	\$ 538.8	\$ 475.4
Debt Service	\$ 479.0	\$ 499.9	\$ 467.3	\$ 415.1	\$ 359.9
Coverage ratio - All Current Revenues	1.19	1.38	1.26	1.30	1.32
Coverage ratio - All Current Revenues plus Capital					
Transfers and Rolling Coverage	1.44	1.63	1.51	1.56	1.59

\* Non-operating revenues include PFC revenues from the current year plus amounts transferred from the PFIC amount to pay eligible debt service.

<sup>(1)</sup> Coverage adjustment for \$3.4 changed FY 2015 baseline to \$270.2.

<sup>(2)</sup> PFIC coverage calculation added in FY 2019. The PFIC received a one-time \$40 million revenue in Fiscal Year 2019 for Campus West

## RETIREMENT PLANS

### Retirement Plans-Defined Benefit Plan

The Airport has two fiduciary defined-benefit pension plans covering approximately half of all active Airport employees: the Employees of Dallas Fort Worth International Airport Retirement Plan (“Employee Plan”) and the Department of Public Safety Retirement Plan (the “DPS Plan” and together with the Employee Plan, the “Retirement Plans”). Both Retirement Plans are single-employer public employee retirement system plans in which the assets are held in an investment trust. Employees vest after five years of service and are eligible for early retirement at ages 55-61 and full retirement benefits at age 62 and older. Pension benefits increase by a cost of living adjustment each January 1.

Employee Plan - All regular employees hired prior to January 1, 2010, other than DPS officers, are covered by the Employee Plan. Benefits vest after five years of service. Airport employees who retire are entitled to an annual retirement benefit, payable monthly for life in an amount equal to a percentage of final average monthly compensation times credited service plus an annual cost of living adjustment (as defined by the Employee Plan). Employees can also elect a limited lump-sum distribution. The Employee Plan also provides early retirement, death, and disability benefits.

As of January 1, 2010, the Employee Plan was closed to new employees. New employees are hired under a 401(a) plan.

DPS Plan - The DPS Plan was established effective October 1, 1999, when the assets and liabilities accrued by public safety officers eligible for the DPS Plan prior to October 1, 1999, were transferred from the Employee Plan to the DPS Plan in compliance with the requirements of IRS Code Section 414(1). DPS officers contribute 7% of their salary to the Plan. The public safety officers who retired or terminated employment prior to October 1, 1999, were not eligible for the DPS Plan and will continue to receive their benefits, if any, from the Employee Plan.

The DPS Plan permits early retirement at ages 55 to 61, or upon satisfaction of the “Rule of 80.” The “Rule of 80” is the attainment of age 50 and the completion of the number of years of benefit service that when added to the participant’s age equals the sum of 80. All Public Safety Officers employed by the Airport are permitted early retirement upon the satisfaction of the “25 Year Rule.” The “25 Year Rule” is the attainment of 25 years of service within the Public Safety department.

DPS officers receive pension benefits in the form of a qualified joint and survivor annuity; however, an employee may request optional forms of pension benefit payments upon written request to the Plan Administrator. Other forms of payment of accumulated plan benefits include lump-sum distribution upon retirement or termination or equal monthly payments for life.

The Airport determines each Retirement Plans’ funding policy. Historically, the Airport has contributed an amount equal to the actuarially determined pension benefit cost for the year. In some years, however, the Airport funds additional contributions to help retire the unfunded liability sooner. The Airport funded an additional \$2.9 million in Fiscal Year 2018 and \$2.7 million in Fiscal Year 2019 and \$10 million in Fiscal Year 2021 over the actuarially determined pension benefit cost to the defined benefit plans. The incremental contribution in Fiscal Year 2021 was made to partially offset the impact of the early retirement package on the unfunded actuarial liability of the Employee Plan. A total of 212 employees out of 346 eligible employees took the early retirement package and have retired effective September 30, 2021. The Airport plans to backfill approximately 80% of these positions. DPS employees were not eligible for the package. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the actuarial accrued liability.

Both pension plans provide that employees with five or more years of service are entitled to annual pension benefits, beginning at normal retirement age of 62, equal to a certain percentage of their final average monthly compensation for each year of credited service, less a certain percentage of anticipated primary insurance benefits. The final average monthly compensation is determined by utilizing the average monthly rate of compensation of the last 36 completed months immediately prior to the date of service termination.

Employer contributions are generally made annually and recognized as additions in the period in which employee services are performed. Employee contributions are required for the DPS Plan, but not permitted for the Employee Plan.

The actuarially determined contribution requirements for the Retirement Plans are computed through an actuarial valuation performed as of January 1 each year. The annual actuarial valuation is performed to determine the adequacy of current contribution rates, to describe the current financial condition of the Plans and to analyze changes in the Plans' condition.

A copy of the "Actuarial Valuation Report for the Year Beginning January 1, 2020" for each Plan is available on the Airport's website at <http://www.dfwairport.com/investors>. Information provided by the Airport on its website is not a part of the Cities' continuing disclosure obligations under its Continuing Disclosure Agreement relating to the Bonds. This reference to the Airport's website is for informational purposes only, and neither the website nor the information contained on such website shall be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport's website.

### **Defined Contribution Plan**

All regular employees hired after January 1, 2010, are enrolled in a defined contribution plan. DFW has agreed to match employee contributions up to 7%. Employees are required to contribute 1%-3% of their pay based on years of employment. Employees are eligible to contribute more, up to IRS limits. Employees vest in the defined contribution plan equally over five years.

### **Other Post-Employment Benefits**

In addition to pension benefits, the Airport provides certain other post-employment benefits for retired employees ("OPEB"). Specifically, the Airport allows qualified retired employees to participate in the Airport's health insurance plans and provides a premium subsidy for those employees. These benefits apply only to retired employees ages 65 or younger who meet certain eligibility criteria, and provide a maximum premium benefit per employee of \$400 per month. The OPEB plan is administered by the Airport's Executive Vice President of Administration and Diversity and the Vice President of Human Resources. The assets are managed by the Airport's Retirement Committee. All assets are held in a Section 115 Trust.

As part of the early retirement package, employees taking the package were eligible for one year of OPEB benefits.

A copy of the "DFW Airport Retiree Health Care Plan - Actuarial Valuation Report as of January 1, 2020" is available on the Airport's website <http://www.dfwairport.com/investors>. Information provided by the Airport on its website is not a part of the Cities' continuing disclosure obligations under its Continuing Disclosure Agreement relating to the Bonds. This reference to the Airport's website is for informational purposes only, and neither the website nor the information contained on such website shall

be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport’s website.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

The Airport has been focused on environmental, social and governance goals for many years. The Airport’s Strategic Plan and social and environmental programs support the United Nations Sustainable Development Goals (SDG). The Airport’s programs and initiatives advance 14 of the 17 SDGs identified by the United Nations. The Airport has issued an annual ESG report since Fiscal Year 2016. The DFW Strategic Plan clearly identifies DFW’s environmental, social and governance objectives and initiatives. The following information is included in the Airports 2020 ESG Report.

The Airport is the largest carbon neutral airport in the world and is one of only two carbon neutral airports in North and South America. DFW has received the Airport Carbon Accreditation Level 4+ certification. The Airport has reduced its absolute carbon emissions 79% since 2010 and 56% of its natural gas use is from renewable sources. DFW purchases 100% of its electricity from Texas wind farms and has achieved a 675 million gallon reduction in potable water usage since 2012. DFW is committed to be a net zero carbon airport by 2030 and has a detailed plan to achieve this goal. The reduction plan is highlighted on a net zero carbon video presentation that is included on DFW’s website.

With respect to DFW’s social goals in 2020, the Airport has been on a diversity, equity and inclusion journey for 20 years. DFW has achieved 65% workforce diversity for women and has established seven Employee Resource Groups – ERGs (for African American, future leaders, Hispanic, Asian American, veteran, women and LGBT+ employees) to encourage employees to connect with their peers around shared interests, issues and common backgrounds. Twenty-four percent of all DFW employees are active in an ERG, compared to a national average of 16%. The Airport also exceeded each of its diversity expenditure goals in Fiscal Year 2020 as shown in the following table:

Diversity Expenditures Fiscal Year 2020			
	Percent Goal	Percent Achieved	Diversity Spend (Ms)
Goods and Services	20%	25%	\$263
Construction (Small Business Enterprise)	20%	52%	\$2
Construction (Minority Business Enterprise)	25%	44%	\$183
Construction (M/WBE)	35%	42%	\$141
A&E/Construction (Disadvantaged Business Enterprise)	15%	28%	\$70
All Expenditure Categories			<u>\$658</u>
Concessions Revenues	33%	43%	\$284

DFW’s 2020 ESG report, the net zero emissions video presentation and the Airport’s most recent Strategic Plan can be found on the Airport’s Investors website. The references to the Airport’s website in this section is for informational purposes only, and neither the website nor the information contained on the website shall be deemed incorporated herein by reference. Neither the Airport nor the Cities are obligated to continue to provide information on the Airport’s website.

## RISK MANAGEMENT AND INSURANCE

The Master Bond Ordinance requires the Airport to maintain insurance in amounts and against such losses or damages as are customarily insured by the owners of similar properties. **See APPENDIX B “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE-Particular**

**Covenants-Casualty Insurance.”** The Airport annually determines the type, amount and extent of coverage following consultation with an Independent Insurance Consultant or the Risk Manager.

In accordance with this covenant, the Airport, with the assistance of an insurance brokerage firm, conducted a review of the Airport’s Property Insurance Program. The review concluded that the Airport’s total property assets are valued at approximately \$7.7 billion. The Airport has procured an “all risks” property policy with American Home Assurance Company of New York, NY (AIG), an A.M. Best A+ rated carrier. The policy protects the Airport from any fortuitous loss, including business interruption, with a coverage limit of liability and time element losses of \$2 billion per occurrence with a deductible of \$250,000. The total annual premium for this policy is approximately \$8.7 million. The Airport conducted a survey and has determined that the amount and scope of the Airport’s insurance is comparable to that acquired by similar sized public entities and/or airports.

The Airport carries a full line of insurance coverages, including cyber, environmental, liability, commercial, workers’ compensation, and errors and omissions. A full list with coverages are included in the Airport’s Financial Statement which has been incorporated herein. See “**APPENDIX C — ANNUAL FINANCIAL REPORT.**”

## **THE AIRLINES**

Certain of the airlines (or their respective parent corporations) are subject to the information reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith file reports and other information (collectively, the “SEC Reports”) with the Securities and Exchange Commission (the “SEC”). Only companies with securities listed on a national securities exchange or registered under § 12(g) of the Exchange Act, or companies which are required to file with the SEC under § 15(d) of the Exchange Act, are required to file with the SEC pursuant to the information reporting requirements and will have information on file. Certain information, including financial information, as of particular dates, concerning each such Airline (or their respective parent corporations) is included in the SEC Reports. The SEC Reports can be inspected in the Public Reference Room of the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549, and at the SEC’s regional office at 500 West Madison Street, Suite 1400, Chicago, IL 60661 and copies of such SEC Reports can be obtained from the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. The SEC maintains a web site at [www.sec.gov](http://www.sec.gov). In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the United States Department of Transportation (“DOT”). Such reports can be inspected at the following location: DOT Dockets Office, Research and Innovative Technology Administration, Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, DC 20590, and copies of such reports can be obtained from DOT at prescribed rates. In addition, further information regarding American Airlines, the predominant carrier servicing the Airport, may be found at its web site: [www.aa.com](http://www.aa.com). Foreign flag airlines also provide certain information concerning their operations and financial affairs, which may be obtained from the respective airline.

Any significant financial or operational difficulties incurred by American Airlines, or the elimination or reduction of the Airport’s status as a connecting hub for American Airlines, could have a material adverse effect on the Airport. Financial or operational difficulties by any of the other airlines may also, whether directly or indirectly, have an adverse impact on Gross Revenues or Airport operations, the effect of which may be material. For an examination of the airlines’ present situation and the relative presence of each airline at the Airport, see the sources outlined in “**THE AIRLINES**” above. See also “**CERTAIN INVESTMENT CONSIDERATIONS.**” Expiration of Airline Use Agreements See “**SECURITY FOR THE BONDS – AIRLINE AGREEMENTS**” regarding the expiration of the Use Agreements on September 30, 2021 and the month-to-month extension thereof.

## **FEDERAL REGULATIONS REGARDING RATES AND CHARGES DISPUTES**

In August 1994, the President of the United States signed into law the FAA Authorization Act of 1994 (the “1994 Act”) which continues the pre-existing federal requirement that airline rates and charges set by airports be “reasonable” and mandates an expedited administrative process by which the Secretary of Transportation (the “Secretary”) shall review rates and charges complaints, 49 U.S.C. § 47129. Under 49 U.S.C. § 47129, an affected air carrier may file a written complaint requesting a determination of the Secretary as to reasonableness within 60 days after such carrier receives written notice of the establishment or increase of such fee. During the pendency of the review, the airlines must pay the disputed portion of the fee to the airport under protest, subject to refund to the extent such fees are found to be unreasonable by the Secretary. The airport must obtain a letter of credit, surety bond or other suitable credit facility equal to the amount in dispute unless the airport and the complaining carriers agree otherwise. In January 1995, pursuant to the 1994 Act, the DOT issued a rule which was amended effective December 16, 1996 (the “Final Rule”), outlining the rules of practice for filing complaints and adjudicating complaint matters involving federally assisted airports. This Final Rule is broader in application and covers matters other than just rates and charges complaints. The initial rule was accompanied by a policy statement setting forth the standards DOT would apply to resolving airport fee disputes under 49 U.S.C. § 47129. The initial policy statement was supplemented in September of 1995 and replaced on June 14, 1996, by the “Policy Regarding Airport Rates and Charges.” In an August 1, 1997, decision, the U.S. Court of Appeals for the District of Columbia Circuit invalidated that part of the policy that required airports to value their airfield assets at historical costs in calculating airfield use fees. Until DOT promulgates a new policy regarding airfield rates and charges, the guiding principle for determining the validity of rates and charges for use of airfield assets is the requirement of federal law that such charges be “reasonable.”

## **FEDERAL GRANTS-IN-AID**

The Airport and Airway Improvement Act of 1982 created the Airport Improvement Grant Program (“AIGP”), which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Funds are appropriated on a regional basis. Grants for approved eligible projects are available to airport operators in the form of “entitlement” funds and “discretionary” funds. Entitlement funds, which are distributed first, are apportioned annually based upon a formula using the number of enplaned passengers and cargo landing weights. The amount of entitlement funds computed for each airport is reduced if a Passenger Facility Charge is levied. The amount remaining after the distribution of entitlement funds are considered discretionary funds and are available to fund approved projects at the discretion of the regional FAA office, based upon a regional priority system. Discretionary Funds may, upon approval by the FAA, be granted under a Letter of Intent (LOI), which promises, based on a schedule of annual payments, future discretionary funding. In the Fiscal Year ending September 30, 2020 the Airport was awarded \$9.2 million of entitlement grants, \$15 million under a LOI grant for End Around Taxiways and \$5 million in discretionary grants. No assurances can be given that federal grants in aid will actually continue or be received in the amount or at the time contemplated by the Airport.

## **CERTAIN INVESTMENT CONSIDERATIONS**

### **General**

The principal of and interest on the Bonds is payable pursuant to the Master Bond Ordinance solely from the Pledged Revenues and Pledged Funds. The ability to pay debt service on the Bonds will depend on the receipt of sufficient Gross Revenues.

The Airport's ability to generate Gross Revenues depends primarily upon sufficient levels of aviation activity and passenger traffic at the Airport. The achievement of passenger traffic will depend partly on the profitability of the airline industry, including their ability to access capital and the ability of individual airlines to provide sufficient capacity to meet demand. A weak economy, war, pandemic illness, geophysical event, and the threat of terrorist activity reduce demand. A reduction in passenger traffic would result in a reduction in PFCs and passenger related non-airline revenues such as concessions, parking and rental car revenues. A decrease in aviation activity at the Airport would likely result in an increase in landing fees and terminal rentals to pay for the Airport's cost of providing these services as required by the Use Agreements. As landing fees and terminal rentals rise, airlines could elect to discontinue service at the Airport. A continued reduction in the number of airlines operating at the Airport could have an adverse impact on the Airport's competitiveness.

In considering the matters set forth in this Official Statement, prospective purchasers should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider certain risks associated with the Bonds. There follows a discussion of some, but not necessarily all, of the possible considerations and risks which should be carefully evaluated by prospective purchasers of the Bonds prior to purchasing any Bonds. The Bonds may not be suitable investments for all persons. Prospective purchasers should evaluate the risks and merits of an investment in the Bonds and should confer with their own legal, tax and financial advisors before considering a purchase of the Bonds.

## **COVID-19**

See **"IMPACT OF COVID-19 PANDEMIC ON THE AIRPORT"** above for risks associated with the Bonds resulting from the COVID-19 pandemic.

## **Expiration of Airline Use Agreements**

See **"SECURITY FOR THE BONDS – AIRLINE AGREEMENTS"** regarding the expiration of the Use Agreements on September 30, 2021 and the month-to-month extension thereof.

## **American Airlines' Dominance at Airport**

American Airlines is the dominant carrier operating at the Airport, which serves as a primary hub in American Airlines' global route system. For the Fiscal Year 2020, American Airlines, together with its affiliate, American Eagle, accounted for approximately 87% of passenger enplanements at the Airport, and approximately 75.4% of total landed weights at the Airport. No other airline accounted for more than 4% of passenger enplanements or more than 6% of total landed weights at the Airport for Fiscal Year 2020. See Table 6 — Total Domestic and International Enplanements Statistics.

Any significant financial or operational difficulties incurred by American Airlines, or the elimination or reduction in the Airport's status as a connecting hub for American Airlines, could have a material adverse effect on the Gross Revenues of the Airport. See **"CERTAIN INVESTMENT CONSIDERATIONS—General."** In the event American Airlines discontinues or reduces its operations at the Airport, American Airlines' current level of activity may not be replaced by other carriers resulting in higher airline fees to use the Airport's facilities. For an examination of American Airlines' present situation, see the sources outlined in **"THE AIRLINES"** above.



## Competition

**General.** The Cities of Dallas and Fort Worth each own and operate other airports (the “Other Airports”) that provide various aviation and air carrier services in the Dallas-Fort Worth metropolitan area. Such Other Airports consist of Dallas Love Field Airport (“Love Field”), Fort Worth Alliance Airport (“Alliance”), Meacham International Airport (“Meacham”), Fort Worth Spinks Airport and Dallas Executive Airport (formerly known as Redbird Airport). The revenues of the Other Airports are not pledged to the payment of or as security for any bonds of any type that are issued in relation to the Airport. In addition, general aviation, business and charter operations are conducted at Addison Airport, owned by the Town of Addison. No commercial passenger air service is currently provided at Fort Worth Alliance Airport, Meacham International Airport, Fort Worth Spinks Airport, Dallas Executive Airport or the Addison Airport.

The Airport also competes with other large airports across the United States to serve as a hub in the routing system for major airlines and as an international gateway for international travel. Some of the factors that impact the Airport’s ability to compete with regional, national and international airports are geographic location, airport infrastructure and metropolitan population.

There can be no assurance that the Airport will continue to successfully compete with other airports for air passenger service and passenger market share. A significant loss of passengers and/or flights at the Airport could have a material adverse effect on Airport operations. See “**CERTAIN INVESTMENT CONSIDERATIONS—General.**”

**Love Field Airport.** Scheduled non-stop passenger service is currently provided at Love Field, located approximately five miles from downtown Dallas. Love Field is also the base for private, general and corporate aviation activities and aircraft repair and finish-out facilities.

Love Field has one terminal building with 20 gates and one 7,700-foot and one 8,800-foot runways. Currently, 18 gates are leased by Southwest Airlines and two gates are leased by Alaska Airlines and shared with Delta Airlines. In calendar year 2020, Love Field had 170,162 aircraft operations and hosted 7.7 million total passengers.

**Alliance Airport.** Alliance is part of a 26,000-acre master planned mixed use development located within Tarrant and Denton Counties, Texas. Alliance consists of 9,600 acres and offers multi-modal transportation access. Elements of this port include BNSF Railway’s international rail hub, Federal Express’ southwest regional sort hub, a UPS ground hub, and a Foreign Trade Zone. Recently, Amazon announced a new regional air hub at Alliance and has started construction. Alliance has two 11,000-foot parallel runways. Alliance is not certified to provide air carrier passenger service.

**Meacham International Airport.** Meacham, a Fort Worth owned and operated general aviation airport, is certified for passenger service and available for charters. Meacham has one 7,500-foot runway, one 4,000-foot runway and one 3,700-foot runway. No commercial air carriers operate out of Meacham at this time.

## Passenger Facility Charges

**Application.** While the Outstanding Obligations, including the Bonds, are not secured by or payable from PFC Revenues, PFC Revenues are required, pursuant to PFC Application 10 and the Use Agreements, to be used to pay debt service on the Outstanding Obligations. A decrease in the collection of PFC revenues would result in a significant increase in airline cost. See “**OPERATIONAL**

## **INFORMATION — Passenger Facility Charges” and “CERTAIN INVESTMENT CONSIDERATIONS—General.”**

**Sufficiency.** The amount of PFC revenues collected in any given year will vary depending on the actual number of passengers enplaned at the Airport. If the number of enplaned passengers at the Airport falls below certain estimates, the actual PFC revenues will fall short of certain projections (unless the dollar amount of PFCs increases). For a discussion of the possible impact of a decrease in enplaned passengers see “**CERTAIN INVESTMENT CONSIDERATIONS—General.**” There can be no assurance as to what passenger traffic and revenues of the Airport will be in the future.

**Availability.** The authority to impose and use PFCs is subject to the terms and conditions of the PFC Act, AIR-21 and the related regulations and statutes. Failure to comply with the requirements of applicable law, such as the failure to use PFCs strictly for the approved PFC eligible projects, may cause the FAA to terminate or reduce the Airport’s authority to impose and collect PFCs. In addition, notwithstanding FAA regulations requiring airlines that collect PFCs to account for PFC collections separately and indicating that those PFC collections are to be regarded as funds held in trust by the collecting airline for the beneficial interest of the public agency imposing the PFC, in the event of a bankruptcy proceeding involving a collecting airline, though it has not been the case at the Airport in connection with prior airline bankruptcies, there is the possibility that a bankruptcy court could hold that the PFCs in the airline’s custody are not to be treated as trust funds and that the Airport is not entitled to any priority over other creditors of the collecting airline as to such funds. Airport management believes that any uncollected PFCs held by current bankrupt airlines operating at the Airport are not material to the continued operation of the Airport. Also, there is no assurance that the PFC Act or any other relevant legislation or regulation will not be repealed or amended as to adversely affect the Airport’s ability to collect PFCs or to apply them to pay for the prior capital development program and other projects. The occurrence of any of these events could have an adverse impact on the timely payment of principal of or interest on the Bonds, as noted above. See “**CERTAIN INVESTMENT CONSIDERATIONS—General.**”

### **Airline Industry**

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

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, the economic recession of 2008 and 2009, pandemics like COVID-19 and/or operational issues that ground types of aircraft such as the 737 Max. Other business decisions by airlines, such as the reduction or elimination of service to unprofitable markets, increasing the use of smaller, regional jets, and changing

hubbing strategies, have also affected air traffic at the Airport and could have a more pronounced effect in the future.

The following are just a few of the factors affecting the airline industry including regional and national economic conditions, costs of aviation fuel, international conflicts and threats of terrorism, and structural changes in the travel market.

**Economic Conditions.** Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. Unfavorable conditions in these economies have resulted, and may result in the future, in decreased passenger demand for air travel, a reduction in cargo flights and other adverse impacts on the air transportation industry.

**Availability and Cost of Aviation Fuel.** Airline earnings are significantly affected by changes in the price of aviation fuel. According to the Air Transport Association, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policies, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather.

**International Conflict and the Threat of Terrorism.** The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Airport cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines operating at the Airport from such incidents or disruptions.

**Structural Changes in the Travel Market.** Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

**Uncertainties of the Airline Industry.** The Airport's ability to derive Gross Revenues from its operation of the Airport depends on many factors, many of which are not subject to the Airport's control. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Use Agreements.

The financial strength and stability of airlines serving the Airport are key determinants of future airline traffic. In addition, individual airline decisions regarding level of service, particularly hubbing activity, at the Airport will affect total enplanements. No assurance can be given as to the levels of

aviation activity that will be achieved by the Airport. There is no assurance that the Airport, despite a demonstrated level of airline service and operations, will continue to maintain such levels in the future.

The continued presence of the airlines serving the Airport, and the levels at which that service will be provided, are a function of a variety of factors. Future airline traffic of the Airport will be affected by, among other things, the growth or decline in the population and the economy of the Airport Service Region and by national and international economic conditions, acts of war and terrorism, federal regulatory actions, airline service, air fare levels and the operation of the air traffic control system. See “THE AIRLINES.”

**Effect of Bankruptcy on Use Agreements.** When a Signatory Airline seeks protection under the bankruptcy laws, such airline or its bankruptcy trustee must determine whether to assume or reject its agreements with the Airport (1) with regard to non-residential real property leases (including the Use Agreements) by the earlier of (i) 120 days after the date of the order for relief (unless extended by the court for an additional 90 days for cause), or (ii) entry of the order confirming a plan, or (2) prior to the confirmation of a plan of reorganization with respect to any other agreement. In the event of assumption, the airline would be required to cure any defaults and to provide adequate assurance of future performance under the applicable Use Agreement or other agreements. Rejection of a Use Agreement or other agreement or executory contract would give rise to an unsecured claim of the Airport for damages, the amount of which in the case of a Use Agreement or other real property lease agreement is limited by the Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (a) one year of rent or (b) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a Use Agreement or other agreement could be considerably less than the maximum amounts allowed under the Bankruptcy Code. Except for costs allocated to such airline for usage and rental of the terminal, concourse and ramps, amounts unpaid as a result of a rejection of a Use Agreement or other agreement in connection with an airline in bankruptcy, such as airfield costs and costs associated with the baggage claim area, would be passed on to the remaining Signatory Airlines under their respective Use Agreements, although there can be no assurance that such remaining airlines would be financially able to absorb the additional cost. Additionally, during the pendency of a bankruptcy proceeding, a debtor airline may not, absent a court order, make any payments to the Airport on account of goods and fees.

## **Cyber Security**

The Airport requires the secure processing and storage of sensitive information relating to the Airport’s customers, employees, business partners and others. However, like any enterprise operating in today’s digital environment, the Airport is subject to threats to the security of its networks and data, including threats potentially involving criminal hackers, hacktivists, state-sponsored actors, employee malfeasance, and human or technological error. These threats continue to increase as the frequency, intensity and sophistication of attempted attacks and intrusions increase around the world. The Airport has been the target of cybersecurity attacks in the past and it is expected that it will continue to be in the future.

Furthermore, in response to these threats there has been heightened legislative and regulatory focus on data privacy and cybersecurity. This regulatory environment is increasingly challenging and may present material obligations and risks to the Airport’s business, including significantly expanded compliance burdens, costs and enforcement risks. In addition, many of the Airport’s commercial partners, including credit card companies, have imposed data security standards that the Airport must meet. In particular, the Airport is required by the Payment Card Industry Security Standards Council, founded by the credit card companies, to comply with their highest level of data security standards. While the Airport

continues its efforts to meet these standards, new and revised standards may be imposed that may be difficult for the Airport to meet and could increase the Airport's costs.

A significant cybersecurity incident could result in a range of potentially material negative consequences for the Airport, including unauthorized access to, disclosure, modification, misuse, loss or destruction of systems or data; theft of sensitive, regulated or confidential data, such as personal identifying information; the loss of functionality of critical systems through ransomware, denial of service or other attacks; and business delays, service or system disruptions, damage to equipment and injury to persons or property. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. The constantly changing nature of the threats means that the Airport may not be able to prevent all data security breaches or misuse of data. Similarly, the Airport depends on the ability of its key commercial partners, including airlines and technology vendors, to conduct their businesses in a manner that complies with applicable security standards and assures their ability to perform on a timely basis.

In addition, the costs of operation consequences of defending against, preparing for, responding to and remediating an incident of cybersecurity breach may be substantial. As cybersecurity threats become more frequent, intense and sophisticated, costs of proactive defense measures may increase. Further, the Airport could be exposed to litigation, regulatory enforcement and other legal action as a result of an incident, carrying the potential for damages, fines, sanctions or other penalties, as well as injunctive relief requiring costly compliance measures. A cybersecurity incident could also impact the Airport's brand, harm its reputation and adversely impact the relationship with the Airport's customers, airlines, government partners, and employees. Failure to appropriately address these issues could also give rise to potentially material legal risks and liabilities. The airlines serving the Airport and other Airport tenants, as well as the FAA and TSA, also face cybersecurity threats that could affect their operations and finances.

### **Conflict and Terrorism**

Acts of terrorism or fear of such attacks, including elevated national threat warnings, wars or other military conflicts, may depress air travel, particularly on international routes, and cause declines in passengers and increases in costs. The attacks of September 11, 2001 on the United States and continuing terrorist threats, attacks and attempted attacks materially impacted and continue to impact air travel. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Increased security procedures introduced at airports since the attacks of September 11, 2001, and any other such measures that may be introduced in the future generate higher operating costs. The Aviation and Transportation Security Act mandated improved airport perimeter access security, enhanced security screening of passengers, baggage, cargo, mail, employees and vendors, enhanced training and qualifications of security screening personnel, and enhanced background checks. The Airport has at times found it necessary or desirable to make significant expenditures to comply with security-related requirements while seeking to reduce their impact on the Airport's customers, such as expenditures for automated security screening lines. In addition, the Airport cannot forecast what new security requirements may be imposed in the future, or their impact on the Airport's customers and business.

### **Technological Innovations in Ground Transportation**

One significant source of non-airline revenues is generated from ground transportation activity, including use of on-airport parking facilities; trip fees paid by taxi, limousine and TNCs; shared rides; and

rental car transactions by Airport passengers. While passenger levels are increasing, the relative market share of these sources of revenue is shifting from parking at the airport, parking off airport, and traditional taxis and limousines to TNCs (See Table 10 comparing parking and total ground transportation revenue.) The Airport charges different fees and makes different profits from each product. There can be no assurance that passengers will not choose to utilize TNCs instead of parking or using rental cars in the future, which could result in a reduction in ground transportation revenues.

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

### **Unmanned Aerial Vehicles**

With the proliferation of inexpensive, commercially available, unmanned aerial vehicles ("UAVs"), or drones, the threat that unauthorized and unsafe UAV operations near airports could adversely affect the safety or security of U.S. airports and arriving or departing aircraft has increased significantly in recent years. Recent incursions of airport airspace by UAVs have disrupted airport operations by causing flights to be halted or diverted. London's Gatwick Airport was closed for 27 hours, impacting some 140,000 passengers and causing roughly 1000 flights to be delayed or canceled between December 19 and 21, 2018 due to drone incursions. An unauthorized UAV incursion at the Airport could result in the temporary delay or cancellation of flights to or from the Airport as well as harm the Airport's brand, reputation and its relationships with the Airport's customers, airlines and government partners. Although UAVs are regulated by the FAA and federal law prohibits the Airport from disrupting UAV operations or undertaking counter UAV measures, the Airport is working closely with the FAA to develop measures to prevent unauthorized UAV activity from adversely affecting the Airport. There can be no assurance, however, that in the future, unauthorized UAV activity will not adversely affect Airport operations.

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

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Use Agreements, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. The Airport also has been required to implement enhanced security measures mandated by the FAA, DHS and Airport management.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Cities or the Airport, or whether such restrictions or legislation or regulations would adversely affect Gross Revenues.

## **Future Capital Projects and Indebtedness**

As described under “CAPITAL PROJECTS,” there are numerous Airport capital projects planned or underway including the Terminal C Renovation/Piers Program and the Infrastructure Capital Program. The Airport expects that if these projects are added to the long-term capital plan it will require the issuance of additional indebtedness. The Airport may also undertake additional capital projects that are not summarized in this Official Statement.

## **Limitations on Remedies**

The Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation on the occurrence or continuance of an Event of Default. Upon the occurrence or continuation of an Event of Default, a Bondholder would only be entitled to principal and interest payments on the Bonds as they come due. Under certain circumstances, Holders of the Bonds may not be able to pursue certain remedies or enforce covenants contained in the Master Bond Ordinance. See “SECURITY FOR THE BONDS—Enforceability; Bondholders Remedies.”

## **Alternative Financing Options**

From time to time, Airport management evaluates various alternative financing options and possible long term lease agreements relating to its assets and various business operations. Airport management is not actively pursuing any such transactions.

## **LITIGATION**

There is no litigation, regulatory action or other claim or proceeding pending or, to the knowledge of the Airport or the Cities, threatened, which would have a material, adverse impact on the Airport, the Board, or the Bonds.

## **RATINGS**

Fitch Ratings, Inc. (“Fitch”), Kroll Bond Rating Agency, Inc. (“KBRA”), and Moody’s Investors Service, Inc. (“Moody’s”), have assigned their municipal bond ratings of “\_\_\_,” “\_\_\_,” and “\_\_\_,” respectively, on the Bonds.

None of the Cities, the Airport or the Underwriters makes any representation as to the meanings of such ratings. An explanation of the significance of each rating may be obtained from the rating agencies at their respective addresses as follows: Fitch by writing to Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004; KBRA by writing to Kroll Bond Rating Agency, Inc., 805 Third Avenue, 29th Floor, New York, New York 10022; and Moody’s by writing to Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The ratings are not recommendations to buy, sell or hold the Bonds. There is no assurance that such ratings will be maintained for any period of time or that such ratings will not be withdrawn or revised downward by one or more of such rating agencies if, in their judgment, circumstances so warrant. Such actions, if taken, could have an adverse effect on the market price of the Bonds. The Cities and the Airport have undertaken no responsibility to ensure the maintenance of the ratings or to oppose any revisions or withdrawals.

## **TAX MATTERS**

### **General**

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Bonds and is based on the Internal Revenue Code of 1986 (the “Code”), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service (“IRS”) and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the “U.S. dollar”. This summary is further limited to investors who will hold the Bonds as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term “U.S. Holder” means a beneficial owner of a Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term “Non-U.S. Holder” means a beneficial owner of a Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF BONDS IN LIGHT OF THE HOLDER’S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY



ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

### **Certain U.S. Federal Income Tax Consequences to U.S. Holders**

*Periodic Interest Payments and Original Issue Discount.* The Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Bonds or original issue discount, if any, accruing on the Bonds will be includable in “gross income” within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

*Disposition of Bonds.* An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner’s tax basis in the Bonds. Generally, a U.S. Holder’s tax basis in the Bonds will be the owner’s initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Bonds has been held for more than one year.

*Defeasance of the Bonds.* Defeasance of any Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

*State, Local and Other Tax Consequences.* Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Bonds. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS

### **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the withholding or backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

### **Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders**

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Series B Bond, will not be subject to U.S. federal income or withholding tax in respect of such Bond, provided that such Non-U.S. Holder complies,

to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

## **FINANCIAL STATEMENTS**

The Airport's Financial Report, including the Independent Auditor's Report of Deloitte & Touche LLP, Management's Discussion and Analysis and Basic Financial Statements for the Fiscal Year ended September 30, 2020 (the "Financial Report") has been filed with the Municipal Securities Rulemaking Board ("MSRB") and is available from the MSRB's Electronic Municipal Market Access system (commonly known as "EMMA" by navigating to the following link to EMMA and selecting the "Financial Disclosure" tab: <https://emma.msrb.org/P31419730-P31102587-P31512732.pdf>). The Financial Report, is incorporated herein by reference as stated under the caption "Annual Financial Report" in Appendix C hereto.

Deloitte & Touche LLP has not performed any procedures on the Airport's Financial Statements since the date of its Independent Auditor's Report, and has not performed any procedures on any other financial information of the Airport, including without limitation any of the information contained in this Official Statement, and has not been asked to consent to the inclusion of its Report, or otherwise be associated with this Official Statement.

## **LEGAL COUNSEL**

All legal matters incident to the validity and enforceability of the Bonds, including their authorization, issuance and sale by the Cities, are subject to the approval of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, and West & Associates, L.L.P., Dallas, Texas, Co-Bond Counsel. The delivery of the Bonds is subject to the delivery by Co-Bond Counsel of its opinion substantially to the effect set forth in the form attached hereto as **APPENDIX A**. In its capacity as Co-Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Master Bond Ordinance. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon the Cities and the Airport by Bracewell LLP, Dallas, Texas and Hardwick Law Firm, LLC, Dallas, Texas, Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Kelly Hart & Hallman LLP, Fort Worth, Texas and Escamilla & Poneck, LLP, San Antonio, Texas, Co-Counsel for the Underwriters. The legal fees to be paid to such Co-Counsel for services rendered to the Underwriters in connection with their purchase of the Bonds are contingent on the issuance, sale and delivery of the Bonds.

## **CO-FINANCIAL ADVISORS**

Hilltop Securities Inc. and Estrada Hinojosa & Company, Inc. ("Co-Financial Advisors") have acted as Co-Financial Advisors to the Airport in connection with the issuance and sale of the Bonds. A portion of their fee for such services is contingent upon the sale and issuance of the Bonds. The Co-Financial Advisors also serve in other capacities with the Airport. All fees and other remuneration

received in such other capacities are separate and distinct from the fees associated with this Bond issue and are not contingent upon the sale and issuance of the Bonds. The Co-Financial Advisors have not independently verified information in this Official Statement for accuracy or completeness (except for the information concerning the Co-Financial Advisors). Investors should not draw any conclusions as to the suitability of the Bonds from, or base any investment decisions upon, the fact that the Co-Financial Advisors have advised the Airport with respect to the Bonds.

## **UNDERWRITING**

Barclays Capital Inc. as left lead book-runner, on behalf of the firms listed on the cover page (collectively, the “Underwriters”) has agreed, subject to certain conditions, to purchase the Bonds from the Cities at an aggregate underwriter’s discount of \$\_\_\_\_\_ from the initial offering price of the Bonds. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

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

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

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

## **REGISTRATION AND QUALIFICATION OF THE BONDS FOR SALE**

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The Airport assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

## **CONTINUING DISCLOSURE**

The Cities have made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Cities are required to observe the agreement for so long as each remains obligated to advance funds to pay the Bonds. Under the agreement, the Board operates as the Cities' designated agent with respect to the undertakings. The Cities will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB").

### **Annual Reports**

The Board, on behalf of the Cities, will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Airport, as of the end of such Fiscal Year or for such Fiscal Year period, of the general type included in the main text of the Official Statement within the numbered tables only and in APPENDIX C. The Board will update and provide this information as of the end of such Fiscal Year or for the twelve month period then ended within six months after the end of each Fiscal Year ending in or after 2020.

Under the Use Agreement, the Signatory Airlines are contractually obligated to make payments only if and to the extent of the use of the Airport by such Signatory Airlines during any Fiscal Year. Consequently, the Signatory Airlines are not "obligated persons" under the Rule (defined below), and no undertaking is being made by the Airport or any other party with respect to providing continuing disclosure as to any individual airline. For information relating to any individual airline, see "**THE AIRLINES**" and "**AIRLINE AGREEMENTS**."

The Cities, or the Board on behalf of the Cities, may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Securities Exchange Act of 1934, as amended, Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements of the Airport, if the Board commissions an audit and it is completed by the required time. If audited financial statements are not provided by that time, the Board will provide unaudited financial statements and audited financial statements of the Airport when and if they become available. Any such financial statements of the Airport will be prepared in accordance with the accounting principles described in APPENDIX C or such other accounting principles as the Airport may be required to employ from time to time pursuant to state law or regulation.

The Airport's current Fiscal Year is October 1 to September 30. Accordingly, it must provide updated information by March 31 in each year, unless the Airport changes its Fiscal Year. If the Airport changes its Fiscal Year, it will notify the MSRB of the change.

### **Disclosure Event Notices**

The Cities shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds: (1) Principal and interest payment delinquencies; (2) Non-payment related defaults, if material; (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (5) Substitution of credit or liquidity providers, or their failure to perform; (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material,

and tender offers; (9) Defeasances; (10) Release, substitution, or sale of property securing repayment of the Bonds, if material; (11) Rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the Cities (13) The consummation of a merger, consolidation, or acquisition involving the Cities or the sale of all or substantially all of the assets of the Cities, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) Incurrence of a Financial Obligation of the Cities, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Cities, any of which affect security holders, if material; and (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Cities, any of which reflect financial difficulties. In addition, the Cities will provide timely notice of any failure by the Cities to provide annual financial information in accordance with their agreement described above under “Annual Reports.”

For these purposes, (A) any event described in the immediately preceding clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Cities in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Cities, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the Cities, and (B) the Cities intend the words used in clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

### **Availability of Information from the MSRB**

The Cities have agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

### **Limitations and Amendments**

The Cities have agreed to update information and to provide notices of certain specified events only as described above. Neither the Cities nor the Board have agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither the Cities nor the Board make any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Cities and the Board disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of the continuing disclosure agreement or from any statement made pursuant to the agreement, although holders of the Bonds may seek a writ of mandamus to compel the Cities to comply with their agreement.

The Cities may amend their continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Airport, if the agreement, as amended, would have permitted an underwriter to purchase or sell the Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person

unaffiliated with the Cities (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. If the Cities amend their agreement, they must include with the next financial information and operating data provided in accordance with their agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

### **Compliance with Prior Undertakings**

During the last five years, each of the Cities has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12, including continuing disclosure undertakings with respect to the Airport.

### **Miscellaneous**

In order to provide certain continuing disclosure with respect to the Bonds in accordance with the Rule, the Airport has entered into a Disclosure Dissemination Agent Agreement (“Disclosure Dissemination Agreement”) for the benefit of the Holders of the Bonds with Digital Assurance Certification, L.L.C. (“DAC”), under which the Airport has designated DAC as Disclosure Dissemination Agent.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent’s obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the Airport has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty or obligation to review or verify any information in the Annual Report, Audited Financial Statements, notice of event or voluntary report, or any other information, disclosures or notices provided to it by the Airport and shall not be deemed to be acting in any fiduciary capacity for the Airport, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for the Airport’s failure to report to the Disclosure Dissemination Agent a notice event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Airport has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Airport at all times.

### **VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS**

Causey Demgen & Moore P.C., certified public accountants (the “Verification Agent”), will verify the arithmetical accuracy of certain computations included in the schedules provided by Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. on behalf of the Cities relating to the computation of forecasted receipts of principal and interest on the “Escrowed Securities” and the forecasted payments of principal and interest to redeem the Refunded Obligations. Such computations will be based solely on assumptions and information supplied by Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. on behalf of the Cities. The Verification Agent will restrict its procedures to verify the arithmetical accuracy of certain computations and will not make any study or evaluation of the assumptions and information on which the computations are based and, accordingly, will not express an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

The report will be relied upon by Bond Counsel in rendering their opinions with respect to the defeasance of the Refunded Obligations.

### **FORWARD-LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided by the Cities or the Airport, that are not purely historical, are forward-looking statements, including statements regarding the Cities or the Airport's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Cities and the Airport on the date hereof, and the Cities and the Airport assume no obligation to update any such forward-looking statements. It is important to note that the Airport's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Cities and the Airport. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

### **MISCELLANEOUS**

The financial data and other information contained herein have been obtained from the Airport's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Additional financial information and operating data relating to the Airport is available from the MSRB and is hereby incorporated by reference.

The preparation of this Official Statement and its distribution and use by the Underwriters have been authorized by the Board on behalf of and at the direction of the Cities for use in connection with the offering and sale of the Bonds.

**SCHEDULE I\***

**SCHEDULE OF REFUNDED OBLIGATIONS**

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\* Preliminary, subject to change.



**SCHEDULE II**  
**PRINCIPAL PAYDOWN FACTOR TABLE**  
**PRO RATA PASS-THROUGH DISTRIBUTION OF PRINCIPAL**

**[Insert Table]**

## APPENDIX A

### FORM OF OPINIONS OF CO-BOND COUNSEL

[Letterhead of Bond Counsel]

\_\_\_\_\_, 2021

CITIES OF DALLAS AND FORT WORTH, TEXAS  
DALLAS FORT WORTH INTERNATIONAL AIRPORT  
JOINT REVENUE REFUNDING BONDS  
TAXABLE SERIES 2021C

WE HAVE EXAMINED the validity of an issue of the Cities of Dallas and Fort Worth, Texas (the “Cities”), entitled Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Taxable Series 2021C (the “Bonds”), dated [\_\_\_\_\_, 2021], aggregating [\$\_\_\_\_\_], bearing interest from their date of initial delivery until maturity or earlier redemption at the rates per annum set forth in the pricing certificate authorized by the Sixtieth Supplemental Concurrent Bond Ordinance adopted by the Cities of Dallas and Fort Worth on May 12, 2021 and May 18, 2021, respectively (collectively, the “Sixtieth Supplement”) with interest payable on November 1, 202\_\_ and semi-annually thereafter on each November 1 and May 1 and with said Bonds maturing on the dates set forth therein. The Bonds are subject to optional redemption. Terms not defined herein shall have the meanings set forth in the Master Bond Ordinance adopted by the Cities of Dallas and Fort Worth on September 22, 2010 and September 21, 2010, respectively.

WE HAVE REPRESENTED the Cities and the Dallas Fort Worth International Airport Board (the “Board”) as bond counsel, for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Bonds under the Constitution and the statutes of the State of Texas. We have not been requested to examine, and have not investigated or verified, any statements, records, material or other matters relating to the financial condition or capabilities of the Board or the Airport, and we express no opinion with respect thereto. Our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

WE HAVE EXAMINED the Constitution and statutes of the State of Texas, particularly Chapter 22 of the Texas Transportation Code, as amended (the “Act”), the Charters of the Cities, certified copies of the proceedings of the City Councils of the Cities and other proofs authorizing and relating to the issuance of the Bonds, including a specimen of the Bonds.

IN OUR OPINION the Bonds have been duly authorized, issued and delivered in accordance with all applicable laws including the Acts and constitute valid and legally binding special obligations of the Cities, and together with the Outstanding Obligations, are ratably secured by a lien on and a joint pledge by the Cities of their respective interests in the “Pledged Revenues” and “Pledged Funds” to be derived from the ownership and operation of the Dallas Fort Worth International Airport (the “Airport”).

“Pledged Revenues,” are collectively the Gross Revenues, and such other money, income, revenues or other property as may be specifically included in such term in an Additional Supplemental Ordinance. “Pledged Funds” mean, collectively, (i) amounts on deposit in the Debt Service Fund, (ii) amounts on deposit in the Debt Service Reserve Fund, (iii) any amounts that are due and owing, and any amounts that are paid, under a Credit Agreement executed in lieu of making cash deposits to the Debt Service Reserve Fund, (iv) any Investment Securities or other investments or earnings belonging to either of the funds identified in clauses (i) and (ii), above, and (v) any additional funds, accounts, revenues, or other moneys or funds of the Cities which hereafter may be, by an Additional Supplemental Ordinance, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding

Obligations. The foregoing notwithstanding, the term "Pledged Funds" does not include, unless specifically provided in an Additional Supplemental Ordinance, any amounts deposited to or investments or earnings belonging to a Rebate Fund to the extent necessary to make a payment to the United States of America in accordance with Section 148 of the Code. As provided in the Master Bond Ordinance and the Fifty-Seventh Supplement, the obligations of the Cities to pay money on the Bonds out of Pledged Revenues are joint, and not several, and except as otherwise provided therein no claim, demand, suit or judgment shall ever be asserted, entered or collected against or from one City without the other and no individual liability shall ever exceed in the case of Dallas 7/11ths of the total amount thereof, and in the case of Fort Worth 4/11ths of the total amount thereof; and, except as in the Master Bond Ordinance and the Fifty-Seventh Supplement otherwise provided, such sums shall be payable and collectible solely from the funds in which Pledged Revenues shall from time to time be on deposit. Certain other obligations of the Cities under the Master Bond Ordinance and the Fifty-Seventh Supplement with respect to the Bonds and the Airport are several and not joint, the default of which by one City shall not constitute a default by the other. Reference is hereby made to the Master Bond Ordinance and the Fifty-Seventh Supplement for a full and complete description of the revenues of the Airport pledged to the payment of the Bonds together with a statement of the rights of the Holders of the Bonds, and the rights, duties and obligations of the Cities and the Board with respect thereto. It is further our opinion that the Master Bond Ordinance and the Fifty-Seventh Supplement have been duly and validly authorized and passed and that the Bonds have been duly authorized and issued in accordance with their terms.

Under the terms and conditions provided in the Master Bond Ordinance and in any supplemental ordinances authorizing obligations on parity therewith, and the Bonds of this issue, the Cities reserve the right to issue Additional Obligations secured by a lien on parity with the lien securing this issue of Bonds under the conditions set forth in said Ordinances.

The Holders of the Bonds do not have the right to require the payment thereof out of any funds raised or to be raised by taxation.

The rights of the Holders of the Bonds are subject to the provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

WE EXPRESS NO OPINION as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as bond counsel for the Cities and the Board and, in that capacity, we have been engaged by the Cities and the Board for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds and the organization of the Cities and the Board under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of the result. We have not been requested to investigate or verify, and have not investigated or verified, any records, data or other material relating to the Cities or the Board or to the financial condition or capabilities of the Cities or the Board and we have not assumed any responsibility, and we express no opinions, with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE

The following constitutes a summary of certain portions of the Master Bond Ordinance as it has been supplemented and amended from time-to-time by Additional Supplemental Ordinances of the Cities. Certain terms have been modified to reflect the current status of the Obligations. This summary is qualified by reference to other provisions of the Master Bond Ordinance and the Additional Supplemental Ordinances referred to elsewhere in this Official Statement, and all summaries pertaining to the Master Bond Ordinance and the Additional Supplemental Ordinances in this Official Statement are, separately and in whole, qualified by reference to the exact terms of the Master Bond Ordinance and the Additional Supplemental Ordinances, copies of which may be obtained from the Board.

#### Selected Definitions

**Accrued Aggregate Debt Service** means, for any Debt Service Accrual Period, or other period stated in the Master Bond Ordinance, an amount equal to the sum of the Debt Service with respect to all Outstanding Obligations and Parity Credit Agreement Obligations accruing during that Debt Service Accrual Period.

**Accrued Aggregate Interest** means that portion of Accrued Aggregate Debt Service applicable to interest on Obligations and Parity Credit Agreement Obligations and accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund pursuant to the Master Bond Ordinance. Such term includes amounts payable to the counterparty under a Swap Agreement to the extent such amounts exceed the applicable amount of interest on the Obligations, but does not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

**Accrued Aggregate Principal** means that portion of Accrued Aggregate Debt Service applicable to Principal Installments of Obligations and principal amounts owed under Parity Credit Agreement Obligations accruing during a Debt Service Accrual Period and transferred to the Debt Service Fund as described in clause (i) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds.**”

**Acts** mean, collectively, chapters 1201, 1207, 1371, and 1503, Government Code, as amended, and chapter 22, Transportation Code, as amended.

**Additional Obligations** means one or more series of bonds, notes, commercial paper obligations, or other evidences of indebtedness permitted by Applicable Law and issued by the Cities on a parity as to the Pledged Revenues and Pledged Funds with the Outstanding Obligations.

**Additional Supplemental Ordinance** means any ordinance jointly passed subsequent to the passage of the Master Bond Ordinance by the Cities that supplements the Controlling Ordinances or the Outstanding Ordinances for the purpose of (i) authorizing and providing the terms and provisions of the Additional Obligations and Parity Credit Agreement Obligations, (ii) authorizing and providing the terms and provisions of Subordinate Lien Obligations, and Credit Agreement Obligations related thereto and on a parity therewith if so stated therein, or (iii) for any of the other purposes permitted under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Amendments.**”

**Administrative Expenses** means, to the extent specified in an Additional Supplemental Ordinance, the fees, expenses, and indemnification liabilities payable to the Paying Agent, the Credit

Providers, and others, of which the Board has or is given actual notice at least thirty (30) days prior to the due date thereof. Said term does not include Credit Agreement Obligations.

**Aggregate Debt Service** means, for any period and as of any date of calculation, the sum of the interest and Principal Installments payable with respect to Obligations and the principal amount of and interest on any Parity Credit Agreement Obligations payable, in each case, during such period. The calculation of Principal Installments accruing will be determined as provided in paragraph (2) of the definition of Debt Service below, except that the period for the calculation will be substituted for the Debt Service Accrual Period.

**Aircraft** means airplanes, helicopters, and every other contrivance now or hereafter used for the navigation of, or flight in, air or space.

**Airport** means the international airport, presently known as the “Dallas Fort Worth International Airport” and originally described in the 1968 Ordinance as the “Dallas—Fort Worth Regional Airport,” that is owned and operated by the Cities acting jointly under the Contract and Agreement in accordance with Applicable Law, and the term includes all land, structures, and facilities thereof or related thereto of whatever character and wherever situated, and all future improvements, extensions, and equipment appertaining thereto and belonging to the Cities for use in connection therewith, and such term also includes any other airport or airports, the revenues of which are, by official action of the Cities, made a part of Gross Revenues, but excluding all Special Facilities while the Special Facility Bonds secured thereby are outstanding, and, to the extent, but only to the extent, stated in an Additional Supplemental Ordinance, excluding such Facilities as are financed with the proceeds of Special Revenue Bonds while the Special Revenue Bonds secured thereby are outstanding.

**Airport Consultant** means a professional person, firm or corporation having a wide and favorable repute for skill and experience in the field of planning and determining the feasibility of airports and related facilities and undertakings.

**Applicable Law** means the Acts, and all other laws or statutes, rules or regulations, and any amendments thereto, of the State or of the United States by which the Cities, the Board, and their powers, securities (including the Obligations), operations and procedures are, or may be, governed or from which such powers may be derived.

**Architect** means a registered licensed professional architect working as a regular employee of the Board, or working for any firm or joint venture of such architects that has been retained by the Board, having a favorable repute for skill and experience in the fields of architecture and planning who is entitled to practice and practicing as such under the laws of the State of Texas.

**Authorized Officer** means the Chief Executive Officer, Executive Vice President/Chief Financial Officer, and the Vice President of Treasury Management and any and all successor positions or titles.

**Board or Airport Board** means the operating Board of the Airport whose powers and duties were continued, expanded and further defined by the Contract and Agreement.

**Business Day** means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the Cities or in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close.

**Certificate** means a document signed by an Authorized Officer, either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the Master Bond Ordinance or an Additional Supplemental Ordinance.

**Cities** mean collectively the municipal corporations and political bodies known as the City of Dallas, in the County of Dallas and State of Texas, and the City of Fort Worth, in the County of Tarrant and State of Texas, and such term will also be deemed to include and refer to, in all appropriate ways, any successor political body, authority or subdivision if the Airport is ever transferred thereto.

**City Council** or **City Councils** mean in each instance the governing body as from time to time constituted of Dallas or Fort Worth or the plural thereof means and refers to the governing bodies of both said Cities.

**Code** means the Internal Revenue Code of 1986, the regulations and published rulings promulgated or published thereto and the provisions of any applicable section of a successor federal income tax law.

**Contract and Agreement** means that certain agreement entitled "Contract and Agreement," entered into actually on April 23, 1968, but effective as of April 15, 1968, by and between Dallas and Fort Worth, which by its terms continues, expands, and further defines the powers and duties of the Board, creates the Joint Airport Fund and provides for the construction and operation of the Airport.

**Controlling Ordinances** means the 1968 Ordinance and the Thirtieth Supplemental Concurrent Bond Ordinance passed by the Cities on February 23, 2000 and February 22, 2000, respectively, and effective February 23, 2000.

**Construction Fund** means the Fund by that name created as a part of the Joint Airport Fund in the Contract and Agreement.

**Costs of the Airport** means (i) expenses and costs for labor, payments to contractors, builders, and materialmen in connection with preparing, constructing, otherwise acquiring, equipping, replacing, extending, improving, and/or restoring any part of the Airport; (ii) the costs of machinery, furnishings, and equipment used in connection therewith; (iii) the cost of indemnity and fidelity bonds, if any, to secure the deposits of any moneys in any fund or account of the Cities or the Board relating to the Airport; any costs or expenses relating to litigation of any nature or kind that relates to the Airport; (iv) expenses and costs necessary or incidental to a determination of the feasibility or practicability of constructing or installing any facilities related to the Airport, including the fees and expenses of engineers, architects, and other professionals or consultants; (v) financing costs, including the fees and expenses of financial advisors, attorneys, and other professionals and consultants, the costs, fees, and charges of Credit Providers relating to the execution and delivery of Credit Agreements pertaining to any matters that relate to Obligations, any other fees and expenses related to the issuance and delivery of Obligations, and interest on Obligations that is to be capitalized from the proceeds of Obligations; (vi) expenses of administration properly chargeable to the construction of improvements to the Airport or equipping the same, including legal fees and expenses, costs of audits, and costs necessary to place the same into operation or service; (vii) any costs and expenses related to the acquisition of land to comprise a part of the Airport; and (viii) any proper expense incurred for any of the foregoing purposes.

**Credit Agreement** means any agreement of the Cities permitted by Applicable Law that is entered into with a Credit Provider for the purpose of enhancing or supporting the creditworthiness of all or a part of a series of Obligations or Subordinate Lien Obligations, and/or to assure the Cities' financial

ability to honor rights of tender of any of such obligations and to hold, sell, market or remarket any of such obligations thus tendered according to the specific terms and features of such obligations as contained and defined in an Additional Supplemental Ordinance, and/or to make deposits to the Debt Service Reserve Fund or other applicable fund in lieu of cash deposits thereto, such as, for example only, municipal bond insurance policies, standby bond purchase agreements, Swap Agreements, revolving credit agreements, hedge agreements, and letters or lines of credit issued or provided by, and notes, surety bonds, reimbursement, purchase and other similar agreements with, banks, insurance companies or other commercial and financial institutions or by and with governmental agencies, entities or departments.

**Credit Agreement Obligations** means any liability of the Cities to pay any amount of principal, interest, or other payment on any debt or liability created under a Credit Agreement in favor of a Credit Provider that is declared by the terms of an Additional Supplemental Ordinance either (i) to be a Parity Credit Agreement Obligation, or (ii) to be on a parity with Subordinate Lien Obligations.

**Credit Provider** means each party identified and named in an Additional Supplemental Ordinance that provides credit or liquidity support for, or insurance insuring the payment of, any amounts due or owing on Obligations, on Subordinate Lien Obligations, or on other financial undertakings in a Credit Agreement, including a counterparty to the Cities under a Swap Agreement.

**Current Gross Revenues** means Gross Revenues less any amounts transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund**” or in clause (a) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Capital Improvements Fund**” or retained as described under the second to last paragraph under “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds.**”

**Dallas** means the City of Dallas, Texas.

**Debt Service** means for each Debt Service Accrual Period with respect to a series of Obligations, and related Parity Credit Agreement Obligations, an amount equal to the sum of:

(1) interest accruing on each series of Outstanding Obligations, including as to Interim Obligations and to each series of Variable Interest Rate Obligations, if any, the amount estimated by an Authorized Officer that will accrue during the Debt Service Accrual Period based on the applicable Standard Assumptions, and excluding interest funded or projected by an Authorized Officer to be funded from the proceeds of Additional Obligations; and

(2) that portion of the next maturing Principal Installment for each series of Outstanding Obligations which will accrue during the Debt Service Accrual Period, other than a Principal Installment of or with respect to Interim Obligations that are to be paid either with the proceeds of other Obligations or with funds provided by a Credit Provider, and other than amounts scheduled to be paid by a counterparty to a Swap Agreement that is not in default. For the purpose of determining the amount of the next maturing Principal Installment that will accrue during the Debt Service Accrual Period, the Board and the Paying Agent will assume that the Principal Installment accrues daily in equal amounts from the next preceding Principal Installment due date. If there is no preceding Principal Installment due date with respect to the series of Obligations, the Principal Installments with respect to that series will not begin to accrue until the later of (A) the date which is one year preceding the first Principal Installment

due date of that series, or (B) the date of issuance of that series. The Board and the Paying Agent will further assume that no Obligations of the series will cease to be Outstanding except by reason of the payment, through defeasance or otherwise, of each Principal Installment on the due date thereof; and

(3) all amounts due and payable on Parity Credit Agreement Obligations during the Debt Service Accrual Period, including interest amounts payable by the Cities or the Board under a Swap Agreement during the Debt Service Accrual Period above the amount of interest accruing on a series of Obligations during such period, so long as the counterparty to that Swap Agreement is not in default.

Debt Service Requirements will be calculated on the assumption that no Obligations Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of the Principal Installments or Sinking Fund Installments thereon when due, except as provided in the Master Bond Ordinance for Interim Obligations. Such Debt Service requirements will not include termination fees or other similar charges with respect to Parity Credit Agreement Obligations.

**Debt Service Accrual Period** means the period commencing, as applicable, on the date of issuance of a series or issue of Obligations or the execution of Parity Credit Agreements or on the day following the most recent Interest Payment Date or Principal Payment Date, and ending on, but including, the last day of the calendar month prior to the next succeeding Interest Payment Date or Principal Payment Date thereafter; provided, however, with respect to provision for the final payment of any one or more of the Obligations or Parity Credit Agreement Obligations, such accrual period with respect to such Obligations or Parity Credit Agreement Obligations may be shortened to a period sufficient to provide for the payment of such Obligations or Parity Credit Agreement Obligations in full when due. The Board may adjust the Debt Service Accrual Period from time to time, by the terms of Additional Supplemental Ordinances or otherwise, in order to assure that all Obligations and Parity Credit Agreement Obligations are paid in full when due.

**Debt Service Fund** means the fund designated and created as the “Interest and Sinking Fund” in the Contract and Agreement, and confirmed and renamed in the Thirtieth Supplement.

**Debt Service Reserve Fund** means the fund designated and created as the “Reserve Fund” in the Contract and Agreement, and confirmed and renamed in the Thirtieth Supplement.

**Debt Service Reserve Requirement** means the total amount required to be on deposit in the Debt Service Reserve Fund as described in clause (b) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund**” and/or for which alternative funding is provided as described in clause (c) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund.**”

**Depository Bank** means the lawful depository bank of the Board at which the Joint Revenue Fund is to be held pursuant to the Contract and Agreement.

**Event of Default** means the occurrence of any of the events or circumstances described under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Events of Default—Description.**”



**Facilities** means any facilities, buildings or equipment comprising a part of or used in connection with the Airport.

**Fiscal Year** means the twelve month period commencing on the 1st day of October of any year and ending at midnight on September 30 of the next succeeding year.

**Fort Worth** means the City of Fort Worth, Texas.

**Gross Revenues** means all income and revenues derived directly or indirectly by the Board from the operation or ownership of the Airport or any part thereof, whether resulting from improvements, extensions, enlargements, repairs, or betterments to the Airport, additional Facilities, or otherwise, and expressly including (i) all revenues received by the Board or any municipal corporation or entity succeeding to the revenues of the Cities from the Airport, (ii) all rentals, tolls, rates or other charges for the use of the Airport or any Facilities or for the entry upon any part thereof or for any service rendered by the Board or the Cities in the operation thereof, (iii) any funds transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund**” or in clause (a) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Capital Improvements Fund**,” (iv) the rentals payable under Ground Leases, (v) any funds retained in the Operating and Expense Fund as described under the second to last paragraph under “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds**” and (vi) any net amounts owing to the Cities or the Board under a Swap Agreement, but expressly excluding the following:

(A) rentals or other amounts derived from Net Rent Leases to the extent and for so long as they are pledged as security for Special Facility Bonds and reserves therefor;

(B) any moneys received as grants or gifts from the United States of America, the State of Texas, or other sources, the use of which is limited by the grantor or donor to the construction or acquisition of capital improvements, additions or extensions to the Airport, except to the extent any such moneys are received as payments for the use of the Airport;

(C) all Special Revenues and/or unrestricted federal subsidies, except for such portion thereof as may be included as a part of “Gross Revenues” under the provisions of an Additional Supplemental Ordinance;

(D) the proceeds of any Additional Obligations or Credit Agreements, and the interest or other investment income realized from the investment of the proceeds of Obligations, and all other investment income not required to be deposited to the Operating Revenue and Expense Fund;

(E) the proceeds of insurance other than from insurance policies insuring against the loss of use or business interruption at the Airport;

(F) the money on deposit in the Capital Improvements Fund except for such amounts as are transferred to the Operating Revenue and Expense Fund as described in the last paragraph under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Debt Service Reserve Fund**” or in clause (a) under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Capital Improvements Fund**”;

(G) moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport-owned property within such municipalities; and

(H) any and all money deposited to, or required to be deposited to, a Rebate Fund relating to a Tax-Exempt Obligation.

**Ground Lease** means the lease of Airport lands required to be executed in connection with the construction of Special Facilities.

**Holder** means the registered owner of an Obligation according to an Obligation Register.

**Independent Insurance Consultant** means a firm of independent professional consultants knowledgeable in the ownership and operation of publicly-owned properties, including airports, and having a favorable reputation for skill and experience in the field of insurance consultation.

**Interest Payment Date(s)** means the date or dates on which interest on Obligations or Parity Credit Agreement Obligations is payable, as said date or dates are specified in an Outstanding Ordinance or in Additional Supplemental Ordinances.

**Interim Obligations** mean Obligations (i) for or with respect to which no Principal Installments are required to be made other than on the Stated Maturity Date thereof, which date shall be no later than five (5) years from the date of their delivery to their initial purchasers, and (ii) which are authorized by an Additional Supplemental Ordinance which declares the Cities' intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such Stated Maturity Date, including commercial paper, notes, and similar Obligations.

**Investment Securities** mean any and all of the investments permitted by Applicable Law for the investment of the public funds of the Board, provided that such investments are at the time made included in and authorized by the official investment policy of the Airport as approved by the Board from time to time and are not prohibited by an Additional Supplemental Ordinance.

**Joint Airport Fund** means the master fund by that name created by the Cities for the purpose of accurately and adequately recording and accounting for the ownership, operations and properties to the joint venture evidenced by the Contract and Agreement, all as described and provided in the Contract and Agreement.

**Market Value** means the fair market value of Investment Securities calculated as set forth in the Master Bond Ordinance.

**Master Bond Ordinance** means the Master Bond Ordinance adopted by the Cities and effective as of September 22, 2010.

**Maximum Interest Rate** means, with respect to any particular Variable Interest Rate Obligations or Parity Credit Agreement Obligations bearing a Variable Interest Rate, a numerical or other statement of the rate of interest, which is set forth in the Additional Supplemental Ordinance authorizing such Obligations, or in a related Credit Agreement with respect to Parity Credit Agreement Obligations, in each case being the maximum rate of interest such Obligations or Parity Credit Agreement Obligations

may bear at a single time or over the period during which they are Outstanding or unpaid, but in no event exceeding the maximum amount or rate of interest permitted by Applicable Law.

**Minimum Interest Rate** means, with respect to any particular Variable Interest Rate Obligations, or Parity Credit Agreement Obligations, bearing a Variable Interest Rate, a numerical rate of interest which may (but need not) be set forth in the Additional Supplemental Ordinance authorizing such Obligations that is the minimum rate of interest such Obligations will at any time bear.

**Net Rent Lease** means a lease of Airport property or Facilities entered into by the Board pursuant to which the lessee agrees to pay to the Board a rental during the term thereof in an amount at least equal to the principal, interest and any special reserve requirements contained in the ordinance authorizing the Special Facility Bonds (as herein defined) to which such lease relates, as contemplated by Section 3.8(A) of the Master Bond Ordinance, and to pay, in addition to such rental, all operation and maintenance expenses applicable to the Special Facilities to be constructed with said bonds, including, without limitation, any insurance premiums applicable to such Special Facilities (as may be required by said lease); any and all ad valorem or other property taxes lawfully levied or assessed against the leasehold interest of the lessee in and to such Special Facilities and to the Airport land upon which the same are to be situated pursuant to the Ground Lease executed in connection therewith (such leasehold interest, irrespective of the term thereof, as distinguished from the remainder or other interest of the Cities therein, being for such purposes the property of such lessee and not the property of the Cities); any and all lawful excise or other types of taxes imposed on or in respect of such properties; and the expenses of upkeep thereof of every kind and character including the repair or ordinary restoration thereof.

**Net Revenues** mean the amount remaining after deducting Operation and Maintenance Expenses from Gross Revenues.

**Newspaper** means newspapers printed in the English language, published at least once each calendar week and of general circulation within the Cities.

**1968 Ordinance** means the “1968 Regional Airport Concurrent Bond Ordinance,” passed by the City Councils, respectively, on November 11, 1968, and November 12, 1968, as amended and supplemented by the other Outstanding Ordinances, such ordinance having authorized the initial bonds issued by the Cities for the purpose of financing the Airport and establishing the terms and provisions of and the security for additional bonds to be issued for the purposes of the Airport.

**Obligation Register** means, as to each series of Obligations, the register or registers maintained pursuant to the Master Bond Ordinance.

**Obligations** mean the Outstanding Obligations and the Additional Obligations.

**Operating Revenue and Expense Fund** means the Fund by that name established as a part of the Joint Airport Fund in the Contract and Agreement and referred to in the Master Bond Ordinance.

**Operation and Maintenance Expenses** means all reasonable and necessary current expenses of the Board (paid or accrued) of operating, maintaining, and repairing the Airport. Without limiting the generality of the foregoing, such term shall include insurance premiums, refunds/payments to be made to airlines pursuant to agreements between the Board and such airlines, the reasonable charges of any Paying Agent and any other depository bank appertaining to the Airport, contractual services, professional services required by the Master Bond Ordinance or by the Board, salaries and administrative expenses, labor and the cost of materials and supplies used for current operation; but shall not include the costs of

improvements, extensions, enlargements or betterments, which according to standard accounting principles are chargeable as capital replacements or improvements.

**Outstanding** when used with reference to Obligations, including Obligations acquired by a Credit Provider with the proceeds of a Credit Agreement, means, as of any date, Obligations theretofore or thereupon being authenticated and delivered under the Outstanding Ordinances or an Additional Supplemental Ordinance, except:

(i) Obligations which have been fully paid at or prior to their maturity or on or prior to a redemption date;

(ii) Obligations (or portions thereof) for the payment of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption, will be held by a Paying Agent or a trustee in cash in trust, as required by the Master Bond Ordinances, and set aside for payment at maturity or redemption on a redemption date and for which notice of redemption has been given or provision has been made therefor;

(iii) Obligations in lieu of or in substitution for which other Obligations have been authenticated and delivered pursuant to an Additional Supplemental Ordinance; and

(iv) Obligations for which payment has been provided by defeasance as described under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Discharge of Ordinance—Discharge by Defeasance.”**

**Outstanding Obligations** mean the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011A; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011C; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2011D; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2012B; the Dallas Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds, Series 2012C; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2012D; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2012E; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2012F; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2012G; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2012H; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2013A; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2013B; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2013C; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2013D; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2013E; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2013F; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2013G; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2014A; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2014B; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2014C; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2014D; the Dallas Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds, Series 2014E; the Dallas Fort Worth International Airport Joint Revenue Refunding and Improvement Bonds; Series 2016; the Dallas Fort Worth International Airport Joint Revenue Improvement Bonds, Series 2017; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Taxable Series 2019A; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2020A; the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2020B; and the Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Taxable Series 2020C.

**Outstanding Ordinances** means the Master Bond Ordinance and the following ordinances adopted and approved by each of the Cities, to-wit:

- (i) the Forty-Fifth Supplemental Concurrent Bond Ordinance, effective May 25, 2011;
- (ii) the Forty-Sixth Supplemental Concurrent Bond Ordinance, effective May 25, 2011;
- (iii) the Forty-Seventh Supplemental Concurrent Bond Ordinance, effective May 25, 2011;
- (iv) the Forty-Eighth Supplemental Concurrent Bond Ordinance , effective March 28, 2012;
- (v) the Forty-Ninth Supplemental Concurrent Bond Ordinance , effective February 27, 2013;
- (vi) the Fiftieth Supplemental Concurrent Bond Ordinance, effective March 4, 2014;
- (vii) the Fifty-First Supplemental Concurrent Bond Ordinance, effective August 24, 2016;
- (viii) the Fifty-Second Supplemental Concurrent Bond Ordinance, effective September 12, 2017;
- (ix) the Fifty-Third Supplemental Concurrent Bond Ordinance, effective May 22, 2019;
- (x) the Fifty-Fourth Supplemental Concurrent Bond Ordinance, effective May 22, 2019;
- (xi) the Fifty-Fifth Supplemental Concurrent Bond Ordinance, effective September 10, 2019;
- (xii) the Fifty-Seventh Supplemental Concurrent Bond Ordinance, effective April 8, 2020;
- (xiii) The Fifty-Eight Supplemental Concurrent Bond Ordinance, effective September 10, 2019;
- (xiv) The Fifty-Ninth Supplemental Concurrent Bond Ordinance, effective May 18, 2021;
- (xv) The Sixtieth Supplemental Concurrent Bond Ordinance, effective May 18, 2021;
- (xvi) The Sixty-First Supplemental Concurrent Bond Ordinance, effective May 18, 2021; and

(xvii) The Sixty-Second Supplemental Concurrent Bond Ordinance, effective May 26, 2021.

**Parity Credit Agreement Obligation** means a Credit Agreement Obligation that is declared by an Additional Supplemental Ordinance to be payable from and secured by a lien on Pledged Revenues and Pledged Funds on a parity with the Outstanding Obligations.

**Paying Agent** means any paying agent for a series or issue of Obligations appointed pursuant to the Master Bond Ordinance and its successor or successors.

**Person** means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**Pledged Funds** mean, collectively, (i) amounts on deposit in the Debt Service Fund, (ii) amounts on deposit in the Debt Service Reserve Fund, (iii) any amounts that are due and owing, and any amounts that are paid, under a Credit Agreement executed in lieu of making cash deposits to the Debt Service Reserve Fund, (iv) any Investment Securities or other investments or earnings belonging to either of the funds identified in clauses (i) and (ii), above, and (v) any additional funds, accounts, revenues, or other moneys or funds of the Cities which hereafter may be, by an Additional Supplemental Ordinance, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding Obligations. The foregoing notwithstanding, the term "Pledged Funds" does not include, unless specifically provided in an Additional Supplemental Ordinance, any amounts deposited to or investments or earnings belonging to a Rebate Fund to the extent necessary to make a payment to the United States of America in accordance with Section 148 of the Code.

**Pledged Revenues** mean collectively (i) Gross Revenues, and (ii) such other money, income, revenues or other property as may be specifically included in such term in an Additional Supplemental Ordinance.

**Principal Installment** means, with respect to Obligations or Parity Credit Agreement Obligations, any amounts, other than interest payments, including any Sinking Fund Installments, which are stated to be due or required to be made on or with respect to an Obligation or Parity Credit Agreement Obligation, which, when made, would reduce the amount of the Obligation or series of Obligations that remain Outstanding or would retire and pay the same in full, and which are not otherwise paid from other funds of the Airport or from the proceeds of other obligations of the Airport, including Obligations.

**Principal Payment Date(s)** means the date or dates upon which Principal Installments are due as specified in an Outstanding Ordinance or an Additional Supplemental Ordinance, to and including the Stated Maturity Date of an Obligation.

**Project** means any addition, improvement, expansion or extension to the Airport to be financed with all or a portion of the proceeds of Obligations, as determined by the Board.

**Prior Obligations** means the Obligations, which are no longer Outstanding, that were issued prior to the approval of the Master Bond Ordinance by the Cities.

**Rebate Fund** means any fund established by an Outstanding Ordinance or an Additional Supplemental Ordinance in connection with the issuance of any Obligation that is a Tax-Exempt Obligation, to ensure compliance with the provisions of Section 148 of the Code, including, in particular, Section 148(f) of the Code. For purposes of the foregoing and of the Master Bond Ordinance and the Outstanding Ordinances, the Board and the Cities are permitted to rely on a firm of certified public

accountants, Bond Counsel or other persons who specialize in the exemption from federal income taxation of interest payable on Tax-Exempt Obligations, and the Cities may include in Additional Supplemental Ordinances covenants relating to Tax-Exempt Obligations, to a Rebate Fund, and to the use and application of money on deposit in the funds created or confirmed in the Master Bond Ordinance or in the funds or accounts created in an Additional Supplemental Ordinance.

**Redbird Airport** means the airport presently belonging to Dallas and formerly bearing the name “Redbird Airport,” now known as the Dallas Executive Airport.

**Redemption Price** means, with respect to any Obligation, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the terms of such Obligation or its authorizing Outstanding Ordinance or Additional Supplemental Ordinance.

**Registrar** means any registrar for Obligations appointed pursuant to the Master Bond Ordinance (which may include the Paying Agent and its successors or assigns).

**Risk Manager** means the insurance risk manager of the Airport in the control and employ of the Board, or such other officer or employee of the Board having the responsibility to acquire and maintain insurance on the Board’s behalf.

**Sinking Fund Installment** means, with respect to any series of Obligations, the portion of the Accrued Aggregate Debt Service required by an Additional Supplemental Ordinance to be deposited to the Debt Service Fund in all events on a future date to be held on deposit or applied, in either case, for the mandatory redemption or retirement, in whole or in part, of any Outstanding Obligations of said series having a stated maturity after said future date. Said future date is deemed to be the date when such Sinking Fund Installment is due and payable.

**Special Facilities** means hangars, aircraft overhaul, maintenance and repair shops, storage facilities, garages and other buildings, structures, Facilities and appurtenances being a part of or related to the Airport and financed wholly or in part with the proceeds of Special Facility Bonds.

**Special Facility Bonds** means bonds payable solely from all or a portion of the rentals received from any one or more Net Rent Leases appertaining to Special Facilities.

**Special Revenues** means any one or all (i) taxes or special charges, other than tolls and charges imposed for entry to the Airport, that are levied or imposed for use of the Airport, or on the price of goods, products, or services sold or provided at the Airport pursuant to Applicable Law, such as, but not limited to, passenger facilities charges imposed pursuant to 49 U.S. Code, Sec. 40117, as amended, or any successor or similar law, sales and/or use taxes received by the Board from any source, hotel occupancy taxes, and special taxes or surcharges imposed on automobile rental or use charges, and (ii) ad valorem taxes received by the Board from any source. Special Revenues will not include moneys received by the Cities pursuant to interlocal agreements entered into among the Cities and municipalities having jurisdiction within the boundaries of the Airport under which such municipalities and the Cities agree to share in certain tax receipts and other revenues lawfully imposed and collected by such municipalities resulting from the continued development of Airport-owned property within such municipalities.

**Special Revenue Bonds** mean bonds, notes or other obligations issued for the purposes of the Airport that are made payable from Special Revenues pursuant to the right to issue the same as described under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Additional Indebtedness—Special Revenue Bonds.**”

**Standard Assumptions** mean, subject to the last sentence of this paragraph, wherever in the Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to Interim Obligations is required by application of the Standard Assumptions, the Debt Service will be computed by assuming that the principal amount of the Interim Obligations will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Obligations has not been capitalized or otherwise funded or provided for, at which time (which will not be beyond the Stated Maturity Date of the Interim Obligations) it will be assumed (A) that the Outstanding principal amount of the series of Interim Obligations will be refinanced with a series of Additional Obligations that will be amortized over a period not to exceed twenty-five (25) years in such manner as will cause the maximum Debt Service Requirement applicable to such series in any twelve (12) month period not to exceed 110% of the minimum Debt Service Requirements applicable to such series for any other twelve (12) month period, and (B) that the series of Additional Obligations will bear interest at a fixed interest rate estimated by the Board's financial advisor to be the interest rate such series of Additional Obligations would bear if issued on such terms on the date of such estimate. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges, as required by the Master Bond Ordinance, for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average rate over the last twelve months plus 50 basis points.

Subject to the last sentence of this paragraph, wherever in the Master Bond Ordinance a calculation of Debt Service during any current or future Debt Service Accrual Period with respect to each series of Variable Interest Rate Obligations that are not Interim Obligations is required by application of the Standard Assumptions, the Debt Service will be computed by assuming that such Obligations will bear interest at the highest of (i) the actual rate on the date of calculation, or, if such Obligations are not yet Outstanding, the initial rate, if established and binding, (ii) if the Obligations have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or (iii) (A) if the Obligations are Tax Exempt Obligations, the most recently published "Revenue Bond Index," published by the financial news publication presently known as The Bond Buyer, or comparable index if no longer published, plus fifty basis points, or (B) if the Obligations are not Tax Exempt Obligations, the interest rate on direct obligations of the United States with comparable maturities, plus 50 basis points; provided, however, for the purpose of verifying prior compliance with the rate covenants, such Obligations will be deemed to bear interest at the actual rate borne during any prior test period. Notwithstanding any to the contrary, for the purposes of setting rates, fees and charges, as required by the Master Bond Ordinance, for the then current Fiscal Year, the Board may assume an interest rate that is equal to the average rate over the last twelve months plus 50 basis points.

**State** means the State of Texas.

**Stated Maturity Date** means the date on which an Obligation matures and the full amount owed thereon is in all events due and payable, as specified in Additional Supplemental Ordinances.

**Subordinate Lien Obligations** mean bonds, notes or other obligations issued pursuant to and in accordance with the Master Bond Ordinance as described under the caption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Additional Indebtedness—Subordinate Lien Obligations.**"

**Swap Agreement** means a Credit Agreement with respect to a series of Obligations pursuant to which the Cities or the Board agrees to pay to a qualified counter party an amount of money in exchange for the counter party's promise to pay all or a portion of the actual amount of interest due and payable on such series according to its terms as it becomes due. For the purposes of this definition, a counter party is not qualified unless it holds a current rating for claims-paying ability by at least two nationally recognized



rating agencies at least equal to the rating of each such rating agency assigned to the Outstanding Obligations without reference to any Credit Agreement.

**Tax-Exempt Obligation** means any Obligation the interest on which is excludable from the gross income of the Holder for federal income tax purposes under Section 103 of the Code.

**Thirtieth Supplement** means the Dallas Fort Worth International Airport Thirtieth Supplemental Concurrent Bond Ordinance.

**Variable Interest Rate** means a variable or adjustable interest rate that varies from time to time based on a formula or reference to specified financial indicators, or by negotiation, auction, or revisions through another method from time to time and to be borne by all or a part of a series of Obligations or Parity Credit Agreement Obligations, all as specified in an Additional Supplemental Ordinance or Credit Agreement.

**Variable Interest Rate Obligations** mean Obligations or Parity Credit Agreement Obligations which bear a Variable Interest Rate.

### **Funds and Flow of Funds**

**Funds.** The Master Bond Ordinance (i) confirms and renames the “Interest and Sinking Fund” (created in the 1968 Ordinance) as the “Debt Service Fund,” (ii) confirms and renames the “Reserve Fund” (created in the 1968 Ordinance) as the “Debt Service Reserve Fund,” and (iii) confirms and continues the “Capital Improvements Fund,” the “Operating Revenue and Expense Fund,” and the “Construction Fund,” and the following special funds, as confirmed and continued within the Joint Airport Fund, are governed by the terms of the Master Bond Ordinance:

- (i) the Debt Service Fund;
- (ii) the Debt Service Reserve Fund;
- (iii) the Capital Improvements Fund;
- (iv) the Operating Revenue and Expense Fund; and
- (v) the Construction Fund.

The Cities may authorize the creation of special or general accounts within any of such Funds and may prescribe the terms applicable thereto in Additional Supplemental Ordinances; provided, however, the Board may authorize special and general accounts within any such Funds for accounting purposes. The Debt Service Fund and the Debt Service Reserve Fund, and any and all accounts created therein, if any, are special trust funds, to be held by the Board for the benefit of the Holders of Obligations, the Credit Providers holding Parity Credit Agreement Obligations, and Persons to whom Administrative Expenses are owed, due and payable. Unless required otherwise by an Additional Supplemental Ordinance, all of such funds not expressly required by the Master Bond Ordinance or an Additional Supplemental Ordinance to be held by a trustee, may be held in any bank or lawful depository of the funds of the Board, including the Treasurer. Any other funds, accounts or moneys required to be created or held under the terms of any Additional Supplemental Ordinance will be held at the place or places specified in such Additional Supplemental Ordinance. All funds and accounts created or confirmed in the Master Bond Ordinance and in any Additional Supplemental Ordinance, and the books and records of account with respect thereto, will be kept and maintained in such manner as will record on a regular basis

all deposits therein and the source thereof, withdrawals therefrom and the purposes therefor, and the earnings realized with respect thereto. All moneys on deposit in the special funds described under this caption on the date of delivery of any of the Obligations shall be held therein and thereafter shall be maintained, supplemented, invested, and applied as directed in the Master Bond Ordinance and in Additional Supplemental Ordinances, as applicable.

**Flow of Funds.** All Gross Revenues, when and as received by the Board, will be promptly deposited to the credit of the Operating Revenue and Expense Fund.

Unless made more frequent by an Additional Supplemental Ordinance, the Board will transfer, only to the extent required, amounts on deposit in the Operating Revenue and Expense Fund monthly on or before the last Business Day of each month to the following Funds and in the following order of priority:

(i) First, to the Debt Service Fund, an amount equal to the lesser of (A) all funds available for transfer, or (B) an amount equal to the Accrued Aggregate Debt Service for such monthly period, subject to the provisions set forth under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Adjustments in Transfer Requirements”**;

(ii) Second, if and to the extent required by an Additional Supplemental Ordinance pursuant to which Obligations are issued and/or related Parity Credit Agreements are authorized, to a special account or accounts, such amount as is necessary to pay any Administrative Expenses that are due and payable during the succeeding month;

(iii) Third, to the Debt Service Reserve Fund, the lesser of (A) all funds available for transfer, or (B) subject to the alternative funding methods permitted under the Master Bond Ordinance and described herein, up to the amount required to cause the amount on deposit therein to be equal to the lesser of (y) the Debt Service Reserve Requirement, or (z) the amount then required to be on deposit therein according to said sections, plus any amounts required to restore or replenish any deficiencies in the Debt Service Reserve Fund so that the amounts required by the Master Bond Ordinance are on deposit therein when, as, and in the amounts therein required;

(iv) Fourth, to any other fund or account required by any Additional Supplemental Ordinance authorizing Obligations and/or Parity Credit Agreement Obligations, the amounts required to be deposited therein; and

(v) Fifth, to a special account or fund, if any, created by the Cities in an Additional Supplemental Ordinance, for the purpose of paying the principal and redemption price of, the interest on, and reserves for Subordinate Lien Obligations, and paying Credit Agreement Obligations that are declared to be on a parity therewith.

Unless otherwise directed by an Additional Supplemental Ordinance, during each month, subject to the transfers as described above under this subcaption, the Board is authorized to expend or set aside any money on deposit in the Operating Revenue and Expense Fund for the following purposes, in the following order of priority:

(i) First, expending such money for the purpose of paying the Operation and Maintenance Expenses of the Board in accordance with the current annual budget of the Board; and

(ii) Second, setting aside into a separate account an amount sufficient to pay Operation and Maintenance Expenses for the ensuing period of ninety (90) days, as estimated by an Authorized Officer.

Gross Revenues remaining unexpended at the close of business on the last day of each Fiscal Year, after expending or setting aside the money required for the purposes set forth in the above paragraphs of this subcaption, will be deposited to the credit of the Capital Improvements Fund for use, deposit and application as described under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Capital Improvements Fund”**; provided, however, an Authorized Officer may, at such time, elect to keep all or a portion of such unexpended funds in the Operating Revenue and Expense Fund.

Notwithstanding the other provisions under this subcaption, the Board is not required to set aside or pay any amounts to a Credit Provider or to a Paying Agent in respect of Administrative Expenses except as requested by such Persons and approved by an Authorized Officer. Notwithstanding the other provisions of this subcaption, Gross Revenues received from or through the United States of America, the State of Texas, or other sources, the use of which is limited, shall be used as Gross Revenues in compliance with any requirements placed on the use of such funds.

**Adjustments in Transfer Requirements.** The Accrued Aggregate Debt Service required to be transferred to the Debt Service Fund by subsection (i) of the second paragraph of the immediately preceding subcaption for such monthly period will be reduced by an amount equal to the total of any moneys already on deposit in the Debt Service Fund and any account created therein, or on deposit in another Pledged Fund, if any, that is created in an Additional Supplemental Ordinance, and after taking into account investment earnings actually realized and on deposit therein (inclusive of accrued interest and amortization of original issue discount or premium), excess deposits made on account of Variable Rate Obligations and the assumed interest rates thereof, and money deposited therein from the proceeds of Obligations as capitalized interest or otherwise. It is provided, however, that the amounts required to be transferred will never be reduced to an amount below the amount necessary to pay all amounts then due and owing on the Obligations as capitalized interest or otherwise and Parity Credit Agreement Obligations when due and payable. In the event the counterparty to a Swap Agreement becomes obligated to make payments to the Board, such amounts will be deposited to the Debt Service Fund. The Board may at any time increase the amounts of any transfers required under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds”** from funds on deposit in the Operating Revenue and Expense Fund, or from any other lawfully available moneys, so long as such transfers do not reduce the amounts required to be transferred to any particular fund or account as described under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds.”**

**Debt Service Fund.** (a) The Board will pay, out of the Debt Service Fund, to the respective Paying Agents for any of the Obligations from time to time Outstanding, or directly to a Credit Provider holding a Parity Credit Agreement Obligation, as applicable (i) on the date specified in the Outstanding Ordinances and in Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than each Interest Payment Date, the amount (as determined by each Paying Agent or other party designated in each applicable Outstanding Ordinance and Additional Supplemental Ordinance) required for the payment of interest on the Obligations or Parity Credit Agreement Obligations due on such Interest Payment Date, and (ii) on the date specified in the Outstanding Ordinances and Additional Supplemental Ordinances or Credit Agreements pursuant to which Parity Credit Agreement Obligations are created, but in no event later than the redemption date, the amount required for the payment of accrued interest on Obligations or Parity Credit Agreement Obligations to be redeemed or paid unless the payment of such accrued interest is

otherwise provided for. Such amounts paid to Paying Agents will be held and applied by the Paying Agents paying the amounts owing on the Obligations with respect to which such transfers were made and upon demand for such payment by a proper Holder.

(b) The Board will pay, out of the Debt Service Fund, to the respective Paying Agents, on the dates specified in the Outstanding Ordinances and each Additional Supplemental Ordinance, but in no event later than each Principal Payment Date for any of the Obligations from time to time Outstanding or Parity Credit Agreement Obligations coming due, the amount (as determined by each Paying Agent or other party designated in each applicable Additional Supplemental Ordinance) required for the payment of any Principal Installments and any Redemption Price that are due on Obligations, and similar amounts that are due and payable on Parity Credit Agreement Obligations on such Principal Payment Date and such amounts paid to Paying Agents or Credit Providers will be held and applied by the Paying Agents or Credit Providers as directed in each Outstanding Ordinance and in each Additional Supplemental Ordinance.

(c) The amount accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by an Additional Supplemental Ordinance shall, be applied prior to a day preceding the due date of such Sinking Fund Installment, as fixed in the Additional Supplemental Ordinance, to:

(i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Additional Supplemental Ordinance, or

(ii) the redemption of Obligations pursuant to the provisions of the applicable Additional Supplemental Ordinance authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.

(d) If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations or Parity Credit Agreement Obligations, is not a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date will be deemed to be the next succeeding Business Day and no interest will accrue between the stated day and the applicable succeeding Business Day.

**Debt Service Reserve Fund.** (a) Moneys on deposit in or required by a Credit Agreement to be deposited to the Debt Service Reserve Fund shall be used solely and exclusively for the purposes of making transfers to the Debt Service Fund in the event the moneys in the Debt Service Fund are not sufficient to make transfers to the Paying Agents, or payments to Credit Providers for the payment of Parity Credit Agreement Obligations, on the dates and in the full amounts required by the Master Bond Ordinance, by any Additional Supplemental Ordinance, or by any Credit Agreement.

(b) Subject to the rights reserved in the immediately following paragraph (c), the Debt Service Reserve Fund shall be established and maintained in an amount equal to the Debt Service Reserve Requirement, as such amount is determined in accordance with the following paragraphs of this subcaption, to-wit:

(i) The amount of the Debt Service Reserve Requirement to be deposited and maintained in the Debt Service Reserve Fund on account of the Prior Obligations is an amount equal to the average

annual Debt Service on and with respect to the Prior Obligations calculated as of November 1 of each year, unless otherwise directed by the Board; and

(ii) The amount of the Debt Service Reserve Requirement to be deposited, accumulated, and maintained, or alternatively funded in accordance with the immediately following paragraph (c) on account of each respective series of Additional Obligations will be established and funded, or funding will be provided therefor, in accordance with the provisions of Additional Supplemental Ordinances authorizing their issuance, but will be in an amount that is not less than the average annual Debt Service that will be required to be paid on or with respect to such Additional Obligations that are from time to time Outstanding, except that no increase in the Debt Service Reserve Requirement is required on account of any series of Interim Obligations that are secured, guaranteed, or insured by a Credit Provider.

For the purposes of this paragraph (b), computations with respect to Variable Interest Rate Obligations will be made by applying the applicable Standard Assumptions.

(c) The Debt Service Reserve Requirement required on account of the issuance of each respective series of Additional Obligations will be funded either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) by requiring the required amount to be deposited to the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Additional Obligations, respectfully, (iii) by entering into one or more Credit Agreements, such as surety, insurance, other similar contracts, letters of credit and similar arrangements, with an insurance company or companies or a bank or banks, insuring or providing amounts up to the portion of the Debt Service Reserve Requirement applicable to the Obligations being issued, or (iv) by any combination of such methods. Such Credit Agreements must provide for the payment of the principal of and interest on the Obligations when due, and in order to avoid a default thereof, up to an amount equal to the Debt Service Reserve Requirement applicable to the Obligations to which they relate, to the extent cash funds in the Debt Service Reserve Fund do not contain the amount required to be on deposit therein from time to time. The total dollar amount of the insured or guaranteed liability under the Credit Agreement with respect to the payment of such Obligations will be deemed for all purposes of the Master Bond Ordinance to satisfy a corresponding amount of the Debt Service Reserve Requirement. In order for a Credit Agreement to be effective in satisfying in whole or in part the Debt Service Reserve Requirement, the execution of such Credit Agreement must not result in or cause the then underlying credit rating on the Obligations to be lowered or withdrawn by a majority of the credit rating agencies then having a contract credit rating with respect to the Obligations. A determination by the Cities that the terms and provisions of a particular Credit Agreement are in compliance with the requirements of this subcaption is conclusive. To the extent such agreements or contracts are entered into, the Cities may pay the costs thereof from amounts that would otherwise be deposited to the Debt Service Reserve Fund as described in clause (iii) of the second paragraph under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds.”**

If, at any time, a transfer is required from the Debt Service Reserve Fund for the purposes stated in paragraph (a) of this subcaption, the Board will make such transfer on the dates on which transfers are required to be made to the Paying Agents under the Master Bond Ordinance or an Additional Supplemental Ordinance.

Subject to such limitations as may be contained in an Additional Supplemental Ordinance, the Cities have the right and option to apply money in the Debt Service Reserve Fund to redeem Obligations or to pay related Parity Credit Agreement Obligations in advance of their maturity date when and if the same are subject to redemption at the option of the Cities in an amount by which the redemption lowers the Debt Service Reserve Requirement.

Any funds on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement from time to time may be transferred to the Debt Service Fund or, at the discretion of the Board, may be applied to pay Costs of the Airport, or transferred to the Operating Revenue and Expense Fund.

**Capital Improvements Fund.** (a) Moneys transferred to the Capital Improvements Fund, as described above in the second to last paragraph under the caption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds,**” shall be used for any purpose permitted by Applicable Law related to the Airport.

(b) Notwithstanding the above provisions of this subcaption, moneys on deposit in the Capital Improvements Fund will be used to prevent a default in the payment of any Obligations or Parity Credit Agreement Obligations.

**Restoration of Deficiencies.** Should the Debt Service Fund or the Debt Service Reserve Fund, or any other fund or account of any of the types described in the second paragraph under the subcaption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds,**” contain less than the amount required to be on deposit therein, then such deficiency will be restored from Pledged Revenues over a period not longer than sixty (60) months, and further transfers to the Capital Improvements Fund pursuant to the penultimate paragraph under the subcaption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds**” will be suspended until such deficiency has been restored.

**Construction Fund.** Except as otherwise provided in the Master Bond Ordinance or in an Additional Supplemental Ordinance, moneys deposited in the Construction Fund and the moneys within said Fund shall be used solely for the purpose of defraying a part of the Costs of the Airport. Disbursements from the Construction Fund will be made pursuant to the customary practices of the Airport. All disbursements from the Construction funds shall be accounted for and recorded in the appropriate records of the Airport. When improvements made with Obligation proceeds, will have been completed in accordance with the plans and specifications, and when all amounts due, including all proper incidental expenses, will have been paid, the Authorized Officer shall file with the Board a certificate so stating, and thereupon the Board shall cause the transfer of all moneys remaining in the Construction Fund, if any, to the Capital Improvements Fund.

**Investments.** Subject to restrictions set forth in a Credit Agreement, if any, amounts in any fund or account may, to the extent permitted by Applicable Law, be invested in Investment Securities. All investments will be made by or upon written instruction of an Authorized Officer in accordance with Applicable Law and the Board’s investment policy approved by the Board from time to time. Such investments will mature in such amounts and at such times as may, in the judgment of such Authorized Officer, be necessary to provide funds when needed to make timely payments from such fund or account. In order to avoid loss in the event of a need for funds, the Board may, in lieu of a liquidation of investments in the fund or account needing funds, exchange such investments for investments in another fund or account that may be liquidated at no, or at a reduced, loss.

Except as otherwise provided in the Master Bond Ordinance, obligations purchased as an investment of moneys in any fund or account created in or confirmed by the Master Bond Ordinance will be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof will be retained in, credited or charged, as the case may be, to such fund or account. It is provided, however, that earnings may be used as provided in the fourth paragraph under the subcaption “**SUMMARY OF CERTAIN**

PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds” and in an Additional Supplemental Ordinance.

In computing the amount in the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at their Market Value annually prior to the adoption of the annual budget for the Airport.

Except as otherwise provided in the Master Bond Ordinance, the Board will sell or cause to be sold at the best price obtainable, or present for redemption or exchange, any Investment Security purchased as an investment pursuant to the Master Bond Ordinance whenever it is necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

To the extent not invested in Investment Securities, funds and accounts shall be fully secured in the same manner as is required for the public funds of the Board.

**Effect of Deposits With Paying Agents.** (a) Whenever Pledged Revenues are on deposit with a Paying Agent in the amounts required in an Outstanding Ordinance, or in an Additional Supplemental Ordinance, then the Cities and the Board will be released from any further obligations of payment of the interest on or the principal or Redemption Price of Obligations with respect to which the deposits and transfers were made. The Holders of the Obligations with respect to which such moneys are held shall look solely to the appropriate Paying Agents for payment of the interest on or the principal or Redemption Price of the applicable Obligations from such moneys.

(b) Moneys transferred to a Paying Agent will be set aside and continuously held uninvested (unless otherwise provided in an Outstanding Ordinance or in an Additional Supplemental Ordinance) in a special trust fund or account held by the Paying Agent and will be used for the sole and exclusive purpose of paying the amounts due and owing on the Obligations with respect to which such transfers were made and upon demand for such payment by the proper Holders. Any moneys remaining unclaimed for a period specified in any Applicable Law relating to the escheat of property or money will be distributed by the Paying Agent in accordance with such law.

(c) Obligations, for the full payment of the principal amount or Redemption Price of which moneys have been provided to the appropriate Paying Agents as described in this subcaption, will no longer be deemed to be Outstanding from and after the maturity or redemption date thereof and all interest thereon will cease to accrue from and after said date.

(d) Notwithstanding the provisions of paragraphs (a) and (b) of this subcaption, an Additional Supplemental Ordinance may require the payment of amounts deposited with the Paying Agent to be paid to a Credit Provider if offsetting and comparable amounts are deposited by the Credit Provider with the applicable Paying Agent for the purpose of making direct payment to the Holders of the applicable Obligations.

**Additional Indebtedness**

**Additional Obligations.** No Additional Obligations will be issued under the Master Bond Ordinance unless the following instruments are executed:

(i) A certificate, dated as of the date of delivery of the Additional Obligations, executed by an Authorized Officer, certifying, in effect, that:

(A) All conditions precedent have been satisfied which are provided for in the Master Bond Ordinance and in each Additional Supplemental Ordinance, the provisions of which relate to or further restrict the issuance of Additional Obligations; and

(B) No Event of Default has occurred and is then continuing under the Master Bond Ordinance or under any Additional Supplemental Ordinances that will not be cured by the issuance of the Additional Obligations; and

(ii) A written order, executed by an Authorized Officer, directing that the Additional Obligations will be authenticated if the same are required to be authenticated under the terms of the Additional Supplemental Ordinance; and

(iii) A Certificate executed by an Authorized Officer certifying that the Cities have received at least one of the following:

(A) An Airport Consultant's written report or Certificate of Authorized Officer setting forth projections of Gross Revenues and Operation and Maintenance Expenses, and the report indicates that (I) the estimated Net Revenues for each of three (3) consecutive Fiscal Years beginning with the first Fiscal Year in which Debt Service is due on or with respect to the Additional Obligations proposed to be issued, and for the payment of which provision has not been made as indicated in the report of such Airport Consultant from the proceeds of such Additional Obligations and/or from interest that has been capitalized from the proceeds of previously issued Obligations, are equal to at least 125% of the Debt Service that will be due and owing and scheduled to be paid during each of such three (3) consecutive Fiscal Years, after taking into consideration any additional Debt Service to be paid during such period on or with respect to the Additional Obligations then proposed to be issued and any reduction in Debt Service that may result from the issuance thereof, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations or Variable Interest Rate Obligations and (II) the schedule of rentals, rates and charges then in effect meets the requirements described in clause (iii) under the caption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Particular Covenants—Rates, Charges and Free Use of Land**"; or

(B) A certificate, executed by the Chief Financial Officer of the Board, showing that (I) for either the Board's most recent complete Fiscal Year, or for any consecutive twelve (12) out of the most recent eighteen (18) months, the Net Revenues were equal to at least 125% of the maximum Debt Service on or with respect to all Outstanding Obligations and Parity Credit Agreement Obligations scheduled to be paid during the then current or any future Fiscal Year after taking into consideration the issuance of the Additional Obligations then proposed to be issued, and after applying the Standard Assumptions with respect to Outstanding or proposed Interim Obligations or Variable Interest Rate Obligations and (II) the schedule of rentals, rates and charges then in effect meets the requirements described in clause (iii) under the caption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Particular Covenants—Rates, Charges and Free Use of Land.**"

The Cities will include in each Additional Supplemental Ordinance authorizing the issuance of Additional Obligations a requirement that an amount equal to the Debt Service Reserve Requirement will be deposited into or made available for the purposes of the Debt Service Reserve Fund or the Debt Service Fund, either (i) by including the required amount in the principal amount of the Obligations being issued, (ii) by requiring the required amount to be deposited to the Debt Service Reserve Fund from Gross Revenues in approximately equal monthly installments over a period not exceeding sixty (60) months following the delivery of such Additional Obligations, respectively, (iii) by executing a Credit Agreement with one or more qualified Credit Provider(s) as described in paragraph (c) under the subcaption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and**



**Flow of Funds—Debt Service Reserve Fund**” by which the Credit Provider(s) agree(s) to make deposits to either the Debt Service Reserve Fund or the Debt Service Fund in an amount equal to or greater than the amount of the Debt Service Reserve Requirement allocable to the Obligations being issued, in either case, if necessary to pay the Obligations and the Parity Credit Agreement Obligations when due, or (iv) any combination of the methods permitted by clauses (i) through (iii).

**Subordinate Lien Obligations.** The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of further developing, improving, repairing, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into Credit Agreements creating Credit Agreement Obligations in connection therewith, that are, in each case, secured by and payable solely from the money on deposit from time to time in a special fund or account described pursuant to clause (v) under the second paragraph under the subcaption “**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Flow of Funds,**” upon and having such terms, conditions, and provisions as the Cities deem appropriate, and, if desired, to additionally pledge Special Revenues thereto.

Subordinate Lien Obligations, and Credit Agreement Obligations created in connection therewith, if any, will be authorized, and their terms and provisions prescribed, in Additional Supplemental Ordinances.

**Special Revenue Bonds.** The Cities reserve the right (i) to issue bonds, notes or other obligations for the purpose of paying Costs of the Airport or otherwise further developing, improving, repairing, expanding, or maintaining the Airport, or refunding and refinancing previously issued or created indebtedness of the Cities relating to the Airport, and (ii) to enter into related credit support agreements having such terms as are permitted by Applicable Law, that are, in each case, exclusively or partially secured by and payable from a first and superior lien on Special Revenues for such purposes, in such form, and having such terms and provisions as are permitted by Applicable Law.

The rights of the Cities described in the paragraph immediately above include, but are not limited to, the right to pledge Special Revenues to the payment of, and as additional security for, Subordinate Lien Obligations.

Special Revenues, when and while they are pledged to secure the payment of Special Revenue Bonds or Subordinate Lien Obligations may be deposited to such funds and accounts of the Board as may be required by Applicable Law or as directed in the documents and agreements authorizing or relating to their issuance.

Special Revenue Bonds may be authorized, and their terms prescribed, in such ordinances, resolutions, indentures, or other proceedings as determined by the Cities.

**Parity Credit Agreement Obligations.** Parity Credit Agreement Obligations and the rights and obligations of the Credit Providers holding the same will be as specifically provided in Additional Supplemental Ordinances.

**Special Facility Bonds.** The Cities have the right to enter into contracts, leases or other agreements pursuant to which the Board will agree to construct and pay all costs of construction of Special Facilities to be financed by the issuance by the Cities of Special Facility Bonds. Such bonds may be issued upon and subject to certain conditions, including the following:

(i) A Net Rent Lease will be entered into between the parties thereto pursuant to which the lessee agrees to the matters specified in the definition of such term and agrees to cause the payments there

required and the rentals therein to be payable over a period not longer than the latest maturity of the Special Facility Bonds.

(ii) A second lease, the "Ground Lease," for at least the same term as the Net Rent Lease, will be entered into between the parties to provide for additional rentals for the ground upon which such Special Facilities are to be located, which Ground Lease will provide for rental payments to the Board payable in periodic installments in amounts not less than as required pursuant to a schedule or schedules for rental of ground space at the Airport as fixed from time to time by the Board, which ground rental payments will constitute a part of Gross Revenues.

(iii) No Special Facility Bonds will ever be payable in whole or in part from Gross Revenues. After such Special Facility Bonds have been fully paid and retired all revenues derived from the leasing or operation or use of such Special Facilities will be a part of Gross Revenues and will be subject to all provisions of the Master Bond Ordinance relating thereto.

### **Particular Covenants**

**Rates, Charges and Free Use of Land.** The Cities covenant and agree as follows:

(i) The Board will fix, place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and the services appertaining thereto, which is reasonably estimated to produce the amounts provided in paragraphs (ii) and (iii), next below. From time to time and as often as it appears necessary, the Executive Director of the Airport and other Authorized Officers will make recommendations to the Board as to the revision of the schedule of rentals, rates, fees and charges. Upon receiving such recommendations, the Board will revise, insofar as it may legally do so, the rentals, rates, fees and charges for the use, operation and occupancy of the Airport, its Facilities, and the services appertaining thereto in order continually to fulfill the requirements of this covenant. This covenant will not be construed to require adjustment or revision in long-term agreements which by their terms are not subject to adjustment or revision.

(ii) The schedule of rentals, rates, fees and charges required by paragraph (i), next above, will be at least sufficient to produce in each Fiscal Year Gross Revenues sufficient to pay (a) the Operation and Maintenance Expenses, plus (b) 1.25 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively, plus (c) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (d) any additional amounts required by the terms of an Additional Supplemental Ordinance.

(iii) The schedule of rentals, rates, fees and charges required by paragraph (i), next above, will be at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (a), (c) and (d) of paragraph (ii), next above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

(iv) The Board will cause all rentals, fees, rates and charges pertaining to the Airport to be collected when and as due, will prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and will provide methods of collection and penalties to the end that the Gross Revenues and the Current Gross Revenues will be adequate to meet the respective requirements hereof.

(v) To the full extent lawfully permissible, no free use of the land, public roads and ways comprising a part of the Airport will be allowed or permitted for commercial purposes by private or commercial concerns providing direct service to the traveling public, and no rights-of-way, easements, access or uses on or across said lands or public roads and ways for commercial purposes will be granted except through easements, franchises or permits granted, and for consideration fixed, by the Board.

**Budgets and Expenditures.** (a) For each Fiscal Year, the Board will, in accordance with the terms, provisions and requirements of the Contract and Agreement, prepare and annually submit to the Cities an annual budget containing estimates of expenditures and anticipated Gross Revenues for the next ensuing Fiscal Year.

(b) All Operation and Maintenance Expenses will be reasonable and the total expenditures for the purchase of services, goods or commodities will not exceed in any year the total expenditures thus set forth in the annual budget except on the express approval of the Board and the Cities in accordance with the Contract and Agreement.

**Transfers of Airport and Facilities.** So long as any Obligations are outstanding and unpaid, the Cities will not sell, transfer, or in any manner dispose of or otherwise alienate, any part of the property comprising the Airport. It is provided, however, that:

(1) the Cities may acquire additional property as an extension to the Airport additional to that reflected within the preliminary boundaries contained in the Board's overall preliminary plan of the Airport and will be authorized to grant rights of foreclosure in connection with mortgages, pledges, or other encumbrances of the land or revenues thereof fixed in connection with such acquisition and the Special Facilities to be placed therein, such mortgages and pledges being authorized subject to the restrictions applicable to Special Facilities; and

(2) the Cities have the right to sell or otherwise dispose of any property, real or personal, which is no longer necessary, appropriate or required for the use of, profitable to, or for the best interests of the Board in operation of the Airport. The net proceeds of any sale pursuant to this provision will be used for the purpose of replacing properties or equipment at the Airport, if necessary, or will be deposited into the Capital Improvements Fund; except that the proceeds from the sales of surplus land may be distributed to the Cities as a return of capital under the Contract and Agreement.

Notwithstanding the provisions of the first paragraph of this subcaption, the Cities retain, reserve, and have the right and privilege of transferring, selling, leasing or disposing of the entire properties and Facilities constituting the Airport to another political body or political subdivision of the State of Texas which is authorized by law to own and operate airports, subject to the following conditions, to-wit:

(1) The governing body of such political entity by lawfully adopted and effective ordinance, order, resolution or by other appropriate action, expressly and unequivocally assumes each and every, all and singular, the covenants, obligations, duties and responsibilities of the Cities and the Board imposed by the Master Bond Ordinance, the Outstanding Ordinances and all ordinances supplemental thereto or adopted in connection with the issuance of any future issues of Obligations.

(2) If such properties and Facilities comprising the Airport are sold to such political body and such sale is on a deferred-payment basis, such deferred payment will be junior and subordinate to all payments required to be made to or on account of any Obligations from time to time outstanding; or, if the purchase price is to be made in cash at the time of sale, no part thereof shall be or shall have been derived from Gross Revenues.

**The Contract and Agreement.** The Cities covenant and agree for the benefit of the Holders of the Obligations that they will honor, fulfill, and enforce the Contract and Agreement between themselves, as amended. The Cities reserve the right by mutual agreement to additionally amend or supplement the Contract and Agreement from time to time in such respects as they consider appropriate so long as the effect of such amendment will not be to impair or diminish the rights of the Holders of Obligations; and they have the right to dissolve the Contract and Agreement upon transfer of the Airport in accordance with the Master Bond Ordinance.

**Standard of Operation.** The Airport will be maintained in an efficient, operating condition; and such improvements, enlargements, extensions, repairs and betterments will be made thereto as are necessary or appropriate in the prudent management thereof to insure its economic and efficient operation at all times, to maintain it in good repair, working order and operating condition; and such standards will be maintained as may be required in order that the same will be approved by all proper and competent agencies of the Federal Government for the landing and taking-off of Aircraft operating in scheduled service, and as a terminal point of the Cities for the receipt and dispatch of passengers, property and mail by Aircraft.

**Rules and Regulations.** The Board will establish and enforce reasonable rules and regulations for the use and occupancy, management, control, operation, care, repair and maintenance of the Airport. The Board will comply with all valid acts, rules, regulations, orders and directives of any executive, administrative or judicial body applicable to the Airport, unless the same are contested in good faith, all to the end that it will remain operative at all times.

**Federal Financial Assistance.** The Board will, insofar as it may legally do so, maintain, preserve, keep, and operate the Airport in such manner as will qualify the Airport to receive maximum financial aid from Federal or State sources, which aid may be sought and procured if available on fair and reasonable terms (in the sole opinion of the Board) which are not inconsistent with the provisions of the Master Bond Ordinance and when in the best interests of the overall financial and operating conditions of the Airport and the Joint Airport Fund.

**Casualty Insurance.** Except to the extent provided by others, the Board will at all times maintain insurance for such of the Facilities, in such amounts (including deductible amounts) and against such losses or damages, as are customarily insured by the owners of publicly-owned properties, including airports, having similar properties and operations as the Airport. All such insurance maintained by the Board will be either obtained from a responsible insurance company or companies authorized to do business in the State, to the extent such insurance is obtainable at commercially reasonable rates, or provided through a program of self-insurance.

The Board will annually determine, following consultation with an Independent Insurance Consultant or the Risk Manager, the Facilities to be insured and the type and amount (including deductible amounts) of insurance to be obtained by the Board.

**Use and Occupancy, Liability, and Other Insurance.** The Board, subject to the approval of the City Attorneys of the Cities, may carry with a responsible insurance company or companies authorized and qualified under the laws of the State of Texas insurance covering the risk of loss of revenues during necessary interruptions, total or partial, due to damage or destruction of the Airport, however caused, upon and subject to the following conditions:

(1) Such requirement is only to the extent not provided for in leases and agreements with the Board, and in any event will be in such amount as the Executive Director estimates as being sufficient to provide a full normal income during the period of interruption.

(2) Such insurance covers a reasonable period of reconstruction, as estimated by the Executive Director; and the same may exclude losses sustained by the Cities during the first fourteen (14) days of any total or partial interruption of use.

(3) If at any time the Board is unable to obtain such insurance to the extent above required, at reasonable prices, it will carry such insurance to the extent reasonably obtainable.

In ascertaining a full normal income for such insurance, the Executive Director will give consideration to the expected, as well as current and prior revenues, from the leasing or other operation or use of such facilities or from other sources, and may also make allowances for any probable decrease in operation and maintenance costs while use is interrupted. Any proceeds of such insurance will be deposited to the credit of the Operating Revenue and Expense Fund and will be subject to the uses and applied as provided for moneys in said Fund.

Insurance in the form and amount recommended by the City Attorneys of the Cities will be obtained insuring against liability to any person sustaining death, bodily injury or property damage by reason of material defects or want of repair in or about the Airport, or by reason of the negligence of any employee, and against such other liability to persons and property to the extent attributed to the ownership and operation of the Airport.

**Land Title and Rights.** No funds from the proceeds of Obligations will be paid for labor or to contractors, builders or materialmen on account of the construction, improvement or enlargement of the Airport unless such improvements or enlargements are located on lands good and marketable title to which is owned or can be acquired by the Cities in fee simple, or over which the Cities have acquired or can acquire easements or rights sufficient for the purposes of such improvements and enlargements. Additionally, no payments will ever be made from the proceeds of any Obligations for the acquisition of real property or any interest therein unless and until the Cities have received an opinion of the City Attorneys of the Cities to the effect that upon acquisition all necessary and good and sufficient title to such property or the interest therein to be acquired, free and clear of encumbrances, will be vested in the Cities and subject to the control and jurisdiction of the Board pursuant to the terms of the Contract and Agreement.

**Encumbrances by Cities, Board, or Others.** The Cities will not issue any bonds or other obligations payable from the Gross Revenues or Net Revenues and having a lien on a parity with or senior to the Obligations, except as provided in the Master Bond Ordinance, and it is covenanted and agreed that no mortgages or other liens of any kind shall be permitted to be attached or imposed upon any lands constituting a part of the Airport, except as expressly provided otherwise in the Master Bond Ordinance. Additionally the Board shall require the inclusion in all Net Rent Leases and Ground Leases provisions to the effect that the same are taken subject to the terms and provisions of the Master Bond Ordinance; that the lessee shall not enter into any contracts of a nature such that liens of any nature or kind are permitted to become attached to the remainder interests of the Board and the Cities thereunder; that the holders of such leasehold interests, when rendering or otherwise declaring the fair market value thereof, within the taxing jurisdictions in which situated and when required by law, shall render the fair market value of the lessee's interest, irrespective of the term thereof, based upon the value of a comparable facility situated on private property. All or other interest in the Board as Airport and publicly owned property, including the remainder or other interest, shall be and remain always exempt from and not subject to ad valorem taxation. The holders of such leases shall never suffer or permit to be imposed or attached to any such leasehold interests any liens for taxes. No action or default on the part of such lessees shall be construed to create a lien on the interests of the Cities in such Facilities or land.

**Representations as to Pledged Funds and Pledged Revenues.** The Cities represent and warrant that they are authorized by Applicable Law to authorize and issue the Obligations and to pledge the Pledged Funds and Pledged Revenues in the manner and to the extent provided in the Master Bond Ordinance, and that the Pledged Funds and Pledged Revenues so pledged are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by the Master Bond Ordinance except as expressly provided in the Master Bond Ordinance for Obligations and Parity Credit Agreement Obligations.

The Obligations and the provisions of the Master Bond Ordinance are and will be the valid and legally enforceable special obligations of the Cities in accordance with their terms and the terms of the Master Bond Ordinance, subject only to any applicable bankruptcy or insolvency laws or to any Applicable Law affecting creditors' rights generally.

The Cities will at all times, to the extent permitted by Applicable Law, defend, preserve and protect the pledge of the Pledged Funds and Pledged Revenues and all the rights of the Holders and the Credit Providers under the Master Bond Ordinance and all Credit Agreements against all claims and demands of all persons whomsoever.

### **Events of Default**

**Description.** Each of the following occurrences or events for the purposes of the Master Bond Ordinance is an "Event of Default."

(1) The failure to make payment of the Principal Installment of any of the Obligations when the same become due and payable;

(2) The failure to pay any installment of interest on Obligations when the same become due and payable;

(3) The failure to pay when due any amounts, whether principal, interest, or other payment, that are due and owing on any Parity Credit Agreement Obligations and such failure continues for a period of sixty (60) days after the due date thereof;

(4) Default in any covenant, undertaking, or commitment contained in the Contract and Agreement, the failure to perform which materially affects the rights of the Holders, including, but not limited to, their prospect or ability to be repaid in accordance with the terms and provisions of the Master Bond Ordinance, and the continuation thereof for a period of sixty (60) days after written notice of such default by any Holder;

(5) The Cities or the Board discontinue or unreasonably delay or fail to carry out with reasonable dispatch the reconstruction of any part of the Airport which is destroyed or damaged and which materially affects the revenue producing capacity thereof;

(6) An order or decree is entered by a court of competent jurisdiction with the consent and acquiescence of the Cities appointing a receiver or receivers for the Airport or of the rentals, rates, revenues, fees or charges derived therefrom; or if any order or decree having been entered without the consent and acquiescence of the Cities is not vacated or discharged or stayed on appeal within ninety (90) days after entry; and

(7) The Cities default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Obligations, or a Parity Credit Agreement

Obligation, or in the Master Bond Ordinance, or in any of the provisions of the Outstanding Ordinances that are continued, restated, or incorporated into the Master Bond Ordinance or in an Additional Supplemental Ordinance, and if such default continues for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Cities or to the Board by the Holders of not less than two percent (2%) in aggregate principal amount of the Obligations then Outstanding, or by a Credit Provider that is granted the authority to give and to withdraw such notices under the terms of an Additional Supplemental Ordinance.

**Remedies for Defaults.** Upon the happening and continuance of any of the Events of Default as provided in the preceding subcaption, then and in every case any Holder and any Credit Provider holding Parity Credit Agreement Obligations, including, but not limited to, a trustee or trustees therefor, may proceed against the Cities and the Board, for the purpose of protecting and enforcing the rights of the Holders and Credit Providers holding Parity Credit Agreement Obligations under the Master Bond Ordinance and any Additional Supplemental Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in the Master Bond Ordinance or in any Outstanding Ordinance, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Holders or of Credit Providers holding Parity Credit Agreement Obligations under the Master Bond Ordinance or any combination of such remedies. It is provided, however, that all of such proceedings at law or in equity will be instituted, strictly subject to the provisions of the Master Bond Ordinance, and will be had and maintained for the equal benefit of all Holders, and, as applicable, the Credit Providers holding Parity Credit Agreement Obligations. Each right or privilege of any Holders and of any Credit Provider holding a Parity Credit Agreement Obligation (or trustee therefor) is in addition to and cumulative of any other right or privilege and the exercise of any right or privilege by or on behalf of any Holders or Credit Provider holding Parity Credit Agreement Obligations will not be deemed a waiver of any other right or privilege thereof.

Pursuant to the Fifty-Seventh Supplement, in the event of the occurrence of an Event of Default, the right of acceleration of the Stated Maturity Date or the mandatory redemption date of any Bond or of any Parity Credit Agreement Obligation is not granted as a remedy, and the right of acceleration for the Bonds is expressly denied by the Fifty-Seventh Supplement.

## **Amendments**

**Additional Supplemental Ordinances Without Holders' Consent.** (a) Subject to any limitations contained in an Additional Supplemental Ordinance, the Cities may, from time to time and at any time, adopt and implement Additional Supplemental Ordinances without consent of or notice to the Holders, for the following purposes:

(i) To cure any formal defect, omission or ambiguity in the Master Bond Ordinance if such action is not adverse to the interest of the Holders or to the Credit Providers holding the Parity Credit Agreement Obligations;

(ii) To grant to or confer upon the Holders of any series of Obligations any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(iii) To add to the covenants and agreements of the Cities and the Board in the Master Bond Ordinance, other covenants and agreements to be observed by the Cities and the Board which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(iv) To add to the limitations and restrictions in the Master Bond Ordinance, other limitations and restrictions to be observed by the Cities which are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect;

(v) To confirm, as further assurance, any pledge or lien created or to be created by the Master Bond Ordinance, of the Pledged Funds and Pledged Revenues, or to subject to the lien or pledge of the Master Bond Ordinance additional revenues, properties or collateral;

(vi) To authorize the issuance of the Additional Obligations, and Subordinate Lien Obligations and to prescribe the terms, forms and details thereof not inconsistent with the Master Bond Ordinance and, in connection therewith, to create such additional funds and accounts, and to effect such amendments of the Master Bond Ordinance as may be necessary for such issuance, provided that no Additional Supplemental Ordinance will be inconsistent with the limitations described under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Amendments—Powers of Amendment”**; or

(vii) To make modifications in the Master Bond Ordinance or in an Additional Supplemental Ordinance that are necessary in the opinion of bond counsel selected by the Cities to conform to requirements of federal tax or securities law or other Applicable Law and that do not, in the opinion of such counsel, adversely affect the rights and security of the Holders to be paid in full when due.

(b) Additional Supplemental Ordinances adopted for any of the purposes permitted by this subcaption need not, in order to be valid, be signed or accepted by any other Person. Copies of all Additional Supplemental Ordinances and Credit Agreements will be filed with each Credit Provider and the Paying Agent.

**Powers of Amendment.** Any modification or amendment of the Master Bond Ordinance and of the rights and obligations of the Cities and the Board and of the Holders may be made by an Additional Supplemental Ordinance, with the written consent (i) of the Holders of more than a majority of the combined principal amount of the Obligations then Outstanding, or (ii) in case less than all of the several series of Obligations then Outstanding are affected by the modification or amendment, of the Holders of more than a majority in principal amount of the Obligations of each series so affected and Outstanding at the time such consent is given; provided, however, no such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation, or of any installment of interest thereon, or a reduction in the principal amount of the Redemption Price thereof, or in the rate of interest thereon, without the consent of the Holder of such Obligation, and provided further that no such modification or amendment may be made without the prior written consent of such of the Credit Providers as are granted the right of such consent under the provisions of an Additional Supplemental Ordinance. The Cities may obtain and receive an opinion of counsel selected by the Board, as conclusive evidence as to whether Obligations of any particular series or maturity would be so affected by any such modification or amendment of the Master Bond Ordinance.

**Consent of Holders or Credit Providers.** (a) The Cities may at any time adopt an Additional Supplemental Ordinance making a modification or amendment as set forth under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Amendments—Powers of Amendment,”** to take effect when and as provided in this paragraph (a) or in paragraph (b) of this caption. A copy of such Additional Supplemental Ordinance (or brief summary thereof or reference thereto) together with a request for consent addressed to the Holders whose consent is required, will promptly after adoption be mailed by the Board to the appropriate Holders (but failure to mail such copy and request will not affect the validity of the Additional Supplemental Ordinance when consented to as herein provided). Such Additional Supplemental Ordinance will not be effective unless



and until the Cities will have received the written consents of the proper Holders having the percentages described in the immediately preceding subcaption. Any such consent will be continuously binding upon the Holder giving such consent and upon any subsequent Holder thereof and of any Obligations issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder thereof by filing with the Cities, prior to the time action is taken in response to such consents. At any time thereafter notice, stating in substance that the Additional Supplemental Ordinance (which may be referred to as an Additional Supplemental Ordinance adopted by the Cities on a stated date) has been consented to by the Holders of the required percentages of Obligations and will be effective as hereinafter described, will be given to the Holders (whose consent was required) by the Cities by mailing such notice to such Holders (but failure to mail such notice will not prevent such Additional Supplemental Ordinance from becoming effective and binding). The Additional Supplemental Ordinance making such amendment or modification will be conclusively binding upon the Cities, the Board, each Paying Agent, all Holders, and all Credit Providers at the expiration of 30 days after the mailing by the Cities of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Additional Supplemental Ordinance in a legal action or equitable proceeding for such purpose commenced within such 30-day period; provided, however, that the Cities and any Paying Agent during such 30-day period and any such further period during which any such action or proceeding may be pending will be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Additional Supplemental Ordinance as they may deem expedient.

(b) Unless the right is limited by the terms of an Additional Supplemental Ordinance, the Cities reserve and will have the continuing right to amend the Master Bond Ordinance as described under the subcaption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Amendments—Powers of Amendment”** and this subcaption, without the consent of or notice to the Holders as described under paragraph (a) of this subcaption, if such amendment is approved by each Credit Provider which is existing at the time the amendment is proposed by the Cities. Such right is hereby granted to such Credit Providers and the exercise of such right shall require no further action.

### **Discharge of Ordinance**

**Discharge by Payment.** (a) When all Obligations and Subordinate Lien Obligations have been paid in full as to principal, interest and premium, if any, and all Credit Agreement Obligations and Administrative Expenses have been paid in full, or when all Obligations, Subordinate Lien Obligations and all Credit Agreement Obligations become due and payable, whether at maturity or by prior redemption and the Cities have provided for the payment of the whole amount due or to become due thereon by depositing with the Paying Agents the entire amount due and to become due thereon, and the Cities also have paid or caused to be paid all Administrative Expenses, then all of the terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances will be released.

(b) The terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances will be released on less than all of the Obligations as and to the extent funds are provided to the Paying Agents as described under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE—Funds and Flow of Funds—Effect of Deposits With Paying Agents.”**

**Discharge by Defeasance.** (a) Subject to compliance with the requirements of paragraph (b) immediately below, and of any Additional Supplemental Ordinance, the Cities reserve the right to discharge their obligations to pay the principal of, premium, if any, and interest and the purchase price (if tender provisions are applicable), on all or any portion of the Obligations, and their obligation to pay all

Administrative Expenses and all Parity Credit Agreement Obligations and thereby to obtain a release of the terms, provisions, pledges and liens of the Master Bond Ordinance and any applicable Additional Supplemental Ordinances as to all or any part of the Obligations and related Parity Credit Agreement Obligations (i) by depositing or causing to be deposited with a trustee or escrow agent moneys derived from any lawful source, expressly including the issuance of Additional Obligations, which, together with the interest earned on or capital gains or profits to be realized from the investment of such moneys in "Government Securities" or in other investments authorized in clause (b)(iii) immediately below will be, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities, sufficient to pay the principal of, purchase price, if applicable, premium, if any, and interest on such Obligations to maturity, or to a date fixed by the Cities for the redemption of such Obligations, and to pay interest thereon to maturity or to the date fixed for redemption, and to pay all Administrative Expenses as may be reasonably estimated by the Cities to become payable under the Master Bond Ordinance on account of the Obligations being discharged by defeasance and to pay all other Parity Credit Agreement Obligations relating to the Obligations being discharged and estimated to become due and payable, and (ii) by delivering to said trustee or escrow agent irrevocable instructions of the Cities to make the payments described in clauses (b)(ii) and (b)(iii) immediately below by delivery to said trustee or escrow agent of a Certificate and an opinion of counsel selected by the Cities that all conditions precedent with respect to such defeasance have been complied with.

(b) To implement a defeasance of all or a part of the Obligations or related Parity Credit Agreement Obligations under paragraph (a) above, the Cities will make provision with said trustee or escrow agent for:

(i) the establishment of an irrevocable trust pursuant to a trust agreement creating a trust separate and apart from the Master Bond Ordinance and each applicable Outstanding Ordinance or Additional Supplemental Ordinance, and will therein deposit and maintain such moneys, Government Securities or other investments, interest earnings, profits and capital gains;

(ii) the payment, out of such moneys, Government Securities, and other investments to the Holders of the Obligations being defeased, or to Credit Providers with respect to Parity Credit Agreement Obligations, at their dates of maturity, or at the dates fixed for redemption, of the full amount to which the Holders of such Obligations and Credit Providers with respect to Parity Credit Agreement Obligations would be entitled in payment of principal, premium and interest to the dates of such maturity or redemption; and

(iii) the investment of such moneys at the direction of the Cities in either:

(A) Government Securities;\* or

(B) if the Obligations being defeased are insured by a Credit Provider that has issued and maintains in effect a policy of municipal bond insurance with respect to such Obligations, either in Government Securities or in such other investments as are authorized by Applicable Law and are approved by the Credit Provider issuing such policy, with all of such investments maturing in sufficient amounts and at such times as are necessary to make available the moneys required for the purposes stated in clause (ii), above, as determined by a firm of independent and nationally recognized certified public accountants selected by the Cities and acceptable to the Trustee.

(c) If Variable Interest Rate Obligations are to be defeased, the Maximum Interest Rate must be assumed unless a lesser, actual rate to maturity or applicable redemption date is ascertainable or unless a Credit Provider guarantees a lesser rate.

(d) After compliance with the requirements of paragraphs (a) and (b) immediately above, the Obligations and Parity Credit Agreement Obligations, with respect to which moneys have been provided and investments in government securities have been made, will no longer be Outstanding, and the terms, provisions, pledges and liens of the Master Bond Ordinance will be automatically released as to such Obligations and Parity Credit Agreement Obligations.

(e) For the purposes of this subcaption, “Government Securities” \* means and is limited to (i) direct, non-callable obligations of the United States of America and securities that are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or to which direct obligations or guarantees the full faith and credit of the United States of America has been pledged, (ii) Refcorp interest strips, CATS, TIGRS, STRPS, and (iii) defeased municipal bonds rated AAA by Standard & Poor’s Corporation or Aaa by Moody’s Investors Services, Inc., or their successors, or, if such firms are no longer issuing such ratings, the highest ratings granted by another nationally recognized rating agency.

### **Proposed Amendment**

The Cities have adopted the Fifty-Ninth Supplemental Concurrent Bond Ordinance (the “Amendment”), effective as of May 18, 2021, which amends the Master Bond Ordinance by changing the definition of “Government Securities.” Pursuant to the Amendment, “Government Securities” shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Cities adopt or approve the proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Cities provide for the funding of an escrow to effect the defeasance of Obligations or related Parity Credit Agreement Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than “AAA” or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Cities adopt or approve the proceedings authorizing the issuance of refunding bonds or, if such defeasance is not in connection with the issuance of refunding bonds, on the date the Cities provide for the funding of an escrow to effect the defeasance of Obligations or related Parity Credit Agreement Obligations, are rated as to investment quality by a nationally-recognized investment rating firm not less than “AAA” or its equivalent, or (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Obligations or related Parity Credit Agreement Obligations under the then applicable laws of the State of Texas.

Such Amendment becomes effective upon the consent of the holders of a majority of the principal amount of the Obligations then Outstanding. **Purchasers of the Bonds are deemed to have given consent to the Amendment.**

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\* See “Proposed Amendments” below.

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## **APPENDIX C**

### **ANNUAL FINANCIAL REPORT**

The Annual Financial Report with respect to Dallas Fort Worth International Airport, including the Independent Auditor's Report of Deloitte & Touche LLP, Management's Discussion and Analysis and Basic Financial Statements for the Fiscal Year ended September 30, 2020, is hereby incorporated by reference in this Official Statement. Such Annual Financial Report has been filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system at <https://emma.msrb.org/P31419730-P31102587-P31512732.pdf>.

Deloitte & Touche LLP has not performed any procedures on any of the Airport's Financial Statements or other financial information of the Airport including without limitation any of the information contained in this Official Statement, since the date of its Independent Auditor's Report and has not been asked to consent to the inclusion of its Report in the Official Statement.

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## **APPENDIX D**

### **DTC INFORMATION**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Airport or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Airport, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Airport or the Paying Agent/Registrar, 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 Bonds at any time by giving reasonable notice to the Airport or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the Airport believes to be reliable, but neither the Airport nor the Underwriters take any responsibility for the accuracy thereof.



## APPENDIX E

### DTC BOOK-ENTRY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

*The information set forth in this Appendix E is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream Banking (DTC, Euroclear and Clearstream Banking together, the “Clearing Systems”) currently in effect. The information set forth in this Appendix E concerning the Clearing Systems has been obtained from sources that the Cities believes to be reliable, but none of the Cities, the Paying Agent/Registrar or the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Cities will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

NEITHER THE CITIES NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

#### **DTC Book-Entry Only System**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for the Bonds in their aggregate principal amount and will be deposited 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. 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,” and together with Direct Participants, “Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. Subject to the provisions described in the forefront under the heading “DESCRIPTION OF THE BONDS - Optional Redemption of the Bonds,” if less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

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

Payments of principal, Redemption Price and Make-Whole Redemption Price and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Cities or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Underwriters, the Paying Agent/Registrar or the Cities, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Redemption Price, Make-Whole Redemption Price and interest to Cede & Co. (or such other

nominee as may be requested by an authorized representative of DTC) is the responsibility of the Cities or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Cities or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, such Bond certificates are required to be printed and delivered. The Cities may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC.

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments.

NONE OF THE CITIES, THE UNDERWRITERS OR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Paying Agent/Registrar to DTC only.

For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Cities, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Cities determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) a continuation of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Paying Agent/Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners.

NONE OF THE CITIES, THE UNDERWRITERS OR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE SIXTEENTH SUPPLEMENT; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, REDEMPTION PRICE OR MAKE-WHOLE REDEMPTION PRICE, OR INTEREST DUE WITH RESPECT TO THE

BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (VI) ANY OTHER MATTER.

## **EUROCLEAR AND CLEARSTREAM**

***Euroclear and Clearstream.*** Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

### **Clearing and Settlement Procedures**

***General.*** The Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through

Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Cities will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

***Initial Settlement.*** Interests in the Bonds will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Bonds against payment (value as on the date of delivery of the Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the Cities on the date of delivery of the Bonds.

***Secondary Market Trading.*** Secondary market trades in the Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

***Special Timing Considerations.*** Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Bonds, or to receive or make a payment or delivery of Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

***Clearing Information.*** It is expected that the Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification number, common code and CUSIP number for the Bonds are set out on the inside cover page of this Official Statement.

None of Euroclear, Clearstream or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the Cities nor any of its agents, nor the Paying Agent/Registrar or the Underwriters will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

### **Limitations**

For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the Cities and the Paying Agent/Registrar will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds, references in this Official Statement to registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

Because DTC is treated as the owner of the Bonds for substantially all purposes under the Master Bond Ordinance, beneficial owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of beneficial owners is unknown to the Cities, the Paying Agent/Registrar or DTC, it may be difficult to transmit information of potential interest to beneficial owners in an effective and timely manner. Beneficial owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

Under the Master Bond Ordinance, payments made by the Paying Agent/Registrar to DTC or its nominee shall satisfy the obligations of the Cities under the Bonds to the extent of the payments so made.

Neither the Cities nor the Paying Agent/Registrar have any responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any notice with respect to any Bond including, without limitation, any notice of redemption with respect to any Bond;

- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any amount with respect to the principal of, premium, if any, or interest on, any Bond; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book-entry-only system hereinabove described, the Cities and the Paying Agent/Registrar may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal of, premium, if any, and interest on the Bonds;
- giving notices of redemption and other matters with respect to the Bonds;
- registering transfers with respect to the Bonds; and
- the selection of Bonds for redemption.

The information in this Appendix E concerning DTC, Euroclear and Clearstream has been obtained from sources that the Underwriters believe to be reliable, but the Underwriters take no responsibility for the accuracy thereof or make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

# DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

## OFFICIAL BOARD ACTION/RESOLUTION

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Approval of Interlocal Agreement		
<b>Action</b> That the Chief Executive Officer or designee be authorized to enter into an Interlocal Agreement between DFW Airport, Dallas Area Rapid Transit, and Trinity Metro for bus service between the Trinity Rail Express (TRE) CentrePort Station and DFW Airport in an amount not to exceed \$300,000.00 for a term of three years.				
<b>Description</b> <ul style="list-style-type: none"><li>• In 2000, DFW Airport entered into an Interlocal Agreement to begin bus service between the Trinity Rail Express (TRE) CentrePort Station and the Airport's South Shuttle Lot.</li><li>• In 2010, the North Central Texas Council of Governments (NCTCOG) was able to secure grant funding from the Federal Transportation Administration (FTA) to operate the bus.</li><li>• DFW entered into an amended Interlocal Agreement with Dallas Area Rapid Transit (DART) and Trinity Metro which stated that DFW would be the sub-recipient of the grant and operate the bus service. The three parties would equally pay any costs not reimbursed by FTA funds.</li><li>• In 2019, Trinity Metro completed its TEXRail commuter line to DFW Airport which complemented DART service to Dallas.</li><li>• In April 2019, a new Interlocal Agreement between DFW Airport, Dallas Area Rapid Transit, and Trinity Metro for bus service between the Trinity Rail Express (TRE) CentrePort Station and DFW Airport was authorized</li><li>• Through discussions with the NCTCOG, DART, and the Trinity Metro, it was determined that the bus service is still critical to the regional transportation needs.</li><li>• The existing interlocal agreement expires September 30, 2021.</li><li>• Trinity Metro can continue the service at a lower cost and can meet certain FTA requirements. This interlocal agreement provides that Trinity Metro will continue operating the service and be the grant's sub-recipient and that Trinity Metro, DART, NCTCOG and DFW Airport will equally pay any costs not reimbursed by FTA funds.</li><li>• It is estimated that the costs to the Airport will not exceed \$300,000 over the term of the agreement. Trinity Metro plans to purchases electric vehicles and infrastructure by Fiscal Year 2025.</li></ul>				
<b>Justification</b> <ul style="list-style-type: none"><li>• This action will continue the critical last mile bus service from CentrePort Station to the Airport at a substantially lower cost.</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>• Not applicable</li></ul>				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b>	<b>Revised Amount</b>
			\$0	\$0
<b>For Information contact</b>	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
James Mauldin 3-5447	Operating Fund			\$0

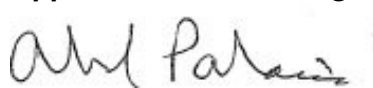


**Additional Information**Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to enter into an Interlocal Agreement between DFW Airport, Dallas Area Rapid Transit, and Trinity Metro for bus service between the Trinity Rail Express (TRE) CentrePort Station and DFW Airport in an amount not to exceed \$300,000.00 for a term of three years.

**Approved as to Form by**

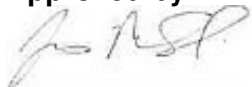

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:03 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:15 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:12 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head

Sep 22, 2021 10:58 am

Pending

Chief Executive Officer

Date

**INTERLOCAL AGREEMENT  
BETWEEN  
DALLAS AREA RAPID TRANSIT  
and  
TRINITY METRO  
and  
DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

THIS AGREEMENT, by and between DALLAS AREA RAPID TRANSIT (“DART”), a Texas regional transportation authority organized and existing pursuant to Chapter 452, Texas Transportation Code, whose address is 1401 Pacific Avenue, Dallas, Texas 75202, FORT WORTH TRANSPORTATION AUTHORITY (dba TRINITY METRO), A Texas regional transportation authority organized and existing pursuant to Chapter 452, Texas Transportation Code, whose address is 801 Cherry Street, suite 850, Fort Worth, Texas 76102, and DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD (“DFW International Airport Board”), all of each entities being collectively referred to as the “Parties” or individually as a “Party”.

**WITNESSTH:**

WHEREAS, DART, Trinity Metro and DFW International Airport Board are working to improve regional transit services to and around DFW International Airport (the “Airport”), and,

WHEREAS the Parties desire to cooperate in enhancing transit frequency to better service commuters and securing access to jobs, specifically by providing funding for vehicle maintenance and for the operation of a circulator service a circular service between the Trinity Railway Express (TRE) Centreport Station (the “Centreport Station”) and DFW International Airport Terminal B (the “Terminal B”) (the foregoing service collectively defined as the “Service”), and

WHEREAS, Pursuant to Sections 452.055(a) and 452.056(a)(2) of the Texas Transportation Code and the Interlocal Cooperation Act, Chapter 791, Texas Government Code, DART and Trinity Metro are authorized to enter into interlocal agreements with other governmental entities.

NOW THEREFORE, for the consideration herein described the receipt and sufficiency of which is acknowledges by the Parties, DART, Trinity Metro, and the DFW International Airport Board agree to follow:

**AGREEMENT:**

1. Term and Termination.
  - 1.01. Term. The term of this Agreement shall begin on the 1<sup>st</sup> day of October 2021 and terminate at midnight on the 30<sup>th</sup> day of September, 2024.
  - 1.02. Termination. This Agreement may be terminated by (a) written agreement of all of the Parties; or (b) by a Party giving one hundred and twenty (120) days’ prior written notice in the other Parties of the termination to ensure sufficient time for any required public hearings and for any

Party or Parties desiring to continue the Service to identify alternative means of continuing it without interruption.

- 1.03. Termination for Failure to Fund. DART's, Trinity Metro's, and the DFW International Airport Board's fiscal years begins October 1 and end the following September 30<sup>th</sup>. Budget funds are approved by the DART Board of Directors for DART, and Trinity Metro Board of Directors for Trinity Metro, and by the City Councils of Dallas and Fort Worth, as owners of the Airport, on an annual basis. In the event any Party fails to fund this Agreement for any fiscal year during the term hereof, this Agreement shall automatically terminate on the last day of the fiscal year for which funding has been approved. All other Parties will be given no less than one hundred twenty days (120) days' prior written notice of any such non-approval of funding for this Agreement. In the event of a non-funding, the non-funding Party shall be liable for its share of operating costs incurred prior to the effective date of termination.
2. **DART Duties and Responsibilities.** DART covenants and agrees as follows:
  - 2.01. DART's Operating Funds. DART shall contribute funds toward the cost of operations of the Service in quarterly installments on the dates agreed upon by the Parties as described in Exhibit "A"
3. **Trinity Metro Duties and Responsibilities.** Trinity Metro covenants and agrees as follows:
  - 3.01. Trinity Metro's Operating Funds. Trinity Metro shall contribute funds toward the cost of operations of the Service in quarterly installments on the dates agreed upon by the Parties as described in Exhibit "A"
  - 3.02. Vehicle Procurement. Trinity Metro shall procure, using its own procurement policy and procedures, the vehicles necessary for operation of the Service, all of which shall be fully accessible as required by the Americans with Disabilities Act.
  - 3.03. Operation of Service. Trinity Metro shall operate the Service providing a direct connection between the Centreport Station and Terminal B. In no event shall Trinity Metro be obligated to operate the Service so as to pick up or drop off passengers at intermediate stop between the Centreport Station and Terminal B or, other than the Centreport Station, at any location outside the boundaries of the Airport. If the South Remote Lot re-opens or the Car Rental Stop becomes available, these stops can be utilized in lieu of Terminal B if the chief executive officers of all Parties agree in writing. The Service schedule will operate as follows: Monday-Saturday 5:15am-11:42pm. Two Shuttles at a Peak 20-minute headway will operate Monday-Friday between the hours of 5:15am to 9:08am and 4:32pm to 7:08pm. The remaining hours of operation to include Saturday will run at an Off-Peak 40-minute headway utilizing one shuttle.
  - 3.04. Federal Funds. Trinity Metro shall be responsible for applying for any Federal funds associated with this Service.
  - 3.05. Complaints. Trinity Metro shall be responsible for responding to complaints including, but not limited to, those involving Americans with Disabilities Act or Civil Rights Act Title VI violations. DFW International Airport Board and DART shall have no responsibility for responding to any complaints.

3.06. Permits and Compliance. Trinity Metro shall possess or obtain any necessary permits required by ordinance or state or Federal law for operating of the Service. DFW International Airport Board shall provide reasonable assistance to Trinity Metro to obtain any required permits. Trinity Metro shall comply with all applicable laws, rules, and regulations of the State of Texas and the United States during the performance of this Agreement.

4. **DFW International Airport Board Duties and Responsibilities.** DFW International Airport Board covenants and agrees as follows.

4.01. DFW's Operating Funds. DFW International Airport Board shall contribute funds toward the cost of operations of the Service in quarterly installments on dates agreed upon by the Parties as described in Exhibit "A".

**5. Joint Obligations.**

5.01. Cost-Sharing Schedule. The Parties have jointly developed a cost-sharing schedule clarifying the division of operating costs between DART, DFW International Airport Board, and Trinity Metro which is attached hereto, marked Exhibit "A" and incorporated herein for all pertinent purposes. Parties will jointly agree to cost-sharing as described in Exhibit "A" based upon a Monday-Saturday, 306 days a year service schedule. .

5.02. Service Standards; Monitoring Performance. The Parties will jointly develop standards for the provision of the Service and for monitoring the performance of the Service. At such time as such standards are developed, they shall be incorporated into this Agreement for all purposes, effective as of the execution of this Agreement.

5.03. Service Modifications. Any modification of the Service of more than plus or minus 25% of revenue miles shall require the prior written agreement of DART, Trinity Metro, and the DFW International Airport Board. Such modifications to the Service cannot be effectuated until or unless a public hearing is held in compliance of any application provisions stipulated in the Texas Transportation Code. Service modifications of less than 25% may be agreed to administratively, without the need for a hearing, and upon written agreement of all of the Parties.

5.04. Marketing of Service. The Parties shall jointly market the Service through their respective marketing efforts and each Party shall be responsible for bearing the costs of their own marketing efforts. Branding of the Service will be developed by Trinity Metro and approved by all Parties, such approval shall not to be unreasonably withheld or delayed, and all marketing by the Parties will conform to the approved branding.

**6. Representations and Warranties.**

6.01. Available Financing. Subject to the provisions of Section 1.04, each Party represents and warrants to the other Parties that the costs of any purchase made by it under this Agreement, or the payment for any of the Service made pursuant to the Agreement, will be properly made from financing sources then-available to the said party.

- 6.02. **Authorized Signatures.** Each Party represents and warrants to the other Parties that prior to the execution of this Agreement, the person signing such Agreement was authorized to do so by such Party's governing body.
- 6.03. **Future Authorizations.** Each Party represents and warrants to the other Party that no renewal or extension of this Agreement will be signed unless it is first authorized by the governing body of such Party.
7. **Contact Persons.** The Parties will each designate an individual to serve as the primary point of contact under this Agreement ("Primary Contact Persons"), and the Parties will use all reasonable efforts to keep the Primary Contact Persons fully apprised of any issues in connection with the Service.

DART: Rob Smith, Interim Vice President  
Phone: 214.749.2929  
Email: RSmith@dart.org

Trinity Metro: Carla Forman, Director  
Phone: 817.215.8903  
Email: Carla.Forman@Trinity Metro.org

DFW International  
Airport Board: James Mauldin, Vice President Treasury Management  
Phone: 972.973.5447  
Email: jmauldin@dfwairport.com

**8. Miscellaneous.**

- 8.01. **Notices.** Any notice required or permitted to be given by any Party to the other Parties shall be in writing, and shall be deemed to have been duly given when delivered personally, one (1) business day after being deposited with a reputable overnight air courier service, or three (3) business days after being deposited in the United States mail, certified, return receipt requested, in a postage-paid envelope addressed to the other Parties at the addresses set out below:

DART  
PO Box 660163  
Dallas, Texas 75266-7202  
Attention:

Trinity Metro  
801 Cherry Street, Suite 850  
Fort Worth, Texas 76102  
Attention:

DFW International Airport Board  
PO Drawer 619428  
Dallas Fort Worth Airport, Texas 75261  
Attention:

Any Party may change its address for notice by sending a notice thereof to the other Parties.

- 8.02. Assignment. This Agreement shall not be assigned without the prior consent of all Parties.
- 8.03. Audit. Either or both DART and DFW International Airport Board may review any and all of the Service performed by Trinity Metro under this Agreement. DFW International Airport Board or DART is granted the right to audit, at its election and cost, all of Trinity Metro's records and billings related to the performance of this Agreement. Trinity Metro agrees to retain such records for a minimum of three (3) years related to the Service.
- 8.04. Required FAA Contract Provisions. The following provisions are required by the Federal Aviation Administration. For the purposes of this Section 8.04, the DFW International Airport Board may be referred to as "Sponsor" or "Owner" and Trinity Metro and DART may be referred to as "Contractor" where applicable. The following provisions apply to DART and Trinity Metro only to the extent they are otherwise applicable to the Parties and to the Service and the other terms of this Agreement.
- A. Contractor agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap, be excluded from participating in any activity conducted with or benefiting from Federal assistance. The provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision in in addition to that required of Title VI of the Civil Rights Act of 1964.
  - B. The Sponsor, in accordance with the provisions of Title VI of the Civil Rights Act of 1974 (78 Stat. 252, 42 USC §§ 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration of the award.
  - C. Compliance with Nondiscrimination Requirements. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereafter referred to as the "Contractor"), agrees as follows.
    - 1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities , as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
    - 2. Nondiscrimination: The Contractor, with regard to the work performed by a it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employments practices when the contract covers any activity, project, or program set forth in Appendix R of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
  4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
  5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    - (a) Withholding payments to the Contractor under the Contract until the Contractor complies: and/or
    - (b) Cancelling, terminating, or suspending a contract, in whole or in part
  6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts and Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.
- D. Title VI List of Pertinent Nondiscrimination Acts and Authorities: During the performance of this Contract, the Contractor, for itself, its assignees, and successors in interest, (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities to the extent applicable to the Service and this Agreement, including, but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of the Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.) as amended (prohibits discrimination on the basis of disability), and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471), Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (Pl. 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131-12189) as implemented by U.S. Department of Transportation regulations at 49 SFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);



- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).
- E. Occupational Health and Safety Act of 1970. All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor Occupational Safety and Health Administration.
- 8.05. Governing Law. This Agreement shall be construed and enforced in accordance with the law of the State of Texas. The venue shall be in Dallas or Tarrant County.
- 8.06. Entirety and Amendments. The Agreement embodies the entire agreement between the Parties with respect to the within subject matter, supersedes all prior agreements and understandings, if any, relating to the matters addressed herein, and may be amended or supplemented only by a written instrument executed by all Parties.
- 8.07. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the executing Parties and their respective successors and approved assigns.
- 8.08. Number and Gender. Words of any gender used in the Agreement shall be held and construed to include any other gender, and words in the singular shall include the plural and vice versa, unless the text clearly requires otherwise.
- 8.09. Relationship of the Parties. Nothing in the Agreement shall be deemed or construed by the Parties or by any third party, as creating the relationship of principal and agent, partnership, joint venture, or joint enterprise between the Parties.
- 8.10. Headings. The headings utilized in this Agreement are for reference and convenience only and shall not enter into the interpretation hereof.
- 8.11. Interpretation. No provision of the Agreement shall be construed against or interpreted to the disadvantage of any Party by any court or other governmental or judicial authority by reason of such Party having or being deemed to have drafted, prepared, structured, or dictated such provision.
- 8.12. Counterparts. This Agreement will be executed in multiple counterparts, all of which taken together shall constitute one single agreement between the Parties with respect to the matters herein contained.

- 8.13. No Waiver of Immunity; No Third-Party Beneficiaries. In the execution of this Agreement, none of the Parties waive, nor shall be deemed hereby to have waived, any immunity or any legal or equitable defense otherwise available against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the Parties do not create any obligations, express or implied, other than those set forth herein, and in the Agreement does not create any rights in parties that are not signatories to the Agreement, including any rights in the public in general.

(SIGNATURES ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple originals this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

FORT WORTH TRANSPORTATION AUTHORITY  
D/B/A TRINITY METRO

By: \_\_\_\_\_  
Bob Baulsir, President and CEO

DALLAS AREA RAPID TRANSIT

By: \_\_\_\_\_  
Nadine Lee, President/Executive Director

DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD

By: \_\_\_\_\_  
(Title)

Approved as to Form

\_\_\_\_\_  
Legal Counsel, DFW International Airport Board

**EXHIBIT A**

**Route 31 TRE Link  
Provided by Contractor**

**Year 1**

Option	# Buses	Bus Headway	Service Day	Days/ Year	Hourly Rate	Daily Hours	TM Maint	Total Cost	Each Agency Cost @25%	Each Agency Cost @33%
5	2	:20/:40	Weekday	254	\$70.24	25.5	\$3.62	\$478,391.22		
5	1	:40	Saturday	52	\$70.24	18.5	\$3.62	\$71,053.32		
							<b>Total</b>	<b>\$549,444.54</b>	<b>\$137,361.14</b>	<b>\$181,316.70</b>

**Year 2**

Option	# Buses	Bus Headway	Service Day	Days/ Year	Hourly Rate	Daily Hours	TM Maint	Total Cost	Each Agency Cost @25%	Each Agency Cost @33%
5	2	:20/:40	Weekday	254	\$70.24	25.5	\$6.41	\$496,462.05		
5	1	:40	Saturday	52	\$70.24	18.5	\$6.41	\$73,737.30		
							<b>Total</b>	<b>\$570,199.35</b>	<b>\$142,549.84</b>	<b>\$188,165.79</b>

**Year 3**

Option	# Buses	Bus Headway	Service Day	Days/ Year	Hourly Rate	Daily Hours	TM Maint	Total Cost	Each Agency Cost @25%	Each Agency Cost @33%
5	2	:20/:40	Weekday	254	\$72.35	25.5	\$9.17	\$528,005.04		
5	1	:40	Saturday	52	\$72.35	18.5	\$9.17	\$78,422.24		
							<b>Total</b>	<b>\$606,427.28</b>	<b>\$151,606.82</b>	<b>\$200,121.00</b>

**Years 1 - 3 Total Cost**

**\$1,726,071.17    \$431,517.79    \$569,603.49**

20 minute peak/40 minute Off-Peak Terminal B model

The Service schedule will operate as follows: Monday-Saturday 5:15am-11:42pm. Two Shuttles at a Peak 20-minute headway will operate Monday-Friday between the hours of 5:15am to 9:08am and 4:32pm to 7:08pm. The remaining hours of operation to include Saturday will run at an Off-Peak 40-minute headway utilizing one shuttle.

## EXHIBIT B

### TRE Link - Terminal B



Trinity Metro (SS) 4/14/2021 : S:\service\_planning\alternatives\_analysis\route03\terminal\_b\dw\prop\_terminal\_b.mxd

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
10/07/2021	Finance/Audit	Coffee Service			
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7006796, for Coffee Service, with Daiohs USA dba First Choice Coffee Services, of Oakwood Terrace, Illinois, in an amount not to exceed \$656,307.80, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.					
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Coffee Service for all Airport Departments.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement for an existing Contract that has been in place for four years.</li><li>Coffee service is provided throughout the Airport.</li><li>The Contract will provide for traditional brewer equipment, including new thermal decanters, and various coffee and breakroom supplies.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%</li><li>N/A - Not subject to a goal per the Board's M/WBE Policy due to the nature of the procurement. (Goods/Finished products.)</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: October 2021</li><li>Contract Term: Two years with three one-year renewal options</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7006796			NTE \$656,307.80		
<b>For Information contact</b> Juanita Ortiz 3-0968 Cathy Halliburton 3-5776		<b>Fund</b> Operating Fund	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b> \$656,307.80

**Additional Information**

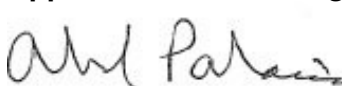
- Four Bids, none from M/WBE firms, were received on or before the due date of July 28, 2021.
- Bid Tabulation attached
- Daiohs USA dba First Choice Coffee Services, of Oakwood Terrace, Illinois, is the lowest responsive, responsible Bidder and is the incumbent.
- Projected total of Contract including all renewals, if approved, is \$1,640,769.50.

Additional Attachments: **Y****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7006796, for Coffee Service, with Daiohs USA dba First Choice Coffee Services, of Oakwood Terrace, Illinois, in an amount not to exceed \$656,307.80, for the initial two-year term of the Contract, with options to renew for three additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:03 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:15 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:12 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**

Department Head  
Procurement & Materials Mgmt  
Sep 21, 2021 7:00 pm

\_\_\_\_\_  
**Chief Executive Officer**

Pending

Date

**Contract No. 7006796**  
**Coffee Service**  
**Bid Tabulation**

<b>Bidders</b>	<b>Bid Amount</b>
Daiohs USA dba First Choice Coffee Services Oakwood Terrace, Illinois	\$656,307.80
Aramark Refreshment Services DFW Airport, Texas	\$770,354.40
Compass USA, Inc. by and through its Canteen <sup>N3</sup> Dallas, Texas	\$1,065,364.40
Costas Coffee/The Coca-Cola Company <sup>N2</sup> Atlanta, Georgia	\$263,003.57
<b>Note:</b> <ol style="list-style-type: none"><li>1. Bid pricing shown only reflects the items the Airport chose to award.</li><li>2. Partial Bid</li><li>3. The bid price variance is attributed to higher cost of coffee, most other items were priced competitively.</li></ol>	



**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

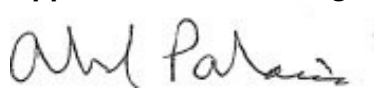
<b>Date</b> 10/07/2021	<b>Committee</b> Finance/Audit	<b>Subject</b> Appointment of John Ackerman to the Public Facility Improvement Corporation Board of Directors	<b>Resolution #</b>
<b>Action</b> That the Airport Board appoint John Ackerman to the Board of Directors of the Dallas/Fort Worth International Airport Public Facility Improvement Corporation.			
<b>Description</b> <ul style="list-style-type: none"> <li>This action would appoint John Ackerman, to the Board of Directors of the Dallas/Fort Worth International Airport Public Facility Improvement Corporation (the "PFIC") to fill the seat that will be vacated by Linda Valdez Thompson who will retire on September 30, 2021.</li> </ul> <b>Justification</b> <ul style="list-style-type: none"> <li>The members of the five-member PFIC Board of Directors are appointed by the Dallas/Fort Worth International Airport Board. The PFIC Board's current members are Sean Donohue, Chief Executive Officer; Chris Poinsett, Chief Financial Officer; Ken Buchanan, EVP Revenue Management; and Khaled Naja, EVP Infrastructure &amp; Development.</li> </ul>			
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"> <li>Not Applicable</li> </ul>			
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0 <b>Revised Amount</b> \$0
<b>For Information contact</b> Elaine Rodriguez 3-5487	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>  <b>Amount</b> \$0

**Additional Information**Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Airport Board appoint John Ackerman to the Board of Directors of the Dallas/Fort Worth International Airport Public Facility Improvement Corporation.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:04 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:16 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:12 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Legal  
Sep 22, 2021 5:26 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #		
10/07/2021	Finance/Audit	Privileged Access Management Software			
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007137, for Privileged Access Management Software, with Freeit Data Solutions, of Austin, Texas, in an amount not to exceed \$319,002.34, for the one-year term of the Contract.					
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Privileged Access Management Software in support of the Airport's Cybersecurity program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>Software allows control over what different users or roles can access and provides monitoring for privileged access sessions.</li><li>Contract provides for licensing and consulting services for implementation, maintenance, and support of all systems accessed by those with administrative or elevated access privileges.</li><li>Improve security associated with privileged user accounts by providing credential management and automated password rotation.</li></ul>					
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for this M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, no M/WBE goal was set for this contract due to no availability of M/WBE firms that perform this services.</li></ul>					
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: One year</li></ul>					
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount	
7007137			NTE \$319,002.34	\$0	
<b>For Information contact</b>		<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b>
Michael Youngs 3-5350		DFW Capital Acct	26906-01		\$202,966.10
Mubina Ashraf 3-5458		Operating Budget			\$116,036.24

**Additional Information**

- This Contract is being recommended for award through the Texas Department of Information Resources DIR-CPO-4795, which is available to government entities, and approved by Board Resolution No. 1997-01-24, dated January 9, 1997.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007137, for Privileged Access Management Software, with Freeit Data Solutions, of Austin, Texas, in an amount not to exceed \$319,002.34, for the one-year term of the Contract.

**Approved as to Form by**

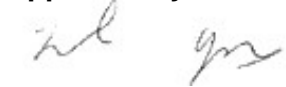

Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:05 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:16 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:13 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Sep 22, 2021 12:29 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

Date	Committee	Subject	Resolution #	
10/07/2021	Finance/Audit	Cybersecurity Software		
<b>Action</b> That the Chief Executive Officer or designee be authorized to execute Contract No. 7007136, for Cybersecurity Software, with Frontier Media, Inc., dba Axis Technologies, of Plano, Texas, in an amount not to exceed \$565,000.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.				
<b>Description</b> <ul style="list-style-type: none"><li>Award a Contract for Cybersecurity Software in support of the Airport's Cybersecurity program.</li></ul> <b>Justification</b> <ul style="list-style-type: none"><li>This is a replacement Contract that has been in place for five months.</li><li>Darktrace is used to audit systems, proactively detect network intrusion, enhance reporting capabilities, and pen test compliance and remediation</li><li>Darktrace is used to continuously assess network health and conduct detailed investigations into network threats and anomalies across business, cloud, and OT networks</li><li>Risks, vulnerabilities, and issues are also tracked against standards (NIST, CIS, CJIS, ISO).</li></ul>				
<b>D/S/M/WBE Information</b> <ul style="list-style-type: none"><li>The annual goal for the M/WBE Program is 31%.</li><li>In accordance with the Board's M/WBE Program, no M/WBE goal was set for this contract due to limited availability of M/WBE firms that perform this service.</li><li>Frontier Media Inc. dba Axis Technologies is a certified Minority Business Enterprise (HM-C) and will count towards the Board's overall M/WBE Program goal.</li></ul>				
<b>Schedule/Term</b> <ul style="list-style-type: none"><li>Start Date: November 2021</li><li>Contract Term: One year with four one-year renewal options</li></ul>				
Contract #	Agreement #	Purchase Order #	Action Amount	Revised Amount
7007136			NTE \$565,000.00	\$0
For Information contact	Fund	Project #	External Funding Source	Amount
Michael Youngs 3-5350	DFW Capital Acct	26911-01		\$36,666.66
Mubina Ashraf 3-5548	Operating Fund			\$528,333.34

**Additional Information**

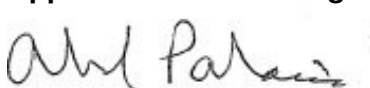
- Two Bids including one from an M/WBE firm, were received on or before the due date of September 13, 2021.
- The Bid submitted by OSI Vision, of San Antonio, Texas, was determined non-responsive as the submission did not meet the specifications outlined in the Airport's solicitation.
- Frontier Media, Inc., dba Axis Technologies of Plano, Texas, is the lowest responsive responsible Bidder.
- Projected total for the Contract including all renewals, if approved, is \$2,825,000.00.

Additional Attachments: **N****BE IT RESOLVED BY THE DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD**

That the Chief Executive Officer or designee be authorized to execute Contract No. 7007136, for Cybersecurity Software, with Frontier Media, Inc., dba Axis Technologies, of Plano, Texas, in an amount not to exceed \$565,000.00, for the initial one-year term of the Contract, with options to renew for four additional one-year periods.

**Approved as to Form by**


Rodriguez, Elaine  
Legal Counsel  
Sep 22, 2021 6:05 pm

**Approved as to Funding by**


Palacios, Abel  
Vice President Finance  
Finance  
Sep 22, 2021 6:16 pm

**Approved as to M/WBE by**


Burks Lee, Tamela  
Vice President Business Diversity  
and Development  
Business Diversity and  
Development  
Sep 23, 2021 11:13 am

**SIGNATURE REQUIRED FOR APPROVAL****Approved by**


Department Head  
Information Technology Svcs  
Sep 22, 2021 1:44 pm

Pending

Chief Executive Officer

Date

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
COMMITTEE DISCUSSION ITEM**

<b>Meeting Date</b> 10/07/2021	<b>Subject</b> Monthly Report	<b>Committee</b> Finance/Audit
<b>Item For Discussion</b> Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of August 2021.		
<b>Description</b> <ul style="list-style-type: none"><li>• Report to the Airport Board all Contracts and Purchase Orders valued between \$25,000.00 and \$50,000.00, and Contracts Increases/Decreases valued between \$25,000.00 and \$50,000.00, for the month of August 2021.</li></ul>		

**PURCHASE ORDERS BETWEEN \$25,000.00 AND \$50,000.00 (AUGUST 2021)**

VENDOR/LOCATION	PO/ CONTRACT NO.	DESCRIPTION	DEPARTMENT	AMOUNT
Instrumart S. Burlington, Vermont	278278	Panametric PanaFlow XMT1000 Ultrasonic Flow	Energy, Transportation & Asset Management	NTE \$30,506.00
		<ul style="list-style-type: none"><li>Requisition No. 278243</li></ul>		Paid to Date: \$0.00
TOTAL				\$30,506.00



**NON-PROFESSIONAL SERVICES CONTRACTS BETWEEN \$25,000.00 AND \$50,000.00 (AUGUST 2021)**

VENDOR/LOCATION	PO/ CONTRACT NO.	DESCRIPTION	DEPARTMENT	AMOUNT
Southwest Safety, Inc. Fort Worth, Texas	7007089	Prescription Safety Glasses	Risk Management	NTE \$40,250.00  Paid to Date: \$0.00
TOTAL				\$40,250.00

**PROFESSIONAL SERVICES CONTRACTS BETWEEN \$25,000.00 AND \$50,000.00 (AUGUST 2021)**

<b>VENDOR/LOCATION</b>	<b>PO/ CONTRACT NO.</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>AMOUNT</b>
Carter Arnett PLLC Dallas, Texas	8005415	Legal Representation in Connection with Randall Chester Appeal	Legal	NTE \$35,000.00  Paid to Date: \$0.00
Gallup, Inc. Omaha, Nebraska	8005449	Strength Finder Training	Human Resources	NTE \$47,000.00  Paid to Date: \$0.00
Kelly, Hart & Hallman, LLP Fort Worth, Texas	8005262	Legal Representation In Connection with Smart Car Sharing Issues	Legal	NTE \$48,750.00  Paid to Date: \$0.00
			<b>TOTAL</b>	<b>\$130,750.00</b>

**CONTRACT/PURCHASE ORDER INCREASES/DECREASES (\$25,000 OR GREATER)  
(APPROVED BY BOARD STAFF UNDER THEIR DELEGATED AUTHORITY – AUGUST 2021)**

VENDOR/LOCATION	PO/ CONTRACT NO.	DESCRIPTION	DEPARTMENT	CONTRACT DATA	
Avviato, Inc. dba HandsOn Connect Cloud Solutions Tampa, Florida	7006782	Volunteer Management Tracking Software	Customer Experience	Contract Value:	\$57,910.36
				<b>This Action:</b>	<b>\$25,000.00</b>
				Revised Contract Value:	\$82,910.36
				Paid to Date:	\$67,412.92
Synect, LLC Redmond, Washington	8005340	Content Management System Digital Experience Gate Area of the Future	Information Technology Services	Contract Value:	\$1,832,988.00
				<b>This Action:</b>	<b>\$38,525.00</b>
				Revised Contract Value:	\$1,871,513.00
				Paid to Date:	\$1,060,894.00
<b>TOTAL</b>				<b>\$63,525.00</b>	