Refunding Issue – BOOK-ENTRY ONLY **RATINGS: SEE "Ratings" herein**

*In the opinion of Squire Patton Boggs (US) LLP, and Saulsberry & Associates, LLC, Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2015 Refunding Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Series 2015 Refunding Bonds is excluded from Missouri taxable income for purposes of the personal income tax and corporate income tax imposed by the State of Missouri. Interest on the Series 2015 Refunding Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see **"TAX MATTERS"** herein.*

$17,310,000
THE CITY OF ST. LOUIS, MISSOURI
Airport Revenue Refunding Bonds, Series 2015 (Non-AMT)
(Lambert-St. Louis International Airport)

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

The City of St. Louis, Missouri (the "City") expects to issue its Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport) (the "Series 2015 Refunding Bonds") under and pursuant to the Indenture of Trust dated as of October 15, 1984 (the "Original Indenture"), which Original Indenture, as previously amended, supplemented and restated, was amended, restated and superseded by that certain Amended and Restated Indenture of Trust dated as of July 1, 2009 (the "Restated Indenture"), as amended and supplemented, including by the Twentieth Supplemental Indenture of Trust dated as of June 1, 2015 (collectively, the "Indenture"), between the City and UMB Bank, N.A., as Trustee.

The Series 2015 Refunding Bonds are limited obligations of the City, payable solely from Revenues, as defined herein, to be derived by the City from the operation of Lambert-St. Louis International Airport (the "Airport") and certain other funds pledged under the Indenture. The Series 2015 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2015 Refunding Bonds, either as to principal, premium (if any) or interest. The Series 2015 Refunding Bonds will be secured on a parity basis with the Outstanding Bonds, as defined herein and any additional bonds issued under the Indenture as more fully described herein.

The proceeds of the Series 2015 Refunding Bonds, together with other available funds, will be used: (i) to defease and currently refund a portion of the outstanding City of St. Louis Airport Revenue Refunding Bonds, Series 2005 (Non-AMT) (Lambert-St. Louis International Airport) issued under the Indenture (as more fully described herein), (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2015 Refunding Bonds, and (iii) to pay costs of issuing the Series 2015 Refunding Bonds.

Interest on the Series 2015 Refunding Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2016, until maturity. The Series 2015 Refunding Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry-only system described herein. Beneficial ownership may be acquired in denominations of $5,000 or any integral multiples thereof. No physical delivery of the Series 2015 Refunding Bonds will be made to the purchasers. See **"THE SERIES 2015 REFUNDING BONDS - Book-Entry Only System."**

The Series 2015 Refunding Bonds are not subject to redemption prior to maturity.

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

The Series 2015 Refunding Bonds are offered when, as and if issued by the City and received by the Underwriters (as defined herein) and subject to prior sale, withdrawal or modification of the offer without notice and the approval of legality of the Series 2015 Refunding Bonds by Squire Patton Boggs (US) LLP, New York, New York, and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the office of the City Counselor, and for the Underwriters by the Hardwick Law Firm, LLC, Kansas City, Missouri, and Polsinelli PC, St. Louis, Missouri, Co-Underwriters' Counsel. Certain legal matters will be passed upon for the City by its co-disclosure counsel, Squire Patton Boggs (US) LLP, New York, New York, and Saulsberry & Associates, LLC, St. Louis, Missouri, It is expected that the Series 2015 Refunding Bonds in book-entry-only form will be available for delivery through the facilities of DTC in New York, New York, on or about June 25, 2015.

*This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, including, but not limited to, matters described in "**CERTAIN INVESTMENT CONSIDERATIONS**."*

Goldman, Sachs & Co.

Backstrom McCarley Berry & Co. LLC **Wells Fargo Securities**

The date of this Official Statement is June 17, 2015.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIP NUMBERS
$17,310,000
THE CITY OF ST. LOUIS, MISSOURI
Airport Revenue Refunding Bonds, Series 2015 (Non-AMT)
(Lambert-St. Louis International Airport)

Maturity Date July 1	Principal	Interest Rate	Price	Yield	CUSIP[1]
2020	$6,775,000	5.000%	114.097	2.030%	791638 C64
2021	4,625,000	5.000	114.968	2.320	791638 C72
2022	3,670,000	5.000	115.649	2.550	791638 C80
2023	2,240,000	5.000	116.166	2.740	791638 C98

[1] CUSIP numbers shown above have been assigned by an organization not affiliated with the City. The City was not responsible for the selection of CUSIP numbers, nor does it make any representation as to the correctness of such numbers on the Series 2015 Refunding Bonds or as indicated herein.

THE CITY OF ST. LOUIS

ELECTED OFFICIALS

Francis G. Slay, Mayor
Darlene Green, Comptroller
Lewis Reed, President of the Board of Aldermen
Tishaura O. Jones, Treasurer

BOARD OF ALDERMEN

Sharon Tyus – Ward 1
Dionne Flowers – Ward 2
Freeman Bosley, Sr. – Ward 3
Samuel L. Moore – Ward 4
Tammika Hubbard – Ward 5
Christine Ingrassia – Ward 6
John J. Coatar – Ward 7
Stephen Conway – Ward 8
Kenneth Ortmann – Ward 9
Joseph Vollmer – Ward 10
Thomas Albert Villa – Ward 11
Larry Arnowitz – Ward 12
Beth Murphy – Ward 13
Carol Howard – Ward 14
Megan E. Green – Ward 15
Donna Baringer – Ward 16
Joseph Roddy – Ward 17
Terry Kennedy – Ward 18
Marlene E. Davis – Ward 19
Cara Spencer – Ward 20
Antonio French – Ward 21
Jeffrey Boyd – Ward 22
Joseph Vaccaro – Ward 23
Scott Ogilvie – Ward 24
Shane Cohn – Ward 25
Frank Williamson – Ward 26
Chris Carter – Ward 27
Lyda Krewson – Ward 28

OTHER CITY OFFICIALS

Ivy Neyland-Pinkston, Deputy Comptroller for Finance and Development
Antonio Strong, Airport Assistant Director – Finance and Accounting
Ryan Coleman, Financial Analyst
Denise Peeples, Accounting Coordinator
Winston Calvert, City Counselor
Mario A. Pandolfo, Jr., Airport Counsel

CITY AIRPORT COMMISSIONERS

Rhonda Hamm-Niebruegge, Director and Chairperson

John Bales
Vacancy
Sean R. Fitzgerald
June McAllister Fowler
Darlene Green
Richard Hrabko
Samuel Jenkins
Lyda Krewson
Benjamin A. Lipman
Richard Nemanick, Jr.
Kathleen Osborn
Lewis Reed
Richard A. Sauget
John Stelzer
Marilyn Teitelbaum
Daniel White

BOARD OF ESTIMATE AND APPORTIONMENT

Francis G. Slay, Mayor
Darlene Green, Comptroller
Lewis Reed, President of the Board of Aldermen

CO-FINANCIAL ADVISORS

Siebert Brandford Shank & Co., L.L.C.
Detroit, Michigan

Public Financial Management, Inc.
Philadelphia, Pennsylvania

CO-BOND AND CO-DISCLOSURE COUNSEL

Squire Patton Boggs (US) LLP
New York, New York

Saulsberry & Associates, LLC
St. Louis, Missouri

TREASURER'S ADVISOR

Comer Capital Group
Jackson, Mississippi

AIRPORT CONSULTANT

Unison Consulting, Inc.
Chicago, Illinois

This Official Statement is provided in connection with the initial offering and sale of the Series 2015 Refunding Bonds referred to herein, and may not be reproduced or used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the City, the Airport (each as hereinafter defined) and other sources which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of their 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.*

No dealer, broker, salesman or other person has been authorized by the City, the Airport or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by any of the foregoing. 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 Series 2015 Refunding Bonds, by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. 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 City or the Airport since the date hereof (or since the date of any information included herein that is dated other than the date hereof).

The Series 2015 Refunding Bonds have not been registered with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption contained in Section 3(a)(2) of such act. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such act. The registration or qualification of the Series 2015 Refunding Bonds in accordance with applicable provisions of securities laws of any states in which the Series 2015 Refunding Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2015 Refunding Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 REFUNDING BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, as amended, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act and reflect the City's current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Included in such risks and uncertainties are (i) those relating to the possible invalidity of the underlying assumptions and estimates, (ii) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances, and (iii) 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. For these reasons, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Undue reliance should not be placed on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or fail to occur, other than as indicated under the caption "Continuing Disclosure" and APPENDIX G – "Form of Continuing Disclosure Agreement."

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in SEC Rule 15c2-12 (the "Rule").

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OFFICIAL STATEMENT
Relating to
$17,310,000
The City of St. Louis, Missouri
Airport Revenue Refunding Bonds Series, 2015 (Non-AMT)
(Lambert-St. Louis International Airport)

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to the more complete and detailed information contained in the entire Official Statement, including the appendices (collectively, the "Official Statement') and the documents summarized or described herein. Unless otherwise defined herein, certain capitalized words and terms used in this Official Statement have the meanings given to them in **APPENDIX C - "Summary of Certain Provisions of the Indenture."**

This Official Statement is furnished in connection with the offering by The City of St. Louis, Missouri (the "City") of its $17,310,000 aggregate principal amount of Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport) (the "Series 2015 Refunding Bonds"). **Investors must read the entire Official Statement, including the appendices, to obtain information essential to making an informed investment decision.**

Authority for Issuance

The Series 2015 Refunding Bonds are issued under authority of the constitution and laws of the State of Missouri, including Article VI, Section 27(a) and Section 28 of the Missouri Constitution, as amended, and Sections 108.140 and 108.170 of the Revised Statutes of Missouri, as amended, and Ordinance No. 69939, adopted by the Board of Aldermen of the City (the "Board of Aldermen") on February 6, 2015, and signed by the Mayor of the City on February 17, 2015 (which approved the issuance of the Series 2015 Refunding Bonds). The Series 2015 Refunding Bonds are issued pursuant to an Indenture of Trust dated as of October 15, 1984 (the "Original Indenture") providing for the issuance from time to time of series of airport revenue bonds of the City, which Original Indenture, as previously amended, supplemented and restated, was amended, restated and superseded by that certain Amended and Restated Indenture of Trust dated as of July 1, 2009 (the "Restated Indenture") (the Original Indenture, as amended and restated by the Restated Indenture, as amended and supplemented, including by the Twentieth Supplemental Indenture of Trust dated as of June 1, 2015, is referred to herein as the "Indenture") between the City and UMB Bank, N.A., as Trustee (the "Trustee"). The Indenture authorizes the issuance of bonds subject to the requirements specified in the Indenture and summarized under the section captioned **"THE SERIES 2015 REFUNDING BONDS," — "Outstanding Bonds, Additional Bonds and Refunding Bonds,"** below. For a summary of the Indenture, see **APPENDIX C - "Summary of Certain Provisions of the Indenture."**

Pursuant to voter authorization on November 5, 1991 and April 8, 2005 (collectively, the "Voter Approval"), the City is authorized to issue up to $3.5 billion of bonds to finance capital projects at the Airport. To date, approximately $1.084 billion of Bonds have been issued pursuant to the Voter Approval, which leaves approximately $2.42 billion of authorized but unissued Bonds approved for Airport purposes. Under state law and the City Charter, Refunding Bonds do not require Voter Approval. The Series 2015 Refunding Bonds will be subject to the refunding bonds test as provided in the Indenture and summarized herein. See **APPENDIX C — "Summary of Certain Provisions of the Indenture - Refunding Bonds."**

Parity Obligations

The Series 2015 Refunding Bonds will be issued on a parity with the Outstanding Bonds, defined herein, which are outstanding as of June 1, 2015, in the aggregate principal amount of $726,590,000 and will be payable solely from Revenues derived from the operations of the Airport and certain other funds pledged under the Indenture. Such outstanding bonds, together with the Series 2015 Refunding Bonds and any

Additional Bonds and Refunding Bonds hereafter issued and outstanding, are referred to herein as the "Outstanding Bonds." See **"THE SERIES 2015 REFUNDING BONDS - "Outstanding Bonds, Additional Bonds and Refunding Bonds."**

The City and the Airport

The City is a constitutional charter city and political subdivision of the State of Missouri. Lambert-St. Louis International Airport (the "Airport") is owned by the City and operated by the Airport Authority of the City (the "Airport Authority"). The Airport Authority was created by ordinance of the Board of Aldermen and consists of the St. Louis Airport Commission (the "Commission"), the Airport's Chief Executive Officer (the "Director of Airports") and other managers and personnel required to operate the Airport. The Airport Commission is responsible for the planning, development, management and operation of the Airport. See **"AIRPORT MANAGEMENT - Introduction."**

Use of Proceeds

The proceeds of the Series 2015 Refunding Bonds, together with other available funds, will be used: (i) to defease and currently refund a portion of the outstanding City of St. Louis Airport Revenue Refunding Bonds Series 2005 (Non-AMT) (Lambert- St. Louis International Airport) issued under the Indenture (as more fully described herein), (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2015 Refunding Bonds, and (iii) pay costs of issuing the Series 2015 Refunding Bonds. See **"PLAN OF FINANCE."**

The bonds to be refunded consist of the outstanding City of St. Louis Airport Revenue Refunding Bonds, Series 2005 (Non-AMT) (Lambert-St. Louis International Airport), maturing July 1, 2020 through 2023 inclusive, dated July 7, 2005 (the "Refunded Bonds").

For further information regarding the use of proceeds of the Series 2015 Refunding Bonds and the plan of finance, see **"PLAN OF FINANCE."**

Security and Sources of Payment

The Series 2015 Refunding Bonds are limited obligations of the City payable on a parity with the Outstanding Bonds from the Revenues derived solely from the operation of the Airport and certain other funds pledged under the Indenture, subject to the application thereof in accordance with the Indenture, including the Debt Service Stabilization Fund and the Debt Service Reserve Account, all as more fully described in **"THE SERIES 2015 REFUNDING BONDS - Security and Sources of Payment."** The principal sources of Revenues are the rates and charges generated under agreements between the City and the airlines serving the Airport and payments under concession contracts at the Airport. See **"CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES."**

The Series 2015 Refunding Bonds do not constitute indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2015 Refunding Bonds, either as to principal or interest.

The Series 2015 Refunding Bonds will be issued on parity with the Outstanding Bonds. In addition, the City may issue from time to time subordinate debt, including subordinate commercial paper notes, which are currently authorized in a maximum principal amount outstanding at any time not to exceed $125,000,000. Currently there is no subordinate debt outstanding. The City may issue subordinate commercial paper notes or other subordinated debt in the future, but the City has no current plans to issue any such notes or other subordinated debt. See **"THE SERIES 2015 REFUNDING BONDS - Subordinated Indebtedness and Special Facilities Indebtedness."**

Additional Bonds and Refunding Bonds

Pursuant to the Indenture, subject to certain terms and conditions, the City may issue:

(1) Additional Bonds from time to time to finance capital improvements at the Airport; and

(2) Refunding Bonds for the purpose of refunding principal and/or interest components of any Outstanding Bonds, any Subordinated Indebtedness or Special Facilities Indebtedness.

Additional Bonds and Refunding Bonds will be equally and ratably secured on a parity with the Series 2015 Refunding Bonds and other Outstanding Bonds.

The City may issue Additional Bonds if (i) sufficient bonding authority remains pursuant to the Voter Approval and (ii) the requirements for the issuance of Additional Bonds under the Indenture (the "Additional Bonds Test") are met. The City may issue Refunding Bonds if (i) the Aggregate Debt Service in each Airport Fiscal Year prior to the final maturity date of then Outstanding Bonds after the refunding is no greater than the Aggregate Debt Service in each Airport Fiscal Year prior to the refunding or (ii) such Refunding Bonds satisfy certain portions of the Additional Bonds Test. See **"THE SERIES 2015 REFUNDING BONDS - Outstanding Bonds, Additional Bonds and Refunding Bonds**." The Series 2015 Refunding Bonds are being issued as Refunding Bonds.

Certain Investment Considerations

The Series 2015 Refunding Bonds may not be suitable for all investors. Prospective purchasers of the Series 2015 Refunding Bonds should give careful consideration to the information set forth in this Official Statement including, but not limited to, the matters discussed or referred to under **"CERTAIN INVESTMENT CONSIDERATIONS."** These considerations include, among others, the following: (1) changes in the level of airline activity at the Airport; (2) events adversely affecting the air transportation system and the Airport; (3) the possible effect of an airline bankruptcy on the Use Agreements; and (4) the financial health of the airline industry and certain airlines serving the Airport. See also **"FACTORS AFFECTING THE AIRPORT AND THE AIR CARRIER INDUSTRY,"** for a more comprehensive discussion of certain investment considerations.

Continuing Disclosure

The City and the Trustee, as dissemination agent (the "Dissemination Agent"), will enter into a Continuing Disclosure Agreement dated as of June 1, 2015 (the "Continuing Disclosure Agreement"), substantially in the form attached as **APPENDIX G – "Form of Continuing Disclosure Agreement,"** pursuant to which the City will covenant for the benefit of holders and beneficial owners of the Series 2015 Refunding Bonds to provide audited financial statements of the Airport and certain statistical and operating data relating to the City and the Airport and to provide notices of the occurrence of certain enumerated events. The audited financial statements, statistical and operating data and notices of events will be filed by or on behalf of the City in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned **"CONTINUING DISCLOSURE"** and **APPENDIX G – "Form of Continuing Disclosure Agreement."**

Miscellaneous

This Official Statement contains brief descriptions of, among other things, the Indenture, the Series 2015 Refunding Bonds, the City, the Airport, the Use Agreements, the Operating Agreements, the Continuing Disclosure Agreement, the audited financial statements of the Airport, certain unaudited financial information of the Airport, the Airport's capital improvement programs and the Airport Development Program. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to any documents are qualified in their entirety by reference to such documents, and references to the Series 2015 Refunding Bonds are qualified in their entirety by reference to the form of the Series 2015 Refunding Bonds included in the Twentieth Supplemental Indenture. Upon the issuance of the Series 2015 Refunding Bonds, the Indenture and the Continuing Disclosure Agreement will be available for inspection at the offices of the Trustee. All other documents referenced above are attached as appendices or available for inspection at the offices of the Airport.

The Airport Consultant Letter is included as **APPENDIX A.** Certain audited financial statements of the Airport are included as **APPENDIX B.** Definitions and a summary of certain provisions of the Indenture are included as **APPENDIX C,** and all capitalized terms used in this Official Statement and not otherwise defined in this Official Statement shall have the meanings set forth in **APPENDIX C** or, with respect to terms defined in the Use Agreements and the Operating Agreements, in **APPENDIX D.** A summary of certain provisions of the Use Agreements and the Operating Agreements is included as **APPENDIX D.** A description of the book-entry-only system maintained by DTC is set forth in **APPENDIX E.** The substantially final text of the opinion to be delivered by Co-Bond Counsel, Squire Patton Boggs (US) LLP, New York, New York, and Saulsberry & Associates, LLC, St. Louis, Missouri, is included as **APPENDIX F.** A form of the Continuing Disclosure Agreement is attached as **APPENDIX G.** A description of the PFC Program, as defined herein, is included as **APPENDIX H.**

The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto shall under any circumstances, create an implication that there has been no change in the affairs of the City or the Airport since the date hereof. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriters and purchasers or owners of any of the Series 2015 Refunding Bonds.

THE SERIES 2015 REFUNDING BONDS

The Series 2015 Refunding Bonds are being issued under the Indenture. Reference is hereby made to the Indenture in its entirety for the detailed provisions pertaining to the Series 2015 Refunding Bonds.

General

The Series 2015 Refunding Bonds will be dated their date of delivery and will mature and bear interest as set forth on the inside cover page of this Official Statement. The Series 2015 Refunding Bonds are issued as fully registered bonds in denominations of $5,000 or integral multiples thereof. The principal of and redemption premium, if any, on the Series 2015 Refunding Bonds will be payable at maturity to the persons in whose name such Series 2015 Refunding Bonds are registered upon presentation and surrender of such Series 2015 Refunding Bonds at the principal corporate trust office of the Trustee in St. Louis, Missouri. Interest on the Series 2015 Refunding Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2016. Principal of the Series 2015 Refunding Bonds shall be paid on the maturity dates listed on the inside cover of this Official Statement. Registered owners of Series 2015 Refunding Bonds of a principal amount of at least $1,000,000 may receive payments of interest by electronic transfer upon written request from the registered owner to the Trustee providing relevant instructions not later than five days prior to the Record Date for such interest payment date.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015 Refunding Bonds. The Series 2015 Refunding Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Series 2015 Refunding Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. For additional information regarding DTC and DTC's book-entry-only system, see **APPENDIX E - "DTC Information."**

In reading this Official Statement, it should be understood that while the Series 2015 Refunding Bonds are in book-entry-only form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2015

Refunding Bonds, but (i) all rights of ownership must be exercised through DTC and its book-entry only system, and (ii) except as described in ***APPENDIX E – "DTC Information",*** *notices that are to be given to registered owners under the Indenture shall be given only to DTC.*

No Redemption

The Series 2015 Refunding Bonds are not subject to redemption prior to maturity.

Registration, Transfer and Exchange

Bonds, upon surrender thereof at the principal office of the Trustee or any other Bond Registrar with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered Owner or his duly authorized attorney, may, at the option of the Owner thereof, and upon payment by such Owner of any charges which the Trustee may make as provided in the Indenture, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other authorized denominations.

Each Bond is transferable only upon the books of the City maintained by the Comptroller, which will be kept for that purpose at the principal office of the Trustee, by the Owner thereof in person or by the Owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or the Owner's duly authorized attorney. Upon the transfer of any such Bond, the City will issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Trustee and any other Bond Registrar will cooperate with each other in maintaining accurate Bond registration books of the City at the principal office of the Trustee in accordance with the Indenture and in maintaining a copy thereof at the principal office of the Trustee and any other Bond Registrar.

The City and each Fiduciary may deem and treat the person in whose name any Bond will be registered upon the Bond registration books of the City as the absolute Owner of such Bond, whether such Bond will be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon such Owner's order will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor any Fiduciary will be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City will execute and the Trustee will authenticate and deliver Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such exchanges or transfers will forthwith be canceled by the Trustee and disposed of in accordance with the Charter. For every such exchange or transfer of Bonds, whether temporary or definitive, the City, the Trustee or the Co-Registrar may make a charge sufficient to reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City, the Trustee nor any other Bond Registrar will be required (a) to register the transfer or exchange of Bonds of any Series for a period of 15 days next preceding any selection of Bonds of such Series to be redeemed or thereafter until after the first mailing of any notice of redemption, or (b) to register the transfer or exchange of any Bonds called for redemption.

Security and Sources of Payment

General

The Series 2015 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2015 Refunding Bonds, either as to principal or interest.

The Series 2015 Refunding Bonds are limited obligations of the City, payable solely from and secured, on a parity with the Outstanding Bonds, by a pledge of (i) the Revenues, subject to the application thereof to the purposes and on the conditions permitted by the Indenture, including for the payment of Operation and Maintenance Expenses, and (ii) the Funds established by the Indenture. None of the properties of the Airport have been pledged or mortgaged to secure payment on the Bonds, including the Series 2015 Refunding Bonds.

Revenues

Under the Indenture, "Revenues" means collectively the "GARB (General Airport Revenue Bond) Revenues," the "Pledged PFC Revenues" and any other available moneys deposited in the Revenue Fund. The Indenture defines "Net Revenues" as Revenues less Operation and Maintenance Expenses.

GARB Revenues. The Indenture defines "GARB Revenues" as all revenues collected by the City relating to, from or with respect to its possession, management, supervision, operation and control of the Airport, including all rates, charges, landing fees, rentals, use charges, concession revenues, revenues from the sale of services, supplies or other commodities, any investment income realized from the investment of amounts in the Revenue Fund, and any other amounts deposited into the Revenue Fund. GARB Revenues do not include: (a) any revenue or income from any Special Facilities, except ground rentals thereof or any payments made to the City in lieu of such ground rentals and the revenue or income from Special Facilities which are not pledged to the payment of Special Facilities Indebtedness; (b) any moneys received as grants, appropriations or gifts from the United States of America, the State of Missouri or other sources, the use of which is limited by the grantor or donor to the planning or the construction of capital improvements, including land acquisition, for the Airport, except to the extent any such moneys are received as payment for the use of the Airport; (c) any Bond proceeds and other money (including investment earnings) credited to the Construction Fund for the financing of capital improvements to the Airport; (d) any interest earnings or other gain from investment of moneys or securities in any escrow or similar account pledged to the payment of any obligations therein specified in connection with the issuance of Refunding Bonds or the defeasance of any Series of Bonds in accordance with the Indenture; (e) any consideration received by the City upon transfer of the Airport pursuant to the Indenture; (f) interest income on, and any profit realized from, the investment of moneys in (i) the Construction Fund or any other construction fund funded from proceeds of Bonds or (ii) the Debt Service Account or the Debt Service Reserve Account if and to the extent there is any deficiency therein; (g) any passenger facility charge or similar charge levied by or on behalf of the Airport against passengers or cargo, including any income or earnings thereon; (h) insurance proceeds which are not deemed to be GARB Revenues in accordance with generally accepted accounting principles (other than proceeds that provide for lost revenue to the Airport for business interruption or business loss); (i) the proceeds of any condemnation or eminent domain award; (j) the proceeds of any sale of land, buildings or equipment; (k) any money received by or for the account of the Airport from the levy of taxes upon any property in the City; and (1) amounts payable to the City under an Interest Rate Exchange Agreement unless and to the extent designated as GARB Revenues by the City in a Supplemental Indenture.

Pledged PFC Revenues. Under the Indenture, a portion of the revenues from passenger facility charges (the "PFCs" or the "PFC Revenues") may be pledged to the payment of Bonds in an amount that correlates to the debt service on Bonds issued to finance or refinance PFC-Eligible Projects, and the City has pledged such portion of PFC Revenues to the payment of Bonds. See **APPENDIX H - "The PFC Program"** attached hereto.

Amounts in the Revenue Fund are deposited, on a monthly basis, in specified funds and accounts under the Indenture in the order set forth in the Indenture. For a summary of the application of Revenues under the Indenture, see **APPENDIX C - "Summary of Certain Provisions of the Indenture — Application of Revenues."**

The principal sources of Revenues are the rates and charges generated under agreements between the City and the airlines serving the Airport and payments under concession contracts at the Airport. See **"CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES."**

Rate Covenant

Under the Indenture, the City has covenanted that it will, at all times while any Bonds remain outstanding, establish, fix, prescribe and collect rates, fees, rentals and other charges for the use of the Airport as will be reasonably anticipated to provide in each Airport Fiscal Year an amount so that Revenues will be sufficient to (i) pay Aggregate Debt Service for such Airport Fiscal Year, (ii) provide funds necessary to make the required deposits in and maintain the several funds and accounts established under the Indenture, and (iii) pay or discharge all indebtedness, charges and liens payable out of the Revenues under the Indenture. For further discussion, see **"CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES."**

Debt Service Reserve Account

The Indenture authorizes the establishment of the 2015 Debt Service Reserve Sub-Account of the Debt Service Reserve Account within the Airport Bond Fund, which is to be held by the Trustee. Such Debt Service Reserve Sub-Account is to be applied solely for the purposes specified in the Indenture and is pledged to secure the payment of the accrued Aggregate Debt Service on the Series 2015 Refunding Bonds. All of the sub-accounts within the Debt Service Reserve Account are held on a parity basis for the equal and ratable benefit of the Holders of all of the Outstanding Bonds. The Indenture requires that the Debt Service Reserve Account be maintained, as of any date of calculation for the then-Outstanding Bonds, unless otherwise provided in a Supplemental Indenture for a particular Series of Bonds, at an amount which equals the least of: (i) 10% of the proceeds of such Series of Bonds; (ii) 125% of the average annual debt service on such Series of Bonds; or (iii) the maximum annual debt service on such Series of Bonds. Deposits into the Debt Service Reserve Account may be satisfied by a deposit of cash or a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution (the "Reserve Facility") pursuant to the requirements of the Indenture. Pursuant to the Twentieth Supplemental Indenture, the Debt Service Reserve Requirement with respect to the Series 2015 Refunding Bonds initially will be $1,989,377.85, which is to be partially satisfied by a deposit from the proceeds of the Series 2015 Refunding Bonds.

Moneys in the Debt Service Reserve Account are to be withdrawn and deposited in the Debt Service Account each month to the extent that the amount in the Debt Service Account is less than the Accrued Aggregate Debt Service on such Bonds after all required transfers to the Debt Service Account pursuant to the Indenture and any transfers from the Debt Service Stabilization Fund. If amounts in the Debt Service Reserve Account are less than the Debt Service Reserve Requirement, or if any Reserve Facility is downgraded below the fourth highest rating category (without giving effect to gradations within a rating category) by any of the Rating Agencies, the Indenture requires that the Debt Service Reserve Account be restored to its requirement from amounts held in the Renewal and Replacement Fund, the Contingency Fund or the Development Fund or by the deposit of a new Reserve Facility rated in one of the three highest rating categories (without giving effect to gradations within a rating category). To the extent that such deficiency has not been made up from amounts in the Renewal and Replacement Fund, the Contingency Fund or the Development Fund, or by deposit of a new Reserve Facility, such deficiency shall be replenished from the first available Revenues after required deposits into the Operation and Maintenance Fund and the Debt Service Account pursuant to the Indenture. The Indenture provides that any such deficiency in the Debt Service Reserve Account shall be replenished over various time periods as specified in the Indenture. Moneys in the Debt Service Reserve Account in excess of the requirement may be withdrawn and applied in accordance with the Indenture. See **APPENDIX C - "Summary of Certain Provisions of the Indenture."**

The value of all amounts on deposit in the Debt Service Reserve Account, which secures, on a parity basis, all $752,260,000 Outstanding Bonds issued under the Indenture, is approximately $76.2 million as of June 1, 2015. Such amount is comprised of Reserve Facilities consisting of approximately $41.4 million of surety bonds provided by qualified financial institutions and the balance is in cash (which has been invested in accordance with the Indenture). While a number of the surety bond providers have experienced rating downgrades over the past four years, all remain qualified under the terms of the Indenture. Because of periodic recalculations of the Debt Service Reserve Requirements for Outstanding Series of Bonds required by the Indenture, the City is obligated to increase over time the amount on deposit in certain Debt Service

Reserve Sub-accounts. As of June 30, 2015, the City is obligated to provide an aggregate deposit of $790,000 over a period of five years. The City is meeting its obligations with respect to the Debt Service Reserve Requirement. The amount of the deposit may change over time due to the manner in which the Debt Service Reserve Requirement is calculated. See **APPENDIX C — "Summary of Certain Provisions of the Indenture - Debt Service Reserve Requirement."**

Debt Service Stabilization Fund

After making all required monthly deposits to or for the Operation and Maintenance Fund, the Debt Service Account, the Debt Service Reserve Account, the Arbitrage Rebate Fund, the payment of any Subordinated Indebtedness, the Renewal and Replacement Fund and the City Sub-Account in the Revenue Fund, the City will deposit the remaining Revenues in the Revenue Fund (i) in Fiscal Year 2015 and (ii) in each Fiscal Year thereafter, into the Debt Service Stabilization Fund up to an amount sufficient to cause the amount on deposit therein to equal the Debt Service Stabilization Fund Requirement. The Debt Service Stabilization Fund Requirement is an amount equal to 35% of the maximum annual Debt Service on the Bonds due in the then-current or any future Airport Fiscal Year, subject to change as described below. After such deposits, any remaining GARB Revenues will be deposited in the Development Fund, any remaining unused Pledged PFC Revenues will be deposited in the PFC Account.

Amounts in the Debt Service Stabilization Fund may be withdrawn and used for (1) monthly transfers to the Trustee for deposit to the Debt Service Account to the extent necessary to replenish any deficiency or deficiencies therein, (2) emergency debt service needs with respect to Outstanding Bonds, Subordinated Indebtedness or other indebtedness issued for Airport purposes and (3) Airport operational emergencies.

Notwithstanding the foregoing, after the Net Revenues for three consecutive Airport Fiscal Years equals at least 1.60 times the Aggregate Adjusted Debt Service for such Airport Fiscal Years, the Comptroller, upon the receipt of a request of the Airport Commission, may determine to reduce or eliminate the Debt Service Stabilization Fund Requirement and/or eliminate the Debt Service Stabilization Fund.

The balance in the Debt Service Stabilization Fund is expected to be $34,164,501 as of June 30, 2015. For additional information regarding the Debt Service Stabilization Fund, see **APPENDIX C — "Summary of Certain Provisions of the Indenture — Description of Funds Established by the Indenture — Debt Service Stabilization Fund."**

Under the Use Agreement (defined herein), the City is using a portion of the Debt Service Stabilization Fund held under the Indenture in order to mitigate rates on an annual basis during the term of the Use Agreements. In each Fiscal Year the City determines to mitigate rates, the City will withdraw approximately $13.7 million from the Debt Service Stabilization Fund and deposit such amount in the Revenue Fund, with the expectation that such amount will be redeposited in the Debt Service Stabilization Fund by the end of such Fiscal Year. The amounts so deposited in such years will be included in GARB Revenues and the debt service coverage calculations for such years. For additional information see the projections of the Airport Consultant in its Airport Consultant Letter attached as **APPENDIX A** hereto.

Outstanding Bonds, Additional Bonds and Refunding Bonds

Outstanding Bonds

The following series of Bonds constitute the Outstanding Bonds under the Indenture, as of June 1, 2015.

Title	Dated Date	Original Amount of Issue	Amount Outstanding
Airport Revenue Refunding Bonds, Series 2005 (Non-AMT)*	July 7, 2005	$263,695,000	$262,415,000
Airport Revenue Refunding Bonds, Series 2007A (Non-AMT)	January 23, 2007	231,275,000	193,505,000
Airport Revenue Refunding Bonds, Series 2007B (AMT)	April 3, 2007	104,735,000	104,735,000
Airport Revenue Bonds Series 2009A-1	July 14, 2009	107,240,000	107,240,000
Airport Revenue Refunding Bonds Series 2011B (Non-AMT)	June 23, 2011	23,625,000	5,750,000
Airport Revenue Refunding Bonds Series 2012 (AMT)	June 28, 2012	31,395,000	27,275,000
Series 2013 (Non-AMT)	June 20, 2013	31,460,000	25,670,000
Total		$824,820,000	$726,590,000

*A portion of these Bonds will be defeased upon the issuance of the Series 2015 Refunding Bonds.

The City maintains an investor information website at http://buystlbonds.com containing information on indebtedness of the City. *However, information on this website has not been verified for accuracy, timeliness or completeness and is not a part of this Official Statement.*

Additional Bonds

Additional Bonds, equally and ratably secured under the Indenture on a parity with Outstanding Bonds, including the Series 2015 Refunding Bonds, may be authorized and issued by the City upon satisfaction of certain conditions for the purpose of providing funds for costs of construction of Additional Projects, consisting of the extension, improvement, acquisition, construction and enlargement of the Airport. The City may issue Additional Bonds for an Additional Project only if (i) sufficient bonding authority remains pursuant to the Voter Approval and (ii) the Additional Bonds Test under the Indenture is met, including receipt by the Trustee of certain certificates, reports and information, including the following:

1. An Accountant's Certificate setting forth (a) the Net Revenues of the Airport for any period of 12 consecutive months out of the 18 months preceding the delivery of such Additional Bonds, and (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period that Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service; and

2. A certificate of an authorized officer of the City demonstrating that, among other things, the estimated Net Revenues of the Airport for each of the three Fiscal Years following the Fiscal Year in which the Additional Project will be completed is at least equal to 1.25 times Aggregate Adjusted Debt Service for each of such three Fiscal Years.

The Indenture contains a covenant (applicable so long as certain Bonds authorized thereby are Outstanding) which provides that the amount of Pledged PFC Revenues that may be counted for the purpose of meeting the Additional Bonds Test for any Fiscal Year may not exceed 125% of the sum of the outstanding and proposed PFC-eligible debt service for such Fiscal Year.

Refunding Bonds

Refunding Bonds, equally and ratably secured under the Indenture on a parity with Outstanding Bonds, including the Series 2015 Refunding Bonds, may be authorized and issued by the City upon satisfaction of certain conditions, for the purpose of refunding all or a portion of the principal and/or interest components of Outstanding Bonds, Subordinated Indebtedness (described below) or Special Facilities Indebtedness (described below).

Refunding Bonds may be issued only upon receipt by the Trustee of certain certificates, reports and information, including either of the following: (1) a certificate of an Authorized Officer of the City setting forth (a) the Aggregate Debt Service and the Aggregate Adjusted Debt Service for the then current and each future Fiscal Year to and including the Fiscal Year next preceding the date of the latest maturity of any Bonds of any Series then Outstanding (i) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds and (ii) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (b) that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year pursuant to (ii) above are not greater than the corresponding amounts set forth for such Airport Fiscal Year pursuant to (i) above; or (2) the certificates required by the Indenture evidencing that the Additional Bonds Test has been met, considering, for all purposes of such test, that such Refunding Bonds are Additional Bonds, subject to certain exceptions.

The Series 2015 Refunding Bonds are being issued as Refunding Bonds.

Subordinated Indebtedness and Special Facilities Indebtedness

The Indenture permits the City to issue or refund bonds, notes, commercial paper, certificates, warrants or other evidence of indebtedness payable as to principal and interest from the Revenue Fund and the Net Revenues, subject and subordinate to the deposits and credits required to be made therefrom to the Debt Service Account and the Debt Service Reserve Account, and to secure such bonds, notes, commercial paper, certificates, warrants or other evidences of indebtedness and the payment thereof by a lien and pledge on the Net Revenues junior and inferior to the lien and pledge on the Net Revenues created under the Indenture for the payment of and security on the Bonds (the “Subordinated Indebtedness”). The City is currently authorized to issue commercial paper notes in a maximum principal amount outstanding at any time not to exceed $125,000,000. Currently there is no subordinate debt outstanding.

At any time after authorization, but prior to the issuance of Subordinated Indebtedness, the City must furnish to the Trustee a certificate of the City with respect to the specific principal amount of Subordinated Indebtedness proposed to be issued (the “Certified Amount”) and that provides as follows: annual estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that the Airport has beneficial occupancy of the Airport project to be financed or refinanced (in whole or in part) from the proceeds of such Certified Amount, will be at least equal to 1.10 times the sum of (1) estimated debt service on the Certified Amount proposed to be issued, (2) debt service on all outstanding Subordinated Indebtedness, and (3) estimated debt service on any other previously Certified Amounts to the extent that such Certified Amounts are not outstanding but are still authorized and available to be issued.

The Indenture permits the issuance of obligations other than Bonds by the City or otherwise (“Special Facilities Indebtedness”) for the purpose of financing capital improvements or facilities to be located on Airport property, provided that such Special Facilities Indebtedness is not payable from Revenues. Special

Facilities Indebtedness must be payable solely from rentals and other charges derived from a lease, sale or other agreement with the person, firm or corporation utilizing such Special Facilities. Prior to the issuance of the Special Facilities Indebtedness, there must be filed with the Trustee a certificate of the Airport Consultant certifying that (i) the estimated rentals, payments and other charges (including interest earnings on any reserves) to be paid with respect to such Special Facilities will be at least sufficient to pay the principal of and interest on such Special Facilities Indebtedness, together with all costs of operating and maintaining the Special Facilities and all required sinking fund, reserve and other payments; and (ii) the construction and operation of the Special Facilities to be financed will not decrease the Revenues presently projected to be derived from the Airport. The City is required to charge a fair and reasonable rental for the land upon which any Special Facilities are to be constructed, and such ground rent will be deemed Revenues of the Airport. There currently is no Special Facility Indebtedness outstanding, and the City has no current plans to incur any such Indebtedness.

PLAN OF FINANCE

General

The proceeds of the Series 2015 Refunding Bonds, together with other available funds, will be used: (i) to defease and currently refund the Refunded Bonds issued under the Indenture (as more fully described herein), (ii) to provide for the funding of a Debt Service Reserve Account for the Series 2015 Refunding Bonds, and (iii) to pay costs of issuing the Series 2015 Refunding Bonds.

Plan of Refunding

The proceeds of the Series 2015 Refunding Bonds, together with other available funds, will be used to defease and refund on a current basis the Refunded Bonds, which are outstanding as of June 1, 2015, in the aggregate principal amount of $17,890,000 on July 1, 2015. See **"ESTIMATED SOURCES AND USES OF FUNDS"** herein.

ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the proceeds of the Series 2015 Refunding Bonds and other available funds:

Series 2015 Refunding Bonds

Sources:	
Par Amount	$17,310,000.00
Plus Original Issue Premium	2,583,778.45
Transfer from Series 2005 Debt Service Account	447,250.00
Transfer from Series 2005 Debt Service Reserve Sub-Account	494,590.90
Total	$20,835,619.35
Uses:	
Series 2005 Refunding Sub-Account Deposit*	$18,337.250.00
Series 2015 Debt Service Reserve Sub-Account Deposit	1,989,377.85
Costs of Issuance **	508,991.50
Total	$20,835,619.35

* Includes interest payment due on the Refunded Bonds on July 1, 2015.

** Includes Underwriters' discount.

DEBT SERVICE REQUIREMENTS

The following table summarizes the debt service payments to be made by the City for all Outstanding Bonds, including the Series 2015 Refunding Bonds, based on when payments are required to be sent to the Trustee.

Period Ending July 1	Debt Service on Outstanding Bonds[1]	Series 2015 Refunding Bonds Debt Service	Total Debt Service
2015	$ 58,622,222		$58,622,222
2016	74,065,694	$879,925	74,945,619
2017	74,122,125	865,500	74,987,625
2018	74,099,613	865,500	74,965,113
2019	65,412,331	865,500	66,277,831
2020	58,516,206	7,640,500	66,156,706
2021	61,103,600	5,151,750	66,255,350
2022	62,180,019	3,965,500	66,145,519
2023	57,494,013	2,352,000	59,846,013
2024	60,016,219		60,016,219
2025	60,020,088		60,020,088
2026	60,007,838		60,007,838
2027	59,932,788		59,932,788
2028	49,155,713		49,155,713
2029	49,150,825		49,150,825
2030	49,153,888		49,153,888
2031	49,156,525		49,156,525
2032	18,412,425		18,412,425
2033	9,913,494		9,913,494
2034	9,910,794		9,910,794

(1) Excludes debt service on Refunded Bonds.

THE CITY OF ST. LOUIS

General

The City of St. Louis, Missouri, a constitutional charter city not a part of any county, is organized and exists under and pursuant to its Charter and the Constitution and laws of the State of Missouri. The Airport is owned by the City and operated by the Airport Authority, under the supervision of the Airport Commission. The Airport Authority was created by ordinance of the Board of Aldermen.

The City is located on the Mississippi River, the eastern boundary of the State of Missouri, just below its confluence with the Missouri River. The City occupies approximately 61.4 square miles of land, and its area has remained constant since 1876. The City is popularly known as the “Gateway to the West,” due to its central location and historical role in the nation's westward expansion. Commemorating this role is the 630-foot stainless steel Gateway Arch, the world's tallest man-made monument, which is the focal point of the 86-acre Jefferson National Expansion Memorial on the downtown riverfront.

Government

The City's system of government is provided for by its Charter, which first became effective in 1914 and has subsequently been amended from time to time by the City's voters.

The Mayor, elected to a four-year term, is the chief executive officer of the City. The Mayor appoints most department heads, municipal court judges and various members of the City's boards and commissions. The Mayor possesses the executive powers of the City, which are exercised by the boards, commissions, officers and departments of the City under his general supervision and control. See **"AIRPORT MANAGEMENT"** herein.

The Comptroller is the City's chief fiscal officer, and is elected at-large to a four-year term. The Comptroller is, by Charter, Chairperson of the Department of Finance for the City and also has broad investigative audit powers over all City departments and agencies. The Comptroller has administrative responsibility for all of the City's contracts, financial departments and accounting procedures.

The legislative body of the City is the Board of Aldermen. The Board of Aldermen is comprised of 28 Aldermen and a President. One Alderman is elected from each of the City's 28 wards to serve a four-year term, and Aldermen are elected for one-half of the wards every two years. The President of the Board of Aldermen is elected at large to serve a four-year term. The President is the presiding officer of the Board of Aldermen. The Board of Aldermen may adopt bills or ordinances which the Mayor may either approve or veto. Ordinances may be enacted by the Board of Aldermen over the Mayor's veto by a two-thirds vote.

The Board of Estimate and Apportionment is primarily responsible for the finances of the City. The Board of Estimate and Apportionment is comprised of the Mayor, the Comptroller and the President of the Board of Aldermen.

While most governmental functions of the City are controlled by the Mayor, the Comptroller, the Board of Estimate and Apportionment and the Board of Aldermen, the appointment of certain officials, including the Board of Election Commissioners, is made by the Governor of the State of Missouri. The Sheriff, Treasurer, Collector of Revenue, License Collector, Circuit Clerk, Circuit Attorney, Public Administrator and Recorder of Deeds of the City are elected independently to four-year terms.

THE AIRPORT

The Airport is located in St. Louis County, which is adjacent to the City, approximately 15 miles northwest of the City's central business district, a drive of approximately 20 to 30 minutes on Interstate Highway 70, and approximately ten miles from the center of population of the St. Louis metropolitan area. The Airport is classified as a "Medium Hub" by Federal Aviation Administration ("FAA"), since it enplaned less than 1% of the total passengers in the United States in CY 2013.

The Airport was originally established by Major Albert Bond Lambert and other aviation pioneers on a 160-acre site. It was acquired by the City in 1929 and subsequently expanded to slightly more than 3,600 acres. In 1971, the Airport's name officially changed to Lambert-St. Louis International Airport. Additional information on the Airport can be found on its website: http://flystl.com, *however, information on this website has not been verified for accuracy, timeliness or completeness and is not a part of this Official Statement.*

According to the Airports Council International ("ACI") North American traffic report for CY2013, the Airport ranked as the 31st busiest airport nationwide in terms of total passengers. Total enplanements at the Airport for CY2014 were approximately 6.2 million, representing a decrease of 1.6% from the prior year. Of the total CY 2014 enplanements, 85.8% were originating passengers and 14.2% were connecting passengers.

Based on CY 2014 enplanements, Southwest Airlines ("Southwest" or "Southwest Airlines") is currently the dominant carrier at the Airport, accounting for 50.4% of the enplanements, followed by American Airlines ("American" or "American Airlines[1]") and its affiliates, which accounted for 14.4% of the enplanements. See **"AIRPORT OPERATIONS."**

Recent Events

Five-Year Strategic Plan. During FY 2015, the Airport unveiled its 5-year Strategic Plan 2015-2020 (the "Strategic Plan") to build on recent changes that have improved Airport facilities, improved customer services and strengthened air service over the last several years. The Strategic Plan, first made public before the Airport Commission at its February 4, 2015 meeting, is designed to seek operational excellence with four core objectives:

- Sustain and grow passenger air service
- Strengthen financial stability
- Create a positive and lasting impression for the region
- Generate economic development

Each of the core objectives are linked to key metrics to measure success. The Strategic Plan was developed with the collaboration of the St. Louis business community with support by Civic Progress and the Regional Business Council, two major civic organizations. Financial stability is a key component of the Strategic Plan that includes several metrics to ensure financial success: lowering cost per enplaned passengers, growing non-aeronautical revenues, increasing cargo revenues, generating more revenue from underutilized land assets and many more.

Air Cargo Project. On May 6, 2015, the Airport Commission approved a major development project at the Airport that is geared to be a catalyst for international cargo activity and jobs by expanding the Airport's aviation activities and capabilities on the north side of the airfield. The project is expected to generate more than $13.5 million in lease revenue, over the initial term of the agreement. The agreement requires approval by the City of St. Louis Board of Aldermen.

The Airport Commission approved a 20-year lease with two, 10-year extension options with Bi-National Gateway Terminal, LLC, a Missouri limited liability company ("Bi-National") for 48.75 acres of City-owned property on the north side of the airfield ("Leased Premises") ("Northern Tract Site"). The Northern Tract Site holds the original McDonnell Douglas manufacturing complex, which has been vacant for more than a decade. A portion of facilities on the Leased Premise will be demolished by Bi-National to build a state-of-the-art air cargo terminal and ramp space for freighter aircraft. The lease agreement calls for the project to be developed in three phases with the first phase of the development covering more than 32 acres for a cargo handling facility in excess of one million square foot. New aircraft ramp space, totaling one million square feet, will give the facility additional runway access to Lambert's airfield.

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(1) In December 2013, AMR Corporation, the parent company of American Airlines and US Airways Group, the parent company of US Airways, merged to form American Airlines Group, Inc. ("AAG"). The integration of these two airlines is ongoing. Data regarding American Airlines and US Airways is set out separately in this Official Statement. See "**FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT – AMR**" for additional information.

Recovery from Tornado Damage. On April 22, 2011, a tornado heavily damaged portions of the Airport which disrupted flights for approximately three days. The property damage and loss of revenue due to business interruption were covered by insurance and the Federal Emergency Management Agency (FEMA). Repairs have been completed. Lexington Insurance Company paid the Airport $27 million for repairs and business interruption. FEMA paid the Airport $85,000 of the $75,000 claim for the insurance deductible of $100,000.

On May 31, 2013, a tornado caused damage to several Airport support buildings and hangars. Lexington Insurance Company has paid the Airport $4.5 million as of May 1, 2015. All funds were received in advance and it is expected that the total cost of the insurance claim will be approximately $5.5 million. Approximately 95% of all damages has been rebuilt or repaired.

Cost-Cutting Measures Initiated at the Airport. For the last several years, the Airport has made an effort to reduce costs in its Operations and Maintenance budget. For example, the Airport has eliminated over 100 full-time equivalent positions since FY 2009. Cost-cutting efforts also resulted in privatization of a portion of the custodial staff and closing a third fire station at the Airport. In addition, significant savings have been realized in utilities. Almost $1,000,000 in utility cost savings was realized during FY 2014 compared to budget due to energy efficiencies and other reductions in use.

The Airport's capital budget is minimal. In fact, the Airport made a promise to the airlines during negotiations for the current Use Agreements (defined below) that no new debt will be initiated for the life of the 5-year Use Agreement unless there is an emergency or a federal mandate. However, even in the case of an emergency (i.e., April 2011 tornado) the Airport did not have to borrow funds because all funding was received in advance from the insurance company.

Air Service Marketing. The Airport's Air Service Development Program is continuing its efforts to attract new service, both from existing and potential new entrant air carriers.

The Airport adopted a revised Air Service Incentive Program that was approved by the City through FY 2017. This program provides incentives to airlines that expand their services at the Airport. Southwest Airlines and Alaska Airlines are among those airlines that have recently taken advantage of this program. Efforts have also been made to increase cargo service, especially international cargo. The Airport is actively pursuing Asian and Latin American carriers, as well as others, to partner with as part of this effort.

Airport Use Agreements. Airport management and the airlines serving the Airport have entered into Airport Use and Lease Agreements ("Use Agreements") which took effect on July 1, 2011 and will terminate on June 30, 2016. See **"CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES - Airport Use, Operating and Cargo Agreements"** herein.

Service Area

The Airport's primary service area consists of the St. Louis Missouri-Illinois Statistical Area (the "St. Louis Area"), which includes the City, Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis and Warren counties in Missouri and Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair counties in Illinois. There are approximately 2.8 million residents in the primary service area. The Airport is the only major commercial service airport in the St. Louis Area. The FAA identifies six reliever airports, those being: Spirit of St. Louis Airport in west St. Louis County, Missouri; St. Louis Downtown Parks Airport in Cahokia, Illinois; St. Louis Regional Airport in Bethalto, Illinois; St. Charles County/Smart Airport in St. Charles County, Missouri; and Creve Coeur Airport in St. Louis County, Missouri.

In addition, the catchment area for the Airport has over 6 million residents. These residents have very few air service options other than the Airport. Therefore, the Airport's local market is close to 6 million residents.

MidAmerica Airport ("MidAmerica") is located on the grounds of Scott Air Force Base in St. Clair County, Illinois. MidAmerica has access rights to Scott AFB runways for joint military and civilian use. In exchange for those rights, Mid-America is responsible for maintenance of the east runway. MidAmerica can accommodate large jet aircraft, and MidAmerica has a four-gate passenger terminal.

Existing Airport Facilities

The Airport's airfield includes four all-weather runways. Each runway end is served by an instrument landing system. Landings can be performed on any runway during inclement weather.

The Airport experienced a significant decline in connecting traffic beginning in FY 2004, largely due to American Airlines' reduction of the number of flights to and from the Airport in November 2003 by more than half (from 387 daily departures in November 2002 to 193 daily departures in November 2003) with further service reductions in later years.

The 2008-2009 U.S. economic recession weakened the demand for air transportation, including both cargo and passenger service. Airlines responded by cutting capacity system-wide. Traffic growth is beginning to return with the economic recovery. To date regional demand is increasing, which will lead to additional air service.

In CY 2014, Southwest Airlines averaged 83 daily non-stop departures from the Airport to an average of 38 domestic destinations, making it the predominate airline with over 50% market share.

Terminal Facilities

The Airport's terminal facilities include Terminal 1 and Terminal 2. Terminal 1 contains 1,194,799 usable square feet of building space and is comprised of the Terminal 1 domes and four concourses (Concourses A, B, C and all but four easternmost gates in Concourse D) with 68 aircraft gates in a mixed configuration. Terminal 2 has 378,993 usable square feet of building space with 18 aircraft gates.

Terminal 1 has two active concourses, A and most of C. Concourse A has 15 gates: six are leased by Delta Airlines, five by United Airlines, one is a City gate operated for the City under an agency agreement with Airport Terminal Services, and three gates are not used. Concourse C has 30 gates: one is leased by Air Choice One, one by Alaska Airlines, four by American Airlines, two by Cape Air, two by Frontier, three by US Airways, and 17 gates in Concourse C are not used. Concourse B and Concourse D of Terminal 1 are closed to the public. All concourses in Terminal 2 are active. Southwest Airlines leases 11 gates at Terminal 2. In addition, three gates are available for arriving flights requiring Customs and Border Protection services. Four gates are unused.

Public Parking

The Airport currently has 8,755 paid public parking spaces. The Terminal 1 and Terminal 2 parking garages have a total of 3,075 spaces and surface parking lot spaces total 5,680. The Airport raised parking rates in April 2013. The Airport's parking facilities compete with a number of privately owned off-site parking lots.

In addition to the 8,755 paid public parking spaces, the Airport operates two free cell phone parking lots open to the public, west of Terminal 1 and east of Terminal 2.

Recently, the Airport set aside 26 parking spaces in the Terminal 2 garage for a Reserved Parking program. Reserved Parking program participants pay a premium rate for each reserved space.

A new surface public parking facility, designated "Lot E," opened in May 2015 east of Terminal 2. Lot E will add 250 paid parking spaces.

Other Facilities

The other Airport facilities owned by the City include two off-site office buildings, five airline cargo buildings, eleven shops and service buildings, and offices/hangars leased by American Airlines, JetLinx St.

Louis, Trans States Airlines, Airport Terminal Services, Signature Flight Support, and MHS Travel & Charter. The City also owns certain former aircraft production facilities and grounds for which it is currently pursuing development opportunities.

Additionally, there are other structures at the Airport that are not owned by the City but are on grounds leased by the City. These sites include facilities owned by the Boeing Company, St. Louis Air Cargo Services, and the Missouri Air National Guard (MoANG).

Federal Express, United Parcel Service (UPS), and various freight forwarders lease space from St. Louis Air Cargo Services. The facility includes a 100,000 square foot cargo building and 448,000 of adjacent aircraft parking space, on land leased from the Airport.

Also on the St. Louis Air Cargo leasehold, UPS owns an 18,000 square foot warehouse facility adjacent to a 200,000 square foot aircraft parking area.

In June of 2014, Laclede Venture Corporation (Laclede) opened a public access compressed natural gas fueling station on a parcel of land owned by the Airport. Under the terms of the lease, Laclede pays the Airport a set ground rent plus a royalty percentage for fuel pumped at the station.

Planning

A comprehensive Airport Master Plan provides a framework that guides future airport development. The Master Plan includes an Airport Layout Plan set, which depicts existing facilities and recommends future facilities to serve the traveling public. The current Airport Layout Plan was approved by the FAA in 2013.

The Airport maintains a comprehensive Noise Compatibility Program, which assesses aircraft noise exposure on surrounding municipalities. This Program identifies means to mitigate adverse aircraft noise conditions and achieve land use compatibility and was last reviewed and approved by the FAA in 2011. The next review is scheduled for 2016.

CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES

Airport Use, Operating and Cargo Agreements

On July 1, 2011, the City entered into substantially identical Airport Use and Lease Agreements (individually with respect to each air carrier, a "Use Agreement" and, collectively, the "Use Agreements") or Airline Operating Agreements (individually with respect to each air carrier, an "Operating Agreement" and, collectively, the "Operating Agreements") and, in some instances, Cargo Addenda (individually with respect to each air carrier, a "Cargo Addendum" and, collectively, the "Cargo Addenda") with all major and regional air carriers serving the Airport, thereby replacing the prior airport use, operating and cargo agreements that had been in place since 2006. Beginning July 1, 2011, air carriers may choose to operate at the Airport under either the Use Agreement or the Operating Agreement. The current Use Agreements will terminate on June 30, 2016.

Use Agreements

All air carriers operating at the Airport pursuant to a Use Agreement constitute "Signatory Airlines." The Use Agreements grant the Signatory Airlines the right to use, as applicable, the airfield and the terminal building, including the concourses and related facilities, for the business of air transportation with respect to persons, property, cargo and mail and provide for the payment of rentals, fees and charges by the Signatory Airlines.

Each Use Agreement has a 5-year term that commenced on July 1, 2011 and will terminate on June 30, 2016, unless earlier terminated for non-performance or default. Use Agreements entered into after July 1, 2011 will also have a June 30, 2016 termination date. In general, the Use Agreements continue a hybrid rate methodology whereby the Signatory Airlines commit to back revenue shortfalls or receive an adjustment for overpayments with respect to the airfield and pay applicable rates with respect to the terminal complex.

Landing fees and terminal building space rentals are computed based on formulas described in **APPENDIX D - "Summary of Certain Provisions of the Use Agreements and the Operating Agreements."**

Rentals, fees and charges are assessed to the Signatory Airlines to support the primary activities of the Airport — the airfield and the terminal complex (including Terminal 1 and Terminal 2), pursuant to formulas set forth in the Use Agreements. The minimum landing fee commitment is $1,000,000 for Signatory Airlines over the term of the Use Agreement. The Use Agreements permit the City to adjust rentals, fees and charges for each rate period to reflect overpayments and underpayments that occurred during the preceding rate period, and, to the extent necessary, replenish reasonable reserves for uncollected revenues.

Except as described below, before undertaking any capital acquisitions and projects with a net cost (net of federal and/or state grants-in-aid and PFCs) in excess of $100,000 ("Capital Improvements"), the City must notify the Signatory Airlines and request a Majority-in-Interest ("MII") approval for each such Capital Improvement. An MII is deemed to be 50% plus one of the Signatory Airlines operating at the Airport at the time of the voting action having paid no less than 66.67% of the aggregate rents, fees, and charges paid by all Signatory Airlines operating at the Airport during the immediately preceding Fiscal Year.

The City may undertake all Capital Improvements for which it receives MII approval. If MII approval is not obtained, the City may undertake only those Capital Improvements that are funded from sources other than Bond proceeds, and only if the unencumbered balance of the Development Fund is $20,000,000 or greater; provided, however, that the City must delay obligating Airport funds necessary to undertake such Capital Improvements by one calendar year from the date in which the City requested MII approval. The City may not undertake Capital Improvements that are funded with Bond proceeds unless it receives MII approval for such projects.

No MII approval is required for Capital Improvements undertaken: (a) to comply with laws and regulations or with the requirements of the Indenture; (b) as an emergency project; (c) to settle claims, satisfy judgments, or comply with judicial orders; (d) to repair casualty damage at the Airport; (e) to mitigate aircraft noise as part of a Noise Compatibility Program; (f) to conduct any necessary environmental investigation or remediation; (g) to build special facilities for which the City has a contractual commitment from a Signatory Airline or a financially-responsible third party; or (h) to be fully funded from PFCs.

Dual Customs Agreement

Brownsville International Air Cargo, Inc., d/b/a Bi-National Air Cargo, a Texas corporation ("BIAC") and the City have entered into extensive discussions and negotiations regarding the possible development and operation of a dual customs international air cargo terminal facility at the Airport. As a result of those discussions, the City and BIAC negotiated the terms of the certain Dual Customs Agreement AL-353, between the City and BIAC, dated January 9, 2015, which was authorized by Ordinance No. 69880, approved by the Mayor on November 21, 2014.

The Dual Customs Agreement memorializes the City's and BIAC's mutual understanding and commitments to each other to cooperate in obtaining approval for, establishing, and developing a "Dual Customs" cargo facility at the Airport. The Dual Customs Agreement allows and requires BIAC to develop, construct, and provide appropriate space and facilities at the Airport to accommodate the Dual Customs Services, upon the Airport obtaining the required approvals from the federal and the United Mexican authorities. The Dual Customs Agreement also grants, allows, and requires BIAC to offer certain other aeronautical and non-aeronautical services and facilities to air cargo operators at the Airport, subject to and in accordance with the provisions of the Dual Customs Agreement. In addition, in accordance with the terms of the Dual Customs Agreement, the City and BIAC have entered into a First Right of Refusal- Northern Tract (East Site) Agreement AL-317 ("FRR") dated January 9, 2015- that grants BIAC certain first rights of refusal over the eastern portion of the Northern Tract Site consisting of approximately 48.75 acres.

Subsequent negotiations with BIAC have resulted in the principal owner(s) of BIAC forming a new Missouri limited liability company called Bi-National Gateway Terminal, LLC. Bi-National and the City expect to enter into a lease agreement for the Leased Premises (See "THE AIRPORT – Recent Events − *Air*

Cargo Project") that is subject to the FRR granted to BIAC. BIAC has agreed to the FRR subject to the City entering into a lease with Bi-National for the Leased Premises.

The lease agreement will grant Bi-National the right to redevelop the Leased Premises to accommodate, handle, and support air cargo operations and distribution facilities on the Leased Premises. This is not an agreement to develop a dual-customs facility; that right was granted to BIAC under the Dual Customs Agreement. However, execution of the lease agreement will satisfy in part the City's obligations under the Dual Customs Agreement to negotiate a long-term lease to accommodate BIAC and upon the execution of the lease agreement will result in the termination of the FRR.

Operating Agreements

The Operating Agreements are month to month operating permits that may be terminated by either party by providing 30-day written notice to the other party. Air carriers electing to operate at the Airport under an Operating Agreement are considered to be "Non Signatory" Airlines. The Operating Agreements are short term permits intended to provide flexibility for charter airlines, new entrants that may wish to test the market, and regional airlines that operate at the Airport under a contract with other air carriers. Non Signatory Airlines are subject to a landing fee rate equal to 125% of the landing fee rate paid by Signatory Airlines (unless the Non Signatory Airline is designated as an affiliate of a Signatory Airline). A Non Signatory Airline that requests space in one of the terminal buildings pays a space use fee equal to the terminal rental rate paid by Signatory Airlines.

Cargo Addenda

Cargo air carriers may elect to operate under either a Use Agreement or an Operating Agreement, but must execute the applicable Cargo Addendum which prohibits cargo air carriers from operating from the Airport's passenger terminal buildings. Among other things, the Cargo Addenda require cargo air carriers to arrange for operating space at the Airport separately either with the City or a third party Airport tenant whose rights include providing such space.

Concession Agreements

The City has agreements to lease space at the Airport to certain concessionaires who provide food and beverages, news and gifts, and other retail items to users of the Airport. The City has entered into concession agreements with Host International ("Host") for multiple food and beverage outlets, the Hudson Group ("Hudson") for news and gift retail operations, InMotion Entertainment ("InMotion") for specialty retail outlets, and OHM Concession Group, LLC ("OHM") for a single local concept food and beverage outlet. The contract with Host will expire in January 2020. The contract with InMotion will expire on November 30, 2015, and is in the process of being bid. The contract with OHM will expire in January 2021. The contract with Hudson will expire in January 2023.

The Airport is in the process of awarding Taste Inc., d/b/a Vino Volo, a new wine bar that is expected to open in Terminal 2 in the summer of 2015.

The Airport has awarded a Wireless Internet (Wi-Fi) and Distributed Antenna System (DAS) operating agreement to Boingo Wireless, d/b/a Concourse Communications STL, LLC. Through this agreement the operator will install an Airport-wide DAS that will greatly improve cellular reception for users of participating wireless carriers. Verizon Wireless and AT&T are expected to be the initial participating carriers, with the potential to attract additional carriers. Installation of the DAS is expected to be completed by fall 2015. Under this contract, the Airport will receive the greater of the Minimum Annual Guarantee (MAG) or 30% of the gross receipts from use of the Wi-Fi.

Terminal concession revenue represented 57.5% of total concession revenue and 18.0% of the total operating revenue in FY 2014, compared to 56.5% and 16.7%, respectively, in FY 2013.

The City has recently entered into a new five year operating agreement for management and operation of parking facilities with ABM Parking, a division of ABM, Inc. Under this contract, the City retains all receipts from the parking operations and periodically reimburses the parking management company for expenses. Parking revenue represented 42.5% of total concession revenue and 13.3% of total operating revenue in FY 2014.

The City has rental car concession agreements with Hertz, Avis, Budget, Alamo, National, Enterprise, and Thrifty for operation of rental car facilities on the Airport. These concession agreements will expire on December 31, 2019. The Airport receives the greater of the MAG payment under such concession agreements or 10% of the gross receipts from each concessionaire.

Federal Policy on Air Carrier Rates and Charges

The Federal Aviation Administration Authorization Act of 1994, as amended, requires airport fees to be "reasonable" and provides a mechanism by which the Secretary of Transportation can review rates and charges complaints brought by air carriers. The provisions of such Act do not apply to fees imposed pursuant to a written agreement with air carriers using airport facilities. There is currently no dispute between the City and any of the air carriers operating at the Airport over any existing or proposed rates and charges. There is no assurance, however, that such disputes will not arise in the future.

Airport Maintenance

Under the terms of both the Use Agreements and the Operating Agreements, the City is required to maintain and keep in good repair all of the public areas and facilities of the Airport, including the structures associated with the terminal buildings, the utility systems within the Airport and all other common use systems owned and operated by the City. For their part, the Signatory Airlines and the non- Signatory Airlines are individually required to repair and maintain in good condition the premises leased or assigned to each of them, including that portion of the utility systems serving each of their exclusive use facilities.

AIRPORT OPERATIONS

Air Carrier Service

Listed below are scheduled air carriers and air cargo carriers serving the Airport as of April, 2015:

Major Air Carriers	Regional Air Carriers	Air Cargo Carriers
Alaska[1]	Air Choice One[1]	Federal Express[1]
American[1*]	Air Wisconsin[2] (US Airways)	Southern Air[3]
Delta[1]	Cape Air[1]	United Parcel Service[1]
Frontier[1]	Chautauqua[2] (Delta)	
Southwest[1]	Compass[2] (Delta)	
United[1]	Endeavor[2] (Delta)	
US Airways[1*]	Envoy[2] (American)	
	ExpressJet[2] (Delta, United)	
	GoJet[2] (Delta, United)	
	Jazz Aviation LP[1]	
	Mesa[2] (United, US Airways)	
	PSA[2] (US Airways)	
	Republic[2] (American, US Airways)	
	Shuttle[2] (Delta, United)	
	SkyWest[2] (Delta, United)	
	Trans States[2] (United, US Airways)	

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[1] Signatory Airline (holds current Airport Use and Lease Agreement).
[2] Non-Signatory Airline (holds current Airline Operating Agreement and Terminal Building Space Permit) that has been named a Designated Affiliate of a Signatory Airline.
[3] Non-Signatory Airline that has not been named a Designated Affiliate of a Signatory Airline.
* American and US Airways have merged, but each currently retains separate operations at the Airport.

Airline Market Shares

In FY 2014, Southwest Airlines had the largest share of enplanements at the Airport. Southwest's share of enplanements at the Airport was 49.5% of total enplanements during the fiscal year.

For the last four fiscal years, the number of enplanements and corresponding shares of the three largest carriers (excluding affiliate airlines) were as follows:

Annual Enplanements of Three Largest Carriers

Enplanements	FY 2011	FY 2012	FY 2013	FY 2014
Southwest	2,785,943	2,906,133	3,087,734	3,060,340*
American	1,112,834	1,042,973	957,043	818,888
Delta	541,439	538,722	564,624	601,745
Total	4,440,216	4,487,828	4,609,401	4,480,973
All Others	1,771,079	1,865,763	1,777,073	1,696,172
Market Share	FY 2011	FY 2012	FY 2013	FY 2014
Southwest	44.9%	45.7%	48.3%	49.5%*
American	17.9%	16.4%	15.0%	13.3%
Delta	8.7%	8.5%	8.8%	9.7%
Total	71.5%	70.6%	72.2%	72.5%
All Others	28.5%	29.4%	27.8%	27.5%

* Includes market share of Air Tran which merged with Southwest.

As a group, mainline air carriers accounted for the majority of enplanements; their combined share increased from 71.5% in FY 2011 to 72.5% in FY 2014.

Passenger Enplanements

Passenger enplanements at the Airport are categorized as either origination and destination ("O&D") activity or connecting activity. The following table shows the O&D activity and connecting activity for the period from FY 2009 through FY 2014. O&D activity is influenced by local market factors and trends to track economic and demographic trends. Connecting activity is determined primarily by airlines' network strategies.

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
O&D AND CONNECTING ENPLANEMENTS
FYs 2009-2014

Fiscal	**O&D**		**Connecting**		**Total Enplanements**
	Actual	**Share**	**Actual**	**Share**	
2009	5,360,716	80.2%	1,322,649	19.8%	6,683,365
2010	5,259,843	83.8%	1,016,283	16.2%	6,276,126
2011	5,341,132	86.0%	870,163	14.0%	6,211,295
2012	5,430,403	85.5%	923,188	14.5%	6,353,591
2013	5,411,319	84.7%	975,155	15.3%	6,386,474
2014	5,294,063	85.7%	883,082	14.3%	6,177,145

Source: Airport Management Records

The trends in O&D and connecting activity at the Airport clearly show the fundamental changes in the Airport's role from a primary to a medium hub in American Airlines' route system and in the Airport's underlying traffic base. The downsizing of American Airlines' operations at the Airport has caused a significant decline in connecting traffic, with the connecting segment's share falling from more than 50% prior to FY 2004 to 14% in FYs 2010-2014. In FY 2014, the O&D segment accounted for 85.7% of the total enplanements at the Airport.

Recent Air Service Trends

Since 2004, American Airlines has implemented cuts in service at the Airport. These cuts, however, have been partly offset by the expansion of service by Southwest Airlines. In total, there were 225 daily non-stop departures, on average, by all airlines from the Airport to over 60 domestic destinations and 3 daily non-stop departures, on average, to five airports outside the United States during the second quarter of CY 2014.

The 2008-2009 U.S. economic recession weakened demand for air transportation, including both cargo and passenger service. Airlines responded by cutting capacity system-wide. Traffic growth is beginning to return with the economic recovery. O&D enplanements at the Airport posted a positive year-over-year growth of 1.6% for the first nine months of FY 2015. In contrast, connecting enplanements posted a slight decline in year-over-year growth of (2.3%) for the first nine months of FY 2015.

In the second quarter of CY 2015, Southwest Airlines, together with the merged AirTran Airways, averaged 95 daily non-stop departures from the Airport to 35 domestic airport destinations. Delta Air Lines, together with its regional affiliates, averaged 31 daily non-stop departures to eight domestic airport destinations. In total, there are 239 daily non-stop departures, on average, by all airlines from the Airport to 60 domestic destinations and three daily non-stop departures, on average, to four airports outside the United States during the second quarter of CY 2015.

Risk Management

The Airport is exposed to various risks of loss related to tort, such as theft of, damage to, and destruction of assets, errors and omissions, injuries to guests, invitees and employees and natural disasters, including tornadoes and high winds. The Airport participates in the City of St. Louis Risk Management Program, which is the City's self-insurance program that covers workers' compensation claims, general liability claims and various other claims and legal actions. The City appropriates funds which are necessary for the operations of the City's Risk Management Program that are placed in a Risk Trust Fund. Public Facilities Protection Corporation ("PFPC"), is a not-for-profit corporation that oversees the City's Risk Management Program and administers the Risk Trust Fund. The Airport reimburses PFPC for workers' compensation claims and expenses on a cost reimbursement basis.

The Airport purchases commercial insurance for risks that are significant and which are not covered by the City's self-insurance program. These coverages include commercial general liability, property damage, business interruption, public officials' liability, employment practices liability, employee dishonesty, business automobile, and insurance on a fine arts collection. War (including Terrorist Risk Insurance Act (TRIA)) coverage for commercial liability is purchased on reasonable financial terms with meaningful coverage amounts.

The Airport has a commercial liability insurance policy with a limit of $350 million. The Airport's property insurance has a limit of $891 million. The Airport also has an automobile policy with total coverage of $1 million, as well as public officials and employee liability coverage of $7 million for each policy. All policies provide coverage through October 1, 2015, and the City anticipates that it will renew all of the policies.

AIRPORT MANAGEMENT

Introduction

The Airport is owned by the City and operated by the Airport Authority. The Airport Authority was created by the City's Board of Aldermen by an ordinance adopted in 1968 and consists of the Airport Commission, the Airport Authority's Chief Executive Officer and other managers and personnel required to operate the Airport. The Chief Executive Officer of the Airport Authority is the Director of Airports who is appointed by the Mayor for a term that runs concurrently with the Mayor's term of office or until his or her successor is appointed.

The Airport Commission is responsible for the planning, development, management and operation of the Airport. The Airport Commission currently consists of the Director of Airports, who serves as Chairman of the Airport Commission, the Comptroller of the City, the President of the Board of Aldermen, the Chairman of the Transportation and Commerce Committee of the Board of Aldermen, six members appointed by the Mayor, five members appointed by the St. Louis County Executive, one member appointed by St. Charles County, Missouri, and one member appointed by St. Clair County, Illinois. The present members of the Airport Commission are set forth in the front portion of this Official Statement.

Airport Staff

The Airport Commission and the Director of Airports have an Airport staff to aid them in carrying out their responsibilities. Key members of the Airport staff include the following persons.

Rhonda Hamm-Niebruegge became the Director of Airports on January 3, 2010. Ms. Hamm-Niebruegge has more than two decades of aviation management experience with key leadership positions with Ozark Airlines, Trans World Airlines and American Airlines. She previously served as American Airlines Managing Director, St. Louis Operations.

Jerry Beckmann, P.E., was named Deputy Airport Director of Planning and Development in October of 2013. He was previously the Assistant Director of Engineering, a position he held for four years. Mr. Beckmann is responsible for the planning, contracting and executing all construction projects at the Airport, while also coordinating long-range master plan goals for all airfield and Airport properties.

Ron Stella joined the Airport in 2014 filling the position of Airport Assistant Director, Operations and Maintenance. Prior to joining the Airport, he was the Assistant Vice President of Operations and Facilities at T.F. Green Airport (PVD) in Warwick, Rhode Island. At the Airport, he supervises multiple operating departments, including Airfield and Grounds Maintenance, the Airport Operations Center, Airport Building Maintenance, Airport and Airfield Electrical Maintenance, Housekeeping, Radio Systems, and Emergency Planning.

Antonio Strong, C.P.A., joined the Airport in November 2014 as the Airport Assistant Director of Finance and Accounting. His responsibilities include strategic financial planning and analysis, budgeting and controls, Airport grant management and establishing airline rates and charges. Mr. Strong brings 20 years of experience in accounting and management with him to the Airport.

Due to the retirement of the Deputy Director of Finance and Administration and a change in position for the Deputy Director of Operations and Maintenance, the Airport is actively pursuing candidates to fill the vacancies.

Airport Employees

For FY 2015, the Airport has 478 budgeted full-time employee positions and an additional 62 City firefighter personnel assigned to the Airport. Approximately 44% of these employees are represented by employee groups. These employee groups are not entitled to strike under Missouri law, because the Airport, as a department of the City, is not subject to collective bargaining. Airport employees are covered by the City's pension plan. See **APPENDIX B - "Audited Financial Statements of the Airport"** for additional information on the pension plan.

CAPITAL IMPROVEMENT PROGRAMS AT THE AIRPORT

The Airport engages in various programs to improve the facilities and operations of the Airport on a regular basis. The Airport's improvement program consists of a rolling five-year capital improvement program, the 5-Year CIP.

The ability of the City to finance the improvement programs at the Airport is subject to various factors, including, among others, the amount of Revenues generated by the Airport (including the ability of the Airport to include appropriate amounts of its capital expenditures in the rates and charges of airlines using the Airport), the availability of funds under federal and state programs, and the ability of the City to issue Additional Bonds or other indebtedness for Airport purposes (including the City's ability to meet the test for the issuance of Additional Bonds under the Indenture and to comply with legal requirements relating to its incurrence of indebtedness).

The Use Agreements contain restrictions on the issuance of Additional Bonds by the City to finance capital improvements. See **APPENDIX D – "Summary of Certain Provisions of the Use Agreements and the Operating Agreements."**

Subsequent to the opening of a new parallel runway & taxiway system in 2006, the Airport initiated the Airport Experience Program and a Checked Bag In-Line Screening System. The Airport recently completed these phases of the capital program, designed to make facilities more competitive and user-friendly into the future. This series of projects was completed in 2014 and has greatly enhanced the passenger experience at the Airport.

The 5-Year CIP

The City annually prepares an updated 5-year CIP. The Airport's current 5-Year CIP consists largely of projects involving maintenance, refurbishment and modernization of existing Airport facilities, infrastructure, and heavy equipment fleet planned for FYs 2011 and 2015 at an estimated cost of $260 million. Management is not planning to issue Additional Bonds to fund these improvements. Revenue sources include approximately $44 million in existing bond proceeds; $46 million in Airport Improvement Program ("**AIP**") grants; and approximately $36 million in Transportation Security Administration grants, $21 million in future Airport improvement programs, $26 million in PFC revenues (including Bonds and projects funded from current revenues); $7 million from FAA land sale; and $34 million in Development Fund money, which are net revenues remaining after meeting operating expenses, debt service and other required deposits.

Many of the 5-Year CIP projects are eligible for 75% AIP funding from the FAA, and the City anticipates that it will received the total eligible AIP funding for all such projects. See **Appendix C – "Summary of Certain Provisions of the Indenture"** for additional information on the Development Fund.

Noise Compatibility Program

For more than three decades, the Airport has worked with adjacent communities affected by aircraft noise. The Airport has conducted four noise studies during this period that have been used to address noise impact and achieve land use compatibility. The studies followed applicable Code of Federal Regulations (CFRs) and allowed the Airport to be eligible to receive federal grants to finance approved noise mitigation projects. The latest study was the 2010 CFR Part 150 Noise Compatibility Study. The Noise Compatibility Program it devised was approved by the FAA in August 2011.

Through the end of FY 2014, the various Noise Compatibility Programs had expended approximately $380 million for noise mitigation measures. These measures included property acquisition, relocation of the Berkeley High School Campus, acoustical treatment of eight other schools, a residential sound insulation program, and aviation easement purchases for residential properties

The Residential Sound Insulation Program was completed in December 2014 after treating over 1,200 houses. All eligible residential units within the 1999 noise contours were mitigated for aircraft noise.

The Airport has also committed $250,000 to install a replacement noise monitoring system, which will be commissioned in 2015.

AIRPORT FINANCIAL INFORMATION

Revenues and Expenses

The financial statements of the Airport for the Fiscal Years ended June 30, 2014 and June 30, 2013, included in **APPENDIX B – "Audited Financial Statement of the Airport"** to this Official Statement have been audited by KPMG LLP, independent auditors. KPMG LLP, the Airport's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

The following table sets forth the historical revenues and expenses and certain Bond-related data of the Airport for the five Fiscal Years ended June 30, 2014. Such Fiscal Year information is based primarily upon the audited financial statements of the Airport for such Fiscal Years.

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LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
Airport Revenues and Expenses and Certain Bond-Related Data (in thousands)

(Fiscal Years Ended June 30)

	2010	**2011**	**2012**	**2013**	**2014**
GARB Revenues					
Air Carrier Fees	$ 91,439	$ 82,262	$82,204	$ 91,522	$ 89,723
Concession Fees	38,476	38,136	38,629	41,034	44,237
Cargo/Other Revenues	5,523	5,809	5,469	5,340	5,484
Airline Revenues	-	-	-	-	-
Mitigation			13,728	13,728	13,728
Miscellaneous Income	8,522	21,469	6,872	2,917	7,674
Interest Income	2,026	1,981	1,696	2,222	2,089
Total GARB Revenues	145,986	149,657	148,598	156,763	162,935
Pledged PFC Revenues	27,135	27,195	23,863	27,578	27,578
Total Revenues	173,121	176,852	172,461	184,341	190,513
Total Operating Expenses	80,168	81,359	73,277	77,340	84,406
Net Revenues	92,953	95,493	99,184	107,001	106,107
Aggregate Annual Debt Service on Outstanding Bonds	72,135	75,631	73,781	78,746	77,906
Debt Service Coverage	1.29x	1.26x	1.34x	1.36x	1.36x

Management Discussion of Financial Information

GARB Revenues. GARB Revenues for the Fiscal Year ended June 30, 2014, were $163 million, which represents an increase of approximately $6 million, or 3.94%, compared to the Fiscal Year ended June 30, 2013. The increase is primarily due to a 163% increase in miscellaneous income compared to FY 2013 due to the sale of American Airlines preferred stock of $4.7M in cash. Also, concessions and parking revenue growth increased 2% compared to FY2013. For more information regarding recent developments in the Airport's concessions and parking revenues, see "**CERTAIN AGREEMENTS FOR USE OF THE AIRPORT'S FACILITIES - Concessions Agreements**" and "**Public Parking.**"

PFC Revenues, Including Pledged PFC Revenues. The Airport collected approximately $24 million in PFC Revenues (including interest earnings) during the Fiscal Year ended June 30, 2014. The Pledged PFC Revenues for FY 2014 were approximately $28 million and are included in Total Revenues. The current PFC rate is $4.50 per passenger. The Airport has received FAA approval to collect and use approximately $1.1 billion in PFC Revenues through September 2026. Only a portion of the PFC Revenues is pledged under the Indenture. The portion of PFC Revenues that constitutes Pledged PFC Revenues is an amount equal to 125% of the debt service on Bonds allocable to projects approved for PFC funding.

Total Revenues. The total amount of Revenues pledged pursuant to the Indenture for the Fiscal Year ended June 30, 2014, was $191 million, consisting of $163 million in GARB Revenues and $28 million in Pledged PFC Revenues. The total amount of Revenues pledged pursuant to the Indenture for the Fiscal Year ended June 30, 2013, was $184 million, consisting of $157 million in GARB Revenues and $28 million in Pledged PFC Revenues.

Operation and Maintenance Expenses. Operation and maintenance expenses for the Fiscal Year ended June 30, 2014, were approximately $84 million, which represents an increase of $7 million or nearly 9% compared to the Fiscal Year ended June 30, 2013. The increase was primarily due to inclement weather conditions experienced during the latter half of CY 2014 and subsequent increases in deicer and other snow related expenses during FY 2014.

Net Revenues. The Airport's Net Revenues for the Fiscal Year ended June 30, 2014, were approximately $106 million, which represents a decrease of approximately $900,000 over the Fiscal Year ended June 30, 2013. The decrease in Net Revenues is primarily due to the aforementioned $7 million increase in operating expenses due to inclement weather conditions and related expenses offset by the $6 million increase in revenue.

AIRPORT CONSULTANT LETTER

The City has retained Unison Consulting, Inc. to serve as the airport consultant (the "Airport Consultant") in connection with the issuance of the Series 2015 Refunding Bonds. In that capacity, the Airport Consultant has (i) analyzed the ability of the City to meet its financial obligations related to the Series 2015 Refunding Bonds through FY 2019 and (ii) prepared a review of the Airport's operating revenues, expenses and air traffic activity, dated June 4, 2015 (the "Airport Consultant Letter"), which is attached hereto as **APPENDIX A – Airport Consultant Letter."** The Consultant's Review was commissioned by Airport management for planning purposes and is being provided for informational purposes only. Since the Series 2015 Refunding Bonds are Refunding Bonds, the preparation of the Airport Consultant Letter is not required under the Additional Bonds test set forth in the Indenture.

Projected Airport Revenues

The following tables present the Airport Consultant's estimates and projections for FY 2015 through 2019 of (i) Revenues, (ii) Signatory Airline revenues, cost per enplaned passenger and rates and (iii) debt service coverage calculations with respect to the Series 2015 Refunding Bonds.

Total Airport Revenues are projected to increase from $184.8 million in FY 2015 to $187.2 million in FY 2019 or at an average annual growth rate of 0.3%. Revenues are projected to be sufficient to pay Operation and Maintenance Expenses and meet all of the other funding requirements of the Indenture in each year of the projection period, FY 2015 through FY 2019.

The average Signatory Airline cost per enplaned passenger is projected to decrease from $13.71 in FY 2015 to $11.28 in FY 2019. The Signatory Airline landing fee rate is projected to decrease from $8.56 in FY 2015 to $7.47 in FY 2019.

In addition, based on its knowledge of comparable airports and its experience in providing financial consulting services to a variety of airports, the Airport Consultant believes the projected airline costs per enplaned passenger at the Airport are reasonable in comparison with other medium hub airports that have completed or are currently implementing major capital improvement programs.

The financial projections presented in the Airport Consultant Letter are based on information and assumptions that have been provided by Airport management, or developed by the Airport Consultant and confirmed by Airport management. Based upon its review, the Airport Consultant believes that the information is accurate and that the assumptions provide a reasonable basis for the forecasts. However, some variations from the forecasts are inevitable due to unforeseen events and circumstances, and these variations may be material. The Airport Consultant Letter should be considered in its entirety for an understanding of the forecasts and the underlying assumptions. See **"APPENDIX A - "Airport Consultant Letter."**

The following table presents projected Airport Revenues at the Airport for the years indicated:

PROJECTED AIRPORT REVENUES

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
FISCAL YEARS ENDING JUNE 30
(IN THOUSANDS)

AIRPORT REVENUES	Avg. Annual 201 5-2019	Actual 2014 [2]	Estimated 2015 [3]	Projection 2016	2017	2018	2019
Signatory Airlines							
Airfield Landing Fees	-1.6%	$67,071	$66,139	$64,151	$64,890	$62,018	$62,024
Terminal Rents	-6.8%	18,747	19,617	19,082	19,248	15,588	14,819
Total	-2.7%	$85,818	$85,757	$83,233	$84,138	$77,606	$76,843
Concession Fees							
Terminal Concessions	4.9%	$11,572	$11,295	$12,023	$12,542	$13,097	$13,664
Public Parking	4.8%	18,885	20,619	23,251	23,763	24,303	24,836
Car Rentals	4.5%	11,667	11,555	12,070	12,611	13.184	13,772
Space Rental	2.2%	1,534	1,332	1,361	1,391	1,422	1,453
In-Flight Catering	2.2%	287	312	319	326	333	340
Other	2.0%	293	188	192	196	199	203
Total	4.6%	$44,237	$45,301	$49,217	$50,829	$52,539	$54,268
Other							
Non-Signatory Landing Fees	-1.4%	$1,844	$1,101	$1,078	$1,077	$1,044	$1.041
Non-Signatory Airlines-Terminal	0.0%	186	508	508	508	508	508
Total	-0.9%	$2,030	$1,609	$1,586	$1,584	$1,551	$1,549
Airline Revenue Mitigation [1]		13,728	13,728	13,728	13,728	13,728	13,728
Cargo	1.1%	$480	$329	$329	$336	$344	$344
Hangars and Other Buildings	0.7%	649	669	674	678	682	687
Tenant Improvement Surcharge	0.0%	389	371	371	371	371	371
Terminal EDS Surcharges	13.6%	0	1,500	2,000	2,500	2,500	2,500
Other Miscellaneous	2.8%	11,905	6,406	6,579	6,761	6,951	7,146
Total Other-Operating	1.7%	$29,182	$24,612	$25,267	$25,959	$26,128	$26,325
Total Operating Revenue	0.3%	$159,237	$155,669	$157,718	$160,927	$156,273	$157,437
Interest Income	-2.8%	$2,089	$1,588	$1,522	$1,525	$1,416	$1,417
Total GARB Revenues	0.2%	$161,326	$157,257	$159,239	$162,452	$157,688	$158,854
AIP Pledged Revenue							
PFC Pledged Revenue	0.7%	27,578	27,577	28,320	28,324	28,321	28,320
Total Revenues	0.3%	188,904	184,834	187,559	190,776	186,010	187,174

[1.] Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the Airline Use and Lease Agreement.
[2] Audited actuals per FY 2014 Airline Rates & Charges Settlement.
[3] Fiscal Year 2015 Estimate is based on March 2015 year-to-date actuals.

SUMMARY OF SIGNATORY AIRLINE REVENUES, COST PER ENPLANED PASSENGER, AND RATES

Lambert-St. Louis International Airport

in thousands except for rates

For Fiscal Years Ending June 30

	Actual 2014 [1]	Estimated 2015 [2]	Projection 2016	2017	2018	2019
INITIAL AIRLINE REQUIREMENTS						
Landing Fees	$59,293	$58,721	$57,816	$58,651	$59,680	$60,632
Terminal 1	7,458	8,347	8,663	8,797	8,966	9,069
Terminal 2	3,510	3,851	4,084	4,211	4,284	4,359
	$70,261	$70,919	$70,563	$71,659	$72,930	$74,060
TOTAL SIGNATORY AIRLINE REQUIREMENTS						
Initial Requirement	$70,261	$70,919	$70,563	$71,659	$72,930	$74,060
Additional Airline Requirement	15,557	14,838	12,670	12,479	4,676	2,784
	$85,818	$85,757	$83,233	$84,138	$77,606	$76,843
Signatory airline enplaned passengers	6,175	6,255	6,372	6,514	6,664	6,811
Signatory Airline CPE post Mitigation	**$13.90**	**$13.71**	**$13.06**	**$12.92**	**$11.65**	**$11.28**
Debt Service Coverage Ratio [1]	**1.36**	**1.39**	**1.38**	**1.39**	**1.43**	**1.45**
SIGNATORY AIRLINE RATES (including Additional Requirement)						
Landing Fee Rate (per 1,000 pounds)	**$8.72**	**$8.56**	**$8.27**	**$8.14**	**$7.62**	**$7.47**
Airlines' Terminal Building Rental Rates						
Terminal 1	**$61.99**	**$56.00**	**$54.10**	**$54.37**	**$43.58**	**$41.21**
Terminal 2	**$69.21**	**$66.08**	**$65.29**	**$66.40**	**$55.01**	**$52.88**

[1] Actuals are based on the FY 2014 Airline Rates & Charges Settlement and the FY2014 audited statements.

[2] Fiscal Year 2015 Estimate is based on March 2015 year-to-date actuals.

Debt Service Coverage

The following table shows the actual and estimated/projected Net Revenues for FY 2014 and the calculation of debt service coverage for FYs 2014 through 2019.

FORECAST COVERAGE CALCULATIONS
Lambert St. Louis International Airport
in thousands except for ratios
For Fiscal years Ending June 30

	Actual	Estimated		Projection		
	2014 [1]	2015 [2]	2016	2017	2018	2019
Total Revenues	$188,904	$184,834	$187,559	$190,776	$186,010	$187,174
Less: Operation and Maintenance Expenses	83,048	84,158	83,981	86,732	88,963	91,254
Net Revenues	$105,856	$100,675	$103,578	$104,043	$97,047	$95,920
Debt Service[3]	$77,906	$72,316	$74,946	$74,988	$67,736	$66,278
Debt Service Coverage Ratio	1.36	1.39	1.38	1.39	1.43	1.45

1 Actuals based on the FY 2014 Airline Rates & Charges Settlement.
2 FY 2015 Estimate is based on March 2015 year-to-date actuals.
3 Debt Service for FY 2018 is net of the final debt service payment for the Series 2003A Refunding Bonds totalling $7,229, which will be paid from the Series 2003 Refunding Bonds' debt service fund.

FACTORS AFFECTING THE AIRPORT AND THE AIR CARRIER INDUSTRY

General

The City's ability to collect Revenues may be affected by the ability of the airlines operating at the Airport to meet their respective obligations under the Use Agreements, the Operating Agreements and other arrangements. In addition, the level of aviation activity at the Airport can have a material impact on the amount of Revenues and PFC Revenues of the Airport. The amount of the PFC Revenues is based upon the number of enplanements at the Airport, thus, any decrease in enplanement levels, whether due to a general decrease in aviation activity nationwide or a decrease in aviation activity at the Airport specifically, will cause a decrease in the amount of the PFC Revenues received by the Airport during the fiscal year. The amount of moneys to be deposited into the Revenue Fund in any given month is also dependent upon the level of concession and non-air carrier revenues, which is dependent upon activity at the Airport. Amounts available for deposit in the Revenue Fund could be adversely affected by delays or defaults in the payment of rates and charges by the air carriers at the Airport.

The generation of Revenues from the operation of the Airport depends on various factors, many of which are not subject to the control of the Airport, including, as noted above, the ability of the airlines serving the Airport to meet their respective obligations under the Use Agreements, the Operating Agreements and other arrangements. The revenues and financial condition of the airlines serving the Airport may be materially affected by many factors, including without limitation, the following: declining air travel demand; service and cost competition; mergers; the availability and cost of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing;

technological changes; national and international disasters and hostilities; the cost and availability of employees; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; deregulation; federal and state bankruptcy and insolvency laws; acts of war, terrorism and other risks.

There can be no assurance that any such airline will continue to operate at the Airport or at its current level of operation; nor can there be any assurance that any airline operating at the Airport is not incurring or will not incur financial difficulties affecting its level of operations at the Airport or its ability to continue to operate as a viable airline.

Aviation Security Requirements

The FAA has instituted several security and safety measures for all U.S. airports, including enhancing the search and security checks and prohibiting non-ticketed persons beyond security checkpoints. The Aviation and Transportation Security Act, as amended (the "Aviation Security Act") created the Department of Homeland Security and the Transportation Security Administration, and provided for the federalization of airport security. The Aviation Security Act permits the deployment of air marshals on all flights and requires deployment of air marshals on all "high risk" flights. The Aviation Security Act also requires that sufficient explosives detection systems be deployed at airports in the United States to screen all checked baggage. Such security enhancements have resulted in additional costs to the Airport, caused delays to travelers and have discouraged air travel by some members of the public. The airlines and the federal government are largely responsible for the cost of implementing the new security measures.

Revenues from Air Carriers

Historically, the airline industry's results have corresponded to the performance of the economy. Air carrier fares have an important effect on passenger demand, particularly for relatively short trips where the automobile or other travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. Airfares are influenced by air carrier operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition.

Air Carrier Service and Routes

While passenger demand at an airport depends on the population and the economy of the region served, air carrier service and the number of passengers enplaned also depend on the route networks of the air carriers serving the airport. Domestic air carriers are free to enter or leave individual air traffic markets, and to increase or decrease service at will, and there can be no assurance that any air carrier will maintain its current level of service at the Airport. Most major air carriers have developed "hub-and-spoke" route networks as a means of increasing their service frequencies, passenger volumes and profitability. Changes in air carrier activity at the Airport can significantly impact Revenues.

Aviation Fuel Costs

According to the Air Transport Association ("ATA"), fuel is the second largest cost component of airline operations after labor and continues to be an important and uncertain determinate of an air carrier's operating economics. Fluctuating fuel prices have caused corresponding fluctuations in airfares and air carrier operating results. See "**INVESTMENT CONSIDERATIONS – Cost of Aviation Fuel**."

FINANCIAL CONDITION OF CERTAIN AIRLINES

SERVING THE AIRPORT

General

The Airport derives its operating revenues primarily from landing and facility rental fees. The financial strength and stability of the airlines serving the Airport, among other factors, including the decisions of individual airlines regarding levels of service at the Airport, affect the level of aviation activity at the Airport and Airport Revenues. For information regarding airline activity at the Airport, see **"CERTAIN INVESTMENT CONSIDERATIONS - Airline Activity at the Airport."**

The principal airlines serving the Airport are Southwest and American Airlines, which is a subsidiary of American Airlines' parent company, AMR Corporation ("AMR"). For the twelve months ended June 30, 2014, Southwest accounted for approximately 28% of the total airline rentals, fees and charges component of the Airport's operating revenue and approximately 49.5% of total enplanements. For the twelve months ended June 30, 2014, American Airlines accounted for approximately 10% of the total airline rentals, fees and charges component of the Airport's operating revenue and approximately 16.8% of total enplanements, including regional affiliates.

Certain limited information regarding the financial condition of AMR, Southwest and certain other airlines operating at the Airport is set forth below.

No assurance can be given that Southwest, or AMR and its affiliates, or any other airline, will continue their operations at their existing levels at the Airport. Any further reduction in such operations could have a material adverse impact on aviation activity at the Airport and, consequently, on Airport Revenues.

Southwest

According to information filed with the SEC, Southwest reported net income of $1,136 million ($1.64 per diluted share) in 2014 compared to net income of $754 million ($1.05 per diluted share) in 2014. In 2014, Southwest posted a profit for its 42nd consecutive year.

Southwest reported first quarter net income of $453 million ($0.66 per diluted share) for the three months ended March 31, 2015, compared to net income of $152 million ($0.22 per diluted share) for the three months ended March 31, 2014. Such three-month information is unaudited.

*The above information is derived principally from, and is qualified by, the information contained in Southwest's Form 10-K for the year ended December 31, 2014, and Form 8K for the quarter ended March 31, 2015, filed with the SEC. More complete information is contained in such filings. See **"Additional Information"** below.*

Neither the City nor the Underwriters undertake any responsibility for or make any representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or the U.S. Department of Transportation or (ii) any material contained on the SEC's website as described in the preceding paragraph, including, but not limited to, updates of information on the SEC's website or links to other internet sites accessed through the SEC's website. The above information regarding Southwest's financial information and any material contained on the SEC's website is provided for informational purposes only. Such information is not incorporated by reference herein and should not be relied upon by investors. The City is not obligated to provide 1)

such financial information for Southwest, AMR, or any airline at the Airport, 2) a copy of or a link to Southwest's, AMR's or any other airline at the Airport SEC website reports or 3) the information similar to the SEC website reports for Southwest, AMR, or any airline at the Airport in its Annual Report under the Continuing Disclosure Agreement.

AMR

AMR and various of its direct and indirect domestic subsidiaries (the "AMR Debtors"), including American Airlines and American Eagle Airlines, Inc., both of whom operate at the Airport, filed for Chapter 11 bankruptcy protection on November 29, 2011 in the United States Bankruptcy Court, Southern District of New York (the "Bankruptcy Court").

AMR emerged from Chapter 11 Bankruptcy protection on December 9, 2013. The Airport had an unsecured claim for $4.568 million that was granted under the Settlement Agreement reached pursuant to the bankruptcy proceedings. The Airport received preferred stock in FY 2014 and sold it for $4.758 million in cash for a net increase of approximately $190,000.

AMR recorded a net income of $2,882 million in 2014 compared to a net loss of ($1,834 million) in 2013. As of March 31, 2015, AMR's net income was $569 million compared to $401 for the same period in 2014.

*The above information is derived principally from, and is qualified by, the information contained in AMR's Form 10-K for the year ended December 31, 2014, and Form 8K for the quarter ended March 31, 2015, filed with the SEC. More complete information is contained in such filings. See **"Additional Information"** below.*

Neither the City nor the Underwriters undertake any responsibility for or make any representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or the U.S. Department of Transportation or (ii) any material contained on the SEC's website as described in the preceding paragraph, including, but not limited to, updates of information on the SEC's website or links to other internet sites accessed through the SEC's website. The above information regarding AMR's financial information and any material contained on the SEC's website is provided for informational purposes only. Such information is not incorporated by reference herein and should not be relied upon by investors. The City is not obligated to provide such financial information or a copy of or a link to AMR's or any other airline at the Airport SEC website report in its Annual Report under the Continuing Disclosure Agreement.

In December 2013, AMR and US Airways Group, the parent company of US Airways, merged to form American Airlines Group, Inc. ("AAG"). In April 2015, the FAA, awarded AAG a single operating certificate signaling their approval to combine the operations of American Airlines and US Airways. American Airlines and US Airways will continue to operate as two separate airlines until the integration of the two airlines is completed. Certain key steps in the integration process, including the consolidation of the loyalty rewards programs under American's AAdvantage program and five-year collective bargaining agreements with the pilots and the flight attendants of the two carriers, have been completed. Certain outstanding steps to conclude the integration include the combining of the two reservation systems and the approval of employee agreements. It is unknown at this time when the integration will be completed.

Certain Other Airlines

In CY 2014, UAL Corporation (including its regional affiliates) had a 8.4% market share at the Airport.

In CY 2014, US Airways (including its regional affiliates) had a 6.6% market share at the Airport.

Delta Airlines and Northwest Airlines merged in April 2008, creating the world's largest airline operating under a single name, Delta. In CY 2014, Delta Airlines (including its regional affiliates) had a 13.9% market share at the Airport.

Frontier's market share at the Airport was 3% in CY 2014.

Additional Information

Most of the Signatory Airlines, including American Airlines, Southwest, Delta Airlines and United Airlines (or their parent corporations), and certain other air carriers operating at the Airport (or their parent corporations), are subject to reporting requirements of the Exchange Act, and, in accordance therewith, file reports and other information with the SEC. Certain information, including financial information, concerning each reporting Signatory Airline (or its parent corporation) is contained in such documents filed with the SEC. Such documents can be read and copied at the SEC's Public Reference Room located at 450 Fifth Street, N.W., Washington, D.C. Further information regarding the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. Documents filed with the SEC can also be obtained at the SEC's website at http://www.sec.gov. In addition, each domestic Signatory Airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected at the following location: Office of Airline Information, Bureau of Transportation, Room 4201, 400 Seventh Street, S.W., Washington, D.C. 20590, and copies of such reports can be obtained from the U.S. Department of Transportation at prescribed rates.

Neither the City nor the Underwriters undertake any responsibility for or make any representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or the U.S. Department of Transportation or (ii) any material contained on the SEC's website as described in the preceding paragraph, including, but not limited to, updates of information on the SEC's website or links to other internet sites accessed through the SEC's website.

CERTAIN INVESTMENT CONSIDERATIONS

The Series 2015 Refunding Bonds may not be suitable for all investors. Prospective purchasers of the Series 2015 Refunding Bonds should give careful consideration to the information set forth in this Official Statement, including, but not limited to, the matters referred to in the following summary.

General

The Revenues of the Airport are affected substantially by the economic health of the air transportation industry and the airlines serving the Airport. Certain factors that may materially affect the Airport and the airlines include, but are not limited to (i) the availability and cost of aviation fuel and other necessary supplies, (ii) national and international economic conditions and currency fluctuations, (iii) the financial health and viability of the airline industry, (iv) air carrier service and route networks, (v) the population growth and the economic health of the region and the nation, (vi) changes in demand for air travel, (vii) service and cost competition, (viii) levels of air fares, (ix) fixed costs and capital requirements, (x) the cost and availability of financing, (xi) the capacity of the national air traffic control system, (xii) the capacity of the Airports and the capacity of competing airports, (xiii) alternative modes of travel and transportation substitutes, (xiv) national and international disasters and hostilities, (xv) the cost and availability of employees, (xvi) labor relations within the airline industry, (xvii) regulation by the federal government (xviii) environmental risks and regulations, noise abatement concerns and regulations, (xix) bankruptcy and insolvency laws, and (xx) safety concerns arising from international conflicts, the possibility of terrorist or other attacks and other risks.

Airline Activity at the Airport

The Airport derives a substantial portion of its operating revenues from landing and facility rental fees. The financial strength and stability of the airlines using the Airport, and the number and the percentage of enplaned passengers carried by any one airline, together with numerous other factors, influence the level of aviation activity at the Airport. In addition, individual airline decisions regarding levels of service, particularly numbers of flights and hubbing activity at the Airport, can substantially affect total enplanements.

Southwest is now the largest carrier at the Airport, accounting for approximately 28% of the total airline rentals, fees and charges component of the operating revenue and 49.5% of total enplanements at the Airport in the twelve months ended June 30, 2014. Southwest has been adversely affected by some of the same economic pressures facing other airlines. No assurances can be given that Southwest will continue to operate at its current level or that, if it reduces or discontinues its operations, its current level of activity will be replaced by other carriers.

American Airlines (including its affiliates) is the second largest carrier operating at the Airport, accounting for approximately 10% of the total airline rentals, fees and charges component of operating revenue and approximately 16.8% of total enplanements at the Airport in the twelve months ended June 30, 2014. Beginning in 2004, and most recently in April 2010, American Airlines and its affiliates significantly reduced their operating schedules at the Airport. No assurances can be given that AMR will continue its operations at the Airport or that, if it discontinues or further reduces such operations, its activity will be replaced by other carriers. See "**AIRPORT OPERATIONS**" herein.

In 2002 through 2013, several airlines (including some that served the Airport) ceased operations and/or filed for bankruptcy protection. No assurances can be given that the airlines now serving the Airport will continue operations or maintain their current levels of activity at the Airport. If one or more airlines were to discontinue operations at the Airport, there is no assurance that the activity accounted for by such airlines would be replaced by other carriers. See "**FINANCIAL CONDITION OF CERTAIN AIRLINES.**"

The current Airline Use Agreements expire in July 2016. While negotiations of replacement agreements are under way, it cannot be predicted at this time whether all Signatory Airlines will renew such agreements or the terms thereof.

For information regarding the financial condition of American Airlines, Southwest and other airlines, see **"FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT."**

Airline Consolidations

In response to competitive pressures, the U.S. airline industry has continued to consolidate. In October 2008, Delta and Northwest merged. In June 2009, Republic Airways Holdings, Inc. acquired Midwest Airlines and in October 2009 it acquired Frontier Airline. In October 2010, United and Continental completed the merger of the two airlines. In May 2011, Southwest Airlines completed its acquisition of AirTran Airways. In December 2013, US Airways and American Airlines completed the merger of the two airlines.

Airline consolidation has affected airline service patterns at the Airport. Further airline consolidation is possible and could continue to change airline service patterns, particularly at the connecting hub airports of the merged airlines. The Airport cannot predict what impact, if any, such consolidations will have on airline traffic at the Airport.

Cost of Aviation Fuel

Airline earnings are significantly affected by the price of aviation fuel. According to the Air Transport Association, fuel is the largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but there have been significant increases and fluctuations in the price of fuel.

Any increase in fuel prices causes an increase in airline operating costs. According to the Air Transport Association, a one-dollar per barrel increase in the price of crude oil equates to approximately $445 million in annual additional expense for U.S. airlines. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries' policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather. In recent years, the cost of aviation fuel has fluctuated in response to changes in demand for and supply of oil worldwide. Oil prices reached an all-time record high of $145.29 per barrel in July 2008, although oil prices have since declined significantly. Significant fluctuations and prolonged increases in the cost of aviation fuel have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economy. Following significant and dramatic changes which occurred in the financial markets in September 2008, the U.S. economy experienced a recession followed by weak growth. As a result of concerns about the U.S. government's ability to resolve long-term deficits, S&P in August 2011 downgraded the credit rating of the U.S. sovereign debt from AAA to AA+. While the global economy generally has rebounded, there can be no assurances that any such rebound will continue, or that other national and international fiscal concerns will not have an adverse effect on the air transportation industry.

Geopolitical and Public Health Risks

The increased threat of terrorism around the world, unrest in the Middle East and Africa, and a weakened economy in Europe, has had and may continue to have an adverse impact on air travel.

Public health concerns also have affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome ("SARS") led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. More recently, concerns about the spread of Ebola have affected travel to Africa and other regions.

Enplanements at the Airports, collections of PFCs and the receipt of Revenues were negatively affected by security restrictions on the Airport and the financial condition of the air transportation industry following the terrorist attacks of September 11, 2001, and the Airport, like many airport operators, experienced increased operating costs due to compliance with federally mandated and other security and operating changes. The FAA or the Department of Homeland Security may require further enhanced security measures and impose additional restrictions on the Airport, which may negatively affect future Airport performance. The Airport cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the possibility of increased security restrictions, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines from such incidents or disruptions. See "FACTORS AFFECTING THE AIR CARRIER INDUSTRY– Aviation Security Requirements," "AIRPORT OPERATIONS – Air Carrier Services" and "FINANCIAL CONDITION OF CERTAIN AIRLINES."

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions, particularly in the context of international hostilities and terrorist attacks and other airline accidents may influence passenger travel behavior and air travel demand. These concerns intensified in the aftermath of the events of September 11, 2001. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against future terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies.

Aviation Security Requirements and Related Costs

The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures. The Airports are currently in compliance with all federally mandated security requirements.

The Airport cannot predict the effect of any future government-required security measures on passenger activity at the Airport. Nor can the Airport predict how the government will staff security screening functions or the effect on passenger activity of government decisions regarding its staffing levels.

Other Key Factors

Capacity limitations of the national air traffic control system, the Airport and at competing airports could be factors that might affect future activity at the Airport. In the past, demands on the air traffic control system have caused operational restrictions that have affected airline schedules and passenger traffic and caused significant delays. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger activity would not again adversely affect airline operations. The 2012 FAA Reauthorization Act contains numerous provisions aimed at accelerating the implementation of Next Generation Air Transport System ("NextGen"). NextGen is designed to modernize the National Airspace System from a ground-based system of air traffic control to a satellite-based system of air traffic management in order to enhance the use of airspace and runways.

For more details on these and other key factors that could impact results of Airport operations, see APPENDIX A – "Review of the Airport Consultant."

Regulations and Restrictions Affecting the Airport

The operations of the Airport and its ability to generate revenues are affected by a variety of legislative, legal, contractual and practical restrictions. These include, without limitation, limitations imposed by the Use Agreements and the Operating Agreements (including restrictions on additional indebtedness) and by extensive federal regulations applicable to all airports. The following summarizes some of the applicable regulations and restrictions:

Federal Funding Regulations

The FAA has the power to terminate the authority to impose PFCs if the City's PFC revenues are not used for approved projects, if project implementation does not commence within the time periods specified in the FAA's regulations or if the City otherwise violates FAA regulations. The City's plan of funding for the ADP, the 5-Year CIP and the Noise Compatibility Program is premised on certain assumptions with respect to the timing and amounts of the City's PFC applications, and the availability of PFCs to fund PFC-eligible portions of certain of those projects. If amounts collected through PFCs are lower than expected, the City may elect to delay certain projects or to seek alternative sources of funding, including the issuance of Additional Bonds.

Impact of Sequestration Under the Budget Control Act

Federal funding received by the Airport could be adversely affected by implementation of certain provisions of the Budget Control Act of 2011 (Pub. L. 112-25) (the “Budget Control Act”), which was signed into law by the President on August 2, 2011. As a result of the failure of the Joint Select Committee on Deficit Reduction to reach an agreement on the deficit reduction actions as required by the Budget Control Act, sequestration - a unique budgetary feature of the Budget Control Act - has been triggered. On January 2, 2015, President Obama signed into law H.R. 8, the American Taxpayer Relief Act of 2012, which delayed the initiation of the sequestration process from January 2, 2015 to March 1, 2015. Sequestration could adversely affect FAA operations and the availability of certain federal grant funds typically received annually by the Airport. Federal spending cuts, which are being implemented as a result of sequestration will be spread evenly over fiscal years 2015 through 2021. In addition to adversely affecting the U.S. economy, commercial aviation operations in the United States could also be adversely affected. This could be as a result of layoffs or furloughs of federal employees responsible for federal airport security screening, Customs and Border Protection, air traffic control operations and other critical functions, which could affect the processing time of international arrivals into the United States and, particularly, at the Airport. On April 26, 2015 Congress passed legislation to end the furloughs of FAA air traffic controllers. However, the full impact of this potential staffing reduction, if implemented, is unknown at this time.

Effect of Bankruptcy on the Use Agreements

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Use Agreement. However, bankruptcy courts are courts of equity and can grant exceptions to these statutory limitations. In the event of assumption, the debtor airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the relevant document. Rejection of a Use Agreement by any bankrupt Signatory Airline would give rise to an unsecured claim of the City for damages, the amount of which may be limited by the Bankruptcy Code. In general, under the Use Agreements, the City is not permitted to allocate to other Signatory Airlines the rents, fees and charges for facilities surrendered by Signatory Airlines pursuant to a rejection in bankruptcy.

If the bankruptcy of one or more Signatory Airlines were to occur, there can be no assurance that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the Use Agreements. Whether or not a Use Agreement is assumed or rejected in a bankruptcy proceeding, it is not possible to predict the subsequent level of utilization of the gates leased under such agreement. Decreased utilization of gates could have a material adverse effect on Airport operations, as well as on Revenues and ultimately on the cost to the airlines of operating at the Airport. See **APPENDIX D - "Summary of Certain Provisions of the Use Agreements and the Operating Agreements."**

Limitations on Bondholders' Remedies

The occurrence of an Event of Default under the Indenture, including a failure to make a payment of principal of or interest on the Series 2015 Refunding Bonds, may not result in an acceleration of payment of the Series 2015 Refunding Bonds. As a result, the Airport may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport, even if an Event of Default has occurred and no payments are being made on the Series 2015 Refunding Bonds. See **"THE SERIES 2015 REFUNDING BONDS - Matters Relating to Enforceability"** and "**- Acceleration."**

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Indenture. These remedies, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture. The security interest in the Revenues granted pursuant to the Indenture may be subordinated to the interest and claims of others in several instances. Examples of cases of subordination of prior claims are described under **"THE SERIES 2015 REFUNDING BONDS — Security and Sources of Payment."**

The application of federal bankruptcy laws may have an adverse effect on the ability of the Trustee and the Bondholders to enforce their claim to the Revenues. Federal bankruptcy law permits adoption of a reorganization plan, even if such plan has not been accepted by the Holders of a majority in aggregate principal amount of the Bonds, if the Bondholders are provided with the benefit of their original lien or the "indubitable equivalent." In addition, if a bankruptcy court concludes that the Bondholders have "adequate protection," it may under certain circumstances (a) substitute other security for the security provided by the Indenture for the benefit of the Bondholders and (b) subordinate the lien of the security interest of the Trustee to (1) claims by persons supplying goods and services to the bankrupt after the bankruptcy and (2) the administrative expenses of the bankruptcy proceeding. In the event of the bankruptcy of the City or any of the Signatory Airlines, the amount realized by the Bondholders might depend, among other factors, on the bankruptcy court's interpretation of various legal doctrines under the then-existing circumstances.

All legal opinions with respect to the enforceability of the Indenture and the Series 2015 Refunding Bonds will be expressly subject to the qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally and by applicable principles of equity.

Matters Relating to Security for the Series 2015 Refunding Bonds

The amount of Revenues to be received by the City is subject to a number of factors, including: (a) that Revenues may be commingled with other moneys of the City and, therefore, not sufficiently identifiable to enforce the City's covenants with respect to any required transfers; (b) statutory liens; (c) rights arising in favor of the United States of America or any agency thereof; (d) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (e) federal bankruptcy laws that may affect the enforceability of such security interest or certain federal statutes, regulations and judicial decisions that have cast doubt upon the right of the Trustee, in the event of the City's default, to collect and retain accounts receivable from the Revenues and other governmental programs; (f) rights of third parties in certain types of Revenues, such as instruments and cash not in the possession of the Trustee; and (g) requirements for filing Uniform Commercial Code continuation statements.

Costs of Capital Improvement Programs and Schedule

The estimated costs of, and the projected schedule for, the projects included in the 5-Year CIP, the Noise Compatibility Program and the ADP depend on various sources of funding, including Additional Bonds, PFCs and federal grants, and are subject to a number of uncertainties. The ability of the City to complete these projects may be adversely affected by various factors including: (i) estimating errors; (ii) design and engineering errors; (iii) changes to the scope of the projects; (iv) delays in contract awards; (v) material and/or labor shortages; (vi) unforeseen site conditions; (vii) adverse weather conditions; (viii) contractor defaults; (ix) labor disputes; (x) unanticipated levels of inflation; and (xi) environmental issues, including environmental approvals that the City has not obtained at this time. A delay in the completion of certain projects could delay the collection of Revenues in respect of such projects, increase costs for such projects, and may cause the rescheduling of other projects. Any schedule delays or cost increases could result in the need to issue Additional Bonds and may result in increased costs per enplaned passenger to the airlines serving the Airport that may place the Airport at a competitive disadvantage to other airports. See **"CAPITAL IMPROVEMENT PROGRAMS AT THE AIRPORT"** herein.

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions "THE AIRPORT− Existing Airport Facilities," "PLAN OF FINANCE," "REVIEW OF THE AIRPORT CONSULTANT" and the Review of the Airport Consultant included as APPENDIX A to this Official Statement contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause forecast revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the costs of certain projects. Any forecast is subject to such uncertainties. Therefore, there will be differences between forecast and actual results, and those differences may be material.

Future Legislation

Congress may from time to time consider legislative proposals which, if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds.

Investors in the Series 2015 Refunding Bonds should be aware that any such future legislative actions (including federal tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2015 Refunding Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2015 Refunding Bonds may be adversely affected and the ability of holders to sell their Series 2015 Refunding Bonds in the secondary market may be reduced. The Series 2015 Refunding Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2015 Refunding Bonds are not subject to adjustment in the event of any such change.

Future legislative proposals could prevent investors from realizing the full current benefit of the tax-exemption on interest and may affect the market value of the Series 2015 Refunding Bonds. The City cannot predict whether such future legislative proposals will be enacted and how they will impact the excludability of the interest on the Series 2015 Refunding Bonds for federal income tax purposes. Prospective purchasers of the Series 2015 Refunding Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Co-Bond Counsel expresses no opinion.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, and Saulsberry & Associates, LLC, Co-Bond Counsel, under existing law: (i) interest on the Series 2015 Refunding Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on the Series 2015 Refunding Bonds is excluded from Missouri taxable income for purposes of the personal income tax and corporate income tax imposed by the State of Missouri. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2015 Refunding Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2015 Refunding Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of the City’s certifications and representations or the continuing compliance with the City’s covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel’s legal judgment as to exclusion of interest on the Series 2015 Refunding Bonds from gross income for federal income tax purposes, but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Series 2015 Refunding Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Refunding Bonds. The City has covenanted to take the actions required of it for the interest on the Series 2015 Refunding Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2015 Refunding Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2015 Refunding Bonds or the market value of the Series 2015 Refunding Bonds.

A portion of the interest on the Series 2015 Refunding Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2015 Refunding Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2015 Refunding Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2015 Refunding Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2015 Refunding Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel's engagement with respect to the Series 2015 Refunding Bonds ends with the issuance of the Series 2015 Refunding Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the City or the owners of the Series 2015 Refunding Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2015 Refunding Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Series 2015 Refunding Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2015 Refunding Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2015 Refunding Bonds.

Prospective purchasers of the Series 2015 Refunding Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2015 Refunding Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2015 Refunding

Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2015 Refunding Bonds will not have an adverse effect on the tax status of interest on the Series 2015 Refunding Bonds or the market value or marketability of the Series 2015 Refunding Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2015 Refunding Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2015 Refunding Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2015 Refunding Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2015 Refunding Bonds may be adversely affected and the ability of holders to sell their Series 2015 Refunding Bonds in the secondary market may be reduced. The Series 2015 Refunding Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2015 Refunding Bonds are not subject to adjustment in the event of any such change.

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

Original Issue Premium

Certain of the Series 2015 Refunding Bonds ("Premium Bonds") as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

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

LITIGATION

There is no litigation pending or, to the best knowledge of the City, threatened that would restrain or enjoin the issuance or delivery of the Series 2015 Refunding Bonds, that questions the validity of the Series 2015 Refunding Bonds or the Indenture, concerns any proceedings of the City taken in connection therewith or the pledge or application of any Revenues provided for their payment, or that contests the power of the City with respect to the foregoing.

The City and the Airport are subject to a variety of suits and proceedings arising out of its ordinary course of operations, some of which may be adjudicated adversely. In the opinion of the City Counselor, there is no litigation pending against the City or the Airport not sufficiently covered by insurance which, if determined adversely, would have a material adverse effect on Airport operations, Revenues or Net Revenues.

UNDERWRITING

Goldman, Sachs & Co., as the representative of itself and the underwriters listed on the cover page of this Official Statement (collectively, the "Underwriters"), has agreed to purchase the Series 2015 Refunding Bonds from the City at an aggregate purchase price equal to $19,735,859.86 (which amount constitutes the aggregate principal amount of the Series 2015 Refunding Bonds of $17,310,000, plus original issue premium on the Series 2015 Refunding Bonds of $2,583,778.45, less the Underwriters' discount on the Series 2015 Refunding Bonds of $157,918.59).

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments."

The bond purchase agreement between the Underwriters and the City (the "Bond Purchase Agreement") provides that the Underwriters will purchase all of the Series 2015 Refunding Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices of the Series 2015 Refunding Bonds may be changed from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

Wells Fargo Bank, National Association ("WFBNA"), one of the underwriters of the Series 2015 Refunding Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2015 Refunding Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2015 Refunding Bonds, with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2015 Refunding Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

INDEPENDENT PUBLIC ACCOUNTANTS

Included as **APPENDIX B** are the audited financial statements of the Airport as of June 30, 2014 and 2013 and for the fiscal years then ended, together with the report thereon of KPMG LLP, independent public accountants. This Official Statement does not include audited financial information of the Airport after June 30, 2012.

CO-FINANCIAL ADVISORS

Siebert Brandford Shank & Co., L.L.C. and Public Financial Management, Inc. served as co-financial advisors to the City with respect to the sale of the Series 2015 Refunding Bonds. The Co-Financial Advisors assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2015 Refunding Bonds and provided other advice. The Co-Financial Advisors have not independently verified the factual information contained in this Official Statement, but have relied upon information supplied by the City and other sources who have certified that such information contains no material misstatement or omission.

INVESTMENT ADVISOR

Comer Capital Group ("Comer Capital") serves as an investment advisor to the Treasurer of the City. Comer Capital assisted in the planning, investment and allocation of certain accounts authorized by the Indenture. Comer Capital also provided other advice related to the investment of proceeds of the Series 2015 Refunding Bonds and other funds invested in connection with the Indenture. Comer Capital has not participated in the preparation, drafting or review of this Official Statement.

AIRPORT CONSULTANT

Unison Consulting, Inc., Chicago, Illinois, has served as the Airport Consultant to the City with respect to the issuance of the Series 2015 Refunding Bonds.

LEGAL MATTERS

All legal matters incident to the authorization, issuance and sale of the Series 2015 Refunding Bonds are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York, and Saulsberry & Associates, LLC, St. Louis, Missouri, Co-Bond Counsel, and certain other conditions. The form of the Co-Bond Counsel opinion is set forth in **APPENDIX F** attached hereto. Certain legal matters will be passed upon for the City by the office of the City Counselor, and for the Underwriters by the Hardwick Law Firm LLC, Kansas City, Missouri and Polsinelli PC, St. Louis, Missouri, Co-Underwriters Counsel. Certain legal matters will be passed upon for the City by Squire Patton Boggs (US) LLP and Saulsberry & Associates, Co-Disclosure Counsel.

Co-Bond Counsel has not assisted in the preparation of this Official Statement except those portions of this Official Statement under the captions **"THE SERIES 2015 REFUNDING BONDS"** (excluding information concerning DTC and its book-entry-only system), **"LEGAL MATTERS," "TAX MATTERS,"** and **Appendices C and F** to this Official Statement and, therefore, express no opinion as to the sufficiency or accuracy of any other material or information, including financial and statistical information, included herein.

CERTAIN RELATIONSHIPS

The Hardwick Law Firm LLC and Polsinelli PC are serving as co-counsel to the Underwriters and have represented the Underwriters in connection with the issuance of the Series 2015 Refunding Bonds. Both firms have also represented the City from time to time on other transactions or matters.

In addition, Squire Patton Boggs (US) LLP and Saulsberry & Associates LLC are serving as Co-Bond Counsel and Co-Disclosure Counsel, with respect to the issuance of the Series 2015 Refunding Bonds, and each also represent the City and certain of the Underwriters from time to time on other transactions or matters.

CONTINUING DISCLOSURE

The form of the Continuing Disclosure Agreement entered into by and between the City and the Trustee, as Dissemination Agent, is included as ***APPENDIX G.*** *All references herein to the Continuing Disclosure Agreement are qualified in their entirety by reference to such document. The Continuing Disclosure Agreement is available for inspection at the offices of the City.*

Continuing Disclosure Agreement

In accordance with the requirements of the Rule, the City will enter into the Continuing Disclosure Agreement substantially in the form attached as **APPENDIX G – "Form of Continuing Disclosure Agreement,"** pursuant to which the City will agree to file or cause to be filed on an annual basis on the Electronic Municipal Market Access (**"EMMA"**) system established by the Municipal Securities Rulemaking Board, in accordance with the Rule: (i) certain annual information, including certain statistical and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Series 2015 Refunding Bonds, and (iii) timely notice of a failure by the City to provide the required annual information on or before the date specified in the Continuing Disclosure Agreement. The Underwriters' obligation to purchase the Series 2015 Refunding Bonds is conditioned upon their receiving, at or prior to the delivery of the Series 2015 Refunding Bonds, an executed copy of the Continuing Disclosure Agreement.

Compliance by the City with Prior Continuing Disclosure Obligations

A comprehensive review of the City's compliance with its continuing disclosure obligations was completed in October, 2014. Such review concluded that the City consistently filed for the prior five-year period the annual financial information required to be provided pursuant to its continuing disclosure obligations under the Rule. Certain of such annual financial information, however, was not filed timely, such as incidents ranging from 2 to 26 days late with respect to the City's required annual financial information and, in some cases, later with respect to certain developer and special district annual financial information, in connection with tax increment and special district financing transactions for which the City has a continuing disclosure obligation. The review further concluded that the City had consistently filed for the prior five-year period the majority of statistical and operating data required to be provided pursuant to its undertakings under the Rule. However, certain of such data was not filed in the proper format and/or such data could be considered incomplete. Additional items identified in the review included instances of not reporting certain rating changes and incomplete cross references by CUSIP numbers to annual financial information, including certain statistical and operating data. The City has since updated such filings and linked its annual financial information, including statistical and operating data, on EMMA to its bond issues currently subject to continuing disclosure undertakings. Furthermore, the City filed operating data for the prior five-year period in the format required under the Rule.

The City's annual financial information for FY 2014 was filed earlier than required pursuant to each of its continuing disclosure undertakings. Certain statistical and operating data for the City's continuing disclosure undertakings with a filing date of 180 days after the end of the City's Fiscal Year, however, was filed from 2 to 4 Business Days late, and certain other updates to statistical and operating data compiled by calendar year, was filed when it became available and was 17 Business Days late. Information regarding the City's retirement systems, that is required to be updated pursuant to certain of the City's continuing disclosure undertakings, was filed on EMMA on May 29, 2015 when such information was complete and available for filing on EMMA.

Other than as stated herein, the City is in compliance in all material respects with its continuing disclosure undertakings for the prior five-year period through the date of this Official Statement.

Airline Reporting Requirements

See also "**FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORT − Other Information"** for additional information on certain Signatory Airlines and their reporting requirements under the Exchange Act.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P"), a division of The McGraw-Hill Companies, Inc., have assigned ratings of "A3" and "A-" respectively, on the basis of the credit of the Airport.

These ratings should be evaluated independently. No application has been made to any other rating agency in order to obtain additional ratings on the Series 2015 Refunding Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, and Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2015 Refunding Bonds.

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MISCELLANEOUS

This Official Statement has been duly approved, executed and delivered by the City.

The references in the Official Statement to the Indenture and other documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and for full and complete statements of the provisions thereof, reference is made to the Indenture and such other documents. Copies of such documents are on file at the offices of the City and following the delivery of the Series 2015 Refunding Bonds will be on file at the office of the Trustee. All estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact.

The attached appendices are integral parts of this Official Statement and must be read together with all of the foregoing statement.

THE CITY OF ST. LOUIS, MISSOURI

By: /s/ Francis G. Slay
Francis G. Slay, Mayor

By: /s/ Darlene Green
Darlene Green, Comptroller

APPENDIX A

Airport Consultant Letter

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UNISON Consulting, Inc.
Solution-Based Airport Consulting

Chicago, Illinois
Orange County, California
St. Louis, Missouri

409 West Huron, Suite 400
Chicago, Illinois 60654
p. (312) 988-3360
f. (312) 988-3370

APPENDIX A
AIRPORT CONSULTANT LETTER

June 17, 2015

Ms. Rhonda Hamm-Niebruegge
Airport Director
Lambert-St. Louis International Airport
Post Office Box 10212
St. Louis, MO 63145

Re: Review of the projected operating revenues, expenses and air traffic activity --The City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport)

Dear Ms. Hamm-Niebruegge:

Unison Consulting, Inc. performed a financial review (the "Review") regarding The City of St. Louis, Missouri (the "City"), Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport) (the "Series 2015 Refunding Bonds"). The proceeds of the Series 2015 Refunding Bonds, to be issued in the aggregate par amount of $17,310,000, together with other available funds, will be used to refund a portion of the City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2005 (Non-AMT) (Lambert-St. Louis International Airport) (the "Refunded Bonds"), provide funding for a Debt Service Reserve Account and to pay cost of issuing the Series 2015 Refunding Bonds. The Refunded Bonds were issued to advance refund a portion of the City's Series 1997A, Series 2001A, and Series 2002A Bonds to save on interest costs, improve the Lambert-St. Louis International Airport's ("Airport" or "STL") cash flow during fiscal years (FY) 2006-2011[1], and establish a Debt Service Stabilization Fund ("DSSF").

The Airport is owned by the City and operated by the City of St. Louis Airport Authority (the "Authority"), an agency of the City. It is the principal airport serving the St. Louis, MO-IL metropolitan statistical area, a region with a population of approximately 2.8 million in FY 2014. During the same year, the Airport enplaned approximately 6.2 million passengers, of which 5.3 million (85.7 percent) were originating passengers and .9 million (14.3 percent) were connecting passengers.

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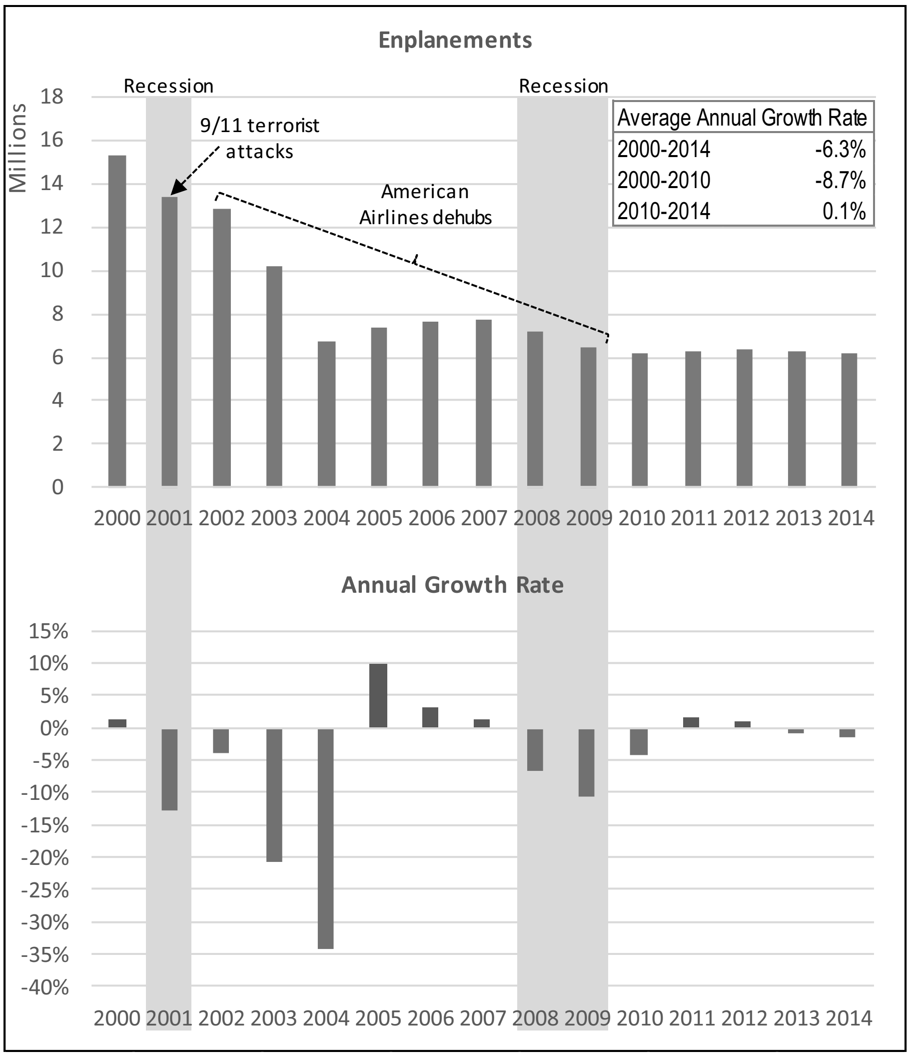
[1] The City's fiscal year begins July 1st.

Historical Passenger Traffic Trends

Over the years, the Airport's passenger traffic has grown and declined with U.S. economic cycles (**Figure 1**). In the 2000s, growth was set back by American Airlines'(American) significant service cuts—not long after the crash of two American flights during the terrorist attacks in September 2001—to end hub operations at the Airport. (American took over Trans World Airways' (TWA) operations at STL after acquiring the airline in 2001.)

Figure 1
HISTORICAL ENPLANEMENT TRENDS AT STL
CY 2000-2014



Source: Airport records.

Since 2000 the Airport—along with the entire U.S. aviation industry—has faced a challenging business environment:

- The long-running U.S. economic expansion from the early 1990s ended with the brief recession from March to November 2001. The recession weakened air travel demand, which then plummeted in the aftermath of terrorist attacks on September 11, 2001.

- The significant decline in air travel and the stringent airport security measures following the terrorist attacks prompted lasting structural changes in travel behavior and airline business practices.

- Meanwhile, jet fuel prices quadrupled from 2002 to 2008, and remained near record high levels before falling sharply in late 2014 and early 2015.

- Amid record fuel prices, the U.S. economy entered the Great Recession from December 2007 to June 2009. The Great Recession was the longest and deepest recession since the Great Depression. The recovery from this recession has also been the slowest of all recoveries from previous recessions since the Great Depression. The Great Recession weakened demand for both passenger and cargo air services.

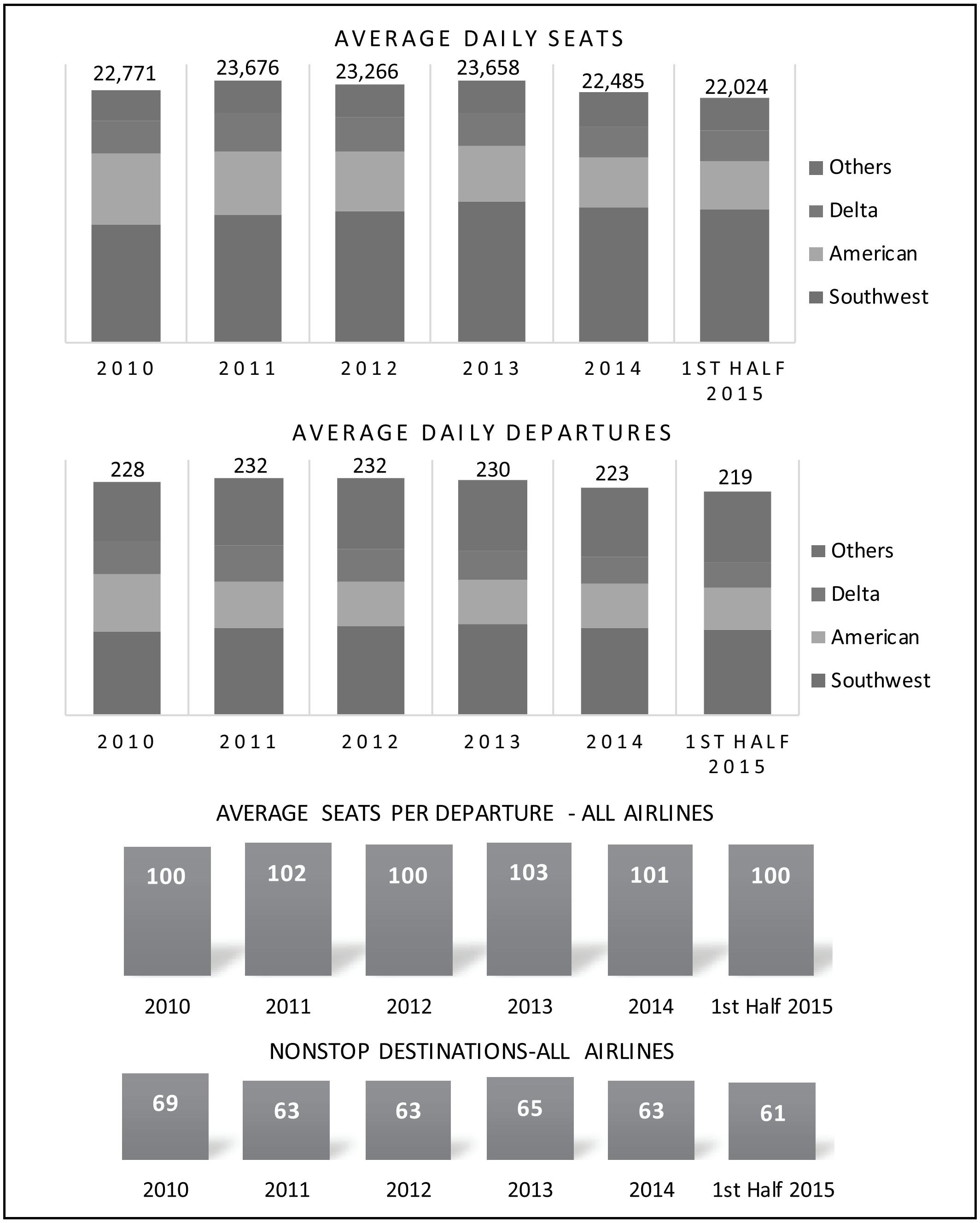
- Airlines responded to weak air travel demand and high fuel prices with cuts in domestic seat capacity, increases in load factors, retirement of old aircraft, fleet reconfiguration, route transfers between mainline and regional service, route network changes, pricing changes, and various cost-cutting measures. Mounting financial difficulties led to bankruptcies, mergers, and business restructuring.

- The industry has also been affected by wars, civil unrest in many parts of the world, disease outbreaks, natural disasters, and severe weather.

Even after the Great Recession ended, American and other airlines have continued to limit system capacity to keep air fares from falling, contain costs, and turn profits. Airline capacity restraint amid slow demand recovery has kept annual enplanement levels at the Airport flat—6.3 million on average—since 2009 (**Figure 1**).

Figure 2 shows the trends in air service at STL since 2010 by the following measures: seats, departures, seats per departure, and nonstop destinations. By all measures, service levels have been fairly flat, with small declines in 2014 and the first half of 2015. From 2010 to 2013, service expansion primarily by Southwest Airlines (Southwest) helped offset cuts by American.

Figure 2
TRENDS IN AIR SERVICE AT STL
CY 2010-2015 (Through June 2015)



The average daily seats and daily departures represent the total seats and departures scheduled for each calendar year in 2010-2014 divided by 365 days, and the total seats and departures scheduled for the first half of CY 2015 divided by 182.5 days.
Source: OAG Schedules Analyzer.

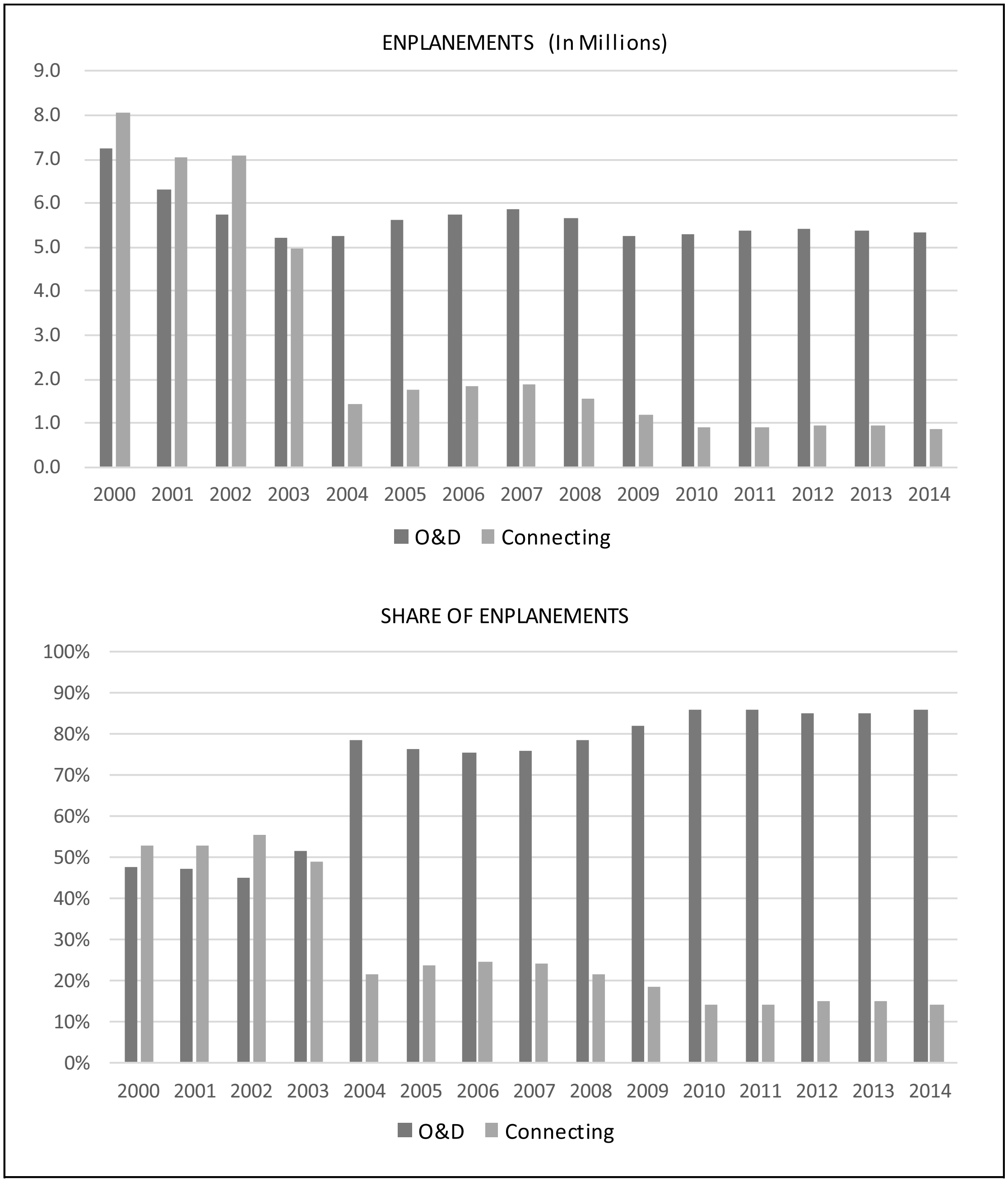
While service cuts—particularly those by American—and traffic declines in the past decade presented operational and financial challenges for Airport management, they have changed the composition of traffic in ways that reduce the Airport's vulnerability to one airline:

- The Airport's passenger traffic now consists mostly of origin and destination (O&D) traffic (**Figure 3**). O&D traffic increased in share from under 50 percent in 2000-2002 to 86 percent in 2010-2014. Connecting traffic declined in share of annual enplanements from more than 50 percent to an average 14 percent. Much of the decline in connecting traffic is due to American ending its hub operations at STL.

- Traffic is also less concentrated on one airline (**Figure 4**). In 2000, the Airport's largest carrier, American, carried 80 percent of scheduled passenger traffic. Today the Airport's largest carrier is Southwest, which carried 50 percent of scheduled passenger traffic in 2014.

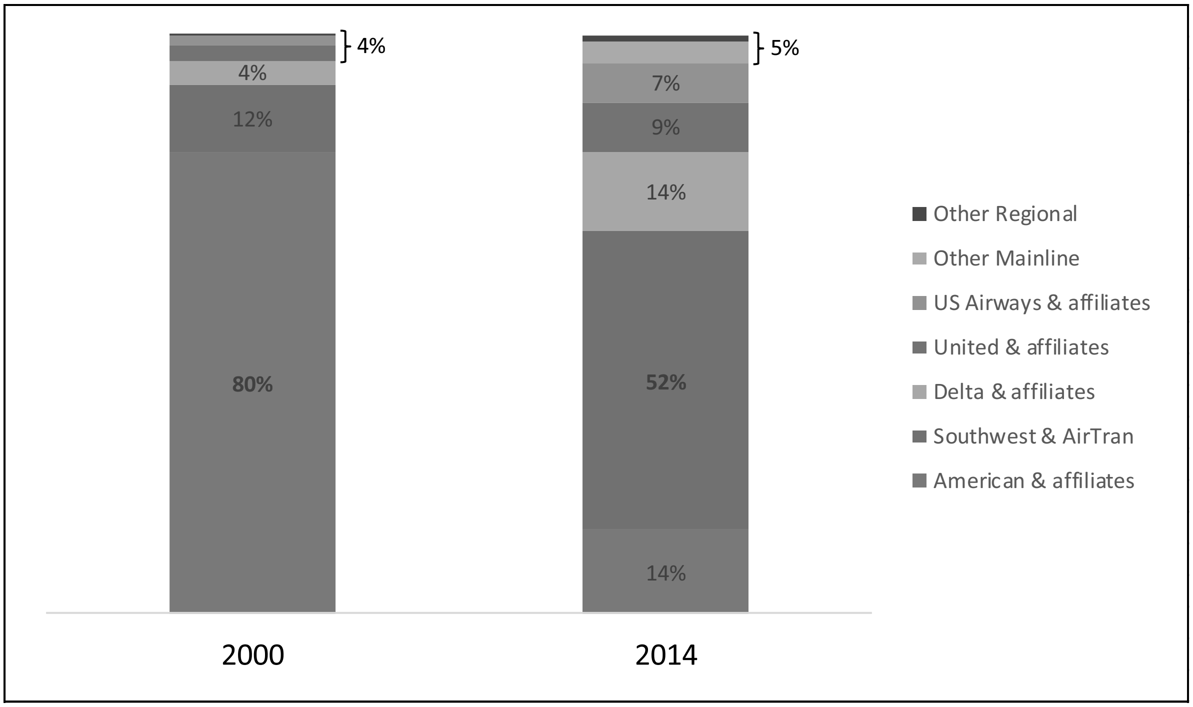
- Southwest is the most financially stable of all U.S. airlines. Southwest has been profitable in 42 years out of less than 44 years of being in service.

Figure 3
O&D AND CONNECTING ENPLANEMENTS AT STL
CY 2000-2014



Source: Airport records.

Figure 4
AIRLINE SHARES OF SCHEDULED ENPLANEMENTS AT STL
CY 2000 and 2014



For 2000, Delta's share includes Northwest's share; United's share includes Continental's share; and US Airways' share includes America West's share.
Source: Airport records.

Forecast Commercial Aviation Activity

We developed forecasts of commercial passenger traffic for the period FY 2015-2019 using the following combination of approaches:

- a hybrid forecasting framework that features capacity-driven, short-term forecasts and demand-driven, long-term forecasts;

- multivariate regression analysis to link growth in aviation activity to trends in key demand drivers; and

- Monte Carlo simulation to produce a range of enplanement forecasts with probability estimates.

The hybrid forecasting framework produces estimates for FY 2015 based on actual trends through April 2015, forecasts for FY 2016 based on published flight schedules and trends in boarding load factors, and forecasts for years after FY 2016 based on projected trends in key demand drivers.

Multivariate regression analysis links enplanement growth after FY 2016 to trends in the U.S. economy and the price of air travel. It provides a systematic framework for quantifying the contributions of these demand drivers to air traffic growth, while accounting for the effects of the September 11, 2011 terrorist attacks and the shutdown of American Airlines' hub operations at STL. Recognizing uncertainty in the future trends of key demand drivers, we performed forecast risk analysis using a sampling method known as Monte Carlo simulation. This method is better than traditional scenario analysis because it provides a comprehensive process for modeling the effects of all possible future trends of the key explanatory variables. It also produces a range of forecasts for Airport traffic, along with probability estimates.

Capacity-Driven Forecasts for FY 2015-2016

The forecasts for FY 2015 and 2016 reflect the following:

- actual enplanement growth at the Airport in FY 2015 through April (1.3 percent, year-over-year);
- scheduled flights and seats for the remainder of FY 2015 and the first half of FY 2016 for all airlines except Frontier;
- trends in seats on each flight and boarding load factors;
- changes in aircraft and the mix of mainline and regional service; and
- short-term outlook for the local and national economy, the airline industry as a whole, and each of the major airlines serving the Airport.

FY 2015 results in a 1.3 percent increase due to improvements in boarding load factors during the year. For FY 2016, seats are scheduled to increase 1.3 percent year over year for the first half of the fiscal year and 2.5 percent year over year in the second half resulting in a 1.9 percent increase for the entire FY 2016 compared to FY 2015, with all major carriers except Southwest and Frontier showing increases for the fiscal year.

Demand-Driven Forecasts for FY 2017-2019

Forecast traffic growth for FY 2017-2019 is driven by projected economic trends as measured by U.S. real gross domestic product (GDP) and projected trends in real passenger yield—revenue per passenger mile—at STL. The forecasts assume that airlines will continue to increase their load factors and increase seats per flight. Southwest and other airlines have been reconfiguring old aircraft to add more seats and ordering new aircraft with more seats.

The historical and projected trends in the key demand drivers are discussed below.

National Economy

Economic growth drives growth in air travel. The U.S. economic recovery from the 2008-2009 Great Recession has been very slow—the slowest in post-World War II history. Economic output, measured by the U.S. real GDP, took nearly four years to return to its pre-recession peak, twice longer than the average two years it took to recover from the previous 10 recessions. Job growth lagged. The U.S. nonfarm employment level took nearly 6 ½ years to return to its previous peak, compared with only 2 to 2 ½ years in previous economic recoveries.

The U.S. economy is now in its sixth year of expansion, driven by consumer spending and business investment. The consensus among experts on the U.S. economy is that the current expansion will continue for a number of years, accelerating in CY 2015 and 2016. Falling oil prices, increases in consumer spending, and labor market improvements bode well for the U.S. economic outlook. But problems abroad—political unrest in the Middle East and Ukraine; sovereign debt issues and continued economic weakness in Europe; and slowdown in the economies of Brazil, China, and Japan—continue to cloud the world economic outlook.

Our base forecast uses Moody's Analytics' projections for U.S. real GDP as of March 2015, with annual growth rates rising above 3 percent in 2015-2016 and falling gradually to around 2 percent after 2016. The resulting average annual growth rate from 2014 to 2019 is 2.9 percent, higher than the 2000-2014 average of 1.8 percent but lower than the 1990-2000 average of 3.4 percent.

Real Passenger Yield

The demand for air travel is sensitive to price changes. Holding all other factors constant, more people travel when air fares decrease, and fewer people travel when air fares increase. To measure the price of air travel, we use passenger yield—the average airline revenue per revenue passenger mile, adjusted for inflation.

Real passenger yields have fallen since the airline industry deregulation in 1978, stimulating growth in air travel. In recent years, U.S. airlines were able to raise airfares by limiting domestic seat capacity. As a result, the U.S. average domestic passenger yield increased in real terms (more than inflation). The latest FAA industry forecast expects inflation-adjusted yields to continue increasing through FY 2022 before returning to their long-term trend of decline. The base assumption for the STL traffic forecast is that real passenger yields at STL will follow FAA's industry forecast of annual increases below 1 percent through FY 2019.

Monte Carlo Simulation

We used the regression model to develop the base enplanement forecast, using the projected trends in the U.S. economy and the Airport's real passenger yield discussed above. Those projections, however, represent only one possibility for the future trends of the key demand drivers. Monte Carlo simulation allowed us to consider thousands of possibilities, producing a range—instead of a single set—of enplanement forecasts for STL.

Monte Carlo simulation avoids the arbitrariness of traditional scenario analysis in setting forecast assumptions by using probability distributions to define the range of possible future trends of explanatory variables. Simulation involves running thousands of iterations of the regression model. Each iteration uses a different set of projections for the trends in U.S. real GDP and the Airport's real passenger yield. The result is a wide range of enplanement forecasts, summarized in **Figure 5** by the selected percentile results.

Figure 5 presents the base forecast, and the 5-percentile, 25-percentile, 75-percentile and 95-percentile forecasts of annual enplanements at the Airport for the FY 2015-2019 period. The base forecast approximates the median (50-percentile). A percentile indicates the relative risk associated with a particular forecast. To illustrate, consider the following interpretation of the 25th percentile: The probability that the actual outcome would fall at or below the 25-percentile forecast is 25 percent, and the probability that the actual outcome would fall above the 25-percentile forecast is 75 percent. Therefore the likelihood of meeting the 25-percentile result is 75 percent. The median (50-percentile) has equal probabilities of being realized or not.

The range of forecasts bounded by the 25-percentile and the 75-percentile is called the interquartile range—the middle 50 percent of unconstrained results fall within this range. We recommend using the 25-percentile result for a low scenario and the 75-percentile result for a high scenario. The range bounded by the 5-percentile and the 95-percentile contains the middle 90 percent of unconstrained results.

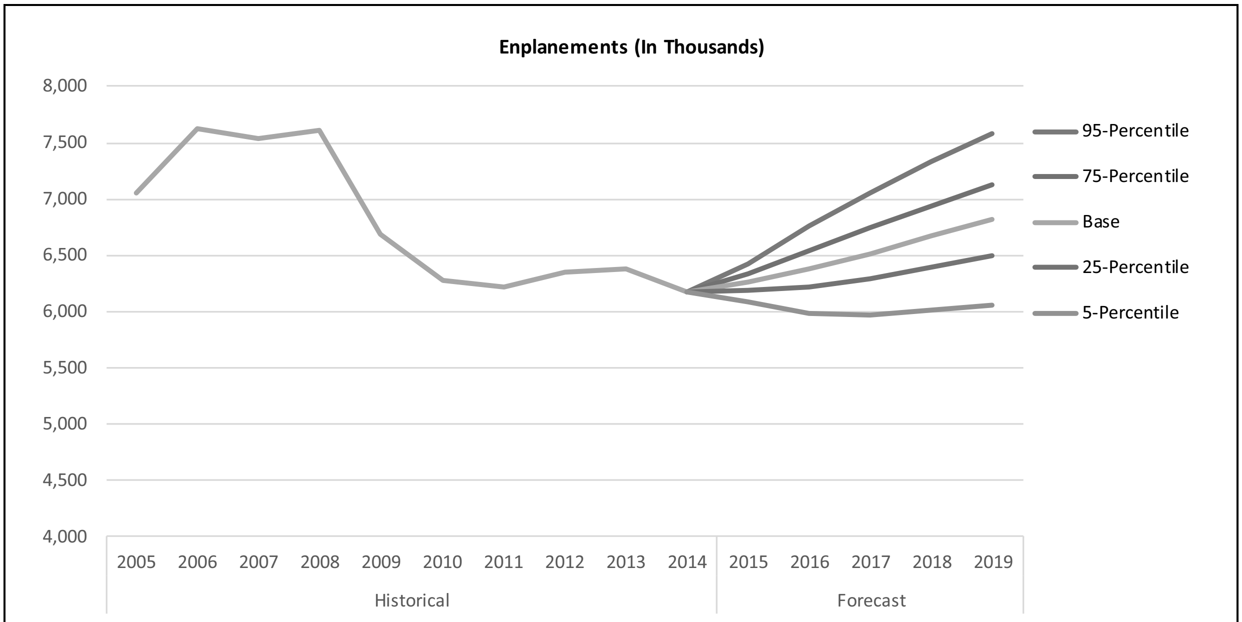
The forecast trends in enplanements are as follows:

- Under the base scenario, annual enplanements increase 1.3 percent to 6.3 million in FY 2015 due to increases in load factors and 1.9 percent in 2016—reflecting increases in scheduled seats—and then increase gradually to 6.81 million in FY 2019. Forecast growth averages 2.0 percent annually from 6.18 million in FY 2014.

- In the low scenario (corresponding to the 25-percentile), annual enplanements increase 0.1 percent in FY 2015 and another 0.4 percent in FY 2016, and then increase gradually to 6.5 million in FY 2019—returning close to the level reached in FY 2009.

- In the high scenario (corresponding to the 75-percentile), annual enplanements increase an average 2.9 percent each year throughout the forecast period. They reach 7.1 million in FY 2019.

Figure 5
FORECAST ENPLANEMENTS AT STL
Fiscal Year Forecasts Beginning in FY 2015



Fiscal Year	Enplanements (In Thousands)					
	Base	5-Percentile	25-Percentile	50-Percentile	75-Percentile	95-Percentile
2005	7,048					
2006	7,623					
2007	7,543					
2008	7,611					
2009	6,683					
2010	6,276					
2011	6,211					
2012	6,354					
2013	6,386					
2014	6,177	6,177	6,177	6,177	6,177	6,177
2015F	6,257	6,084	6,186	6,257	6,329	6,429
2016F	6,374	5,979	6,213	6,371	6,538	6,758
2017F	6,516	5,975	6,292	6,513	6,746	7,049
2018F	6,666	6,011	6,394	6,660	6,935	7,339
2019F	6,813	6,062	6,499	6,810	7,125	7,581

Technical Notes:

1. The figure shows the base forecast and selected percentiles. The base forecast approximates the median (50-percentile). A percentile indicates the relative risk associated with a particular forecast. To illustrate, consider the following interpretation of the 25th percentile: The probability that the actual outcome would fall at or below the 25-percentile forecast is 25 percent, and the probability that the actual outcome would fall above the 25-percentile forecast is 75 percent. Therefore the likelihood of meeting the 25-percentile result is 75 percent. The median (50-percentile) has equal probabilities of being realized or not.

2. The range of forecasts bounded by the 25-percentile and the 75-percentile is called the interquartile range—the middle 50 percent of unconstrained results fall within this range. We recommend using the 25-percentile result for a low scenario and the 75-percentile result for a high scenario. The range bounded by the 5-percentile and the 95-percentile contains the middle 90 percent of unconstrained results.

Details of the base forecast scenario are presented in the following tables: Table 1 (enplanements), Table 2 (aircraft departures or landings), and Table 3 (landed weight).

Table 1
BASE FORECAST ENPLANEMENTS
FY 2014-2019

	Actual	Forecast					AAGR
Activity	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2014-2019**
Mainline Air Carrier							
American	818,888	617,000	712,000	728,000	744,000	761,000	-1.5%
Delta	601,745	636,000	629,000	643,000	658,000	672,000	2.2%
Southwest	3,060,340	3,219,000	3,276,000	3,349,000	3,426,000	3,502,000	2.7%
Others	579,194	553,000	456,000	466,000	477,000	487,000	-3.4%
Subtotal-Mainline	5,060,167	5,025,000	5,072,000	5,185,000	5,305,000	5,422,000	1.4%
Regional Air Carrier							
American Connection	107,619	263,000	229,000	235,000	240,000	245,000	17.9%
Delta Regional	260,957	214,000	248,000	254,000	259,000	265,000	0.3%
Others	746,197	754,000	822,000	840,000	860,000	879,000	3.3%
Subtotal-Regional	1,114,773	1,231,000	1,300,000	1,328,000	1,359,000	1,389,000	4.5%
Charter	2,205	2,000	2,000	2,000	2,000	2,000	-1.9%
Total-Enplanements	**6,177,145**	**6,257,000**	**6,374,000**	**6,516,000**	**6,666,000**	**6,813,000**	2.0%
Annual Growth Rate	-3.3%	1.3%	1.9%	2.2%	2.3%	2.2%	
O&D	5,294,063	5,383,000	5,502,000	5,625,000	5,754,000	5,881,000	2.1%
Connecting	883,082	874,000	872,000	891,000	912,000	932,000	1.1%

Note: AAGR - Average Annual Growth Rate Figures Rounded to the nearest (000)
Forecasts rounded to the nearest (000); details may not add to totals as a result.

All forecasts are subject to uncertainty. The above forecast is based on information that is available as of the Report's date. Various factors, other than those included in the forecast model, can influence the future demand for air travel. Unexpected events may occur, and some of the underlying forecast assumptions may not materialize. Therefore actual performance may differ from the forecast, and the difference may be significant.

Table 2
BASE FORECAST AIRCRAFT ARRIVALS
FY 2014-2019

	Actual	Forecast					AAGR
Activity	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2014-2019**
Mainline Air Carrier							
American	7,375	5,500	6,200	6,300	6,400	6,500	-2.5%
Delta	5,025	5,200	5,100	5,200	5,300	5,400	1.4%
Southwest	30,155	30,000	30,400	31,100	31,600	32,100	1.3%
Others	7,126	4,700	3,800	3,800	3,900	4,000	-10.9%
Subtotal-Mainline	49,681	45,600	45,400	46,400	47,300	48,000	-0.7%
Regional Air Carrier							
American Connection	2,012	5,300	6,200	6,200	6,300	6,300	25.6%
Delta Regional	4,782	4,000	4,400	4,500	4,600	4,600	-0.8%
Others	24,390	26,400	29,000	29,600	30,100	30,500	4.6%
Subtotal-Regional	31,184	35,700	39,600	40,400	40,900	41,400	5.8%
Charter	82	0	0	0	0	0	-100.0%
Subtotal-Passenger	80,947	81,200	85,000	86,900	88,200	89,400	2.0%
All-Cargo	1,350	1,500	1,500	1,500	1,500	1,500	2.1%
Total -Departures	**82,297**	**82,700**	**86,400**	**88,300**	**89,700**	**90,800**	2.0%
Annual Growth Rate	-5.0%	0.5%	4.5%	2.2%	1.6%	1.2%	

AAGR - Average Annual Growth Rate

Forecasts rounded to the nearest (00); details may not add to totals as a result.

All forecasts are subject to uncertainty. The above forecast is based on information that is available as of the Report's date. Various factors, other than those included in the forecast model, can influence the future demand for air travel. Unexpected events may occur, and some of the underlying forecast assumptions may not materialize. Therefore actual performance may differ from the forecast, and the difference may be significant.

Table 3
BASE FORECAST AIRCRAFT LANDED WEIGHT
FY 2014-2019

Activity	Actual 2014	Forecast 2015	2016	2017	2018	2019	AAGR 2014-2019
Mainline Air Carrier							
American	959,478	725,000	829,000	851,000	869,000	887,000	-1.6%
Delta	728,740	752,000	737,000	756,000	773,000	788,000	1.6%
Southwest	3,742,668	3,774,000	3,804,000	3,906,000	3,990,000	4,067,000	1.7%
Others	684,573	646,000	536,000	551,000	563,000	575,000	-3.4%
Subtotal-Mainline	6,115,459	5,897,000	5,905,000	6,064,000	6,196,000	6,317,000	0.7%
Regional Air Carrier							
American Connection	136,668	297,000	326,000	335,000	342,000	349,000	20.6%
Delta Regional	393,656	269,000	306,000	321,000	329,000	336,000	-3.1%
Others	766,860	964,000	918,000	947,000	972,000	995,000	5.3%
Subtotal-Regional	1,297,184	1,529,000	1,550,000	1,603,000	1,643,000	1,679,000	5.3%
Charter	25,811	9,000	8,000	8,000	8,000	8,000	-20.9%
Subtotal-Passenger	7,438,454	7,435,000	7,464,000	7,676,000	7,846,000	8,004,000	1.5%
All-Cargo	405,235	361,000	361,000	361,000	361,000	361,000	-2.3%
Total - Landed Weight	**7,843,688**	**7,796,000**	**7,825,000**	**8,037,000**	**8,207,000**	**8,365,000**	1.3%
Annual Growth Rate	-5.0%	-0.6%	0.4%	2.7%	2.1%	1.9%	

Note: AAGR - Average Annual Growth Rate Figures Rounded to the nearest (000)
Forecasts rounded to the nearest (000); details may not add to totals as a result.

All forecasts are subject to uncertainty. The above forecast is based on information that is available as of the Report's date. Various factors, other than those included in the forecast model, can influence the future demand for air travel. Unexpected events may occur, and some of the underlying forecast assumptions may not materialize. Therefore actual performance may differ from the forecast, and the difference may be significant.

The City has begun the process of establishing Airport goals that will set the framework to begin the airline negotiations for a new Airport Use and Lease Agreement (the "Use Agreement"). The current Use Agreement expires June 30, 2016 and was effective for a five year period. For the purpose of developing the financial forecast we assumed the new Use Agreement will be structured similar to the current Use Agreement.

The new Use Agreement will continue to allow the City to use a portion of the DSSF (as defined in the Indenture defined below) to mitigate rates on an annual basis during the term of the Use Agreement. In each fiscal year in which the City determines to mitigate rates, the City will withdraw approximately $13.7 million from the DSSF and deposit such amount in the Revenue Fund (as defined in the Indenture defined below), with the expectation that such amount will be re-deposited in the DSSF by the end of such fiscal year. The amounts so deposited in such years will be included in GARB Revenues as defined in the Indenture and debt service coverage calculations for such years, and the expected deposits are included in the projections in this Review.

The Series 2015 Refunding Bonds are being issued pursuant to the Amended and Restated Indenture of Trust dated July 1, 2009, as amended and supplemented, including by the Twentieth Supplemental Indenture of Trust, dated June 1, 2015 (as amended and supplemented, the "Indenture"). The Series 2015 Refunding Bonds are limited obligations of the City secured by and payable solely from GARB Revenues (as defined in the Indenture), PFC Pledged Revenues (as defined in the Indenture), and any other available moneys deposited with the Trustee for deposit in the Revenue Fund (collectively, the "Revenues").

> The Series 2015 Refunding Bonds will be issued as Refunding Bonds under the Indenture, Section 305 (B) 4 (a) of which states in part: *Refunding Bonds of each Series… shall be authenticated and delivered by the Trustee only upon receipt by it from the City…of … a certificate of an Authorized Officer of the City setting forth the Aggregate Debt Service and the Aggregate Adjusted Debt Service for the then current and each future Airport Fiscal Year…and …that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year [following the issuance of the Refunding Bonds] are no greater than the corresponding amounts set forth for such Airport Fiscal Year[prior to the issuance of the Refunding Bonds]….*

The City will obtain a certificate of an authorized officer demonstrating compliance with Section 305 (B) 4 (a) of the Indenture.

Major Assumptions

The financial projections presented in this Review are based on the following major assumptions:

1. The new Use Agreement will be extended for a minimum of five years based on essentially the same terms as the current Use Agreement and with the current signatory airlines.
2. The financial forecast does not anticipate any significant airline service reductions or facilities reductions during the forecast period.
3. The Airport anticipates increased revenues from the new surface lot for Terminal 2 net of operating expenses to earn approximately $2.4 million during FYs 2016 - 2019.
4. The City will implement all approved capital projects within the project budgets and schedules, but the current projections do not contain the impact of the full CIP at this time.
5. The latest base case air service forecast will be achieved with no major declines in activity.
6. There will be no disruption or loss of service resulting from a terrorist, weather or any other catastrophic event.

Findings and Conclusions

The financial summaries that follow cover FY 2014 actual and projections for FYs 2015 through 2019. The FY 2015 estimate is based on actuals for the nine months ended March 31, 2015. The remainder of the forecast period is based on the latest traffic forecast, including the latest revenue trends and other factors obtained through discussions with Airport management. As shown in the summary tables below, Revenues are forecast to be sufficient to pay Operation and Maintenance Expenses and Aggregate Debt Service and meet all of the other funding requirements of the Indenture, thereby indicating that the Rates and Charges Covenant (Section 811 of the Indenture) should be met during such period.

In addition, the projected cost per enplanements on Table 5 is in line with those that were forecasted in the Airport's prior refunding bond issue in FY 2013. Based on our knowledge of comparable airports and experience in providing financial consulting services to a variety of airports, we believe the forecasted airline costs per enplaned passenger, are reasonable in comparison with other medium hub airports that have completed or are currently implementing major capital improvement programs.

The financial projections presented in this Review are based on information and assumptions that have been provided by Airport management, or developed by us and reviewed with and confirmed by Airport management. Based upon our review, we believe that the information is accurate and that the assumptions provide a reasonable basis for the forecast. However, some variation from the forecast is inevitable due to unforeseen events and circumstances, and these variations may be material. This Review should be considered in its entirety for an understanding of the forecast and the underlying assumptions.

We appreciate the opportunity to assist the City on this important financing program for the Airport.

Sincerely,

Unison Consulting, Inc.

Unison Consulting, Inc.

Table 4
PROJECTED AIRPORT REVENUES
Lambert-St. Louis International Airport
Fiscal years Ending June 30
(in thousands)

AIRPORT REVENUES	Avg. Annual Growth Rate 2015-2019	Actual 2014 [2]	Estimated 2015 [3]	Projection 2016	2017	2018	2019
Signatory Airlines							
Airfield Landing Fees	-1.6%	$67,071	$66,139	$64,151	$64,890	$62,018	$62,024
Terminal Rents	-6.8%	18,747	19,617	19,082	19,248	15,588	14,819
Total	-2.7%	$85,818	$85,757	$83,233	$84,138	$77,606	$76,843
Concession Fees							
Terminal Concessions	4.9%	$11,572	$11,295	$12,023	$12,542	$13,097	$13,664
Public Parking	4.8%	18,885	20,619	23,251	23,763	24,303	24,836
Car Rentals	4.5%	11,667	11,555	12,070	12,611	13,184	13,772
Space Rental	2.2%	1,534	1,332	1,361	1,391	1,422	1,453
In-Flight Catering	2.2%	287	312	319	326	333	340
Other	2.0%	293	188	192	196	199	203
Total	4.6%	$44,237	$45,301	$49,217	$50,829	$52,539	$54,268
Other							
Non-Signatory Landing Fees	-1.4%	$1,844	$1,101	$1,078	$1,077	$1,044	$1,041
Non-Signatory Airlines-Terminal	0.0%	186	508	508	508	508	508
Total	-0.9%	$2,030	$1,609	$1,586	$1,584	$1,551	$1,549
Airline Revenue Mitigation [1]		13,728	13,728	13,728	13,728	13,728	13,728
Cargo	1.1%	$480	$329	$329	$336	$344	344
Hangars and Other Buildings	0.7%	649	669	674	678	682	687
Tenant Improvement Surcharge	0.0%	389	371	371	371	371	371
Terminal EDS Surcharges	13.6%	0	1,500	2,000	2,500	2,500	2,500
Other Miscellaneous	2.8%	11,905	6,406	6,579	6,761	6,951	7,146
Total Other-Operating	1.7%	$29,182	$24,612	$25,267	$25,959	$26,128	26,325
Total Operating Revenue	0.3%	$159,237	$155,669	$157,718	$160,927	$156,273	$157,437
Interest Income	-2.8%	$2,089	$1,588	$1,522	$1,525	$1,416	$1,417
Total GARB Revenues	0.3%	$161,326	$157,257	$159,239	$162,452	$157,688	$158,854
AIP Pledged Revenue							
PFC Pledged Revenue	0.7%	27,578	27,577	28,320	28,324	28,321	28,320
Total Revenues	0.3%	188,904	184,834	187,559	190,776	186,010	187,174

[1] Reflects amounts scheduled to be transferred from the Debt Service Stabilization Fund per the Airline Use and Lease Agreement.

[2] Actuals are based on the FY2014 Airline Rates & Charges Settlement.

[3] Fiscal Year 2015 Estimate is based on March 2015 year-to-date actuals.

Table 5
SUMMARY OF SIGNATORY AIRLINE REVENUES, COST PER ENPLANED PASSENGER, AND RATES
Lambert-St. Louis International Airport
For Fiscal Years Ending June 30
(in thousands except for rates)

	Actual	Estimated	Projection			
	2014 [1]	2015 [2]	2016	2017	2018	2019
INITIAL AIRLINE REQUIREMENTS						
Landing Fees	$59,293	$58,721	$57,816	$58,651	$59,680	$60,632
Terminal 1	7,458	8,347	8,663	8,797	8,966	9,069
Terminal 2	3,510	3,851	4,084	4,211	4,284	4,359
	$70,261	$70,919	$70,563	$71,659	$72,930	$74,060
TOTAL SIGNATORY AIRLINE REQUIREMENTS						
Initial Requirement	$70,261	$70,919	$70,563	$71,659	$72,930	$74,060
Additional Airline Requirement	15,557	14,838	12,670	12,479	4,676	2,784
	$85,818	$85,757	$83,233	$84,138	$77,606	$76,843
Signatory airline enplaned passengers	6,175	6,255	6,372	6,514	6,664	6,811
Signatory Airline CPE post Mitigation	**$13.90**	**$13.71**	**$13.06**	**$12.92**	**$11.65**	**$11.28**
Debt Service Coverage Ratio [1]	**1.36**	**1.39**	**1.38**	**1.39**	**1.43**	**1.45**
SIGNATORY AIRLINE RATES (including Additional Requirement)						
Landing Fee Rate (per 1,000 pounds)	**$8.72**	**$8.56**	**$8.27**	**$8.14**	**$7.62**	**$7.47**
Airlines' Terminal Building Rental Rates						
Terminal 1	**$61.99**	**$56.00**	**$54.10**	**$54.37**	**$43.58**	**$41.21**
Terminal 2	**$69.21**	**$66.08**	**$65.29**	**$66.40**	**$55.01**	**$52.88**

[1] Actuals are based on the FY2014 Airline Rates & Charges Settlement.
[2] Fiscal Year 2015 Estimate is based on March 2015 year-to-date actuals.

Table 6
PROJECTED COVERAGE CALCULATION
Lambert-St. Louis International Airport
For Fiscal years Ending June 30
($ in thousands except for ratio)

	Actual	Estimated	Projection			
	2014 [1]	2015 [2]	2016	2017	2018	2019
Total Revenues (including DSSF Contribution and Additional Requirement)	$188,904	$184,834	$187,559	$190,776	$186,010	$187,174
less: Operation and Maintenance Expenses	83,048	84,158	83,981	86,732	88,963	91,254
Net Revenues	$105,856	$100,675	$103,578	$104,043	$97,047	$95,920
Debt Service [3]	$77,906	$72,316	$74,946	$74,988	$67,736	$66,278
Debt service coverage ratio	**1.36**	**1.39**	**1.38**	**1.39**	**1.43**	**1.45**

[1] Actuals are based on the FY2014 Airline Rates & Charges Settlement.

[2] Fiscal Year 2015 Estimate is based on March 2015 year-to-date actuals.

3 Debt Service for FY2018 is net of the final debt service payment for the Series 2003A Refunding Bonds totaling $7,229, which will paid be paid from the Series 2003A Refunding Bonds' debt service reserve fund.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AIRPORT

NOTE: KPMG LLP, THE AIRPORT'S INDEPENDENT AUDITOR, HAS NOT BEEN ENGAGED TO PERFORM AND HAS NOT PERFORMED, SINCE THE DATE OF ITS REPORT INCLUDED HEREIN, ANY PROCEDURES ON THE FINANCIAL STATEMENTS ADDRESSED IN THAT REPORT. KPMG LLP ALSO HAS NOT PERFORMED ANY PROCEDURES RELATING TO THIS OFFICIAL STATEMENT.

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LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT

(An Enterprise Fund of the City of St. Louis, Missouri)

Basic Financial Statements and Supplementary Information

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Table of Contents

KPMG LLP
Suite 900
10 South Broadway
St. Louis, MO 63102-1761

Independent Auditors' Report

Honorable Mayor and Members of
the Board of Aldermen of the
City of St. Louis, Missouri:

Report on the Financial Statements

We have audited the accompanying financial statements of Lambert – St. Louis International Airport, an enterprise fund of the City of St. Louis, Missouri, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Lambert – St. Louis International Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lambert – St. Louis International Airport, as of June 30, 2014 and 2013, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in note 1 to the basic financial statement, the basic financial statements present only the financial position and the changes in financial position and cash flows of Lambert – St. Louis International Airport, an enterprise fund of the City of St. Louis, Missouri, and do not purport to, and do not, present fairly the financial position of the City of St. Louis, Missouri as of June 30, 2014 and 2013, and changes in its financial position or, where applicable, cash flows, for the years then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Effective July 1, 2012 Lambert – St. Louis International Airport implemented Government Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lambert – St. Louis International Airport's basic financial statements. The supplementary information included in schedules I through X is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information included in schedules I through X is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information included in schedules I through X is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014 on our consideration of Lambert – St. Louis International Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lambert – St. Louis International Airport's internal control over financial reporting and compliance.

KPMG LLP

St. Louis, Missouri
December 23, 2014

The following discussion and analysis of the activity and financial performance of Lambert – St. Louis International Airport (the Airport) has been prepared by Airport management to provide the reader with an introduction and overview to the basic financial statements of the Airport for the fiscal years ended June 30, 2014 and 2013. Following this discussion and analysis are the basic financial statements of the Airport including the notes which are essential to a full understanding of the data contained within the basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Statements

The Airport's basic financial statements are prepared on an accrual basis in accordance with the U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Airport is structured as an enterprise fund owned and operated by the City of St. Louis, Missouri with revenues recognized when earned. Expenses are recognized when incurred. Capital assets are capitalized and (other than land, construction in progress, and easements) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction activities. Refer to Note 1 of the basic financial statements for a summary of the Airport's significant accounting policies.

Summary of Airport Activity

Air travel was slightly down in 2014 when compared to 2013. Enplaned passengers were down by 3.3 percent and aircraft landings and takeoffs were down 4.7 percent from fiscal year 2013. Activity at the Airport during fiscal years 2014, 2013, and 2012 is as follows:

	2014	2013	Change
Enplaned passengers	6,177,145	6,386,474	(3.3%)
Aircraft landings and takeoffs	82,297	86,401	(4.7%)
Landed weight (in thousands of pounds)	7,843,688	8,254,612	(5.0%)
Mail and cargo (in tons)	67,064	75,805	(11.5%)

	2013	2012	Change
Enplaned passengers	6,386,474	6,353,591	0.5%
Aircraft landings and takeoffs	86,401	86,578	(0.2%)
Landed weight (in thousands of pounds)	8,254,612	8,198,391	0.7%
Mail and cargo (in tons)	75,805	75,988	(0.2%)

(Continued)

Financial Highlights

The following represents the significant financial activity at the Airport in fiscal years 2014, 2013, and 2012 and the reasons for any fluctuations between the years:

- Fiscal year 2014 operating revenues increased 1.5% from $139,427 in fiscal year 2013 to $141,529 in fiscal year 2014 as a result of an increase in concessions, parking, and lease revenues. Fiscal year 2013 operating revenues increased 6% from $131,522 in fiscal year 2012 to $139,427 in fiscal year 2013 as a result of increased Airfield and Terminal and Concourse revenues related to an increase in enplaned passengers and landed weights.

- Fiscal year 2014 operating expenses increased 3.5% from $132,127 in fiscal year 2013 to $136,793 in fiscal year 2014 as a primary result of an increase in supplies, workmen's compensation expenses, and contractual services related to banking fees, education and training, communication expenses, as well as facility and grounds expenses. Fiscal year 2013 operating expenses increased 1.9% from $129,687 in fiscal year 2012 to $132,127 in fiscal year 2013 as a primary result of an increase of communications and utilities.

- The net result of the impact to operating revenues and expenses, as discussed above, is that the fiscal year 2014 operating income decreased 35.1% to $4,736 from $7,300 in fiscal year 2013. The fiscal year 2013 operating income increased 297.8% to $7,300 from $1,835 in fiscal year 2012.

- Fiscal year 2014 nonoperating expenses, net decreased to $11,592 from $12,216 in fiscal year 2013 resulting from a decrease in interest expense. Fiscal year 2013 nonoperating expenses, net decreased to $12,216 from $13,439 in fiscal year 2012 resulting primarily from the implementation of GASB No. 65, *Items Previously Reported as Assets and Liabilities*.

- Capital contributions received in the form of grants from the federal government decreased to $16,318 in fiscal year 2014 from $21,615 in fiscal year 2013. Capital contributions received in the form of grants from the federal government increased to $21,615 in fiscal year 2013 from $10,050 in fiscal year 2012. The amount of grants received in all noted fiscal years is a result of the in-line baggage screening system primarily completed in fiscal year 2013.

- As a result of the preceding items, net position in fiscal year 2014 increased to $1,081,888 from $1,071,152 in fiscal year 2013. Net position in fiscal year 2013 decreased to $1,071,152 from $1,071,301 in fiscal year 2012.

(Dollars in thousands, unless otherwise indicated)

Financial Position Summary

Net position may serve over time as a useful indicator of the Airport's financial position. The Airport's assets and deferred outflow of resources exceeded liabilities by $1,081,888 at June 30, 2014.

A condensed summary of the Airport's net position at June 30, 2014 and 2013 is shown below:

	2014	2013	$ Change	% Change
Assets:				
Current and other assets	$ 302,165	309,087	(6,922)	(2.2%)
Capital assets	1,631,687	1,650,486	(18,799)	(1.1%)
Deferred outflow of resources	18,370	21,173	(2,803)	(13.2%)
Total assets and deferred outflow of resources	1,952,222	1,980,746	(28,524)	(1.4%)
Liabilities:				
Long-term liabilities	775,640	818,616	(42,976)	(5.2%)
Other liabilities	94,694	90,978	3,716	4.1%
Total liabilities	870,334	909,594	(39,260)	(4.3%)
Net position:				
Invested in capital assets	884,818	868,452	16,366	1.9%
Restricted	131,196	132,682	(1,486)	(1.1%)
Unrestricted	65,874	70,018	(4,144)	(5.9%)
Total net position	$ 1,081,888	1,071,152	10,736	1.0%

A portion of the Airport's net position (81.8% at June 30, 2014) represents its investment in capital assets (e.g., land, easements, pavings, buildings and facilities, roads, runways, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors to the Airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations since it is unlikely the capital assets themselves will be liquidated to pay liabilities.

An additional portion of the Airport's net position (12.1% at June 30, 2014) represents net position that are subject to external restrictions on how they can be used. These assets can be used for any lawful Airport use including debt service, capital restoration, or expenditure subject to the restrictions of the Passenger Facility Charge Program and the Airport Improvement Program.

The remaining portion of the Airport's net position (6.1% at June 30, 2014) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport's ongoing obligations.

(Dollars in thousands, unless otherwise indicated)

In fiscal 2014, the increase in capital assets was primarily attributable to ongoing capital asset projects, including the Airport Experience Program and storm damage replacements. The decrease in long-term debt outstanding was attributable to payments made on outstanding debt.

A condensed summary of the Airport's net position at June 30, 2013 and 2012 is shown below:

	2013	2012	$ Change	% Change
Assets:				
Current and other assets	$ 309,087	363,786	(54,699)	(15.0%)
Capital assets	1,650,486	1,635,950	14,536	0.9%
Deferred outflow of resources	21,173	-	21,173	100.0%
Total assets and deferred outflow of resources	1,980,746	1,999,736	(18,990)	(0.9%)
Liabilities:				
Long-term liabilities	818,616	835,573	(16,957)	(2.0%)
Other liabilities	90,978	92,862	(1,884)	(2.0%)
Total liabilities	909,594	928,435	(18,841)	(2.0%)
Net position:				
Invested in capital assets	868,452	864,680	3,772	0.4%
Restricted	132,682	133,941	(1,259)	(0.9%)
Unrestricted	70,018	72,680	(2,662)	(3.7%)
Total net position	$ 1,071,152	1,071,301	(149)	0.0%

A portion of the Airport's net position (81.1% at June 30, 2013) represents its investment in capital assets (e.g., land, easements, pavings, buildings and facilities, roads, runways, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The Airport uses these capital assets to provide services to its passengers and visitors to the Airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations since it is unlikely the capital assets themselves will be liquidated to pay liabilities.

An additional portion of the Airport's net position (12.4% at June 30, 2013) represents net position that are subject to external restrictions on how they can be used. These assets can be used for any lawful Airport use including debt service, capital restoration, or expenditure subject to the restrictions of the Passenger Facility Charge Program and the Airport Improvement Program.

The remaining portion of the Airport's net position (6.5% at June 30, 2013) represents its unrestricted investments, less any outstanding indebtedness, which may be used to meet any of the Airport's ongoing obligations.

(Dollars in thousands, unless otherwise indicated)

In fiscal 2013, the increase in capital assets was primarily attributable to the Airport Experience Program and storm damage replacements. The decrease in long-term debt outstanding was attributable to payments made on outstanding debt and the issuance of the 2013 Series Refunding Revenue Bonds, which refunded the 2003A Series Revenue Bonds.

Summary of Revenues, Expenses, and Changes in Fund Net Position

The Airport's revenues, expenses, and changes in fund net position for the fiscal years ended June 30, 2014, 2013, and 2012 are summarized as follows:

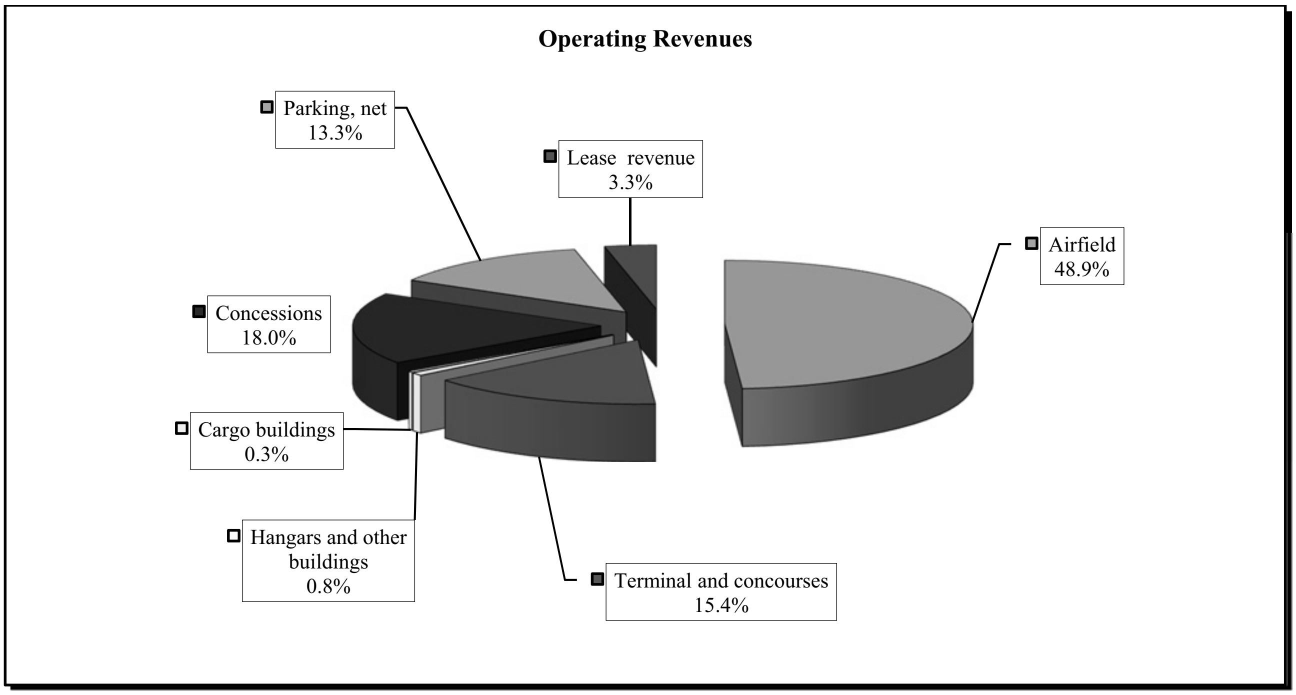
		2014	2013	$ Change	% Change
Operating revenues	$	141,529	139,427	2,102	1.5%
Operating expenses		136,793	132,127	4,666	3.5%
Operating income		4,736	7,300	(2,564)	(35.1%)
Nonoperating expenses, net		(11,592)	(12,216)	624	(5.1%)
Loss before capital contributions, transfers, and extraordinary items, net		(6,856)	(4,916)	(1,940)	39.5%
Capital contributions		16,318	21,615	(5,297)	(24.5%)
Transfers out		(6,328)	(6,607)	279	(4.2%)
Extraordinary item – Natural disaster		2,730	4,300	(1,570)	(36.5%)
Extraordinary item – Settlement proceeds		4,872	-	4,872	100.0%
Increase in net position		10,736	14,392	(3,656)	(25.4%)
Cumulative effect of change in accounting principle		-	(14,541)	14,541	(100.0%)
Net position, end of year	$	1,081,888	1,071,152	10,736	1.0%

		2013	2012	$ Change	% Change
Operating revenues	$	139,427	131,522	7,905	6.0%
Operating expenses		132,127	129,687	2,440	1.9%
Operating income		7,300	1,835	5,465	297.8%
Nonoperating expenses, net		(12,216)	(13,439)	(335)	2.5%
Loss before capital contributions, transfers, and extraordinary item, net		(4,916)	(11,604)	5,130	(44.2%)
Capital contributions		21,615	10,050	11,565	115.1%
Transfers out		(6,607)	(6,097)	(510)	8.4%
Extraordinary item – Natural disaster		4,300	-	4,300	100.0%
Change in net position		14,392	(7,651)	20,485	(267.7%)
Cumulative effect of change in accounting principle		(14,541)	-	(14,541)	(100.0%)
Net position, end of year	$	1,071,152	1,071,301	(149)	(0.0%)

(Continued)

Revenues

The following chart shows the major sources of operating revenues, and their percentage share of total operating revenues, for the year ended June 30, 2014:



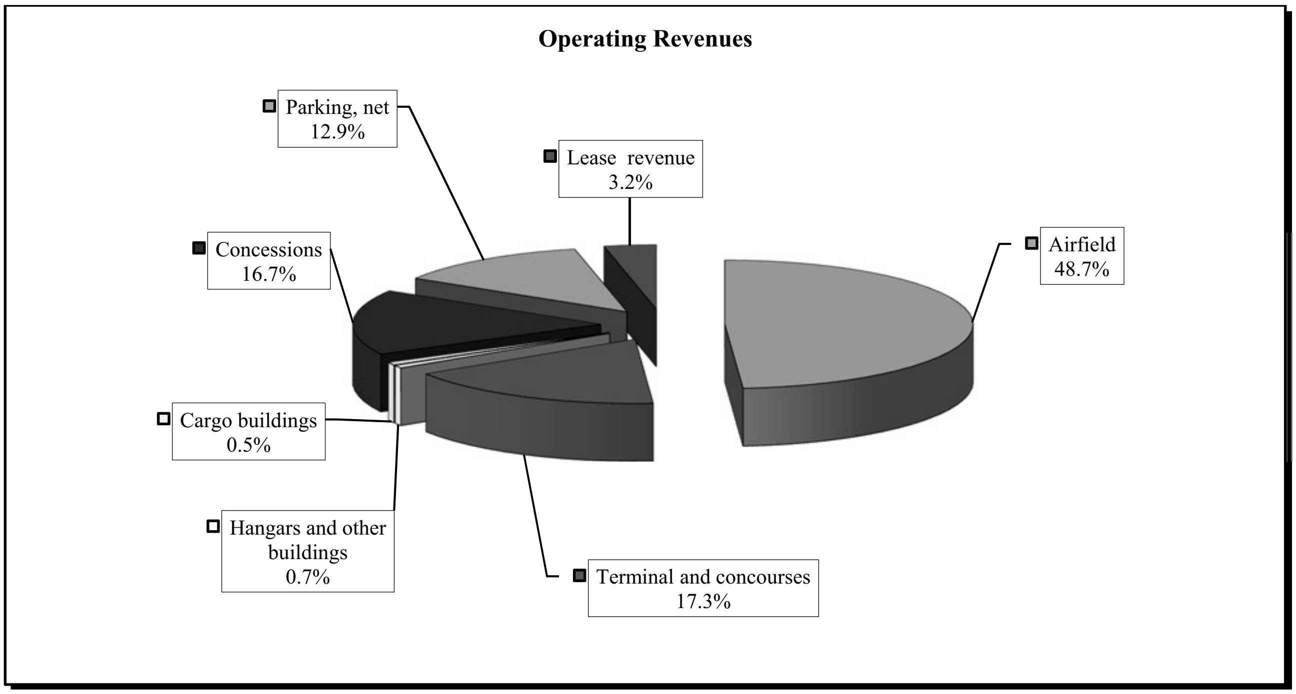
(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2014:

	2014	% of total	$ Change from 2013	% Change from 2013
Operating revenues:				
Aviation revenue:				
Airfield	$ 69,187	41.1%	$ 1,417	2.1%
Terminal and concourses	21,604	12.8	(2,630)	(10.9)
Hangars and other buildings	1,093	0.6	139	14.6
Cargo buildings	482	0.3	(251)	(34.2)
Concessions	25,538	15.2	2,198	9.4
Parking, net	18,885	11.2	947	5.3
Lease revenue	4,740	2.8	282	6.3
Total operating revenue	141,529	84.1	2,102	1.5
Nonoperating revenues:				
Intergovernmental revenue	706	0.4	(45)	(6.0)
Investment revenue	1,569	0.9	(568)	(26.6)
Passenger facility charges	24,111	14.3	(949)	(3.8)
Other nonoperating revenue, net	287	0.2	168	100
Total nonoperating revenue	26,673	15.9	(1,394)	(5.0)
Total revenues	$ 168,202	100%	708	0.4%

Revenue

The following chart shows the major sources of operating revenues, and their percentage share of total operating revenues, for the year ended June 30, 2013:



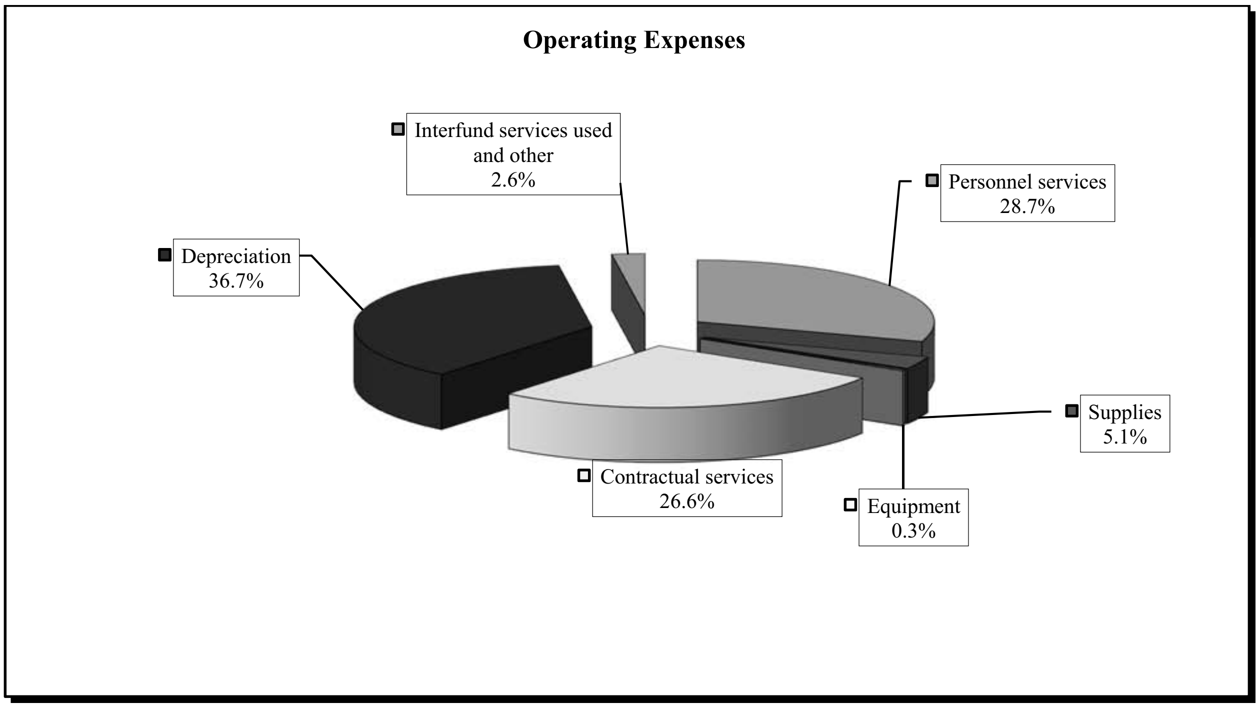
(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating revenues, and their percentage share of total Airport operating and nonoperating revenue, for the year ended June 30, 2013:

	2013	% of total	$ Change from 2012	% Change from 2012
Operating revenues:				
Aviation revenue:				
Airfield	$ 67,770	40.5%	$ 3,540	5.5%
Terminal and concourses	24,234	14.5	1,771	7.9
Hangars and other buildings	954	0.6	73	8.3
Cargo buildings	733	0.4	(223)	(23.3)
Concessions	23,340	13.9	1,730	8.0
Parking, net	17,938	10.7	998	5.9
Lease revenue	4,458	2.7	16	0.4
Total operating revenue	139,427	83.2	7,905	6.0
Nonoperating revenues:				
Intergovernmental revenue	751	0.4	(318)	(29.7)
Investment revenue	2,137	1.3	390	22.3
Passenger facility charges	25,060	15.0	(484)	(1.9)
Other nonoperating revenue, net	119	0.1	31	35.2
Total nonoperating revenue	28,067	16.8	(381)	(1.0)
Total revenues	$ 167,494	100.0%	$ 7,524	4.8%

Expenses

The following chart shows the major sources of operating expenses, and their percentage share of total operating expenses, for the year ended June 30, 2014:



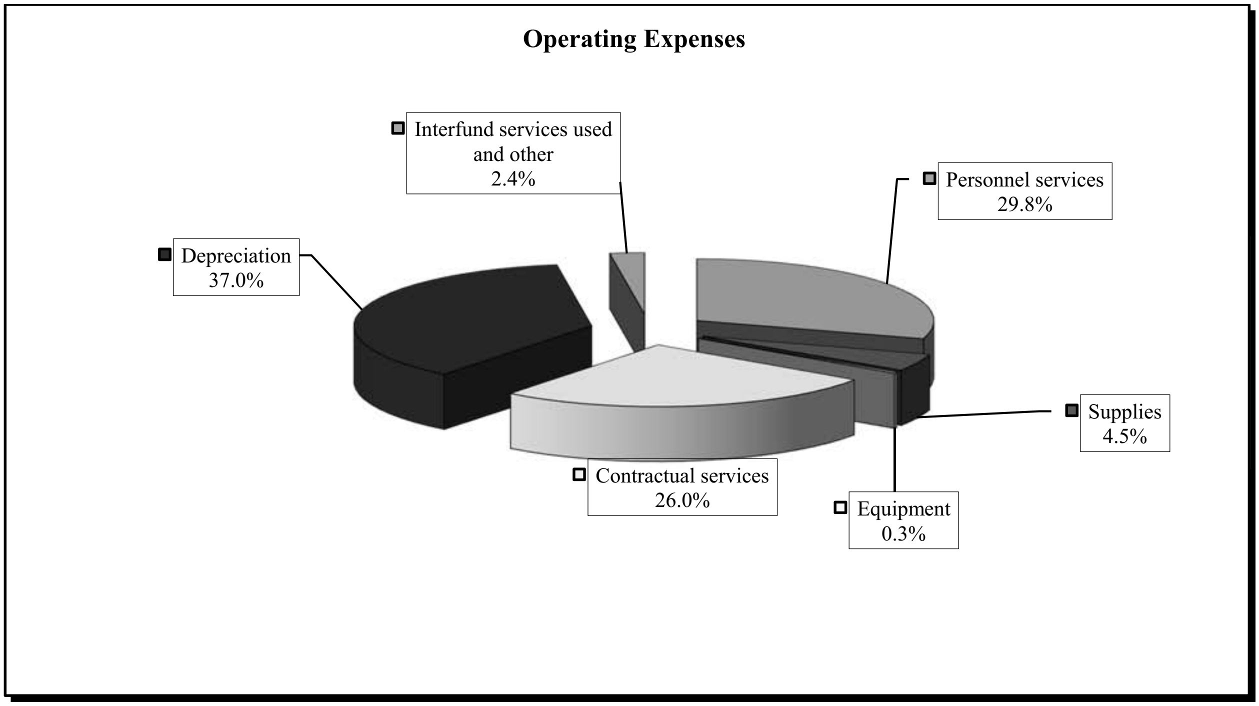
(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating expenses, and their percentage share of total Airport operating and nonoperating expenses, for the year ended June 30, 2014:

	2014	% of total	$ Change from 2013	% Change from 2013
Operating expenses:				
Personnel services	$ 39,226	22.4%	(82)	(0.2%)
Supplies	6,939	4.0%	984	16.5%
Equipment	351	0.2%	(29)	(7.6%)
Contractual services	36,380	20.8%	1,989	5.8%
Depreciation	50,269	28.7%	1,379	2.8%
Interfund services used	3,557	2.0%	451	14.5%
Other operating expenses	71	0%	(26)	(26.8%)
Total operating expenses	136,793	78.1%	4,666	3.5%
Nonoperating expenses:				
Interest expense	38,265	21.9%	(2,018)	(5.0%)
Total nonoperating expenses	38,265	21.9%	(2,018)	(5.0%)
Total expenses	$ 175,058	100%	2,648	1.5%

Expenses

The following chart shows the major sources of operating expenses, and their percentage share of total operating expenses, for the year ended June 30, 2013:



(Dollars in thousands, unless otherwise indicated)

The following table summarizes Airport operating and nonoperating expenses, and their percentage share of total Airport operating and nonoperating expenses, for the year ended June 30, 2013:

	2013	% of total	$ Change from 2012	% Change from 2012
Operating expenses:				
Personnel services	$ 39,308	22.8%	$ 140	0.4%
Supplies	5,955	3.5%	1,716	40.5%
Equipment	380	0.2%	103	37.2%
Contractual services	34,391	19.9%	(800)	(2.3%)
Depreciation	48,890	28.4%	1,075	2.2%
Interfund services used	3,106	1.8%	210	7.3%
Other operating expenses	97	0.0%	(4)	(4.0%)
Total operating expenses	132,127	76.6%	2,440	1.9%
Nonoperating expenses:				
Interest expense	40,283	23.4%	158	0.4%
Total nonoperating expenses	40,283	23.4%	158	0.4%
Total expenses	$ 172,410	100.0%	$ 2,598	1.5%

Fiscal year 2014 operating revenues increased 1.5%, or $2,102. This results primarily from Concessions revenue increase of $2,198, an increase in Airfield revenue of $1,417, and a decrease in Terminal and Concourses revenues of $2,630. In addition, nonoperating revenues decreased 5.0%, or $1,394, due primarily to a decrease in Passenger Facility Charges revenue.

Fiscal year 2013 operating revenues increased 6.0%, or $7,905. This results primarily from Terminal and Concourse revenue increase of $1,771 and an increase in Airfield revenue of $3,540. In addition, nonoperating revenues decreased 1.0%, or $381, due primarily to a decrease in Passenger Facility Charges revenue.

Fiscal year 2014 operating expenses increased 3.5%, or $4,666, due to increases in Contractual Services and Depreciation.

Fiscal year 2013 operating expenses increased 1.9%, or $2,440, due to increases in Supplies and Depreciation.

Airline Use Rates and Charges

As of June 30, 2014, the Airport was served by 13 signatory airlines, which have use agreements, of which two are cargo carriers. Sixteen airlines have operating agreements, fifteen are designated as affiliates, and one of which is a cargo carrier. An individual airline that signed a Use and Lease Agreement with the Airport has a contract that establishes how the airlines are assessed annual rates and charges for their use of the Airport. These agreements will expire on June 30, 2016.

(Dollars in thousands, unless otherwise indicated)

Landing and rental fees are calculated on operating and maintenance expenses and are charged to the airlines based upon landing weights or square footage utilized. The amount charged is adjusted based upon actual expenses and actual landed weight. Nonaffiliated airlines with operating agreements and carriers landing without an Airport Agreement are assessed 125% of the landing fee rate assessed carriers with use agreements.

Capital Acquisitions and Construction Activities

During fiscal year 2014, the Airport expended $29,015 on capital activities related to construction in progress. During 2014, completed projects totaling approximately $57,355 were closed from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	$	38,379
Runway improvements		16,576
Roadway improvements		366
Airport Office Building, Banshee Buildings and others		2,034

During fiscal year 2013, the Airport expended $60,552 on capital activities related to construction in progress. During 2013, completed projects totaling approximately $28,268 were closed from construction in progress to their respective capital accounts. The major completed projects were as follows:

Terminal and concourse improvements	$	12,616
Runway improvements		13,118
Miscellaneous equipment		12
Roadway improvements		2,024
Airport Office Building, Banshee Buildings and others		498

Capital asset acquisitions and improvements exceeding $10,000 (in dollars) are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal grants, State of Missouri grants, passenger facility charges, debt issuances, and Airport operating revenues. Additional information on the Airport's capital assets and commitments can be found in the notes to the basic financial statements.

Passenger Facility Charges (PFC)

The Airport initially received approval from the FAA to impose a passenger facility charge of $3.00 (in dollars) per enplaned passenger beginning December 1, 1992, not to exceed $131,453, principally to finance the Airport Capital Improvement Program. On December 1, 2001, the Airport received approval to increase the PFC $4.50 (in dollars) per enplaned passenger. The current limitation on passenger facility charges to be collected is $1,006,700.

The PFC is withheld by the respective airline for each ticket or transfer in St. Louis and remitted to the Airport one month after collection, less a $0.11 (in dollars) per ticket operating fee by the airline. PFC revenue is classified as nonoperating revenue.

Long-Term Debt Administration

At June 30, 2014, the Airport had the following bond series outstanding:

Revenue Bonds, Series 1997B, dated August 15, 1997, maturing annually from fiscal year 2001 through 2015 with interest coupon of 6.00%

- Balance outstanding at June 30, 2014 - $ 5,910

Revenue Refunding Bonds, Series 2005, dated July 7, 2005, maturing annually from fiscal year 2013 through 2032 with interest coupon of 5.50%

- Balance outstanding at June 30, 2014 - $ 263,065

Revenue Refunding Bonds, Series 2007A, dated January 23, 2007, maturing annually from fiscal year 2013 through 2033 with interest coupons ranging from 4.25% to 5.25%

- Balance outstanding at June 30, 2014 - $ 209,180

Revenue Refunding Bonds, Series 2007B, dated April 3, 2007, maturing annually from fiscal year 2016 through 2028 with interest coupon of 5.00%

- Balance outstanding at June 30, 2014 - $ 104,735

Revenue Bonds, Series 2009A, dated July 14, 2009, maturing annually from fiscal year 2024 through 2035 with interest coupons ranging from 5.125% to 6.625%

- Balance outstanding at June 30, 2014 - $ 107,240

Revenue Refunding Bonds, Series 2011AB, dated June 30, 2011, maturing annually from fiscal year 2012 through 2016 with interest coupon of 5.00%

- Balance outstanding at June 30, 2013 - $ 13,185

Revenue Refunding Bonds, Series 2012, dated June 30, 2012, maturing annually from fiscal year 2013 through 2033 with interest coupons ranging from 3.00% to 5.00%

- Balance outstanding at June 30, 2014 - $ 29,375

Revenue Refunding Bonds, Series 2013, dated June 30, 2013, maturing annually from fiscal year 2014 through 2019 with interest coupons ranging from 2.00% to 5.00%

- Balance outstanding at June 30, 2014 - $ 31,460

Credit Ratings

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., have assigned ratings of "A3" and "A-" respectively, on the basis of the credit of the Airport.

Requests for Information

These basic financial statements are designed to provide a general overview of the Airport's finances for all those with an interest. Questions concerning any information provided in this report should be addressed to the Office of the Airport Assistant Director for Finance and Accounting, Lambert – St. Louis International Airport, P. O. Box 10212, St. Louis, Missouri, 63145.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheets

June 30, 2014 and 2013

(Dollars in thousands)

Assets		2014	2013
Current assets:			
Unrestricted assets:			
Cash and cash equivalents	$	66,461	49,555
Accounts receivable, net		7,072	7,376
Supplies and materials		2,579	2,245
Other current assets		767	558
Total unrestricted assets		76,879	59,734
Restricted assets:			
Cash and cash equivalents		48,644	17,867
Investments		9,713	33,051
Insurance recovery receivable		2,800	4,300
Accrued interest receivable		183	88
Passenger facility charges receivable		2,430	3,638
Government grants receivable		1,487	121
Total restricted assets		65,257	59,065
Total current assets		142,136	118,799
Noncurrent assets:			
Unrestricted:			
Investments		29,781	44,256
Restricted:			
Cash and cash equivalents		14,026	36,031
Investments		114,533	108,312
Capital assets, net		1,631,687	1,650,486
Other assets		1,689	1,689
Total noncurrent assets		1,791,716	1,840,774
Deferred outflow of resources		18,370	21,173
Total assets and deferred outflow of resources	$	1,952,222	1,980,746

(Continued)

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Balance Sheets

June 30, 2014 and 2013

(Dollars in thousands)

Liabilities and Net Position	**2014**	**2013**
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	$ 20,147	14,718
Unearned revenue and other current liabilities	1,579	717
Due to the City of St. Louis, Missouri	6,460	5,364
Total payable from unrestricted assets	28,186	20,799
Payable from restricted assets:		
Current maturities of revenue bonds payable	37,560	30,465
Accrued interest payable	20,152	20,205
Contracts and retainage payable	8,796	19,509
Total payable from restricted assets	66,508	70,179
Total current liabilities	94,694	90,978
Noncurrent liabilities:		
Revenue bonds payable, net	761,351	803,754
Other long-term liabilities	14,289	14,862
Total noncurrent liabilities	775,640	818,616
Total liabilities	870,334	909,594
Net position:		
Invested in capital assets	884,818	868,452
Restricted:		
Bond reserve funds	96,937	95,625
Passenger facility charges	30,919	29,134
Capital restoration	3,340	7,923
Unrestricted	65,874	70,018
Total net position	1,081,888	1,071,152
Total liabilities and net position	$ 1,952,222	1,980,746

See accompanying notes to basic financial statements.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statements of Revenues, Expenses, and Changes in Fund Net Position

Years ended June 30, 2014 and 2013

(Dollars in thousands)

		2014	2013
Operating revenue:			
Aviation revenue:			
Airfield	$	69,187	67,770
Terminal and concourses		21,604	24,234
Hangars and other buildings		1,093	954
Cargo buildings		482	733
Concessions		25,538	23,340
Parking, net		18,885	17,938
Lease revenue		4,740	4,458
Total operating revenue		141,529	139,427
Operating expenses:			
Personnel services		39,226	39,308
Supplies		6,939	5,955
Equipment		351	380
Contractual services		36,380	34,391
Depreciation		50,269	48,890
Interfund services used		3,557	3,106
Other operating		71	97
Total operating expenses		136,793	132,127
Operating income		4,736	7,300
Nonoperating revenue (expenses):			
Intergovernmental revenue		706	751
Investment revenue		1,569	2,137
Interest expense		(38,265)	(40,283)
Passenger facility charges		24,111	25,060
Other, net		287	119
Total nonoperating expenses, net		(11,592)	(12,216)
Loss before capital contributions, transfers, and extraordinary items, net		(6,856)	(4,916)
Capital contributions		16,318	21,615
Transfers to the City of St. Louis, Missouri		(6,328)	(6,607)
Extraordinary item – Settlement Proceeds		4,872	—
Extraordinary item – Natural disaster		2,730	4,300
Total capital contributions, transfers, and extraordinary items, net		17,592	19,308
Increase in net position		10,736	14,392
Total net position, beginning of year		1,071,152	1,071,301
Cumulative effect of change in accounting principle		—	(14,541)
Total net position, beginning of year, adjusted		1,071,152	1,056,760
Total net position, end of year	$	1,081,888	1,071,152

See accompanying notes to basic financial statements.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Statements of Cash Flows

Years ended June 30, 2014 and 2013

(Dollars in thousands)

		2014	2013
Cash flows from operating activities:			
Receipts from customers and users	$	141,113	132,882
Payments to suppliers of goods and services		(38,664)	(40,763)
Payments to or on behalf of employees		(39,536)	(39,374)
Payments for interfund services used		(2,563)	(2,708)
Net cash provided by operating activities		60,350	50,037
Cash flows from noncapital financing activity:			
Transfers to other funds of the City of St. Louis, Missouri		(6,328)	(6,607)
Net cash used in noncapital financing activity		(6,328)	(6,607)
Cash flows from capital and related financing activities:			
Cash collections from passenger facility charges		25,319	24,946
Receipt of federal financial assistance		15,659	27,687
Acquisition and construction of capital assets		(42,184)	(64,610)
Insurance recoveries		2,730	3,000
Proceeds from the sale of surplus property		287	2,123
Cash paid for bond refunding		—	(41,819)
Proceeds from issuance of bond		—	34,839
Principal paid on revenue bond maturities		(30,465)	(30,655)
Interest paid on revenue bonds		(40,357)	(41,804)
Net cash used in capital and related financing activities		(69,011)	(86,293)
Cash flows from investing activities:			
Purchases of investments		(321,678)	(285,232)
Proceeds from sales and maturities of investments		357,124	355,149
Investment income		2,491	2,528
Net cash provided by investing activities		37,937	72,445
Net increase in cash and cash equivalents		22,948	29,582
Cash and cash equivalents:			
Beginning of year:			
Unrestricted		49,555	37,737
Restricted		53,898	36,134
		103,453	73,871
End of year:			
Unrestricted		66,461	49,555
Restricted		62,670	53,898
	$	129,131	103,453
Reconciliation of operating gain to net cash provided by operating activities:			
Operating income	$	4,736	7,300
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation		50,269	48,890
Changes in assets and liabilities:			
Accounts receivable, net		(926)	(6,404)
Supplies and materials		(334)	190
Other assets		(209)	193
Accounts payable and accrued expenses		5,429	(290)
Unearned revenue		862	236
Due to/from the City of St. Louis, Missouri		1,096	495
Other long-term liabilities		(573)	(573)
Total adjustments		55,614	42,737
Net cash provided by operating activities	$	60,350	50,037
Supplemental disclosures for noncash financing activities:			
Unrealized loss on investments	$	(1,019)	(340)
Stock received for bankruptcy settlement		4,682	—

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

The Lambert – St. Louis International Airport (the Airport) is owned and operated by the City of St. Louis, Missouri (the City). The Airport is an enterprise fund of the City, and therefore, the basic financial statements of the Airport are not intended to present the financial position, changes in financial position, and cash flows of the City as a whole in conformity with U.S. generally accepted accounting principles.

(a) Basis of Accounting

Governmental enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Airport prepares its financial statements in accordance with U.S. generally accepted accounting principles for governmental enterprise funds, which are similar to those for private business enterprises. Accordingly, the economic resource measurement focus and the accrual basis of accounting are used whereby revenues are recorded when earned and expenses are recorded when incurred.

In reporting its financial activity, the Airport applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish accounting and financial reporting standards that reclassify and recognize, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In adopting this standard, the Airport recognized the effect of a change in accounting principle as of July 1, 2012, which decreased net position by $14,541 for prior period's capitalized bond issue costs, which were previously reported as "Deferred bond issue costs, net" on the Balance Sheet. Future bond issue costs will be included in interest expense when incurred. The Airport also changed the classification of the difference between the carrying value of defeased debt offsetting new debt, "Deferred amounts due on refunding" to a deferred outflow of resources from long-term debt. The pronouncement also limited the use of the term deferred to deferred outflows of resources.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's ongoing operations. Revenues from airlines, concessions, and parking are reported as operating revenues. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. All expenses related to operating the Airport are reported as operating expenses. Interest expense, financing costs, and losses on the disposal of capital assets are reported as nonoperating expenses.

(b) Accounts Receivable

Accounts receivable at June 30, 2014 and 2013 consist of $7,072 and $7,376, respectively, due from air carriers and concessionaires with operations at the Airport. Such amounts are recorded net of allowances for uncollectible accounts of $95 and $104 at June 30, 2014 and 2013, respectively.

(c) Supplies and Materials

Supplies and materials represent items used in support of operations and maintenance of the Airport. Supplies and materials amounts are recorded at cost using a method that approximates the first-in, first-out method.

(d) Passenger Facility Charges (PFCs)

The Airport collects a $4.50 (in dollars) facility charge per enplaned passenger to fund approved FAA projects. The PFCs are withheld by the respective airlines for each ticket purchased and passenger transfer made in St. Louis and remitted to the Airport one month after the month of receipt, less an $0.11 (in dollars) per ticket operating fee retained by the airlines. PFCs represent an exchange-like transaction, and are recognized as nonoperating revenue based upon passenger enplanements. Passenger facility charges receivable as of June 30, 2014 and 2013 were $2,430 and $3,638, respectively. These amounts were collected during July and August of 2014 and 2013, respectively.

(e) Capital Assets

Capital assets are recorded at cost. Depreciation, including depreciation recognized on assets acquired through government grants and other aid, is computed on the straight-line method over the estimated useful lives of the various classes of assets. Land is recorded at cost, which, in addition to the purchase price, includes appraisal and legal fees, demolition, and homeowner relocation costs. Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and amortized over the life of the related asset.

Airport management has evaluated prominent events or changes in circumstances affecting capital assets to determine whether any impairments of capital assets have occurred (note 12). Such events or changes in circumstances that were considered by Airport management to be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage.

(f) Interest Expense

Bond discounts and bond premiums are recorded as reductions of or additions to the related debt obligation as appropriate. Such amounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bond issuance costs were treated the same, but have been revised in accordance with GASB 65, which states that this cost should be recognized as an outflow of resources and expensed rather than amortized. Fiscal year 2013 has been restated to reflect this adoption of accounting principle. See note (1)(a) and (6).

(g) Other Assets

Other assets, as of June 30, 2014 and 2013, comprise an advance of $1,689 provided to the Airport's parking contractor and will be repaid to the Airport at the conclusion of the parking contract.

(h) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2014 and 2013 comprise $5,082 and $5,228, respectively, of accrued salaries and benefits; $14,223 and $8,678, respectively, due to vendors and contractors; and $842 and $812, respectively, of other accrued expenses.

(i) Vacation and Sick Leave Benefits

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave. Employees who have an unused sick leave balance may, at retirement, elect to receive payment for one-half of the sick leave balance. As an estimate of the portion of sick leave that will result in termination payments, a liability has been recorded on the accompanying financial statements within other long-term liabilities representing one-half of the accumulated sick leave balances for those employees who will be eligible to retire within five years. The liability totaled $1,639 and $1,781 as of June 30, 2014 and 2013, respectively, and is included in other long-term liabilities.

The vacation liability reflects amounts attributable to employee services already rendered and are cumulative. The liability totaled $3,105 and $3,252 as of June 30, 2014 and 2013, respectively, and is included in accounts payable and accrued expenses.

(j) Capital Contributions and Intergovernmental Revenue

Capital contributions represent government grants and other aid used to fund capital projects. Generally, capital contributions are recognized when the related expenditure is made and amounts become subject to claim for reimbursement. Certain Airport Improvement Program grants include look-back provisions, which allow the Airport to seek reimbursement for expenditures incurred prior to the respective Airport Improvement Program grant award date. In such circumstances, the Airport recognizes capital contributions for such grants upon meeting both the applicable eligibility requirements established by GASB Statement No. 33, *Accounting for Nonexchange Transactions*, and upon the designation of expenditures as eligible Airport Improvement Program expenditures as evaluated through the report date of the accompanying financial statements. Amounts received from other governments that are not restricted for capital purposes are reflected as nonoperating intergovernmental revenue.

(k) Statements of Cash Flows

For purposes of the statements of cash flows, “cash and cash equivalents” is defined as all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

(l) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(m) Reclassifications

Certain prior year amounts have been reclassified to conform to current year amounts.

(2) Cash and Investments

Investments are recorded at fair value. Fair value for investments is determined by closing market prices at year-end as reported by the respective investment custodian.

The Airport deposits all cash with the Office of the Treasurer of the City, which maintains all banking relationships for the Airport. Additionally, all investment decisions are made by the City Treasurer and the City’s agents.

Certificates of deposit are defined as investments for balance sheet classification and cash flow purposes; for custodial risk disclosure, however, they are described below as cash deposits. In addition, money market mutual funds are classified as cash and cash equivalents on the balance sheet, but as investments for custodial risk disclosure.

The Airport’s current assets contemplate the exclusion of resources that are restricted as to withdrawal or use for other than current operations, are designated for expenditure in the acquisition or construction of noncurrent assets, or are segregated for the liquidation of long-term debts (except for maturing debt that is recorded as a current liability).

(Dollars in thousands, unless otherwise indicated)

As of June 30, 2014 and 2013, the Airport had the following cash deposits and investments:

		2014	2013
Federal Home Loan Bank	$	47,075	51,190
Federal National Mortgage Association		17,003	26,138
Federal Home Loan Mortgage Corporation		31,944	29,516
Federal National Mortgage Pool		2,511	14,545
Federal Farm Credit Discount Notes		—	2,498
Federal Agricultural Mortgage Corp.		—	17,239
U.S. Treasury Bills and Notes		54,446	43,459
Government Backed Trusts		1,048	1,034
Money Market Mutual Funds		50,171	39,509
Certificates of deposit		—	23,830
Other cash deposits		51,055	40,114
Commercial Paper		27,905	—
	$	283,158	289,072

State statutes and City investment policies authorize the deposit of funds in financial institutions and trust companies. Investments may be made in obligations of the United States Government or any agency or instrumentality thereof; bonds of the State of Missouri, the City of St. Louis, Missouri, or any city within the state with a population of 400,000 inhabitants or more; or time certificates of deposit. In addition, the City may enter into repurchase agreements maturing and becoming payable within 90 days secured by United States Treasury obligations or obligations of the United States Government agencies or instrumentalities of any maturity as provided by law. City funds in the form of cash on deposit or time certificates of deposit are required to be insured or collateralized by authorized investments held in the City's name.

(a) Interest Rate Risk

The Airport seeks to minimize its exposure to fair value losses arising from changes in interest rates by selecting investments in adherence to the Investment Policy for the City of St. Louis, Missouri (Investment Policy). The Investment Policy provides that, to the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities or make a time deposit with a stated maturity or more than five years from the date of purchase. The average maturity for collateral provided to the City for deposits in connection with a repurchase agreement shall not exceed five years without the written approval of the City Treasurer. In connection with any outstanding bond issue, debt service reserve funds may be invested to a maximum maturity of 15 years, and up to 30 years with the approval of the Treasurer.

(Dollars in thousands, unless otherwise indicated)

The investments had the following maturities on June 30, 2014:

		Investment maturities (in years)		
	Fair value	**Less than 1**	**1–5**	**6–10**
Federal Home Loan Bank	$ 47,075	13,414	33,661	—
Federal National Mortgage				—
Association	17,003	3,241	13,762	—
Federal Home Loan Mortgage Corporation	31,944	22,530	9,414	—
Commercial Paper	27,905	27,905	—	—
U.S. Treasury Bills and Notes	54,446	119	54,327	—
Federal National Mortgage Pool	2,511	2,511	—	—
Government Backed Trusts	1,048	1,048	—	—
Money Market Mutual Funds	50,171	50,171	—	—
	$ 232,103	120,939	111,164	—

The investments had the following maturities on June 30, 2013:

		Investment maturities (in years)		
	Fair value	**Less than 1**	**1 – 5**	**6 – 10**
Federal Home Loan Bank	$ 51,190	48,756	2,434	—
Federal National Mortgage Association	26,138	5,967	20,171	—
Federal Home Loan Mortgage Corporation	29,516	25,169	4,347	—
Federal Farm Credit Discount Notes	2,498	2,498	—	—
Federal Agricultural Mortgage Corporation	17,239	17,239	—	—
U.S. Treasury Bills and Notes	43,459	38,799	4,660	—
Federal National Mortgage Pool	14,545	14,545	—	—
Government Backed Trusts	1,034	—	1,034	—
Money Market Mutual Funds	39,509	39,509	—	—
	$ 225,128	192,482	32,646	—

(b) Credit Risk

The Investment Policy provides that investments of the City be rated in one of the three highest ratings categories by Moody's Investors Service, Standard & Poor's Corporation, or Fitch's Ratings Service.

(Dollars in thousands, unless otherwise indicated)

The investments had the following ratings on June 30, 2014:

		Investment Ratings (Standard and Poor's)				
	Fair value	AAA	A-1+	A-1	AA+	Not Rated
Federal Home Loan Bank	$ 47,075	—	—	—	46,576	499
Federal National Mortgage Association	17,003	—	—	—	17,003	—
Federal Home Loan Mortgage Corporation	31,944	—	—	—	24,621	7,323
Commercial Paper	27,905	—	8,952	18,953	—	—
Federal National Mortgage Pool	2,511	—	—	—	—	2,511
U.S. Treasury Bills and Notes*	54,446	—	—	—	—	54,446
Government Backed Trusts	1,048	—	—	—	1,048	—
Money Market Mutual Funds	50,171	50,171	—	—	—	—
	$ 232,103	50,171	8,952	18,953	89,248	64,779

* The Airport's investments in U.S. Treasury Bills and Notes are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

The investments had the following ratings on June 30, 2013:

		Investment Ratings (Standard and Poor's)			
	Fair value	AAA	A-1+	AA+	Not Rated
Federal Home Loan Bank	$ 51,190	—	12,923	38,267	—
Federal National Mortgage Association	26,138	—	2,962	23,176	—
Federal Home Loan Mortgage Corporation	29,516	—	25,170	4,346	—
Federal Farm Credit Discount Notes	2,498	—	—	2,498	—
Federal National Mortgage Pool	14,545	—	—	—	14,545
U.S. Treasury Bills and Notes*	43,459	—	—	—	43,459
Government Backed Trusts	1,034	—	—	1,034	—
Money Market Mutual Funds	39,509	39,509	—	—	—
Federal Agricultural Mortgage Corporation	17,239	—	—	—	17,239
	$ 225,128	39,509	41,055	69,321	75,243

* The Airport's investments in U.S. Treasury Bills and Notes are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

(c) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Airport will not be able to recover the value of the investments or collateral securities that are in the possession of the counterparty.

(Dollars in thousands, unless otherwise indicated)

The Investment Policy requires that all cash deposits, time certificates of deposit, deposits with listed institutions, and repurchase agreements be covered by adequate pledged collateral. Acceptable collateral includes U.S. Treasury obligations, other interest-bearing securities guaranteed as to principal and interest by the U.S. or an agency or instrumentality of the U.S., bonds of the State of Missouri, or bonds of the City. The market value of the principal and accrued interest of the collateral must equal 103% of the deposits secured, less any amount subject to federal deposit insurance. All City securities and securities pledged as collateral must be held in a segregated account on behalf of the City by an independent third party with whom the City has a current custodial agreement and has been designated by the Treasurer and Funds Committee as eligible to serve in such a capacity.

At June 30, 2014 and 2013, all Airport investments and all collateral securities pledged against Airport deposits are held by the counterparty's trust department or agent in the City's name.

(d) Concentration of Credit Risk

The Investment Policy of the City provides that, with the exception of U.S. Treasury Securities, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The Airport has no separate policy related to the concentration of credit risk, and the Airport's concentration of credit risk is considered in conjunction with the review of the concentration of credit risk for the City's total investment portfolio.

At June 30, 2014, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal Home Loan Bank	20.28%
Federal National Mortgage Assoc.	7.33
Federal Home Loan Mortgage Corp.	13.76
Commercial Paper	12.02
U.S. Treasury Bills and Notes	23.46
Federal National Mortgage Pool	1.08
Government Backed Trusts	0.45
Money Market Mutual Funds	21.62
	100.00%

(Dollars in thousands, unless otherwise indicated)

At June 30, 2013, the concentration of the Airport's investments (excluding cash deposits) was as follows:

Federal Home Loan Bank	22.74%
Federal National Mortgage Assoc.	11.61
Federal Home Loan Mortgage Corp.	13.11
Federal Farm Credit Discount Notes	1.11
U.S. Treasury Bills and Notes	19.30
Federal National Mortgage Pool	6.46
Government Backed Trusts	0.46
Money Market Mutual Funds	17.55
Federal Agricultural Mortgage Corp.	7.66
	100.00%

(3) Restricted Assets

Cash and investments, restricted in accordance with bond provisions, are as follows at June 30, 2014 and 2013:

		2014	2013
Airport Bond Fund:			
Debt Service Account	$	58,357	50,919
Debt Service Reserve Account		38,396	44,618
Airport Renewal and Replacement Fund		3,500	3,500
Passenger Facility Charge Fund		28,488	25,496
Airport Debt Service Stabilization Fund		38,211	38,211
Airport Construction Fund		17,999	30,508
Drug Enforcement Agency Funds		1,965	2,009
	$	186,916	195,261

Bond provisions require that revenues derived from the operation of the Airport be deposited into the unrestricted Airport Revenue Fund. From this fund, the following allocations are made (as soon as practicable in each month after the deposit of revenues, but no later than five business days before the end of each month) in the following order of priority, and as applicable:

(a) Unrestricted Airport Operation and Maintenance Fund: an amount sufficient to pay the estimated operation and maintenance expenses during the next month

(b) Airport Bond Fund: for credit to the Debt Service Account if and to the extent required so that the balance in said account shall equal the accrued aggregate debt service on the bonds, to the last day of the then-current calendar month. This account shall be used only for payment of bond principal and interest as the same shall become due.

(c) Airport Bond Fund: for credit to the Debt Service Reserve Account: an amount sufficient to maintain a balance in such account equal to the debt service reserve requirement (an amount equal to the greatest amount of principal and interest due in any future fiscal year). This account shall be available for deficiencies in the Debt Service Account on the last business day of any month, and the balance shall be transferred to the Debt Service Account whenever the balance in the Debt Service Account (before the transfer) is not sufficient to pay fully all outstanding bonds.

(d) Arbitrage Rebate Fund: an amount necessary to fund the Arbitrage Rebate in order to pay the Rebate Amount when due and payable

(e) Subordinated Indebtedness: an amount sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness

(f) Airport Renewal and Replacement Fund: an amount equal to $57, provided that no deposit shall be required to be made into said fund whenever and as long as uncommitted moneys in said fund are equal to or greater than $3,500 or such larger amount as the City shall determine is necessary for purposes of said fund and provided further that, if any such monthly allocation to said fund shall be less than the required amounts, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency. This fund shall be used for paying costs of renewal or replacement of capital items used in connection with the operation of the Airport.

(g) A subaccount in the Airport Revenue Fund: an amount determined from time to time by the City such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport fiscal year, the balance in such subaccount shall equal the amounts payable to the City with respect to such Airport fiscal year for the payment of 5% of gross receipts from operations of the Airport. A maximum of 80% of the monthly transfer to this subaccount may be paid to the City during the Airport's fiscal year. The final installment may only be paid to the City upon delivery of the Airport's audited financial statements to the Airport Bond Fund Trustee.

(h) Airport Debt Service Stabilization Fund and the Airport Development Fund: various amounts for fiscal years 2006 through 2011, achieved a balance of $38,211 at the end of fiscal year 2011. Beginning in fiscal year 2012, the Airport will allocate an amount sufficient to bring the amount on deposit in the Debt Stabilization Fund equal to the Debt Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).

(i) The remaining balance in the Revenue Fund shall be deposited into the Airport Development Fund. This fund shall be used for extensions and improvements to the Airport, including equipment acquisition.

Bond provisions provide that, in the event the sums on deposit in the Airport Bond Fund – Debt Service and Debt Service Reserve Accounts are insufficient to pay accruing interest, maturing principal or both, Airport Development Fund, and Airport Renewal and Replacement Fund may be drawn upon, to the extent necessary, to provide for the payment of such interest, principal, or both. Any sums so withdrawn from these accounts for said purposes shall be restored thereto in the manner provided for in their original establishment. Bond provisions also provide that the principal proceeds from the sale of Airport revenue bonds shall be held in the Airport Construction Fund from which they shall be disbursed for the purposes contemplated in the related bond provisions and City ordinances.

(Dollars in thousands, unless otherwise indicated)

Passenger Facility Charge Fund and Drug Enforcement Agency Funds are restricted in accordance with program agreements.

(4) Capital Assets

Following is a summary of the changes in capital assets for the year ended June 30, 2014:

	Balances, June 30, 2013	Additions	Retirements	Transfers	Balances, June 30, 2014
Capital assets being depreciated:					
Pavings	$ 990,503	—	—	16,942	1,007,445
Buildings and facilities	533,992	—	—	40,413	574,405
Equipment	78,816	3,271	(802)	—	81,285
	1,603,311	3,271	(802)	57,355	1,663,135
Less accumulated depreciation:					
Pavings	(404,461)	(30,674)	—	—	(435,135)
Buildings and facilities	(338,032)	(16,112)	—	—	(354,144)
Equipment	(54,484)	(3,483)	654	—	(57,313)
Total accumulated depreciation	(796,977)	(50,269)	654	—	(846,592)
Total capital assets being depreciated	806,334	(46,998)	(148)	57,355	816,543
Capital assets not being depreciated:					
Land	751,517	89	—	—	751,606
Construction in progress	89,129	29,015	(757)	(57,355)	60,032
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	844,152	29,104	(757)	(57,355)	815,144
	$ 1,650,486	(17,894)	(905)	—	1,631,687

(Dollars in thousands, unless otherwise indicated)

Following is a summary of the changes in capital assets for the year ended June 30, 2013:

	Balances, June 30, 2012	Additions	Retirements	Transfers	Balances, June 30, 2013
Capital assets being depreciated:					
Pavings	$ 975,361	—	—	15,142	990,503
Buildings and facilities	520,878	—	—	13,114	533,992
Equipment	74,582	4,366	(144)	12	78,816
	1,570,821	4,366	(144)	28,268	1,603,311
Less accumulated depreciation:					
Pavings	(374,411)	(30,050)	—	—	(404,461)
Buildings and facilities	(322,529)	(15,503)	—	—	(338,032)
Equipment	(51,289)	(3,337)	142	—	(54,484)
Total accumulated depreciation	(748,229)	(48,890)	142	—	(796,977)
Total capital assets being depreciated	822,592	(44,524)	(2)	28,268	806,334
Capital assets not being depreciated:					
Land	751,356	161	—	—	751,517
Construction in progress	58,496	60,552	(1,651)	(28,268)	89,129
Easements	3,506	—	—	—	3,506
Total capital assets not being depreciated	813,358	60,713	(1,651)	(28,268)	844,152
	$ 1,635,950	16,189	(1,653)	—	1,650,486

Construction in progress as of June 30, 2014 consists of various improvements to the airfield and terminal buildings, as well as property purchased on which the Airport's expansion facilities will be constructed.

The estimated useful lives of capital assets are as follows:

	Years
Pavings	5–30
Buildings and facilities	5–30
Equipment	3–20

(Dollars in thousands, unless otherwise indicated)

(5) Change in Long-Term Liabilities

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2014:

	Balance, June 30, 2013	Additions	Reductions	Balance, June 30, 2014	Due within one year
Revenue bonds payable (note 6)	$ 794,615	—	(30,465)	764,150	37,560
Unamortized discounts and premiums (note 6)	39,604	—	(4,843)	34,761	—
Net pension obligation (note 14)	1,733	—	(26)	1,707	—
Pension Funding Project (note 14)	5,254	—	(97)	5,157	103
Other long-term liabilities	438	—	(18)	420	—
Accrued vacation, compensatory, and sick time benefits	5,465	3,497	(3,827)	5,135	3,497
Unearned lease revenues	5,751	—	(281)	5,470	—
Total	$ 852,860	3,497	(39,557)	816,800	41,160

Following is a summary of the changes in long-term liabilities for the year ended June 30, 2013:

	Balance, June 30, 2012	Additions	Reductions	Balance, June 30, 2013	Due within one year
Revenue bonds payable (note 6)	$ 833,960	31,460	(70,805)	794,615	30,465
Unamortized discounts and premiums (note 6)	41,116	3,379	(4,891)	39,604	—
Net pension obligation (note 14)	1,759	—	(26)	1,733	—
Pension Funding Project (note 14)	5,345	—	(91)	5,254	97
Other long-term liabilities	461	—	(23)	438	—
Accrued vacation, compensatory, and sick time benefits	5,636	3,684	(3,855)	5,465	3,682
Unearned lease revenues	6,031	—	(280)	5,751	—
Total	$ 894,308	38,523	(79,971)	852,860	34,244

(Dollars in thousands, unless otherwise indicated)

(6) Revenue Bonds Payable

Bonds outstanding at June 30, 2014 and 2013 are summarized as follows:

	2014	2013
Bond Series 1997B, interest rate of 6%, payable in varying amounts through 2015	$ 5,910	11,515
Bond Series 2002, Series A, interest rates ranging from 4.00% to 5.25%, payable in varying amounts through 2014	—	1,760
Bond Series 2005, interest rate of 5.50%, payable in varying amounts through 2032	263,065	263,695
Bond Series 2007A, interest rate ranging from 4.25% to 5.25%, payable in varying amounts through 2033	209,180	222,605
Bond Series 2007B, interest rate of 5.00%, payable in varying amounts through 2028	104,735	104,735
Bond Series 2009A, interest rate ranging from 5.125% to 6.625%, payable in varying amounts through 2035	107,240	107,240
Bond Series 2011AB, interest rate of 5.00%, payable in varying amounts through 2016	13,185	20,210
Bond Series 2012, interest rate ranging from 3.00% to 5.00%, payable in varying amounts through 2033	29,375	31,395
Bond Series 2013, interest rate ranging from 2.00% to 5.00%, payable in varying amounts through 2019	31,460	31,460
	764,150	794,615
Less:		
Current maturities	(37,560)	(30,465)
Unamortized discounts and premiums	34,761	39,604
	(2,799)	9,139
	$ 761,351	803,754

Interest payments on the above issues are due semiannually on January 1 and July 1.

On June 30, 2013, the Airport issued $31,460 in Series 2013 Revenue Refunding Bonds payable in varying amounts from 2014 through 2019 with interest rates ranging from 2% to 5%. At June 30, 2013, $40,150 of 2003 A Series Revenue Refunding bonds are considered defeased. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements.

The Airport completed the advance refunding to reduce its total debt services payments over the next five years by $10,383 and to obtain an economic gain (difference between the present value of the old and new debt services payments) of $3,365.

(Dollars in thousands, unless otherwise indicated)

Debt-Related Items Presented as Deferred Outflows of Resources

In accordance with GASB 65, the loss on bond defeasance has been recorded as a deferred outflow of resources, net of the accumulated amortization and will be recognized as a component of interest expense using the bonds outstanding method over the life of the new bonds or of the old bonds, whichever is less. The detail of the debt-related items recognized as deferred outflows of resources is presented below:

Debt-Related Deferred Outflow of Resources

		2014	2013
Loss on bond defeasance	$	18,370	21,173
Deferred outflow of resources	$	18,370	21,173

Management is not aware of any violations of significant bond covenants with respect to the above issues at June 30, 2014 and 2013.

As of June 30, 2014, the Airport's aggregate debt service requirements for the next five years and in five-year increments thereafter are as follows:

		Principal	Interest	Total
Year(s) ending June 30:				
2015	$	37,560	39,457	77,017
2016		39,785	37,565	77,350
2017		38,400	35,551	73,951
2018		40,475	33,475	73,950
2019		42,585	31,283	73,868
2020–2024		194,245	126,127	320,372
2025–2029		209,930	73,670	283,600
2030–2034		151,875	19,616	171,491
2035		9,295	308	9,603
	$	764,150	397,052	1,161,202

In prior years, the Airport advance-refunded various Airport Revenue Bonds by placing funds in an irrevocable trust to provide for all future debt service payments on these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Airport's financial statements. At June 30, 2014 and 2013, $397,750 of these outstanding bonds related to 1992, 1997A, and 2001A Series is considered defeased, and $459,290 of these outstanding bonds related to the 1992, 1997A, 2001A, and 2003A Series is considered defeased.

(Dollars in thousands, unless otherwise indicated)

(7) Use Agreements and Leases with Signatory Air Carriers

Effective July 1, 2011, the Airport entered into long-term use and lease agreements with signatory air carriers that will expire on June 30, 2016. Under the terms of the use and lease agreements, the air carriers have agreed to pay airfield landing fees; terminal and concourse rentals; hangar, cargo, and maintenance facility rentals; and certain miscellaneous charges in consideration for use of the Airport. The use and lease agreements also require the Airport to make certain capital improvements and to provide maintenance of certain Airport facilities. Payments by the air carriers are determined as follows:

(a) Landing fees are calculated based on estimated operating and maintenance expenses of the airfield and allocated to the air carriers on the basis of landing weights. Landing fee revenues are adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred and estimated and actual landing weights. These revenues are included in aviation revenue – airfield.

(b) Rentals are calculated based on estimated operating and maintenance expenses of the terminal and concourse areas and hangars, cargo, and maintenance facilities, and allocated to the air carriers on the basis of square footage utilized. Rental revenue is adjusted each year by retroactive rate adjustment that is calculated as the difference between estimated and actual costs incurred. These revenues are included in aviation revenue – terminal and concourses, hangars and other buildings, or cargo buildings.

(c) Miscellaneous income is derived from the air carriers for their use of sanitary disposal facilities and airline service buildings.

During fiscal years 2014 and 2013, revenues from signatory air carriers accounted for 54.6% and 55.4%, respectively, of total Airport operating revenues.

Minimum future rentals for each year in the next five years and in the aggregate are not determinable given the method of calculation.

The following is a summary of aviation revenue by category and source from signatory and nonsignatory air carriers for the years ended June 30, 2014 and 2013:

		2014		
		Signatory	Nonsignatory	Total
Airfield	$	57,261	11,926	69,187
Terminal and concourses		19,306	2,298	21,604
Hangars and other buildings		513	580	1,093
Cargo buildings		127	355	482
	$	77,207	15,159	92,366

(Dollars in thousands, unless otherwise indicated)

	2013		
	Signatory	**Nonsignatory**	**Total**
Airfield	$ 54,901	12,869	67,770
Terminal and concourses	21,597	2,637	24,234
Hangars and other buildings	384	570	954
Cargo buildings	291	442	733
	$ 77,173	16,518	93,691

No assurance can be given as to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including (1) the growth in the population and the economy of the area served by the Airport; (2) national and international political and economic conditions, including the effects of any past or future terrorist attacks; (3) air carrier economics and air fares; (4) the availability and price of aviation fuel; (5) air carrier service and route networks; (6) the capacity of the air traffic control system; and (7) the capacity of the Airport/airways system.

The level of aviation activity at the Airport can have a material impact on the amount of total revenues generated at the Airport. However, Airport management believes the risk of significant variance in Airport revenues is mitigated by the Airport Use Agreements, concession agreements, and other leases, which contain minimum annual revenue guarantees.

(8) Use Agreement with Signatory Air Carriers – Southwest Airlines and American Airlines, Inc.

Southwest Airlines (Southwest) and American Airlines, Inc. (American) and represent the major air carriers providing air passenger service at the Airport.

Southwest provided 28% and 27% of the Airport’s total operating revenues and 51% and 49% of total revenues from participating air carriers for the fiscal years ended June 30, 2014 and 2013, respectively. Accounts receivable at June 30, 2014 and 2013 contained $708 and $143, respectively, relating to amounts owed to the Airport by Southwest. These amounts include $274 of unbilled aviation revenues at June 30, 2014 and $414 of unbilled aviation revenue credits at June 30, 2013.

American provided 10% and 11% of the Airport’s total operating revenues and 18% and 20% of total revenues from signatory air carriers for the fiscal years ended June 30, 2014 and 2013, respectively. Accounts receivable at June 30, 2014 and 2013 contained $544 and $1,002, respectively, relating to amounts owed to the Airport by American. These amounts include $191 of unbilled aviation revenue credits at June 30, 2014 and $95 of unbilled aviation revenues at June 30, 2013.

(Dollars in thousands, unless otherwise indicated)

(9) Operating Leases

The Airport leases facilities and land with varying renewal privileges to various nonsignatory air carriers, concessionaires, and others. These leases, for periods ranging from 1 to 50 years, require the payment of minimum annual rentals. The following is a schedule by year of minimum future rentals on noncancelable operating leases, other than leases with signatory airlines, pursuant to long-term use agreements:

Year(s) ending June 30:		
2015	$	22,949
2016		20,926
2017		20,448
2018		20,246
2019		20,193
2020–2024		36,170
2025–2029		9,920
2030–2034		8,909
2035–2038		575
Total minimum future rentals	$	160,336

The above amounts do not include contingent rentals that may be received under certain leases. Such contingent rentals amounted to $739 and $2,997 for the years ended June 30, 2014 and 2013, respectively.

Unearned lease revenues included in other long-term liabilities in the amount of $5,470 and $5,751 as of June 30, 2014 and 2013, respectively, represent the upfront lease revenues received by the Airport for the lease of certain land.

The Airport leases computer and other equipment and has service agreements under noncancelable arrangements that expire at various dates through September 2018. Expenses for operating leases and service agreements were $66 and $98 for the years ended June 30, 2014 and 2013, respectively. Future minimum payments are as follows:

Year ending June 30:		
2015	$	45
2016		37
2017		20
2018		7
2019		1
Total minimum future rentals	$	110

(10) Concessions Revenues

During fiscal years 2014 and 2013, revenues from concessionaires accounted for 18% and 17%, respectively, of total Airport operating revenues.

(Dollars in thousands, unless otherwise indicated)

Following is a summary of rental revenues received by type of concessionaire for the years ended June 30, 2014 and 2013:

		2014	2013
Advertising	$	1,387	1,429
Transportation services		1,135	1,129
Automobile rental		11,667	11,311
General merchandise sales		4,805	2,983
Food and catering services		4,624	4,465
Other		1,920	2,023
	$	25,538	23,340

(11) Parking Revenue, net

Parking revenues, net represents revenues collected in conjunction with the operations of the Airport parking facilities, net of related expenses. Gross parking revenue and parking expenses for the years ended June 30, 2014 and 2013 are as follows:

		2014	2013
Parking revenues	$	30,078	28,282
Parking expenses		(11,193)	(10,344)
Parking revenues, net	$	18,885	17,938

(12) Impairment of Capital Assets

Airport management performed an evaluation of capital assets, including whether prominent events or changes in circumstances affecting capital assets occurred, which may be indicative of impairment. As a result of evaluation of capital assets performed, and subsequent measurement of potential impairment losses, the Airport did not identify any impairments of capital assets during the years ended June 30, 2014 and 2013.

(13) Related-Party Transactions

During the years ended June 30, 2014 and 2013, the City charged the Airport $2,683 and $2,560, respectively, for services rendered by various City departments, which are included in the Airport's operating expenses as interfund services used.

Each year, the Airport pays the City a gross receipts tax equal to 5% of the Airport's gross receipts. During the years ended June 30, 2014 and 2013, gross receipts tax amounted to $6,328 and $6,607, respectively, and is reflected as transfers-out in the accompanying basic financial statements. As of June 30, 2014 and 2013, $4,600 and $3,184, respectively, remain unpaid.

(14) Retirement Plans

All employees of the Airport are covered by the following Citywide employee retirement plans. Financial information has been taken directly from the financial statements that were audited by other auditors and whose reports have been furnished to us. The employees of the Airport Fire Department are covered by the Firemen's Retirement System of St. Louis (FRS), a single-employer defined-benefit retirement plan. Effective February 1, 2013, the City passed Ordinances #69149 and #69245 (amended by #69353) and Judge Dierker's ruling (Board Bill 109) replaced the FRS with a new retirement system, The Firefighters' Retirement Plan (FRP). All other employees are covered by the Employees' Retirement System of the City of St. Louis (Employees' System), a cost-sharing, multiple-employer, public defined-benefit retirement plan. Each system is administered by a separate Board of Trustees, members of which are appointed by City officials and plan participants.

Firemen's Retirement System of St. Louis (FRS)

(a) System Description

The FRS issues a publicly available financial report that includes financial statements and supplementary information. That information may be obtained by writing to the Firemen's Retirement System of St. Louis; 1601 S. Broadway; St. Louis, Missouri, 63104.

The following disclosures are based on the September 30, 2013 financial statements and the October 1, 2013 actuarial valuation. The valuation as of October 1, 2013, reflects the changes attributable to Ordinances #69245 and #69353, and Judge Dierker's subsequent ruling (Board Bill 109). Key changes to the FRS are as follows:

- FRS is frozen as of February 1, 2013. That is, benefits paid from FRS will be based on the member's service and salary earned as of February 1, 2013. Participants with benefit service in FRS are classified as "grandfathered" members.
- Firefighters hired after February 1, 2013 are not members of FRS.
- Vesting and eligibility service earned after February 1, 2013 in the newly established Firemen's Retirement Plan of St. Louis (FRP) will count toward vesting and eligibility service in FRS.
- Ancillary benefits, for disability or death occurring after February 1, 2013, are assumed to be paid form the newly established FRP to the extent that benefits do not depend on service earned prior to February 1, 2013.
- Employer contributions to the frozen FRS will continue to be calculated under the Frozen Initial Liability cost method.
- Member contributions after February 1, 2013 from "grandfathered" participants in FRS will be paid to the FRP.

- Grandfathered members with 20 or more years of service as of February 1, 2013 are eligible to retire with unreduced FRP benefits if retirement commences before age 55.
- Grandfathered members with less than 20 years of service as of February 1, 2013 are eligible to retire with actuarially reduced FRP benefits if retirement commences before age 55.

As a result of Board Bill 109, the following assumptions were made:

- Since benefits paid under FRS will no longer depend on future salary increases, future salary increase assumptions have been eliminatd in the projection of pay and valuation of benefits. Costs will continue to be spread over the present value of future salary, which includes future salary increases.
- It is assumed that grandfathered members with less than 20 years of service as of February 1, 2013 will not retire prior to age 55. The retirement rates were adjusted to reflect accelerated retirement when these members first become eligible at age 55.
- It was assumed the FRS frozen benefit relating to service and pay as of February 1, 2013 will be used to offset postretirement survivor benefits paid under FRP.
- The overall rates of disability were not changed, but the proportion of ordinary accidental disabilities was changed from 20% ordinary and 80% accidental to 60% ordinary and 40% accidental.

Plan liabilities for FRS after Board Bill 109 are predominantly for retired members and their beneficiaries. That is, the proportion of retired liabilities to total plan liabilities is projected to be over 80% within 10 years.

An agreement between the City and FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess FRS City contributions will be transferred from FRS to FRP equal to the FRP City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess FRS City contribution may be credited towards the FRS Entry Age Normal Agreement (Fireman's Retirement EAN Note). The valuation as of October 1, 2013 does not consider any transfer or credit of excess FRS contributions discussed above.

The FRS, in accordance with Ordinance #62994 of the City, initiated during the Firemen's System's fiscal year ended August 31, 1994, the Deferred Retirement Option Plan (DROP). The DROP plan is available to members of the system who have achieved at least 20 years of creditable service and have eligibility for retirement. Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly into the DROP account of the member, and the member's contribution will be reduced to 1% from the normal 8%. During participation in the DROP plan, the member will not receive credit for employer contributions or credit for service. A member may participate in the DROP only once for any period up to five years.

(Dollars in thousands, unless otherwise indicated)

At retirement, the funds in the member's DROP account plus interest and accrued sick leave, if elected, are available to the member in a lump sum or in installments.

(b) *Funding Policy*

Firefighters contributed 8% of their salary to the FRS, as mandated per State statute and adopted by City ordinance through February 1, 2013 (date frozen). The City is required to contribute the remaining amounts necessary to fund the FRS.

(c) *Annual Pension Cost*

Contributions of $2,067 were made to the FRS by the Airport during the fiscal year ended June 30, 2014. The contribution consisted of $2,067 of normal cost, plus $0 in unfunded actuarial accrued liability amortization payments in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at October 1, 2013. The following were some of the significant actuarial assumptions used in the valuation of the Firemen's System:

Valuation date	October 1, 2013
Actuarial cost method	Entry Age – Frozen Initial Liability
Amortization method	30-year closed period from establishment
Remaining amortization period	Various
Asset valuation methods	3-year smoothed market
Inflation rate	3.000%, per year
Investment rate of return	7.625%
Projected salary increases	None
Projected post-retirement benefit increases:	
Under age 60:	
20–24 service years	1.50% per year
25–29 service years	2.25% per year
30 or more service years	3.00% per year
Over age 60	3.00% per year, maximum cumulative increase of 25%

Three year trend information – Airport portion of FRS

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	$ 2,067	100%	$ —
2013	2,118	100	—
2012	2,307	100	—

(Dollars in thousands, unless otherwise indicated)

(d) Funded Status

The funded status for the FRS as a whole as of October 1, 2013 and 2012 is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$ 459,116	459,116	—	100.0%	$ 34,266	—%
10/1/2012	427,124	453,529	(26,405)	94.2	36,013	73.3

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multi-year trend information about whether the actuarial value of plan assets for the Firemen's System as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Firefighter's Retirement Plan (FRP)

(a) System Description

The FRP administers a single-employer defined-benefit pension plan providing pension benefits to the City of St. Louis firemen.

The FRP issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Firefighters' Retirement Plan of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

Effective February 1, 2013, benefit accruals under the Firemen's Retirement System of St. Louis (FRS) were frozen. The Firefighters' Retirement Plan of the City of St. Louis (FRP) was established as of that date to provide retirement, disability and death benefits for service rendered after the effective date. Credited service accrued under the FRS counts toward benefit accruals under the FRP, but benefits attributable to such services are offset by the benefits payable by the FRS. Under the FRP, the plan provisions for members who were active as of February 1, 2013 (Grandfathered Participants) are substantially the same as the plan provisions for the FRS.

The FRP provides retirement benefits as well as death and disability benefits. Grandfathered members are those who were employed prior to February 1, 2013. Members can voluntarily retire after a minimum of 20 years of service and upon reaching the normal retirement age of 55. A member who has 20 years of service but has not yet reached the age of 55 may elect an early retirement with the normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit, the member may elect to receive his/her retirement benefit beginning on his/her early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. A member hired on or after the effective date of

February 1, 2013 who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age 62. Such a member may elect to receive a refund of his/her contributions, plus interest, in lieu of a pension benefit.

The monthly allowance is determined by the average final monthly compensation over the last 5 years of service. For grandfathered members, the average is over the last 2 years of service. The monthly allowance consists of 40% of the applicable final average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay accumulated before September 20, 2010 may increase the maximum pension beyond this limitation.

A grandfathered member with 20 or more years of credited service may elect to enter the DROP program and defer retirement for up to five years while continuing active employment. The benefit payments the participant would have received during that period are deposited into the DROP account and earn interest at a rate equal to the percentage rate of return of the Trust Fund's investment portfolio for that year. After five years or termination from the DROP plan, the participant may retire or return to regular active service. Upon termination of employment, the participant can choose to receive the DROP account with interest earned. If the participant dies prior to termination of employment, the DROP account is paid as a lump sum to the participant's beneficiary or estate. Active service while in the DROP program is not included in the credited service used to calculate the participant's final benefit amount.

Those members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the member, and the member's contributions will be reduced to 1% from the normal contribution percentage. During participation in the DROP, the member will not receive credit for City contributions or credit for service. A member may participate in the DROP only once for any period up to five years. At retirement the funds in the member's DROP account plus: 1) interest and 2) accrued sick leave if elected are available to the member in a lump sum or in installments.

(b) Funding Policy

A grandfathered member with at least 20 years of service as of February 1, 2013 contribute 8% of their salary, after tax. All other members contribute 9% of their salary, pretax. The City is required to contribute the remaining amounts necessary to fund FRP. All members who terminate employment before becoming eligible to receive a retirement benefit will receive a refund of all contributions plus interest. Members hired after February 1, 2013 who terminate employment before reaching age 55 and elect a refund of contributions in lieu of a pension benefit will also receive a refund of their contributions plus interest, as will grandfathered members who terminate employment before completing 20 years of service. Contributions to the FRP made on or after the inception of the FRP are not refundable to a member who receives a service retirement benefit, ordinary disability benefit, or a service connected disability benefit, except that contributions to the FRP by a grandfathered member with at least 20 years of service as of inception who receives a service retirement benefit are refundable without interest.

(Dollars in thousands, unless otherwise indicated)

An agreement between the City and FRS was reached regarding the recognition of City contributions under Board Bill 109. The City made contributions to FRS from February 1, 2013 to September 30, 2013. Because contributions for this period did not recognize the impact of Board Bill 109, certain excess FRS City contributions will be transferred from FRS to FRP equal to the FRP City required contribution for the period February 1, 2013 to September 30, 2013 and a portion of the excess FRS City contribution may be credited towards the FRS Entry Age Normal Agreement (Fireman's Retirement EAN Note).

(c) Annual Pension Cost

There were no contributions made to the FRP by the Airport during the fiscal year ended June 30, 2014. The following were some of the significant actuarial assumptions used in the valuation of the FRP:

Valuation date	October 1, 2013
Actuarial cost method	Entry-age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30-year closed period from February 1, 2013
Asset valuation method	Market value
Inflation rate	3.000%
Investment rate of return	7.625%
Projected salary increases	Varies by age, ranging from 3.35% to 5.50%
Cost-of-living adjustments	For members hired after February 1, 2013, 3% per year with a maximum of 25% in increases

Trend information – Airport's portion of FRP

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
2014	$ —	—%	$ *

* The net pension obligation for FRP was not pushed down from the City to the Airport for fiscal year 2014. The Airport's portion of the net pension obligation is estimated to be $894 for fiscal year 2014.

(Dollars in thousands, unless otherwise indicated)

(d) Funded Status

The funded status for the FRP as a whole as of October 1, 2013, the initial actuarial valuation date, is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio	Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$ 1,505	59,755	(58,250)	2.5%	$ 34,979	166.5%

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multiyear trend information about whether the actuarial value of plan assets for the FRP as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Employees' Retirement System of the City of St. Louis (ERS)

(a) System Description

All nonuniformed employees of the Airport become members of the Employees' System upon employment, with the exception of employees hired after attaining age 60.

The Employees' System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the Employees Retirement System of the City of St. Louis; 1114 Market Street, Suite 900; St. Louis, Missouri 63101.

The Employees' System provides for defined-benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest to employees covered by the Employees' System after the employee has attained five years of creditable service. Employees retire with full retirement benefits after the age 65 or if the employee's age and creditable service combined equal or exceed 85. Employees may retire and receive a reduced benefit after age 60, with five years of creditable service; age 55, with 20 years of creditable service; or at any age after 30 years of creditable service. The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the consumer price index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25%.

On June 8, 2000, the Mayor of the City approved an ordinance passed by the Board of Aldermen, Authorizing a Deferred Retirement Option Plan (DROP), which became effective January 1, 2001. This plan states that when members reach retirement age, they are allowed to work for five additional years and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. The DROP account will not be adjusted for cost-of-living increases as the normal retirement benefits are. The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of September 30 for DROP participants enrolling February 1, 2003 and thereafter. After the member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan.

(b) Funding Policy

The Employees System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method.

Employer contribution rates are established annually by the Board of Trustees of the Employees' System based on an actuarial study. Deductions from plan net assets are financed from plan additions. The Board of Trustees established the required employer-contributions-rate-based active member payroll of 15.56% effective July 1, 2013, and 14.27% of active member payroll effective July 1, 2012.

Employees who became members of the Employees' System prior to October 14, 1977, and continue to make contributions, may make voluntary contributions to the Employees' System equal to 3% of their compensation until the employee's compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6% of their compensation for the remainder of the calendar year.

(Dollars in thousands, unless otherwise indicated)

(c) Annual Pension Cost

The Airport's allocation of the City's annual pension cost and net pension obligation to the Employees' System for the years ended June 30, 2014 and 2013 are as follows:

		2014	2013
Annual required contribution	$	3,367	3,129
Interest on net pension obligation		139	141
Adjustment to annual required contribution		(154)	(156)
Annual pension cost		3,352	3,114
Contributions made		(3,378)	(3,140)
Decrease in net pension obligation		(26)	(26)
Net pension obligation, beginning of year		1,733	1,759
Net pension obligation, end of year	$	1,707	1,733

The net pension obligation of $1,707 and $1,733 as of June 30, 2014 and 2013, respectively, are reflected as other long-term liabilities in the accompanying financial statements. During fiscal year 2008, the City of St. Louis Municipal Finance Corporation issued $140,030, in Taxable Leasehold Revenue and Refunding Bonds Series 2007 (Pension Funding Project), of which $46,700 was used to fund the Employees System. While the Airport is not legally responsible for these bonds, $5,510 of the bond proceeds was allocated to the Airport. As of June 30, 2014 and 2013, $103 and $97, respectively, is recorded as accounts payable and accrued expenses, which reflects the portion of the liability due in one year. In addition, as of June 30, 2014 and 2013 a $5,054 and $5,157, respectively, liability is reflected as part of other long-term liabilities on the balance sheet and is payable to the City of St. Louis by June 30, 2037.

The following were some of the significant actuarial assumptions used in the valuation of the Employee's System:

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar amount for unfunded liability, open
Remaining amortization period	30 years as of October 1, 2013
Asset valuation method	5-year smoothed market
Inflation rate	3.125%
Investment rate of return	8.00%
Projected salary increases	Varies by age, ranging from 3.500% to 7.017%
Cost-of-living adjustments	3.125% per year, simple with a 25% lifetime cap

(Dollars in thousands, unless otherwise indicated)

Three-year trend information – Airport's portion of ERS

Fiscal year		Annual pension cost (APC)	Percentage of APC contributed		Net pension obligation
2014	$	3,352	100.78%	$	1,707
2013		3,114	100.83		1,733
2012		2,824	100.57		1,759

(d) *Funded Status*

The funded status for the Employees' System as a whole as of October 1, 2013 and 2012 is as follows. A determination of funded status is not made for individual funds.

Actuarial valuation date		Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL)	Funded ratio		Annual covered payroll	UAAL as a percentage of covered payroll
10/1/2013	$	685,397	889,449	(204,052)	77.1%	$	224,623	90.8%
10/1/2012		653,002	866,890	(213,888)	75.3		224,822	95.1

For additional required supplementary information, refer to the City of St. Louis, Missouri, Comprehensive Annual Financial Report (CAFR) as of and for the year ended June 30, 2014. Such information presents multiyear trend information about whether the actuarial value of plan assets for the Employees' System as a whole is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(15) Commitments and Contingencies

At June 30, 2014, the Airport had outstanding commitments amounting to approximately $28,313 resulting primarily from contracts for construction projects. In addition, the Airport has $24,205 in outstanding commitments resulting from service agreements.

In connection with federal grant programs, the Airport is obligated to administer the related programs, spend the grant moneys in accordance with regulatory restrictions, and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Airport to refund program moneys.

Finally, certain lawsuits were pending against the City that involved the Airport. In the opinion of Airport officials and legal counsel, these actions are not expected to have a material effect, individually or in the aggregate, on the financial position or results of operations of the Airport.

(16) Risk Management

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport participates in the Public Facilities Protection Corporation (PFPC), an internal service fund of the City of St. Louis, Missouri. The purpose of PFPC is to account for risks in which the City is self-insured, primarily workers' compensation, unemployment benefits, certain general liability, and various other claims and legal actions. All self-insured claims liabilities and payments are recorded in PFPC. The Airport reimburses PFPC for workers' compensation claims on a cost-reimbursement basis. During the years ended June 30, 2014 and 2013, expenses related to the Airport's participation in PFPC amounted to $874 and $547, respectively, and are reflected as interfund services used in the accompanying basic financial statements. At June 30, 2014 and 2013, the Airport owed PFPC $1,860 and $2,180, respectively, for unreimbursed workers' compensation claims.

The Airport purchases commercial insurance for other risks it considers significant, including general liability, public officials' liability, property damage, employee honesty bond, business auto, and insurance on its fine arts. Settled claims did not exceed commercial coverage in any of the last three years.

(17) Pledged Revenues

The Airport has pledged future specific revenue streams, net of specified operating expenses, to secure the repayment of $764,150 in various long-term debt issuances, as outlined in note 6. The general purpose of the various long-term debt issuances is for land acquisition and construction of the capital assets at the Airport. The bonds are payable from Airport net revenues and are payable through July 2034. Annual principal and interest payments on the bonds are expected to require less than 80% of estimated Airport net revenues. As of June 30, 2014, the total principal and interest remaining to be paid on the bonds is $1,161,202. Principal and interest paid was $76,783 and $73,001 for the years ended June 30, 2014 and 2013, respectively. The pledged net revenue recognized for the year ended June 30, 2014 and 2013 was $91,932 and $91,157, respectively.

(18) Extraordinary Item – Natural Disaster

On April 22, 2011, the Airport sustained a direct hit on Concourse C, in Terminal 1, from an F-4 Tornado. There was also additional damage to other areas of Terminal 1 as well as the parking lots and surrounding areas of the Airport. As of June 30, 2014, most of the rebuilding of Concourse C and other damaged areas were complete. Concourse C was reopened on April 2, 2012. Representatives for Lexington Insurance Company and the Airport continue to work together to approve and process claims. In addition, the Federal Emergency Management Agency (FEMA) has approved a reimbursement of 75% of the Airport's $100 insurance deductible.

In addition, on May 31, 2013, the Airport sustained additional damage from another tornado. Lexington Insurance Company advanced the Airport $2,000 to cover storm-related repairs. In addition, the Airport received an additional $2,500 during fiscal year 2014.

On August 31, 2013, the Airport sustained additional damage from a wind storm. Lexington Insurance Company paid the Airport $230 in insurance proceeds during fiscal year 2014.

Extraordinary Item – Settlement Proceeds

American Airlines' parent AMR Corp. emerged from Chapter 11 Bankruptcy protection on December 9, 2013. The Airport had an unsecured claim for $4,568 that was granted under the Settlement Agreement. The Airport received preferred stock in FY 2014 and sold it for $4,758 in cash. This was a net increase of $190.

Additionally, in fiscal year 2014, the Treasurer's Office had its broker State Street arrange for the transfer and redemption of 1,650 shares of Delta Air Lines, Inc. (DAL) common stock in connection with the emerging of DAL from bankruptcy in 2007. The Airport received $114 in proceeds from the settlement of the shares.

(19) Subsequent Event

In July 2014, the annual required contribution for the FRS for the year ended September 30, 2013, as determined by the October 1, 2012 actuarial valuation, was recalculated by the FRS actuary, as mutually agreed to by the City and the FRS Plan. The recalculation recognized that all benefit accruals for years of service and salary increases after February 1, 2013 are frozen under the FRS. The calculation further recognized that the FRP plan would bear the liability for all benefit accruals based upon years of service or salary increases after February 1, 2013. The mutual agreement was that once the recalculation was performed, the FRS would transfer to the FRP $6,883. In July 2014, the FRS transferred $6,883 of cash to the FRP.

Schedule I

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Analysis of Cash and Investment Accounts

Year ended June 30, 2014

(Dollars in thousands)

	Unrestricted			Unrestricted Funds Designated		RestrictedHeld by trustee bond fund		Restricted Other restricted funds						
	Revenue fund	Revenue fund subaccount	Operation and maintenance fund	Development fund (ADF)/ Debt Service Stabilization fund (DSSF)	Construction fund	Debt service account	Debt service reserve account	Renewal and replacement fund	Passenger facility charge fund	Stabilization fund	Construction fund	DEA fund	Total
Balance at June 30, 2013	$ 14,139	2,398	7,195	70,019	60	50,919	44,618	3,500	25,496	38,211	30,508	2,009	289,072
Cash deposited with City Treasurer	156,118	—	—	—	—	—	—	—	25,319	—	—	—	181,437
Cash receipts	—	—	—	—	—	1,354	600	—	96	—	—	64	2,114
Transfer in accordance with ordinance	(142,049)	6,328	94,977	(12,254)	—	81,347	(6,184)	—	(22,423)	—	258	—	—
Vouchers and requisitions paid	(9,891)	—	(86,237)	—	(838)	—	—	—	—	—	(12,743)	(108)	(109,817)
Interest	—	—	—	—	—	(44,798)	(638)	—	—	—	(24)	—	(45,460)
Redemption of bonds	—	—	—	—	—	(30,465)	—	—	—	—	—	—	(30,465)
Payments to the City of 5% of gross receipts	—	(6,264)	—	—	—	—	—	—	—	—	—	—	(6,264)
Receipts from FAA and MoDOT	—	—	—	7,372	—	—	—	—	—	—	—	—	7,372
Capital appropriation	—	—	—	36,528	—	—	—	—	—	—	—	—	36,528
Capital expenditures	—	—	—	(41,359)	—	—	—	—	—	—	—	—	(41,359)
Balance at June 30, 2014	$ 18,317	2,462	15,935	60,306	(778)	58,357	38,396	3,500	28,488	38,211	17,999	1,965	283,158

See accompanying independent auditors' report.

Schedule II

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 1997B Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	6.00%	$	5,910
		$	5,910

See accompanying independent auditors' report.

Schedule III

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2005 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.50%	$	650
2015	5.50		15,880
2016	5.50		18,915
2017	5.50		20,075
2018	5.50		21,955
2019	5.50		21,705
2020	5.00		6,910
2021	5.00		4,765
2022	5.00		3,820
2023	5.00		2,395
2024	5.50		2,515
2025	5.50		2,655
2026	5.50		2,795
2027	5.50		24,545
2028	5.50		26,135
2029	5.50		27,570
2030	5.50		29,090
2031	5.50		30,690
		$	263,065

See accompanying independent auditors' report.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007A Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.00%	$	15,675
2015	5.00		3,725
2016	5.00		2,585
2017	5.00		2,645
2018	5.00		2,410
2019	4.00		2,530
2020	5.00		18,625
2021	5.00		22,150
2022	5.00		24,335
2023	5.00		20,865
2024	4.25–5.00		21,915
2025	5.00–5.25		22,935
2026	5.25		24,105
2027	4.25		3,700
2028	4.25		3,855
2029	4.25		4,015
2030	4.25		4,190
2031	4.25		4,365
2032	4.25		4,555
		$	209,180

See accompanying independent auditors' report.

Schedule V

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2007B Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate	Principal maturity
2015	5.00%	$ 6,260
2016	5.00	6,545
2017	5.00	6,850
2018	5.00	6,760
2019	5.00	7,105
2020	5.00	7,460
2021	5.00	7,830
2022	5.00	8,220
2023	5.00	8,635
2024	5.00	9,065
2025	5.00	9,520
2026	5.00	9,995
2027	5.00	10,490
		$ 104,735

See accompanying independent auditors' report.

Schedule VI

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2009A Revenue Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2015	—%	$	—
2016	5.125		3,195
2017	5.250		3,355
2018	5.375		3,535
2019	6.000		3,720
2020	6.125		3,945
2021	6.125		4,185
2022	6.125		4,445
2023	6.125		4,715
2024	6.125		5,005
2025	6.250		5,310
2026	6.250		5,645
2027	6.250		5,995
2028	6.250		6,370
2029	6.250		6,770
2030	6.625		7,190
2031	6.625		7,670
2032	6.625		8,175
2033	6.625		8,720
2034	6.625		9,295
		$	107,240

See accompanying independent auditors' report.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2011AB Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	5.00%	$	7,435
2015	5.00		5,750
		$	13,185

See accompanying independent auditors' report.

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2012 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	4.00%	$	2,100
2015	5.00		2,180
2016	5.00		925
2017	5.00		990
2018	5.00		1,040
2019	3.00		1,090
2020	3.25		1,130
2021	5.00		1,165
2022	5.00		1,220
2023	5.00		1,280
2024	5.00		1,345
2025	4.00		1,415
2026	5.00		1,465
2027	4.25		1,545
2028	5.00		1,610
2029	4.25		1,690
2030	—		—
2031	—		—
2032	5.00		7,185
		$	29,375

See accompanying independent auditors’ report.

Schedule IX

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of 2013 Revenue Refunding Bonds Payable

June 30, 2014

(Dollars in thousands)

Maturity on July 1	Interest rate		Principal maturity
2014	2.00%	$	5,790
2015	4.00		5,990
2016	5.00		6,235
2017	5.00		6,560
2018	5.00		6,885
		$	31,460

See accompanying independent auditors' report.

Schedule X

LAMBERT – ST. LOUIS INTERNATIONAL AIRPORT
(An Enterprise Fund of the City of St. Louis, Missouri)

Schedule of Insurance

June 30, 2014

(Dollars in thousands)

Insurer	Amount	Expiration date	Character of coverage
AIG	$ 350,000	10/1/2015	General Liability/Liability Prime/TRIA
Zurich	15,000	10/1/2015	Public official's and employee's liability
Lexington Insurance Company	891,511	10/1/2015	Property damage and business interruption
The Hartford Insurance Company	100	–	Employee Honesty Bond
Granite States Insurance Company	1,000	10/1/2015	Business auto and excess

See accompanying independent auditors' report.

APPENDIX C

Summary of Certain Provisions of the Indenture

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Appendix C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Amended and Restated Indenture of Trust dated as of July 1, 2009 between the City and the Trustee (the "Restated Indenture"), which restated and superseded the Indenture of Trust dated as of October 15, 1984 (the "Original Indenture"), between the City and the Trustee (the Original Indenture, as amended and restated by the Restated Indenture, and as amended and supplemented from time to time, is referred to herein as the "Indenture"). This summary does not purport to set forth all of the provisions of the Indenture and reference is made to the Indenture for its complete and actual terms.

Definitions

The following terms have the following meanings in the Indenture, unless a different meaning clearly appears from the context:

"2005 Refunding Sub-Account" means the account by that name established pursuant to the Indenture.

"2015 Costs of Issuance Sub-Account" means the account by that name established pursuant to the Indenture.

"2015 Debt Service Sub-Account" means the account by that name established pursuant to the Indenture.

"2015 Debt Service Reserve Sub-Account" means the account by that name established pursuant to the Indenture.

"Accountant's Certificate" means a certificate signed by an independent certified public accountant or a firm of certified public accountants selected by the City satisfactory to the Trustee, who may be the accountant or firm of accountants who regularly audit the books of the City.

"Accrued Aggregate Debt Service" means, as of any date of calculation, an amount equal to the sum of (i) interest on the Bonds of all Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for all Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month.

"Additional Bonds" means Bonds authenticated and delivered pursuant to the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

"Additional Project" means the extension, improvement, purchase, acquisition, construction and enlargement of facilities, appurtenances and equipment, and the acquisition of land, for the Airport to be financed, in whole or in part, from the proceeds of Additional Bonds issued pursuant to the provisions of the Indenture.

"Adjusted Debt Service" means Debt Service, except that for any Series of Partially Amortizing Bonds it will mean Debt Service for each Fiscal Year other than the Fiscal Year in which the final maturity date of such Bonds occurs and, with respect to such Fiscal Year and each Fiscal Year thereafter through the Fiscal Year ending on the date which is the anniversary of the final maturity date of such Series next occurring before the date which is 25.5 years after their issuance, that amount which if paid in substantially equal installments in each such Fiscal Year would pay the full amount of principal of such Bonds and the interest thereon (at the Index Interest Rate) by such anniversary.

"Aggregate Adjusted Debt Service" means, as of any particular date of computation and with respect to any period, the sum of the amounts of Adjusted Debt Service for such period with respect to all Series of Bonds.

"Aggregate Debt Service" means, as of any particular date of computation and with respect to any period, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds.

"Airport" means the Lambert-St. Louis International Airport owned and operated by the City, including all land owned as of the date of the Indenture or acquired after the date of the Indenture by the City (by lease or otherwise) for purposes of such airport (including, without limitation, noise mitigation and clear zone purposes) and all improvements and facilities in existence as of the date of the Indenture and located on any such land, as said Airport may be added to, extended, improved or constructed and equipped after the date of the Indenture.

"Airport Commission" means the Airport Commission of the City, or such officer, board or commission of the City who or which may be legally given the powers and duties given to the Airport Commission.

"Airport Consultant" means the airport consultant or airport consulting firm or corporation at time retained by the City pursuant to the Indenture to perform the acts and carry out the duties provided for such Airport Consultant in the Indenture.

"Airport Fiscal Year" means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the City.

"Annual Budget" means the annual budget of the City (through the Airport Commission) for the Airport, as amended or supplemented from time to time, adopted or in effect for a particular City Fiscal Year as provided in the Indenture.

"Arbitrage Rebate Fund" means the Airport Arbitrage Rebate Fund established by the Indenture.

"Authorized Officer of the City" means the Mayor, the Comptroller or the Treasurer of the City, or any other officer or employee of the City authorized under the laws of the State, the Charter or ordinance of the City to perform specific acts or duties related to the subject matter of the authorization.

"Beneficial Owner" means as provided in Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

"Bond" or "Bonds" means the Series 1984 Bonds and any Additional Bonds.

"Bond Counsel" means Squire Patton Boggs (US) LLP, New York, New York, and Saulsberry & Associates, LLC, St. Louis, Missouri, or any other attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City and acceptable to the Trustee.

"Bond Counsel's Opinion" means an opinion of an attorney or firm of attorneys experienced and nationally recognized in matters relating to tax-exempt financing under the Code.

"Bond Fund" means the Airport Bond Fund established by the Indenture.

"Bondholder," "Holder of Bonds," "Owner" or "Owner of Bonds" or any similar term, means any person who is the registered owner of any Bond or Bonds.

"Bond Insurance Policy" means the municipal bond insurance policy issued by a Bond Insurer that guarantees payment of the principal of, and interest on a series of Bonds or any portion thereof.

"Bond Insurer" means each insurance company which has insured the payment of the principal of and interest on all or any portion of the Bonds, and any successor thereto.

"Bond Registrar" means the Trustee and any other bank or trust company organized under the laws of any state or national banking association appointed by the City to perform the duties of Bond Registrar enumerated in the Indenture. The term "Bond Registrar" also includes any Co-Registrar appointed pursuant to the Indenture.

"Business Day" means any day of the year other than (a) a Saturday or Sunday or (b) a day on which banks located in New York, New York, St. Louis, Missouri or Kansas City, Missouri are required or authorized by law to remain closed.

"Capital Budget" means the capital budget of the City (through the Airport Commission) for the Airport, as amended or supplemented from time to time, adopted or in effect for a particular City Fiscal Year as provided in the Indenture.

"Charter" means the Charter of the City as in effect from time to time.

"City" means the City of St. Louis, Missouri.

"City Fiscal Year" means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the City.

"City Held PFC Revenues" means, collectively, PFC Revenues on deposit in the Revenue Fund and PFC Revenues held by the City in the PFC Account and available to pay debt service.

"City Sub-Account" means the City Sub-Account established within the Revenue Fund in the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as applicable, and any successor to such Code.

"Comptroller" means the Comptroller of the City.

"Contingency Fund" means the Airport Contingency Fund established by the Indenture.

"Construction Fund" means the Airport Construction Fund established by the Indenture.

"Consulting Engineers" means the engineer or engineering firm or corporation at the time retained by the City pursuant to the Indenture to perform the acts and carry out the duties provided for such Consulting Engineers in the Indenture.

"Cost of Construction" means, with respect to the Initial Project or an Additional Project, the City's costs properly attributable to the construction or acquisition thereof, including but not limited to, the cost of acquisition by or for the City of real or personal property or other interest therein, costs of physical construction, and costs of the City incidental to such construction or acquisition, including but not limited to the cost of any indemnity and surety bonds and premiums on insurance during construction, planning, architectural, engineering, inspection and construction management fees, legal fees and expenses, cost of audits, fees and expenses of the Fiduciaries and costs of financing, construction period interest on any Bonds issued in connection with such Project, administrative and general overhead and keeping accounts and making reports required by the Indenture prior to commencement of operation of such Project, amounts, if any, required by the Indenture to be paid into any Fund or Account established under the Indenture upon the issuance of any Series of Bonds, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the City (other than the Bonds) incurred for such Project, costs of machinery, equipment and supplies and initial working capital required by the City for the commencement of operation of such Project, the initial funding of the reserves required under the Indenture, and may include reimbursement to the City for any such items of Cost of Construction theretofore paid by or on behalf of the City. "Cost of Construction" will also include the Costs of Issuance of any Series of Bonds to the extent payable from the Construction Fund pursuant to the Indenture or a Supplemental Indenture.

"Cost of Issuance Account" means the Cost of Issuance Account established with respect to a Series of Bonds in accordance with the Indenture.

"Cost of Issuance" means all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale and issuance of any Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, fees payable in connection with any letter of credit securing all or a portion of the Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charge or fee in connection with the issuance of Bonds.

"Counsel's Opinion" means an opinion of an attorney or firm of attorneys nationally recognized on the subject of tax-exempt municipal financings (who may be counsel to the City) selected by the City and satisfactory to the Trustee.

"Counterparty" means an entity whose senior long-term debt obligations, or whose obligations under an Interest Rate Exchange Agreement, are guaranteed by a financial institution whose senior long term debt obligations have a rating in one of the three highest categories of each of the Rating Agencies.

"Debt Service" for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest on the Bonds of such Series is to be paid from deposits (including investment income thereon) in the Debt Service Account made from Bond proceeds or other amounts available therein, and (ii) that portion of each Principal Installment for such Series of Bonds which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there will be no such preceding Principal Installment due date, from the date of issuance of such Series). Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. For the purposes of any projections required by the Indenture with respect to Variable Rate Bonds, interest will be calculated on the basis of the average interest rate or rates borne on Variable Rate Bonds Outstanding during any consecutive 12 months of the preceding 24 months, except that (i) for the purpose of satisfying the conditions for the issuance of Additional Bonds, if the Variable Rate Bonds are being issued on the date of computation, the rate of interest will be assumed to be 110% of the initial interest rate of such Bonds, and (ii) for the purpose of satisfying the Debt Service Reserve Requirement, if any, the interest rate for any Variable Rate Bonds will be computed at the average interest rate on such Bonds during the preceding Airport Fiscal Year or if not Outstanding during the preceding Airport Fiscal Year, the initial interest rate of such Bonds; provided, however, that no payments required for any Option Bonds, other Bonds or Interest Rate Exchange Agreements which may be tendered or otherwise presented for payment at the option or demand of the Owners thereof, or which may otherwise become due by reason of any other circumstance which will not, with certainty, occur during such period, will be included in any computation of Debt Service prior to the stated or theretofore extended maturity or otherwise certain due dates thereof, and all such payments will be deemed to be required on such stated or theretofore extended maturity dates or otherwise certain due dates; and provided further, however, that if the City in a Supplemental Indenture for a Series of Bonds elects to enter into an Interest Rate Exchange Agreement and deem any payments received thereunder as Revenues, Debt Service will include any amounts payable by the City during such interest rate period pursuant to such Interest Rate Exchange Agreement (other than termination payments thereunder).

"Debt Service Account" means the Airport Debt Service Account established within the Bond Fund.

"Debt Service Reserve Account" means the Debt Service Reserve Account established within the Bond Fund.

"Debt Service Reserve Requirement" means, as of any date of calculation for the then Outstanding Bonds, unless otherwise specified in a Supplemental Indenture for a particular Series of Bonds, an amount which will equal the least of: (i) 10% of the proceeds of such Series of Bonds, (ii) 125% of the average annual debt service on such Series of Bonds or (iii) the maximum annual debt service on such Series of Bonds. Such amount for any Series of Bonds may be satisfied by a deposit of cash or a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments and/or interest due on any Series of Bonds or provides funds for the purchase of such Bonds or portions thereof, which shall be rated at the time of issuance of the applicable Series of Bonds in one of the three highest rating categories by the Rating Agencies (without giving effect to gradations within a rating category), and shall permit the full amount thereof to be drawn down at least thirty days prior to the expiration thereof, **provided, however,** that if the rating of any issuer or provider of such letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument is thereafter downgraded below the fourth highest rating category (without giving effect to gradations within a rating category) by any of the Rating Agencies, then, upon notice of such downgrade to the City from the Trustee, a deficiency shall exist in the Debt Service Reserve Account in the amount of such downgraded letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument, which amount shall be replenished as set forth in the Indenture or by the deposit of cash or a substitute letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which shall be rated in one of the three highest rating categories by the Rating Agencies at the time of deposit (without giving effect to gradations within a rating category). A Supplemental Indenture for a Series of Bonds may specify that the Debt Service Reserve Requirement may be satisfied either at the closing date for such Series of Bonds or by depositing such requirement over time from Revenues monthly in substantially equal amounts which time period will not exceed sixty months from the closing date for such Series; alternatively, a Supplemental Indenture for a Series of Bonds may specify that such Series of Bonds will not have a Debt Service Reserve Requirement, in which event such Series of Bonds will not be entitled to a lien on such account.

"Debt Service Stabilization Fund" means the Airport Debt Service Stabilization Fund established by the Indenture.

"Debt Service Stabilization Fund Requirement" means an amount equal to 35% of the maximum annual Debt Service on the Bonds due in the then current or any future Airport Fiscal Year, subject to the provisions of the Indenture.

"Depositary" means any bank or trust company qualified under the Indenture, selected by the City pursuant to the Indenture and approved in writing by the Trustee as a depositary of moneys and securities held under the provisions of the Indenture and will include the Trustee.

"Development Fund" means the Airport Development Fund established by the Indenture.

"Director of Airports" means the Director of Airports of the City or such officer of the City who after the date of the Indenture may be given the powers and duties currently given to the Director of Airports.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, as amended, a "banking organization" within the meaning of the New York Banking Law, as amended, a member of the Federal Reserve System, a "clearing corporation," within the meaning of the New York Uniform Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, and its successors and assigns.

"Event of Default" will have the meaning given to such term in the Indenture.

"FAA" means the Federal Aviation Administration, or the successor to its powers and authority.

"Fiduciary" means the Trustee, the Bond Registrar and any Paying Agent, or any or all of them as may be appropriate.

"Fitch" means Fitch Ratings, Inc.

"GARB Revenues" means all revenues collected by the City relating to, from or with respect to its possession, management, supervision, operation and control of the Airport, including all rates, charges, landing fees, rentals, use charges, concession revenues, revenues from the sale of services, supplies or other commodities, any investment income realized from the investment of amounts in the Revenue Fund, and any other amounts deposited into the Revenue Fund. GARB Revenues do not include: (a) any revenue or income from any Special Facilities, except ground rentals therefor or any payments made to the City in lieu of such ground rentals and the revenue or income from Special Facilities which are not pledged to the payment of Special Facilities Indebtedness, (b) any moneys received as grants, appropriations or gifts from the United States of America, the State or other sources, the use of which is limited by the grantor or donor to the planning or the construction of capital improvements, including land acquisition, for the Airport, except to the extent any such moneys will be received as payment for the use of the Airport, (c) any Bond proceeds and other money (including investment earnings) credited to the Construction Fund for the financing of capital improvements to the Airport, (d) any interest earnings or other gain from investment of moneys or securities in any escrow or similar account pledged to the payment of any obligations therein specified in connection with the issuance of Refunding Bonds or the defeasance of any Series of Bonds in accordance with the Indenture, (e) any consideration received by the City upon transfer of the Airport pursuant to the Indenture, (f) interest income on, and any profit realized from, the investment of moneys in (i) the Construction Fund or any other construction fund funded from proceeds of Bonds or (ii) the Debt Service Account or the Debt Service Reserve Account if and to the extent there is any deficiency therein, (g) any passenger facility charge or similar charge levied by or on behalf of the Airport against passengers or cargo, including any income or earnings thereon, (h) insurance proceeds which are not deemed to be GARB Revenues in accordance with generally accepted accounting principles (other than proceeds that provide for lost revenue to the Airport for business interruption or business loss), (i) the proceeds of any condemnation or eminent domain award, (j) the proceeds of any sale of land, buildings or equipment, (k) any money received by or for the account of the Airport from the levy of taxes upon any property in the City, and (1) amounts payable to the City under an Interest Rate Exchange Agreement unless and to the extent designated as Revenues by the City in a Supplemental Indenture.

"Government Securities" means any securities described in clauses (i) and (vii) of the definition of "Investment Securities" provided that such reference shall be to clauses (1) and (10) of the proviso to such definition so long as such proviso shall apply.

"Indenture" means the Original Indenture, as amended and restated by the Restated Indenture, as supplemented and amended, authorizing Airport Revenue Bonds of the City, as the same may from time to time be amended or supplemented by a Supplemental Indenture in accordance with the terms of the Indenture.

"Index Interest Rate" means the per annum interest rate set forth in the most recently issued Revenue Bond Index published by The Bond Buyer or, in the event such Index is no longer published, in such comparable index selected by the Trustee.

“Initial Project” means the capital project financed or refinanced with the proceeds of the Series 1984 Bonds.

“Insurance Consultant” means an insurance consultant or other expert (and may include the Airport Consultant) having expert knowledge and skill with respect to the scope and amounts of insurance coverages appropriate for airport facilities similar to the Airport.

“Interest Payment Date” means January 1 and July 1 of each year beginning January 1, 2016 with respect to the Series 2015 Refunding Bonds.

“Interest Rate Exchange Agreement” means and includes any financial arrangement (i) that is entered into by the City with an entity that is a Counterparty; (ii) which provides that the City will pay to such Counterparty an amount based either on the principal amount or the notional amount equal to the principal amount of all or a portion of a Series of Bonds, and that such Counterparty will pay to the City an amount based on the principal amount of such Series of Bonds, in each case computed in accordance with a formula set forth in such Interest Rate Exchange Agreement, or that one will pay to the other any net amount due under such arrangement; or that the City will be paid by the Counterparty an amount, based either on the principal amount or a notional amount equal to the principal amount of all or any portion of the Variable Rate Bonds of such Series, if the interest rate on such Series of Variable Rate Bonds exceeds a previously agreed upon rate, and/or the City will pay to the Counterparty an amount, based on a notional amount equal to the principal amount of all or any portion of the Variable Rate Bonds of such Series, if the interest rate on such Series of Variable Rate Bonds is less than a previously agreed upon rate; (iii) which has been designated in writing to the Trustee by an Authorized City Representative as an Interest Rate Exchange Agreement with respect to a Series of Bonds and (iv) which, in the opinion of Bond Counsel, will not adversely affect the exclusion of interest on Bonds from gross income for the purposes of federal income taxation.

“Investment Securities” means and includes, unless otherwise specified in a Supplemental Indenture, any of the following obligations, to the extent the same are at the time legal for investment of funds of the City, or under other applicable law: (i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or the full and timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent the full and timely payment of the principal of and interest on such obligations are unconditionally guaranteed by the United States of America; (ii) senior debt obligations and mortgage- backed securities issued by Federal Land Banks, Export-Import Bank of the United States, Federal Financing Bank, FNMA (excluding stripped mortgage securities which are purchased at prices exceeding their principal amount), FHLMC (excluding stripped mortgage securities which are purchased at prices exceeding their principal amount), Farmers Home Administration, Federal Housing Administration, Private Export Funding Corporation, Federal Farm Credit System and senior debt obligations and letter of credit- backed issues issued by the Student Loan Marketing Association; (iii) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (“deposits” meaning obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured by direct obligations of the United States having a market value (exclusive of accrued interest) which will meet the over-collateralization levels and meet the criteria required by each Rating Agency to maintain the rating on the Bonds or (b) secured to the extent, if any, required by each Rating Agency and made with an institution whose debt securities are rated at least equal to the then current rating on the Bonds (or equivalent rating of short-term obligations if the investment is for a period not exceeding one year) by each Rating Agency; (iv) repurchase agreements backed by or related to obligations described in (i) or (ii) above with any institution which will not adversely affect the then current rating on the Bonds by each Rating Agency; (v) investment agreements, secured or unsecured as required by each Rating Agency, with any institution which will not adversely affect the then current rating on the Bonds by each Rating Agency; (vi) if rated at a level which will not adversely affect the then current rating on the Bonds by each Rating Agency, direct and general obligations of or obligations guaranteed by any state or possession of the United States or the District of Columbia, to the payment of the principal of and interest on which the full faith and credit of such state, possession or District of Columbia is pledged; (vii) pre-refunded municipal obligations rated in the highest rating category by each Rating Agency and meeting the following conditions (a) such obligations are: (A) not subject to redemption prior to maturity or the Trustee has been given irrevocable instructions concerning their calling and redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions, (b) such obligations are secured by Investment Securities described in clause (i) above that may be applied only to interest, principal and premium payments of such obligations, and (c) the principal of and interest on such Investment Securities described in clause (i) above (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations; (viii) interest-bearing notes issued by a bank having combined capital and surplus of at least $500,000,000 whose senior debt is rated in the highest rating category by each Rating Agency; (ix) tax-exempt revenue bond obligations of a state, municipality or governmental unit rated at least “AA” by each Rating Agency; (x) money market funds registered under the Investment Company Act of 1940, as amended (the “1940 Act”) or shares of a diversified open-end management investment company, as defined in the 1940 Act, whose shares are registered under the Securities Act of 1933, as amended, which invests only in securities of the type described in clause (i) or (ii) above and having the highest possible rating from each Rating Agency; (xi) Eurodollar time deposits issued by a bank with a deposit rating in one of the two highest short-term deposit rating categories by each Rating Agency; (xii) long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the three highest rating categories by each Rating Agency; (xiii) short-term corporate debt including commercial paper which is rated in the highest short-term rating category by each Rating Agency; and (xiv) public housing bonds issued by public agencies which are either (a) fully guaranteed by the United States of America, or (b) temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America, or (c) state or public agency or municipality obligations rated in the highest credit rating category by each Rating Agency; provided that it is expressly understood that the definition of Investment Securities will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture, thus permitting investments with different characteristics from those permitted which the City deems from time to time to be in the interest of the City to include as Investment Securities, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current rating on the Bonds. Investment Securities must be limited to those instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, and if the obligation is rated, it should not have an 'r' highlighter affixed to its rating.

“Moody's” means Moody's Investors Service, Inc.

“Net Revenues” means Revenues less Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means the City's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport, including a reasonable reserve for uncollectible Revenues, and will include, without limitation, administrative and overhead expenses, insurance premiums, deposits for self-insurance, legal, engineering, consulting, accounting or other professional service expenses, union contributions, payments to pension, retirement, group life insurance, health and hospitalization funds, or other employee benefit funds, costs of rentals of equipment or other personal property, costs of rentals of real property, costs incurred in collecting and attempting to collect any sums due the City in connection with the operation of the Airport, and any other expenses required to be paid by the City under the provisions of the Indenture or by laws or consistent with standard practices for airports similar to the properties and business of the Airport and applicable in the circumstances, including, without limitation, an allocable share of administrative personnel costs incurred by the City at locations other than the Airport in connection with the operations of the Airport, and the expenses, liabilities and compensation of the fiduciaries required to be paid under the Indenture, all to the extent properly attributable to the Airport. “Operation and Maintenance Expenses” will not include any capital development cost or any allowance for depreciation or any operation or maintenance costs for Special Facilities where the lessee is obligated under its Special Facilities lease to pay such expenses.

"Operation and Maintenance Fund" means the Airport Operation and Maintenance Fund established by the Indenture.

"Option Bonds" means Bonds which by their terms may be tendered for payment by and at the option of the Owners thereof prior to the stated maturity thereof, or the maturities of which may be extended at the option of the Owners thereof.

"Original Indenture" means the Indenture of Trust dated as of October 15, 1984, between the City and Mercantile Trust Company, National Association, predecessor in interest to the Trustee.

"Outstanding" or "outstanding", when used with reference to Bonds, means as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered under the Indenture except as otherwise provided therein.

"Partially Amortizing Bonds" will mean a Series of Bonds providing for principal payments such that: (i) the principal and interest coming due in the final year exceeds by more than 25% the amount coming due in any prior year; and (ii) the principal amount payable in the year ending on the final maturity date of such Series will not exceed the lesser of (a) 75% of the original principal amount of such Series or (b) the amount that would have been Outstanding on the day prior to the final maturity date of such Bonds if the Bonds of such Series had required level debt service payments (with interest payable at the Index Interest Rate) over the period beginning on the first principal payment date of such Series and ending on the anniversary of the final maturity date of such Series next occurring before the date which is 25.5 years after their issuance.

"Paying Agent" or "Paying Agents" means the Trustee or any other bank or banks or trust company or trust companies designated by the City as paying agent for the Bonds of any Series, and its successor or successors after the date of the Indenture appointed in the manner provided in the Indenture.

"PFC Account" means the Airport PFC Account established by the Indenture and held by the City.

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

"PFC-Eligible Debt Service" means, for any PFC Year, the debt service on Bonds the proceeds of which were used to finance PFC-Eligible Projects.

"PFC-Eligible Projects" means any projects that (i) are approved by the FAA for the imposition of PFC Revenues and (ii) are designated by the City as "PFC-Eligible Projects" pursuant to a Supplemental Indenture for the purpose of including the debt service thereon in the definition of PFC-Eligible Debt Service.

"PFC Revenues" means the PFCs remitted to the City as a result of enplanements at the Airport, including any interest earned thereon.

"PFCs" means the passenger facility charges imposed at the Airport from time to time pursuant to the PFC Act, the regulations thereunder and any record of decision of the FAA relating to passenger facility charges.

"PFC Year" means each one-year period from July 2 of a calendar year through and including July 1 of the succeeding calendar year.

"Pledged PFC Revenues" means the portion of PFC Revenues that has been pledged to the payment of the Bonds pursuant to the terms of a Supplemental Indenture with respect to PFC-Eligible Projects which have been financed by proceeds of Bonds.

"Principal Installment" means, as of the date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Indenture) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amounts of Bonds and of such unsatisfied balances of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

"Principal Payment Date" means July 1, 2020 through July 1, 2023 with respect to the Series 2015 Refunding Bonds.

"Rating Agency" or "Rating Agencies" means, with respect to the Bonds or any Series of Bonds, Moody's, S&P and Fitch, to the extent that any of such rating services have issued a credit rating on the Bonds which is in effect at the time in question or, upon discontinuance of any of such rating services, such other nationally recognized rating service or services, if any, which has issued a credit rating on the Bonds at the request of the City and such credit rating is in effect at the time in question.

"Rebate Amount" means the amount required to be paid to the United States under Section 148(f) of the Code.

"Record Date" means the 15th day of the month (whether or not a Business Day) preceding an Interest Payment Date.

"Renewal and Replacement Fund" means the Airport Renewal and Replacement Fund established by the Indenture.

"Restated Indenture" means the Amended and Restated Indenture of Trust between the City and the Trustee dated as of July 1, 2009.

"Revenue Fund" means the Airport Revenue Fund established by the Indenture.

"Revenues" means, collectively, GARB Revenues, the Pledged PFC Revenues and any other available moneys deposited in the Revenue Fund.

"S&P" means Standard & Poor's Ratings Services.

"Series" means all Bonds of a designated series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Series 2015 Refunding Bonds" means The City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport).

"Sinking Fund Installment" means an amount so designated which is established pursuant to the Indenture.

"Special Facilities Indebtedness" means any indebtedness issued by the City or any other public corporation or public instrumentality to finance Special Facilities in accordance with the Special Facilities covenant, described in the Indenture.

"State" means the State of Missouri.

"Subordinated Indebtedness" means any evidence of debt referred to in, and complying with the provisions of the Indenture.

"Supplemental Indenture" means any indenture of the City amending or supplementing the Indenture and adopted and becoming effective in accordance with the terms of the Indenture.

"Tax Certificate" means, with respect to a Series of Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Code, or any similar tax compliance agreement, of the City to evidence compliance with the provisions of Sections 141 through 150 of the Code.

"Tax-Exempt Bonds" means Bonds the interest on which at the time of their original issuance was, in Bond Counsel's Opinion, exempt from federal income taxation or excluded from gross income for federal income tax purposes under the Code.

"Treasurer" means the Treasurer of the City.

"Trustee" means UMB Bank, N.A., as successor to Mercantile Trust Company National Association, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

"Trust Estate" means (i) the proceeds of the sale of the Series 2009 Bonds; (ii) Revenues; and (iii) all funds established by the Indenture, including the investments, if any, thereof; (iv) all other property of every name and nature from time to time mortgaged, pledged or hypothecated as and for additional security under the Indenture by the City, or by anyone on its behalf or with its written consent, in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply the same subject to the terms of the Indenture; and (v) all proceeds of any of the foregoing.

"Underwriters" means those underwriters identified in the Bond Purchase Agreement relating to the sale, purchase and delivery of the Series 2015 Refunding Bonds.

"Use Agreements" means the commercial airlines/airport use agreements between the principal certificated air carriers and the City, as amended from time to time.

"Variable Rate Bond" means any Bond the rate of interest on which is subject to change prior to maturity and cannot be determined in advance of such change.

Issuance of Bonds

The Indenture authorizes the issuance of one or more series of Bonds to be designated as "Airport Revenue Bonds," which may be issued in one or more series as provided in the Indenture. Each such series of Bonds be designated as "Airport Revenue Bonds" and will include such further appropriate designation as the City shall determine to distinguish the Bonds of such Series from the Bonds of all other Series.

The Indenture authorizes the issuance of one or more Series of Additional Bonds for the purpose of paying the Cost of Construction of the completion of the Additional Project and all or a portion of the Cost of Construction of any Additional Project. The issuance of Additional Bonds is subject to certain conditions and tests, including, but not limited to:

(1) An Accountant's Certificate setting forth (a) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the authentication and delivery of such Series, the Net Revenues for such 12-month period, and (b) the Aggregate Adjusted Debt Service for such 12-month period, and demonstrating that for such 12-month period Net Revenues equaled at least 1.25 times the Aggregate Adjusted Debt Service;

(2) A certificate of the Consulting Engineers setting forth (a) the estimated date of completion for the Additional Project for which such Series of Additional Bonds is being issued, and (b) an estimate of the Cost of Construction of such Additional Project;

(3) A certificate of the Airport Consultant setting forth, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which the Consulting Engineers

estimate such Additional Project will be completed, estimates of (a) Net Revenues and (b) amounts to be deposited from Revenues into the Debt Service Reserve Account, the Renewal and Replacement Fund and the Development Fund;

(4) A certificate of an Authorized Officer of the City setting forth (a) the estimates of Net Revenues, as set forth in the certificate of the Airport Consultant pursuant to paragraph (3) above, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that such Additional Project will be completed, (b) the estimates of the amounts to be deposited in certain funds and accounts from Revenues as set forth in the certificate of the Airport Consultant pursuant to paragraph (3) above, for each of the three Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that such Additional Project will be completed, and (c) the Aggregate Adjusted Debt Service, determined after giving effect to the issuance of such Additional Bonds and including the Aggregate Debt Service, as estimated by such Authorized Officer, with respect to future Series of Bonds, if any, which such Authorized Officer shall estimate (based on the estimate of the Consulting Engineers of the Cost of Construction for such Additional Project utilizing the Index Interest Rate) will be required to complete payment of the Cost of Construction of such Additional Project, and demonstrating that the estimated Net Revenues in each of the Airport Fiscal Years set forth in (a) above is at least equal to 1.25 times Aggregate Adjusted Debt Service for the corresponding Airport Fiscal Year determined as described in (c) above; and

(5) A Bond Counsel's Opinion to the effect that the issuance and sale of such Additional Bonds and the application of the proceeds thereof in accordance with the terms of the Supplemental Indenture authorizing such Bonds will not adversely affect the tax-exempt status of any Bonds outstanding immediately prior to the issuance of such Additional Bonds.

The proceeds, including accrued interest, of the Additional Bonds of each Series are to be applied simultaneously with the delivery of such Bonds in accordance with the Supplemental Indenture authorizing such Bonds.

The amount of Pledged PFC Revenues that may be counted for the purpose of meeting the Additional Bonds Test pursuant to the Indenture for any Airport Fiscal Year may not exceed 125% of the sum of the outstanding and proposed PFC-Eligible Debt Service for such Airport Fiscal Year.

Refunding Bonds

The Indenture authorizes the issuance of one or more Series of Refunding Bonds for the purpose of refunding all or a portion of the principal and/or interest components of (i) any Outstanding Bonds, (ii) any Subordinated Indebtedness, (iii) any Special Facilities Indebtedness, or (iv) any other indebtedness issued for Airport purposes. Refunding Bonds are to be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds.

Refunding Bonds of each Series issued to refund one or more Series of Outstanding Bonds or one or more maturities within a Series are to be authenticated and delivered by the Trustee only upon receipt by it from the City (in addition to the documents and moneys required by the Indenture) of:

(1) Irrevocable instruction to the Trustee, satisfactory to it, to give due notice of redemption of all Bonds to be redeemed, if any, on a redemption date specified in such instructions;

(2) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to mail the notice provided for in the Indenture to the Owners of the Bonds being refunded;

(3) Either (a) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys are to be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (b) Government Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as are necessary to comply with the provisions of the Indenture and any moneys required pursuant to the Indenture, which Government Securities and moneys are to be held in trust and used only as provided in the Indenture; and

(4) Either of the following: (a) a certificate of an Authorized Officer of the City setting forth (i) the Aggregate Debt Service and the Aggregate Adjusted Debt Service for the then current and each future Airport Fiscal Year to and including the Airport Fiscal Year next preceding the date of the latest maturity of any Bonds of any Series then Outstanding (X) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (Y) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (ii) that the Aggregate Debt Service and the Aggregate Adjusted Debt Service set forth for each Airport Fiscal Year pursuant to (Y) above are no greater than the corresponding amounts set forth for such Airport Fiscal Year pursuant to (X) above; or (b) the certificates required by the Indenture evidencing that such Series of Refunding Bonds meets the tests provided for by the Indenture considering, for all purposes of such certificates and tests, that such Series of Refunding Bonds is a Series of Additional Bonds, provided that, for such purpose, the estimated date of completion for the Additional Project being refinanced by such Series of Refunding Bonds shall be the later of (i) the date of issuance of such Series of Refunding Bonds or (ii) the then estimated completion date for the Additional Project being refinanced having the latest estimated completion date. The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such Funds and Accounts under the Indenture as shall be provided in the Supplemental Indenture authorizing such Bonds and is to be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

Pledge Effected by the Indenture

The Bonds are secured by a pledge of, and the Bondholders are granted an express lien on (i) the proceeds of sale of the Bonds, (ii) Revenues, and (iii) all Funds established by the Indenture, including the investments, if any, thereof.

Pledged PFC Revenues

Pledged PFC Revenues for a given PFC Year constitute that portion of the PFC Revenues that, for such PFC Year, equals 125% of the amount of PFC-Eligible Debt Service due during such PFC Year. Pursuant to the Indenture, the City has pledged the Pledged PFC Revenues for the benefit of the Owners of the Bonds. The City will not create a lien on Pledged PFC Revenues that is senior to the lien of the Bonds. The City may, at any time with the execution and delivery of a Supplemental Indenture, submit additional PFC Revenues to the pledge of the Indenture.

Elimination of or Decrease in the Amount of Pledged PFC Revenues

The City may decrease the amount of Pledged PFC Revenues pledged to the Bonds, or eliminate the pledge of the Pledged PFC Revenues to the Bonds, upon receipt by the Trustee from the City of both of the following:

(i) A certificate of the Airport Consultant setting forth for each of three Airport Fiscal Years following the Airport Fiscal Year in which the pledge of the Pledged PFC Revenues will be decreased or eliminated, estimates of (A) Net Revenues (as adjusted to reflect the reduction or elimination of Pledged PFC Revenues), (B) the Aggregate Adjusted Debt Service (determined after giving effect to any Additional Bonds to be issued on or before the date of decrease or elimination of such pledge), and (C) demonstrating that the estimated Net Revenues set forth in (A) are at least equal to 1.25 times Aggregate Adjusted

Debt Service for the corresponding Airport Fiscal Years determined as set forth in (B) above; and

(ii) An opinion of Bond Counsel to the effect that all conditions precedent to the decrease or elimination of the Pledged PFC Revenues have been met and such decrease or elimination will not adversely affect exclusion from gross income for federal income tax purposes of the interest on any Outstanding Bonds.

Establishment of Funds

The Indenture establishes the following Accounts relating to the Series 2015 Refunding Bonds:

(A) Series 2005 Refunding Sub-Account;

(B) Series 2015 Costs of Issuance Sub-Account;

(C) Series 2015 Debt Service Sub-Account of the Debt Service Account of the Airport Bond Fund; and

(D) Series 2015 Debt Service Reserve Sub-Account of the Debt Service Account of the Airport Bond Fund.

Application of Revenues

General. All Revenues as received are to be promptly deposited by the City into the Revenue Fund. As soon as practicable in each month after the deposit of Revenues in the Revenue Fund but in any case no later than five (5) Business Days before the end of each month, the City is required to withdraw from the Revenue Fund for deposit in the following Funds in the following order of priority the amounts set forth below:

(1) To the Operation and Maintenance Fund, an amount sufficient to pay the estimated Operation and Maintenance Expenses during the next month;

(2) To the Bond Fund for credit to the Debt Service Account, if and to the extent required so that the balance in said Account will equal the Accrued Aggregate Debt Service on the Bonds; provided that, for the purpose of computing the amount in said Account, there is to be excluded the amount, if any, set aside in said Account which was deposited therein from the proceeds of each Series of Bonds less the amount of interest accrued and unpaid and to accrue on the Bonds of such Series (or any Refunding Bonds issued to refund such Bonds) to the last day of the then current calendar month;

(3) To the Bond Fund for credit to the Debt Service Reserve Account, an amount sufficient to maintain a balance in such Account equal to the Debt Service Reserve Requirement; provided, however, that no deposit in the Debt Service Reserve Account will be required to the extent the amount therein equals or exceeds the Debt Service Reserve Requirement and in the event the amount in the Debt Service Reserve Account is reduced below the amount otherwise required therein, such amount will be replenished (i) immediately, first from any funds in the Sub-Account and, thereafter, from other available funds, in such priority as the City may direct in the Contingency Fund, the Development Fund and the Renewal and Replacement Fund and (ii) at the earliest practicable date, to the extent such funds are not sufficient for such purpose, from the first available Revenues (after all deposits required to be made pursuant to clauses (1) and (2) described above have been made) following such reduction; provided, however, that notwithstanding anything to the contrary in the Indenture, to the extent that a deficiency exists in the Debt Service Reserve Account, such deposits to the Bond Fund will be made in the order of priority indicated:

(a) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited, at least monthly, to the Debt Service Reserve Account for a Series of Bonds an amount at least equal to 1/60 of the Debt Service Requirement for such Series of Bonds until the amount on deposit in the Debt Service Reserve Account will equal the Debt Service Reserve Requirement. The Debt Service Reserve Requirement will be cumulative and the amount of any deficiency in any month will be added to the amount otherwise required to be deposited to the credit of such Debt Service Reserve Account in each month thereafter until such time as such deficiency will be remedied;

(b) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited, at least monthly to the Debt Service Reserve Account for a Series of Bonds an amount equal to 1/12 of the deficiency attributed to a draw (or diminution in stated principal) upon a financial instrument as specified in the definition of Debt Service Reserve Requirement, deposited into the Debt Service Reserve Account until the principal amount (or available amount) of such financial instrument, either singularly, or in combination with amounts on deposit therein, is equal to the Debt Service Reserve Requirement if and only if such amounts are attributable to such Series of Bonds; and

(c) To the Bond Fund for credit to the Debt Service Reserve Account, there will be deposited to the Debt Service Reserve Account as soon as practicable (but not later than thirty days from the date of such deficiency), the full amount of any deficiency in the Debt Service Reserve Account, which is attributable to a decline in the market value of Investment Securities on deposit therein until such Investment Securities and any cash therein will equal the Debt Service Reserve Requirement.

(4) To the Arbitrage Rebate Fund, there shall be deposited as soon as practicable, the amount necessary to fund the Arbitrage Rebate Fund in order to pay the Rebate Amount when due and payable;

(5) Amounts sufficient to pay Subordinated Indebtedness in accordance with the authorizing and implementing documents for such Subordinated Indebtedness (as certified by the trustee or other fiduciary with respect to such Subordinated Indebtedness) shall be transferred by the City to such trustee or other fiduciary for payment or deposit;

(6) To the Renewal and Replacement Fund, an amount equal to Fifty Seven Thousand Dollars ($57,000); provided that, no deposit will be required to be made into said Fund whenever and as long as uncommitted moneys in said Fund are equal to or greater than Three Million Five Hundred Thousand Dollars ($3,500,000) or such larger amount as the City will determine necessary, from time to time, for the purposes of said Fund; and provided further that, if any such monthly allocation to said Fund will be less than the required amount, the amount of the next succeeding monthly payments will be increased by the amount of such deficiency;

(7) To the City Sub-Account, an amount determined from time to time by the City, such that if deposits were made in amounts equal to such amount in each succeeding month during each Airport Fiscal Year, the balance in such Sub-Account will equal at the end of such Airport Fiscal Year the amounts payable to the City with respect to such Airport Fiscal Year pursuant to the Indenture;

(8) For Airport Fiscal Year ending June 30, 2012, to the Debt Service Stabilization Fund and the Development Fund for the times and in the amounts and pursuant to the calculations set forth below:

(a) To the Debt Service Stabilization Fund any amounts withdrawn therefrom during Airport Fiscal Years ending June 30, 2006 through 2012 and not previously replenished; and then

(b) To the Debt Service Stabilization Fund and the Development Fund a total of up to $5,725,000, with 87.25% of each such transfer to the Debt Service Stabilization Fund and 12.75% of each such transfer to the Development Fund;

(9) Beginning in Airport Fiscal Year ending June 30, 2012, and thereafter, to the Debt Service Stabilization Fund an amount sufficient to bring the amount on deposit in the Debt Service Stabilization Fund equal to the Debt Service Stabilization Fund Requirement (or such lesser amount as is available in the Revenue Fund for such transfer).

(10) The remaining GARB Revenues in the Revenue Fund will be deposited into the Development Fund; and

(11) The remaining Pledged PFC Revenues in the Revenue Fund will be deposited into the PFC Account. As soon as practicable after the end of each Airport Fiscal Year and except as otherwise provided in the Indenture and subject to the satisfaction of the conditions set forth therein, after all deposits required to be made into each of the aforesaid Funds have been made, the City is required to transfer from the City Sub-Account to the general revenue fund of the City, an amount equal to five percent (5%) of the GARB Revenues (excluding, however, from GARB Revenues, for this purpose only, investment income and other non-operating income of the Airport) during the Airport Fiscal Year then last ended; provided, however, that for all periods subsequent to July 1, 1996, the applicable percentage of GARB Revenues (as specified above) will equal the percentage of the gross revenues then required to be paid to the City by public utilities operating within the City (such percentage being ten percent (10%) as of the date of the Restated Indenture).

Notwithstanding the foregoing, the amounts payable to the City described in the preceding paragraph are limited to five percent of the GARB Revenues (excluding, however, from GARB Revenues, for this purpose only, investment income and other non-operating income of the Airport) until such time that the Trustee has received a Counsel's Opinion to the effect that the amount payable does not violate or conflict with any laws or contractual obligations applicable to the Airport and the City, including, without limitation, the Federal Airport and Airway Improvement Act of 1982 and the United States Department of Transportation Grant Agreements to which the City is a party.

The amount payable to the general revenue fund of the City described in the preceding paragraphs may be paid in advance in monthly installments so long as (i) such amount is included in the rate base utilized to determine rates and charges payable by air carriers which utilize the Airport and (ii) each such monthly installment will not exceed the lesser of one-twelfth ($1/12^{th}$) of eighty percent (80%) of the total amount paid to the City pursuant to such clause in respect of the prior Airport Fiscal Year or (2) eighty percent (80%) of the amount deposited in such month in the City Sub-Account in respect of amounts payable to the City pursuant to the preceding paragraphs.

The final installment of the amount payable to the City each Airport Fiscal Year is subject to the filing with the Trustee of certificates of the City that all required deposits to the Operation and Maintenance Fund, the Bond Fund and the Renewal and Replacement Fund have been made and that no Event of Default has occurred and is continuing under the Indenture. If, during any Airport Fiscal Year, the aggregate amount paid in advance to the City exceeds the amount payable to the City during such Airport Fiscal Year, the amount of such excess will be returned by the City to the Revenue Fund. Until any such excess is returned by the City to the Revenue Fund, the City will be entitled to no further payments by the Airport.

Description of Funds Established by the Indenture

Operation and Maintenance Fund. Amounts in the Operation and Maintenance Fund are to be paid out from time to time by the City for reasonable and necessary Operation and Maintenance Expenses. Amounts in said Fund which the City at any time determines to be in excess of the requirements of such Fund will be transferred into the Revenue Fund and applied in accordance with the provisions of the Indenture regarding the application of Revenues.

Bond Fund-Debt Service Account. The Trustee is required to pay out of the Debt Service Account to the respective Paying Agents (1) on or before each interest payment date for any of the Bonds, the amount required for the interest payable on such date, (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts are required to be applied by the Paying Agents on and after the due dates thereof. The Trustee is also required to pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Bond Fund-Debt Service Reserve Account. If, immediately after each monthly transfer required by the Indenture provision concerning application of Revenues, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Indenture, after any transfers from the Debt Service Stabilization Fund, the Trustee shall transfer amounts from the Debt Service Reserve Account to the Debt Service Account to the extent necessary to make good such deficiency or deficiencies. In addition to the annual valuation of Accounts and Funds as of June 30 of each year required by Section 704, amounts on deposit in the Accounts established in the Debt Service Reserve Account shall be determined (i) upon the issuance of Additional Bonds, (ii) at any time, on the written request of the City to the Trustee, and (iii) at any time the Trustee believes such determination to be necessary or desirable (each of the foregoing including the annual valuation is a "Valuation Date"). If, as of any Valuation Date, the amount in any Account in the Debt Service Reserve Account exceeds the applicable Debt Service Reserve Requirement after giving effect to any letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments and/or interest due on any Series of Bonds, deposited in such Account, the Trustee will, on the first Business Day of the following Valuation Date, withdraw from such Account the amount of any excess therein over the applicable Debt Service Reserve Requirement as of the date of such withdrawal for deposit into (i) the Arbitrage Rebate Fund, the Rebate Amount estimated by the City, if any, and (ii) the Revenue Fund; provided, however, that with respect to any Valuation Date after June 30, 2011, such excess shall be deposited in the following order: (i) into the various Sub-Accounts of the Debt Service Reserve Account in which, as of such Valuation Date, the amount on deposit is less than the applicable Debt Service Reserve Requirement (a "Shortfall"), as directed by the City, or, in the absence of a direction from the City, pro rata to the Shortfall in each such account, (ii) into the Arbitrage Rebate Fund, the Rebate Amount estimated by the City, if any, and (iii) into the Revenue Fund. If the amount in any Account in the Debt Service Reserve Account is less than the applicable Debt Service Reserve Requirement and to the extent that such deficiency has not been made up within 12 months with respect to a deficiency resulting from a draw on the Debt Service Reserve Account by deposits pursuant to the Indenture or to the extent there has been a deficiency resulting from a decline in the market value of Investment Securities, the City will immediately deposit such amounts as will be necessary to cure such deficiency.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal and applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account are to be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account are to be liquidated to the extent deemed necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on the Bonds Outstanding.

The Trustee is required to transfer to the City for deposit in the Revenue Fund all investment earnings on moneys in the Debt Service Reserve Account, such transfer to be made at such times required by the City.

Renewal and Replacement Fund. Money in the Renewal and Replacement Fund may be applied to pay costs of the renewal or replacement of machinery, equipment, rolling stock, facilities or other capital items used in connection with the operation of the Airport. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Debt Service Stabilization Fund, the Development Fund and the Contingency Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Renewal and Replacement Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. So long as there is no deficiency in the Debt Service Account or the Debt Service Reserve Account, in the event the City receives a requisition from the trustee or other fiduciary for any Subordinated Indebtedness, with respect to a deficiency in available moneys to pay debt service on Subordinated Indebtedness, then the City shall transfer from the Renewal and Replacement Fund to such trustee or other fiduciary, the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If at any time the moneys in the Operation and Maintenance Fund and the Contingency Fund will be insufficient to pay Operation and Maintenance

Expenses when due, the City is required to transfer from the Renewal and Replacement Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If the amount on deposit at any time in the Debt Service Reserve Account is reduced below the amount required therein pursuant to the Indenture, the City may transfer from the Renewal and Replacement Fund to the Debt Service Reserve Account all or a portion of the amount of such deficiency.

Development Fund. Moneys in the Development Fund may be applied, in accordance with the Capital Budget or otherwise, at the discretion of the City, to the acquisition of land or easements for the expansion or improvement of the Airport, to purchase items of machinery, equipment, rolling stock or other capital items for use in connection with the Airport, to pay the cost of planning, engineering, design and construction of new facilities for the Airport, or to pay the cost of any other capital improvements to the Airport. If at any time the moneys in the Debt Service Account, Debt Service Reserve Account, the Debt Service Stabilization Fund, and the Contingency Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Development Fund to the Trustee, for deposit in the Debt Service Account, the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency. So long as there is no deficiency in the Debt Service Account or the Debt Service Reserve Account, in the event the City receives a requisition from the trustee or other fiduciary for any Subordinated Indebtedness, with respect to a deficiency in available moneys to pay debt service on Subordinated Indebtedness, then the City shall transfer from the Development Fund to such trustee or other fiduciary, the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency. If at any time the moneys in the Operation and Maintenance Fund, the Renewal and Replacement Fund and the Contingency Fund are insufficient to pay Operation and Maintenance expenses when due, the City is required to transfer from the Development Fund to the Operation and Maintenance Fund the amount necessary to make up such deficiency. If the amount on deposit at any time in the Debt Service Reserve Account is reduced below the amount required therein in accordance with the Indenture, the City may transfer from the Development Fund to the Debt Service Reserve Account all or a portion of the amount of such deficiency. The City may use amounts on deposit in the Development Fund to make payments pursuant to an Interest Rate Exchange Agreement by transferring such amounts to the Debt Service Account or as otherwise specified in a Supplemental Indenture for a Series of Bonds. The City may, but if and only to the extent consistent with the Capital Budget, transfer from the Development Fund to the Contingency Fund any moneys in the Development Fund which are no longer needed for the purposes of moneys on deposit in the Development Fund.

Contingency Fund. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account and the Debt Service Stabilization Fund are insufficient to pay the interest and Principal Installments when due on the Bonds, the City, upon requisition of the Trustee, is required to transfer from the Contingency Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency or deficiencies. If at any time the moneys in the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses when due, the City will transfer from the Contingency Fund to the Operation and Maintenance Fund the amount necessary (or all of the moneys in said Fund if less than the amount necessary) to make up such deficiency. If the amount on deposit in the Debt Service Reserve Account is reduced below the amount required therein in accordance with the Indenture, the City may transfer from the Contingency Fund to the Debt Services Reserve Account all or a portion of the amount of such deficiency. Amounts in the Contingency Fund not required to meet a deficiency as required above, may, at the discretion of the City, be applied to any one or more of the following purposes:

1. the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any such Bonds;

2. payments of principal or redemption price of and interest on any Subordinated Indebtedness;

3. improvements, extensions, betterments, renewals, replacements, repairs, maintenance or reconstruction of any properties or facilities of the Airport or the provision of one or more reserves therefor; and

4. any other corporate purpose of the City in connection with the Airport, the local airport system or other local facilities which are owned or operated by the City and directly related to the actual transportation of passengers or property.

Whenever any moneys in the Contingency Fund are to be applied to the purchase or redemption of Bonds, the City is required to deposit such moneys with the Trustee, in a separate account established for purpose, and is required to give written instructions to the Trustee to make such purchase or redemption in accordance with the provisions of the Indenture. Upon any such purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments have been established, an amount equal to the principal amount of such Bonds so purchased or redeemed is to be credited toward a part (an integral multiple of $5,000) or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the City in a certificate in writing signed by an Authorized Officer of the City and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) will constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Debt Service Stabilization Fund. If, immediately after each monthly transfer required by the Indenture, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Indenture, the City shall transfer amounts from the Debt Service Stabilization Fund to the Trustee for deposit to the Debt Service Account to the extent necessary to make good such deficiency or deficiencies. Amounts on deposit in the Debt Service Stabilization Fund may be withdrawn at any time and used for (1) emergency debt service needs with respect to Bonds, Subordinated Indebtedness or other indebtedness issued for Airport purposes and (2) Airport operational emergencies. Notwithstanding the foregoing, after the Net Revenues for three consecutive Airport Fiscal Years equals at least 1.60 times the Aggregate Adjusted Debt Service for such Airport Fiscal Years, the Comptroller, upon the receipt of a request of the Airport Commission, may determine to reduce or eliminate the Debt Service Stabilization Fund Requirement and/or eliminate the Debt Service Stabilization Fund. The Comptroller, upon any such determination, shall notify the Airport Commission and the Trustee of such determination.

Arbitrage Rebate Fund

The Arbitrage Rebate Fund is required to be maintained for as long as any Series of Bonds is Outstanding for the purpose of paying to the United States Treasury the amount required to be rebated pursuant to Section 148(f) of the Code. Any moneys in the Arbitrage Rebate Fund are to be invested in Government Securities or securities described in clause (x) of the definition of "Investment Securities" and investment earnings thereon are to be credited to the Arbitrage Rebate Fund.

Subordinated Indebtedness

Nothing contained in the Indenture will prohibit or prevent, or be deemed, or construed, to prohibit or prevent, the City from issuing or refunding bonds, notes, commercial paper, certificates, warrants or other evidence of indebtedness payable as to principal and interest from the Revenue Fund and the Net Revenues, subject and subordinate to the deposits and credits required to be made therefrom to the Debt Service Account and the Debt Service Reserve Account, or from securing such bonds, notes, commercial paper, certificates, warrants or other evidences of indebtedness and the payment thereof by a lien and pledge on the Net Revenues junior and inferior to the lien and pledge on the Net Revenues created for the payment and security of the Bonds.

Subject to the paragraph directly below, at any time after authorization but prior to the issuance of Subordinated Indebtedness, the City shall furnish to the Trustee a Certificate of the City with respect to the specific principal amount of Subordinated Indebtedness proposed to be issued (the "Certified Amount"), and that provides as follows: annual estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, for each of the three (3) Airport Fiscal Years following the Airport Fiscal Year in which it is estimated that the Airport has beneficial occupancy of the Airport project to be financed or refinanced (in whole or in part) from the proceeds of such Certified Amount, will be at least equal to 1.10 times the sum of (1) estimated debt service on the Certified Amount proposed to be issued, (2) debt service on all outstanding Subordinated Indebtedness, and (3) estimated debt service on any other previously Certified Amounts to the extent that such Certified Amounts are not outstanding but are still authorized and available to be issued.

For purposes of compliance with the paragraph above, the Certificate of the City may include any of the following provisions or assumptions:

(1) Once executed with respect to a Certified Amount, the Certificate of the City shall remain effective with respect to all issuances and reissuances, from time to time (and regardless of any repayment or maturity) of such Certified Amount until the authorized time period for issuance and final maturity of such Certified Amount has expired. (By way of example, (i) if the Certified Amount is with respect to a commercial paper program, then once such amount is certified with respect to the initial Airport project, such certificate shall remain effective until the final eligible maturity date of the commercial paper has passed such that it cannot be issued, re-issued or refunded; or (ii) if the Certified Amount is with respect to long-term fixed rate bonds, then once certified such certificate shall remain effective until such bonds or notes are issued and they mature or are paid off or defeased prior to maturity.)

(2) With respect to the identification of the Airport project to be financed or refinanced (in whole or in part) with the proceeds of the Certified Amount and the determination of the applicable three (3) Airport Fiscal Years for the coverage test, the Certificate of the City may assume, without regard to the estimated beneficial occupancy date of a specific Airport project, that, with respect to the Certified Amount, the three (3) year test period begins with the first full Airport Fiscal Year beginning after the date of the Certificate of the City.

(3) If the Certified Amount is structured so that the principal coming due on the final maturity date exceeds by at least 25% the principal coming due in any prior year then debt service on the Certified Amount may be calculated based upon an assumed 30- year level debt amortization schedule and applying a 10-year average of the Index Interest Rate. For purposes of calculating estimated debt service for any Certified Amount, the calculation may be based on then prevailing market conditions as determined by a third party expert or by applying the appropriate average of the Index Interest Rate as determined by the City or a third party expert.

(4) The Certificate of the Authorized Officer of the City may be based, in whole or in part, upon reports or certificates from the Airport Consultant, an Accountant's Certificate or reports of other third party experts.

(5) Subordinated Indebtedness issued for the following purposes may be excluded from any calculation of debt service coverage with respect to Subordinated Indebtedness (including certification with respect to a Certified Amount):

i. Subordinated Indebtedness issued to refund outstanding Subordinated Indebtedness.

ii. Subordinated Indebtedness issued to refund Outstanding Bonds.

iii. Subordinated Indebtedness which the City expects to pay from a source of funds other than estimated Net Revenues available, after payment of Debt Service of the Outstanding Bonds, to the extent such source is anticipated as being available or obligated to the City for Airport purposes, such as grant moneys, passenger facility charges or other available moneys, including, without limitation, moneys in the Development Fund. The principal amount of any Subordinated

Indebtedness shall, by its terms, not be subject to acceleration upon default unless and until the principal amount of the Bonds has been accelerated pursuant to the Indenture.

Debt Service Stabilization Fund

If, immediately after each monthly transfer required by the Indenture, the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to the Indenture, the City shall transfer amounts from the Debt Service Stabilization Fund to the Trustee for deposit to the Debt Service Account to the extent necessary to make good such deficiency or deficiencies. Amounts on deposit in the Debt Service Stabilization Fund may be withdrawn at any time and used for (1) emergency debt service needs with respect to Bonds, Subordinated Indebtedness or other indebtedness issued for Airport purposes and (2) Airport operational emergencies. Notwithstanding the foregoing, after the Net Revenues for three consecutive Airport Fiscal Years equals at least 1.60 times the Aggregate Adjusted Debt Service for such Airport Fiscal Years, the Comptroller, upon the receipt of a request of the Airport Commission, may determine to reduce or eliminate the Debt Service Stabilization Fund Requirement and/or eliminate the Debt Service Stabilization Fund. The Comptroller, upon any such determination, shall notify the Airport Commission and the Trustee of such determination.

PFC Account

Amounts in the PFC Account shall be applied as provided in the applicable Supplemental Indenture relating to the designation and pledge of Pledged PFC Revenues.

Expenditures from City Held Funds and Accounts

Expenditures from any Funds and Accounts held by the City shall be subject to the then existing requirements for expenditure of City funds, which requirements consist of approvals by the Airport Commission and the Board of Estimate and Apportionment of the City and appropriation of funds by the Board of Aldermen of the City. Notwithstanding the foregoing, if the timing of the need for any expenditure of moneys from any Fund or Account held by the City is deemed an emergency, then the approval of the expenditure of such moneys may occur in accordance with the provisions of Article XV, Section 2 of the City Charter, or any successor provision.

Investment of Certain Funds

Moneys held in the Debt Service Account, the Debt Service Reserve Account and the Rebate Fund are to be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as will be necessary to provide moneys when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account not later than 15 years (unless such securities will be redeemable at the option of the holder thereof, in which event such securities may mature at a date no later than the final maturity date of the Bonds). The Trustee will make such investment in accordance with any instructions received from an Authorized Officer of the City. The Trustee, upon notice to and written consent of an Authorized Officer of the City, may make any and all such investments through its own bond department or the bond department of any bank or trust company under common control with the Trustee.

Moneys in the Revenue Fund and the Construction Fund may be invested by the City in Investment Securities which mature not later than such time as will be necessary to provide moneys when needed to provide payments from such Funds. Moneys in the Operation and Maintenance Fund may be invested by the City in Investment Securities which mature within 12 months and moneys in the Development Fund, the Renewal and Replacement Fund, the Contingency Fund, the Debt Service Stabilization Fund, the PFC Account and the Arbitrage Rebate Fund may be invested in Investment Securities which mature within 5 years, and in any case not later than such time as will be necessary to provide moneys when needed for payment from such respective Funds.

Earnings on any moneys or investments in all Funds and Accounts established under the Indenture will be deposited in the Revenue Fund, except that earnings on the moneys or investments in the Construction Fund will, to the extent expressly required by the terms of any Supplemental Indenture authorizing the issuance of a Series of Bonds, be retained in the Construction Fund.

Particular Covenants of the City

Powers as to the Airport and Collection of Rates, Fees and Rentals. The City has and will have, so long as any Bonds are Outstanding, good right and lawful authority to acquire, construct, develop, operate, maintain, repair, improve, reconstruct, enlarge, and extend the Airport and to fix rates, fees, rentals and other charges in connection therewith.

Indebtedness and Liens. The City has covenanted not to issue any bonds, notes or other evidences of indebtedness, other than the Bonds, payable out of or secured by a pledge of the Revenues or of the moneys, securities of funds held or set aside by the City or by the Fiduciaries under the Indenture and will not create or cause to be created any lien or charge on the Revenues or such moneys, securities or funds; provided, however, that nothing contained in the Indenture will prevent the City from issuing Subordinated Indebtedness as provided in the Indenture.

Sale, Lease or Encumbrance of Property. The City has covenanted not to sell or otherwise dispose of or encumber any part of the Airport, except property which, in the opinion of the Airport Commission and the Airport Consultant, is no longer necessary or useful in the operation thereof, and except as provided in the Indenture with respect to Special Facilities. In addition, the City may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Airport if such lease, contract, license, easement or right does not impede or restrict the operation by the City of the Airport for Airport purposes. Proceeds from the sale or disposition of property not used to replace such property and any such payments with respect to a lease, contract, license, easement or right not otherwise required to be applied in accordance with the Indenture will be applied in the same manner and to the same purpose as Revenues.

The Indenture expressly permits the transfer (by sale, lease or otherwise) of all or a substantial part of the Airport if the principal of and interest on the Bonds are paid in full; the Bonds are defeased in accordance with the Indenture; or the transferee assumes all obligations of the City under the Indenture and in the Bonds and if, in the case of such assumption: (1) in the written opinions of the Director of Airports and the Airport Consultant, after giving effect to such transfer and assumption, the ability of the transferee to meet the rate maintenance and other covenants under the Indenture and the security for the Bonds are not materially and adversely affected, (2) the City will have furnished the Trustee with a Bond Counsel's Opinion to the effect that such transfer will not adversely affect the tax-exempt status of interest on the Bonds under the Code and (3) such transferee will expressly agree not to use the Funds held under the Indenture otherwise than as provided in the Indenture. In the event of any such transfer and assumption, nothing in the Indenture will prohibit or prevent the retention by the City of any facility of the Airport if, in the written opinions of the Director of Airports and the Airport Consultant, such retention will not materially and adversely affect the security for the Bonds, nor unreasonably restrict the transferee's ability to comply with the rate maintenance and other covenants thereunder. Any consideration received by the City from the transferee of all or a substantial part of the Airport will not constitute “Revenues” under the Indenture or be subject to the terms and provisions of the Indenture. The terms and conditions of the transfer of all or a substantial part of the Airport pursuant to the Indenture will be set forth in a Supplemental Indenture executed by the City, the Trustee and the transferee and notice of such transfer will be given to the Bondholders in accordance with the Indenture.

Operation Maintenance and Reconstruction. The City shall at all times operate, or cause to be operated, the airport properly and in a sound, efficient and economical manner, and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all ordinary, necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport may be properly and advantageously conducted, and I, if any useful part of the Airport is damaged or destroyed, the City shall, as expeditiously as may be possible, commence and diligently prosecute the ordinary replacement or reconstruction of such part so as to restore the same to use; provided, however, that nothing in the Indenture shall require the City to operate, maintain, preserve, repair, replace, renew or reconstruct any part of the Airport (1) from sources other than the Revenues or (2) if there shall be filed with the Trustee (i) a certificate executed by an Authorized Officer of the City stating that in the opinion of the City abandonment of operation of such part is economically justified and is not prejudicial to the interests of the Owners of the Bonds, and (ii) a consent to the filing of such certificate is given by the Trustee, which consent shall be withheld only upon reasonable grounds.

Notwithstanding any provisions in the Indenture to the contrary, the City and the Airport Commission shall at all times operate the Airport so long as there are any Outstanding Bonds under the Indenture. Operation of the Airport may not be transferred by the City or the Airport Commission to another entity and may not be assumed by any other entity so long as there are any Outstanding Bonds under the Indenture; provided, however, that the City and the Airport Commission may enter into agreements with third party vendors, consultants and contractors for specific aspects or portions of the maintenance or operation of the Airport or the construction of capital projects at the Airport.

Rates and Charges. The City has covenanted to, at all times while any Bonds will be Outstanding, establish, fix, prescribe and collect such rates, fees, rentals and other charges for the use of the Airport as will be reasonably anticipated to provide in each Airport Fiscal Year an amount so that the Revenues will be sufficient to pay the Aggregate Debt Service for such Airport Fiscal Year and to provide the funds necessary to make the required deposits in and maintain the several Funds and Accounts established in the Indenture, and in any event, as will be required to pay or discharge all indebtedness, charges and liens whatsoever payable out of Revenues under the Indenture.

Insurance. So long as any Bonds are Outstanding the City will at all times carry insurance or cause insurance to be carried, including the City as an insured as its interest may appear, with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airport as are customarily insured, and against loss or damage from such causes as are customarily insured against, by public or private corporations engaged in a similar type of business, all in accordance with the annual written recommendations of the Insurance Consultant.

Any proceeds of insurance for the Airport will be paid into the Construction Fund during the period of Construction, and thereafter will, to the extent necessary and desirable, be applied to the repair and replacement of any damaged or destroyed properties of the Airport. If any of said proceeds received are not used or committed for use with respect to the repair or replacement of Airport property within twenty-four months of receipt, such proceeds will be paid into the Development Fund.

Airport Consultant. The City will employ an Airport Consultant from time to time whenever and for the purposes contemplated by the Indenture. Such Airport Consultant will be an airport consultant or airport consultant firm or corporation having a wide and favorable reputation for skill and experience with respect to the operation and maintenance of airports, in recommending rental and other charges for use of airport facilities and in projecting revenues to be derived from the operation of airports.

Budgets. The City has covenanted to prepare and file annually with the Trustee at the beginning of each City Fiscal Year an Annual Budget setting forth the ensuing City Fiscal Year in reasonable detail, among other things, estimated Revenues, estimated Operation and Maintenance Expenses, reasonably anticipated unusual and extraordinary expenses, and deposits into each of the Funds established under the Indenture. The City may at any time adopt an amended Annual Budget for the remainder of the then current City Fiscal Year.

At least every five (5) City Fiscal Years the City (through the Airport Commission) has covenanted to prepare and file with the Trustee a Capital Budget for the Airport for the ensuing five (5) City Fiscal Years. The Capital Budget will set forth in reasonable detail the anticipated necessary or appropriate major capital improvements to the Airport during the succeeding five year period, the estimated Cost of Construction of such capital improvements and the anticipated sources of funds for the payment of such Costs. The City may at any time and from time to time adopt an amended Capital Budget for the remainder of the five City Fiscal Years covered thereby and will promptly file any such amendment with the Trustee. The Capital Budget and any amendments thereto will be available at the offices of the Trustee for inspection by the Bondholders.

Accounts and Reports. The City has covenanted to keep or cause to be kept proper books of record and account of the Airport in which complete and correct entries will be made of its transactions relating to the Revenues and each Fund and Account established under the Indenture, and which will at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The City shall annually, within 120 days after the close of each Airport Fiscal Year, cause an audit to be made of its books and accounts relating to the Airport for such Airport Fiscal Year by an independent and recognized certified public accountant or firm of independent certified public accountants not in the regular employ of the City. Promptly thereafter reports of each audit will be filed with the Trustee, each Bond Insurer and with each Rating Agency. Each such audit report will set forth with respect to such Airport Fiscal Year: (i) a statement of financial condition of the Airport as of the end of such Airport Fiscal Year and the related statement of revenues and expenses for the Airport Fiscal Year then ended, (ii) a summary with respect to each Fund and Account established under the Indenture of the receipts therein and disbursements therefrom; (iii) the details of all Bonds issued, paid, purchased or redeemed, (iv) the amounts on deposit at the end of such Airport Fiscal Year to the credit of each Fund and Account established under the Indenture; (v) the amounts of the proceeds received from any sales of property constituting part of the Airport; and (vi) a list of all insurance policies with respect to the Airport or certificates thereof then held by the City or the Trustee.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture will be available for the inspection of the Bondholders at the office of the Trustee and will be mailed to each Bondholder who will file a written request therefor with the City. The City may charge each Bondholder requesting such reports, statement and other documents, a reasonable fee to cover reproduction, handling and postage.

Special Facilities. The City or any other public corporation or public instrumentality will be authorized to finance from the proceeds of obligations, other than Bonds, issued by the City or such other public corporation or public instrumentality which are not payable from Revenues, capital improvements or facilities to be located on any property included under the definition of Airport ("Special Facilities") without regard to any requirements of the Indenture with respect to the issuance of Additional Bonds, provided:

(1) Such obligations are payable solely from rentals or other charges derived by the City or such other public corporation or public instrumentality under a lease, sale or other agreement entered into between the City or such other public corporation or public instrumentality and the person, firm or corporation which will be utilizing the Special Facilities to be financed;

(2) The estimated rentals, payments or other charges (including interest earnings on any reserves) to be derived by the City or such other public corporation or public instrumentality from the lease, sale or other agreement with respect to the Special Facilities to be financed will be at least sufficient to pay the principal of and interest on such obligations, all costs of operating and maintaining such Special Facilities and all sinking fund, reserve or other payments required by the resolution, ordinance or indenture securing such obligations;

(3) The construction and operation of the Special Facilities to be financed will not decrease the Revenues presently projected to be derived from the Airport; and

(4) In addition to all rentals, payments or other charges with respect to the Special Facilities to be financed, a fair and reasonable rental for the land upon which said Special Facilities are to be constructed will be charged by the City, and said ground rent will be deemed Revenues derived from the Airport.

The Indenture further provides that the provisions described above are not applicable to or otherwise deemed to limit the right of the City or any other public corporation or public instrumentality to finance the expansion, relocation or other improvement of any airline aviation fueling facilities or in- flight meal preparation facilities located at the Airport on October 15, 1984.

Tax Covenant of the City. The City shall at all times do and perform, or cause to be done and performed, all acts and things permitted by law and necessary in order to assure that the interest paid on the Bonds which are Tax-Exempt Bonds shall, for the purpose of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation, except in the case of any Bond which is a "private activity bond" which is held by a person who is a "substantial user" or a "related person" within the meaning of Section 147(a) of the Code or except in the event that interest on the Bonds is subject to any other federal income tax otherwise applicable to obligations, the interest on which is excluded from gross income under Section 103 of the Code.

The City shall not permit at any time or times any of the proceeds of the Tax-Exempt Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Bond issued pursuant to the Indenture to be an "arbitrage bond" within the meaning of Section 103(b)(2) of the Code. In addition, the City shall not permit at any time or times, any moneys or securities in any fund or account created or continued hereunder to be invested or held in such manner so as to cause any Tax-Exempt Bond issued pursuant to the Indenture to be an "arbitrage bond" as aforesaid.

The City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under the Indenture and available therefor.

The City agrees to continually comply with the provisions of any Tax Certificate entered into in connection with each Series of Bonds, as such certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

Events of Default and Remedies

Each of the following constitutes an event of default (each, an "Event of Default") under the Indenture:

(A) if default is made in the due and punctual payment of the principal of or Redemption Price of any Bond, whether at maturity or by call for redemption, or otherwise, or in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor when and as such interest installment or Sinking Fund Installment will become due and payable;

(B) if default is made by the City in the performance or observance of the covenants, agreements and conditions on its part in establishing, fixing, prescribing and collecting rates, fees, rentals and other charges for the use of the Airport in order that in each Airport Fiscal Year the Revenues will be sufficient to pay the Aggregate Debt Service for such Airport Fiscal Year and to provide the funds necessary to make the required deposits in and maintain the several Funds and Accounts established in the Indenture, and in any event, as are required to pay or discharge all indebtedness, charges and liens whatsoever payable out of the Revenues under the Indenture; provided, however, that a failure by the City to comply with the foregoing covenant will not constitute an event of default under the Indenture if, (i) within four months of the end of the most recently completed Airport Fiscal Year, the City retains an Airport Consultant for the purpose of making recommendations with respect to the operations of the Airport and the sufficiency of its rates, fees, rentals and other charges, (ii) the Airport Consultant will make the required recommendations to the City within seven months of the end of such Airport Fiscal Year and file same with the Trustee; and (iii) the City will diligently and in good faith follow the recommendations of the Airport Consultant;

(C) if default will be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds and such default will continue for a period of sixty days after written notice thereof to the City by the Trustee or to the City and to the Trustee by the Owners of not less than twenty-five percent in principal amount of the Bonds Outstanding; provided, however, that if such failure will be such that it can be corrected but cannot be corrected within such sixty day period, it will not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the failure is corrected;

(D) if the City will file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State;

(E) if judgment for the payment of money is rendered against the City as the result of the construction, improvement, ownership, control or operation of the Airport, and any such judgment will not be discharged within twenty four (24) months after the entry thereof, or an appeal will not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment will have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; or

(F) if an order or decree is entered, with the consent or acquiescence of the City, appointing a receiver or receivers of the Airport or any part thereof, or the revenues therefrom, or if such order or decree has been entered without the consent or acquiescence of the City, such order or decree will not be vacated or discharged, stayed or appealed within ninety (90) days after the entry thereof; then and in each and every such case, so long as such Event of Default will not have been remedied, unless the principal of all the Bonds will have already become due and payable, either the Trustee may (by notice in writing to the City), and upon written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding (by notice in writing to the City and the Trustee) will, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and be immediately due and payable, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

The right of the Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds will have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the City under the Indenture (except the principal of, and interest accrued since the next preceding interest payment date on the Bonds due and payable solely by virtue of such declaration) will either be paid by or for the account of the City or provision satisfactory to the Trustee will be made for such payment, and all defaults under the Bonds or under the Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) will be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will be made therefor, then and in every such case the Owners of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the City and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee will have acted itself, and if there will not have theretofore delivered to the Trustee written direction to the contrary by the Owners of fifty- one percent (51%) in principal amount of the Bonds then Outstanding, then any such declaration will ipso facto be deemed to be rescinded and any such default and its consequences will ipso facto be deemed to be annulled, but no such rescission and annulment will extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

If an Event of Default has happened and has not been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds Outstanding or the Bond Insurers will proceed,

to protect and enforce its rights and the rights of the Owners of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power therein granted, or for an accounting against the City as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, will deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the

Trustee will have the right to decline to follow any such direction if the Trustee will be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith will determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

Regardless of the happening of an Event of Default, the Trustee will have power to, but unless requested in writing by the Owners of not less than 51% in principal amount of the Bonds then Outstanding or the Bond Insurers, and furnished with reasonable security and indemnity, will be under no obligation to, institute and maintain such suits and proceedings as it may be advised will be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised will be necessary or expedient to preserve or protect its interests and the interest of the Bondholders.

Certain actions required or permitted to be taken under the Indenture by the Owners of any Bonds may be taken by the Bond Insurer without any action being taken by the Owners thereof. Any action taken by such Bond Insurer will be deemed to be the action taken by such Owners.

Restrictions on Bondholders' Actions

No Owner of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Owner will have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Owners of at least twenty-five percent in principal amount of the Bonds then Outstanding will have filed a written request with the Trustee, and will have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Owners will have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee will have refused to comply with such request for a period of thirty days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds will have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture will be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

Waiver of Events of Defaults

Prior to the declaration of maturity of the Bonds as provided in the Indenture, the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under the Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver will extend to any subsequent or other default or impair any right consequent thereon.

Rights of Bond Insurers upon Default

All actions permitted to be taken under the Indenture upon the occurrence of an Event of Default by the Owners of any Bonds insured by a Bond Insurer may be taken by such Bond Insurer without any action being taken by such Owners. Any action taken by such Bond Insurer will be deemed to be the action taken by such Owners for purposes of the Indenture.

Supplemental Indentures

For any one or more of the following purposes at any time or from time to time, a Supplemental Indenture of the City may be adopted, which, upon the execution and delivery thereof by the Trustee will be fully effective in accordance with its terms:

(1) To close the Indenture against, or provide limitations and restrictions to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(2) To add to the covenants and agreements of the City in the Indenture, other covenants and agreements to be observed by the City which are not contrary to or inconsistent with the Indenture theretofore in effect;

(3) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(4) To provide for the issuance of bearer Bonds and interest coupons and establish appropriate exchange privileges and notice requirements in connection therewith with respect to any Bonds issued or to be issued under the Indenture;

(5) To authorize Bonds of a Series or to determine the terms and details thereof and, in connection therewith, specify and determine certain matters and things pertaining to the issuance of the Bonds, Additional Bonds and Refunding Bonds referred to in the Indenture, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(6) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Revenues, or of any other moneys, securities or funds;

(7) To modify any of the provisions of the Indenture in any respect whatever, provided that (i) the effective date of such modification will be, and expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture will cease to be Outstanding, and (ii) such Supplemental Indenture will be specifically

referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(8) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or

(9) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect.

At any time or from time to time, a Supplemental Indenture may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of the Indenture, which Supplemental Indenture, upon the execution and delivery thereof by the Trustee and upon compliance with the provisions of the Indenture, will become fully effective in accordance with its terms as provided in the Indenture.

Any modification or amendment of the Indenture and of the rights and obligations of the City and of the Owners of the Bonds thereunder, in particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the Owners of at least fifty-one percent in principal amount of the Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least fifty-one percent in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment will permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or Sinking Fund Installment or any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or will reduce the percentages or otherwise affect the classes of Bonds the consent of the

Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

The terms and provisions of the Indenture and the rights and obligations of the City and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the City of a Supplemental Indenture and the consent of the Owners of all the Bonds then Outstanding.

The consent of the Owner of any Bond which is entitled to the benefits of a Bond Insurance Policy issued by a Bond Insurer will not be effective unless the Trustee will have received a written consent of such Bond Insurer. For purposes of certain provisions of the Indenture, certain actions required or permitted to be taken thereunder by the Owners of any Bonds may be taken by such Bond Insurer without any action being taken by the Owners thereof. Any action taken by such Bond Insurer will be deemed to be the action taken by such Owners.

Discharge of Lien of the Indenture

If the City will pay or cause to be paid, or there will otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any Net Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of the City to the Bondholders; will thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or interest installments for payment or redemption of which moneys will have been set aside and will be held in trust by the Paying Agents (through deposit by the City of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the Indenture. All Outstanding Bonds of any Series will prior to the maturity or redemption date thereof be deemed to have been paid if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City will have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption of such Bonds on said date; (ii) there will have been deposited with the Trustee either moneys in an amount which will be sufficient, or Government Securities the principal of and the interest on which when due will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal and premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, and all necessary and proper fees, compensation and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made will have been paid or the payment thereof provided for to the satisfaction of the Trustee and Paying Agents, respectively, as the case may be; and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the City will have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, to the Owners of such Bonds notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, will, unless otherwise provided by law, at the written request of the City, be repaid by the Fiduciary to the City, as its absolute property and free from trust, and the Fiduciary will thereupon be released and discharged with respect thereto and the Bondholders will look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City and the Fiduciary will, at the expense of the City, cause to be mailed to the Owner of each unpaid Bond, at the address of such Owner as set forth on the Bond register maintained by the Trustee, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date will not be less than 45 days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the City.

After payment in full of the principal of, redemption premium, if any, and interest on any Series of Bonds (or after provision has been made for the payment thereof as provided in the Indenture), the fees, charges and expenses of the Trustee and Paying Agent, and any other amounts required to be paid under the Indenture relating to such Series of Bonds, all amounts remaining in the accounts or sub- accounts established with the Trustee for such Series of Bonds shall be transferred to the various sub- accounts of the Debt Service Account for the Outstanding Bonds, as directed by the City, unless otherwise directed in a Supplemental Indenture adopted in accordance with the Indenture.

APPENDIX D

Summary of Certain Provisions of the Use Agreements

and the Operating Agreements

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT USE AND LEASE AGREEMENTS AND THE AIRPORT OPERATING AGREEMENTS

The following is a summary of certain provisions of the Use Agreements, the Operating Agreements and the Cargo Addenda. This summary does not purport to be complete or definitive and reference is made to the Use Agreements, the Operating Agreements and the Cargo Addenda for a complete recital of the terms of such documents.

Airport Use and Lease Agreement. The term of the current Use Agreement began on July 1, 2011. Each Use Agreement will expire on June 30, 2016, unless earlier terminated by the City for nonperformance or default. An air carrier may terminate its Use Agreement if the City fails to keep any material promise or covenant, or if the air carrier is denied the right to operate at the Airport by a governmental agency with competent jurisdiction or, under certain circumstances, if the air carrier is prevented from conducting its air transportation business at the Airport for an extended period of time. The terms of the Use Agreements may be extended by mutual agreement of the parties.

Air carriers operating at the Airport pursuant to the Use Agreements are referred to as “Signatory Airlines.” The Use Agreements grant the Signatory Airlines the right to use the airfield and, as applicable, use and lease certain areas in the passenger terminal buildings, including concourses, and related facilities for the business of transporting persons, property, cargo, and mail by air. Signatory Airlines that operate from the passenger terminal buildings at the Airport may, but are not required to, lease space in the terminal buildings. The Use Agreements also provide for the payment of certain rentals, fees and charges by the Signatory Airlines.

Signatory Airlines. Signatory Airlines must commit to pay the City a minimum amount in landing fees throughout the term of their respective Use Agreements. The minimum landing fee commitment is $1,000,000 for Signatory Airlines with Use Agreements that began on July 1, 2011. The landing fee commitment is prorated in Use Agreements that began after July 1, 2011.

Signatory Airlines have the right to review and approve certain capital acquisitions and projects with a net cost (net of federal and/or state grants-in-aid and PFCs) in excess of $100,000 (“Capital Improvements”) at the Airport, as well as the right to participate in the Airport's annual rate setting process (budget review and comment; meet and confer over rents, fees and charges), and, under certain circumstances, are eligible for a waiver of the security deposit requirements of their respective Use Agreements. Signatory Airlines may designate certain non-signatory airlines as their “Affiliates.” Affiliates enjoy some, but not all, of the benefits of Signatory Airlines.

Airlines Rates and Charges Methodology. The Use Agreements set forth the methodology for computing the user fees and space rentals that are charged to the air carriers. Rentals, fees and charges are assessed to the Signatory Airlines and the other air carriers using the Airport to support the primary activities of the Airport - the airfield and the terminal buildings (including Terminal 1 and Terminal 2). The Use Agreements permit the City to adjust rental rates for each rate period to reflect overpayments and underpayments that occurred during the preceding rate period, and, to the extent necessary, replenish reasonable reserves for uncollected revenues.

Landing Fees. Under the terms of the Use Agreements, the Airport landing fees are computed based on a modified cost center residual rate methodology. In calculating the annual landing fee rate, the total costs of the Airfield are first calculated by adding the following costs for such year allocable to the Airfield Cost Center:

- direct and indirect Operation and Maintenance Expenses;

- amortization of Capital Improvements made to the airfield and put into service before July 1, 2011

- debt service associated with Capital Improvements made to the airfield, approved by the Signatory Airlines, and put into service on or after July 1, 2011;

- debt service or depreciation charges, as the case may be, associated with certain Capital Improvements undertaken on the airfield: to comply with laws and regulations or with the requirements of the Trust Indenture; as an emergency project; to settle claims, satisfy judgments, or comply with judicial orders; to repair casualty damage on the airfield; to mitigate aircraft noise as part of a Noise Compatibility Program; or to conduct any necessary environmental investigation or remediation;

- any replenishment or rebate of the Debt Service Reserve Account; and

- share of the Debt Service Stabilization Fund Contribution.

The "Initial Airfield Requirement" is then calculated by subtracting the following from the total costs allocable to the Airfield Cost Center:

- non-signatory airline landing fees;

- general aviation landing fees, if any;

- military use fees;

- fuel flowage fees;

- rent paid to the City by a consortium of airlines leasing the fuel farm; and

- certain credits made available annually by the City from the Debt Service Stabilization Fund.

The landing fee rate is then calculated by dividing the aggregate landed weight of all Signatory Airlines and their Affiliates into the sum of the Initial Airfield Requirement and that portion allocated to the Airfield Cost Center of Airport-wide residual shortfalls or overages that would result if airline charges were limited to the Initial Airfield Requirement and the Initial Terminal Requirement (see below) (the "Additional Airline Requirement").

In accordance with the terms of the Use Agreements, the landing fee rate applicable to non-signatory airlines that have signed an Operating Agreement is equal to 125% of the landing fee rate payable by the Signatory Airlines. The landing fee payable by each air carrier is then calculated by multiplying that air carrier's actual landed weight for the period in question, by the applicable landing fee rate.

Terminal Building Space Rentals. The Use Agreements establish two passenger terminal building cost centers: Terminal 1 Cost Center (including Terminal 1 and Concourses A, B, C and all but the four easternmost gates in Concourse D), and Terminal 2 Cost Center (including Terminal 2, the International Facilities, and the four easternmost gates in Concourse D). Under the terms of the Use Agreements, Signatory Airlines are charged terminal building rental rates computed based on a modified compensatory rate methodology. In calculating the annual rental rate for each terminal cost center, the total annual costs are first calculated by adding the following costs allocable to each terminal cost center:

- direct and indirect Operation and Maintenance Expenses;

- fifty percent (50%) of the total costs in the terminal roadways allocated between each of the terminal buildings based on the ratio that the usable space in each of the terminal buildings is to the aggregate usable space in all terminal buildings;

- amortization of Capital Improvements made to the terminal buildings and put into service before July 1, 2011;

- debt service associated with Capital Improvements made to the terminal buildings, approved by the Signatory Airlines, and put into service on or after July 1, 2011;

- debt service or depreciation charges, as the case may be, associated with certain Capital Improvements undertaken on the terminal buildings: to comply with laws and regulations or with the requirements of the Trust Indenture; as an emergency project; to settle claims, satisfy judgments, or comply with judicial orders; to repair casualty damage of the terminal buildings; to mitigate aircraft noise as part of a Noise Compatibility Program; or to conduct any necessary environmental investigation or remediation;

- any replenishment or rebate of the Debt Service Reserve Account; and

- share of the Debt Service Stabilization Fund Contribution.

The net costs attributable to each terminal cost center is then calculated by subtracting the following from the total costs allocable to each corresponding terminal cost center:

- rent payable for apron-level =enclosed space;

- non-signatory airline terminal rents; and

- certain credits made available annually by the City from the Debt Service Stabilization Fund.

The “Initial Terminal Requirement” is then calculated by dividing the net costs attributable to each terminal cost center by the usable space of such terminal building, and the resulting quotient (the “Initial Terminal Rental Rate”) multiplied by the rented space of such terminal building.

The annual terminal rental rate applicable to the Signatory Airlines in each terminal building is then calculated by adding the Initial Terminal Rental Rate in each terminal cost center to the quotient derived by dividing the Additional Airline Requirement allocable to each terminal cost center by the rented space in each of the respective terminal buildings.

The annual terminal rental rate to the non-signatory airlines that have signed an Operating Agreement is equal to the applicable terminal rental rate calculated in accordance with the Use Agreements.

Airline Review and Approval of Capital Projects. Except as enumerated below, before undertaking any Capital Improvement, the City must notify the Signatory Airlines and request a Majority in-Interest (“MIT”) approval for each such Capital Improvement. An MIT is deemed to be 50% plus one of the Signatory Airlines operating at the Airport at the time of the voting action, having paid no less than 66.67% of the aggregate rents, fees, and charges paid by all signatory Airlines operating at the Airport during the immediately preceding fiscal year.

The City may undertake all Capital Improvements for which it receives MIT approval. If MII approval is denied, the City may undertake only those Capital Improvements that are funded from sources other than Bond proceeds, and only if the unencumbered balance of the Airport Development Fund is $20,000,000 or greater; provided, however, that the City must delay obligating Airport funds necessary to undertake such Capital Improvements by one calendar year from the date in which the City requested MII approval. The City may not undertake Capital Improvements that are funded with Bond proceeds unless it receives MII approval for such projects.

No MII approval is required for Capital Improvements undertaken: (a) to comply with laws and regulations or with the requirements of the Trust Indenture; (b) as an emergency project; (c) to settle claims, satisfy judgments, or comply with judicial orders; (d) to repair casualty damage at the Airport; (e) to mitigate aircraft noise as part of a Noise Compatibility Program; (f) to conduct any necessary environmental investigation or remediation; (g) to build special facilities for which the City has a contractual commitment from a Signatory Airline or a financially-responsible third party; or (h) to be fully funded from PFCs.

Airline Operating Agreement and Terminal Space Permit. The Operating Agreements are month-to-month operating permits that may be terminated by either party by providing the other party 30-day written notice. Air carriers electing to operate at the Airport under the Operating Agreements are considered to be "non-signatory" airlines. The Operating Agreements are short term permits intended to provide flexibility for charter airlines, new entrants that may wish to test the market, and regional airlines that operate at the airport under a contract with other air carriers. Air carriers operating at the Airport pursuant to Operating Agreements are subject to a landing fee rate equal to 125% of the landing fee rate paid by the Signatory Airlines (unless the Operating Agreement airline is designated as an Affiliate by a Signatory Airline, in which case its landing fee rate is equal to the landing fee rate applicable to the Signatory Airlines). A passenger air carrier that signs an Operating Agreement and requests space in one of the terminal buildings pays a space use fee equal to the terminal rental rate payable by the Signatory Airlines.

Allocation of Space in the Terminal Building. Neither the Use Agreements nor the Operating Agreements require an air carrier to lease space in the Airport terminal buildings as a condition precedent to entering into either of those agreements. A Signatory Airline may lease space in the terminal buildings for its exclusive, preferential, joint, or common use and occupancy. As noted below, air carriers that sign an Operating Agreement may also receive a month-to-month space permit. All gates in the passenger terminal buildings have been designated as preferential use space. In accordance with the Use Agreements, a Signatory Airline's right to a preferential gate is subject to an average gate utilization requirement (by that air carrier and/or its Affiliate or partner airlines if applicable) of four flight departures each day from that gate. A Signatory Airline that fails to meet the average gate utilization during any given six-month period may be required to relinquish its preferential rights to one or more gates. In addition, under the provisions of the Use Agreements, the City retains the right to accommodate requesting air carriers (either new entrants or incumbents in need of more gate space) in an air carrier's preferential use gates if similar space cannot be found elsewhere in one of the terminal buildings. Finally, in accordance with the provisions of the Use Agreements and the Operating Agreements, the City retains the right to consolidate, force relinquishment, and/or relocate airline leased space, both preferential use and exclusive space, under certain circumstances and following agreed upon criteria.

Itinerant Air Carriers. The City has retained under its exclusive control six gates at the terminal buildings where itinerant air carriers can be accommodated and handled by a gate agent. The Airport Commission has established a schedule of fees and charges for the use of the Airport, including the use of the airfield, space in the terminal buildings, and hangars, applicable to all users of the Airport whose activities are not governed by a contract, lease, or agreement, such as a Use Agreement or an Operating Agreement.

Airport Maintenance. Under the terms of both the Use Agreements and the Operating Agreements, the City is required to maintain and keep in good repair all of the public areas and facilities of the Airport, including the structures associated with the terminal buildings, the utility systems within the Airport, and all other common use systems owned and operated by the City. For their part, the Signatory Airlines and the air carriers operating at the Airport pursuant to an Operating Agreement are individually required to repair and maintain in good condition the premises leased or assigned to each of them, including that portion of the utility systems serving each of their exclusive use facilities.

Cargo Addendum. Cargo air carriers may elect to operate under either a Use Agreement or an Operating Agreement, but must execute the applicable cargo addendum which prohibits cargo air carriers from operating from the Airport's passenger terminal buildings. Among other things, the cargo addenda for the Use Agreements and the Operating Agreements require cargo air carriers to arrange for operating space at the Airport separately with the City or with a third-party Airport tenant whose rights include providing such space.

Other Air Carrier Facilities. The City also has available throughout the Airport, and leases to individual air carriers, space suitable for maintenance activities, cargo operations, and other related facilities. Rental rates for these facilities are adjusted from time-to-time to reflect their fair market value.

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APPENDIX E

DTC Information

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APPENDIX E

DTC INFORMATION

The information provided immediately below concerning DTC and the Book-Entry System, as it currently exists, has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters or the City. The Underwriters and the City make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

Book-Entry Only 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) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity listed on the inside cover hereof, each in the 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 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 (the "Indirect Participants" and collectively with the Direct Participants, the ***"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 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 (the ***"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 interest 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 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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. 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 issue 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 issuer of the securities 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).

Principal and interest payments on the Bonds and redemption proceeds, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest and redemption proceeds, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants 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 City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The City may discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered as described in the Indenture.

None of the Underwriters, the Trustee, nor the City will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (0 the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of premium, if any, or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to owners of the Bonds; (iv) any consent given or other action taken by DTC as Bondholder

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Underwriters believe to be reliable, but the City and the Underwriters take no responsibility for the accuracy thereof and neither the Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should, instead, confirm the same with DTC or the Participants, as the case may be. Neither the City nor the Underwriters makes any assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

APPENDIX F

FORM OF OPINION OF CO-BOND COUNSEL

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APPENDIX F

FORM OF OPINION OF CO-BOND COUNSEL

June ___, 2015

To: The City of St. Louis, Missouri
St. Louis, Missouri

We have served as co-bond counsel to The City of St. Louis, Missouri (the "City") and not as counsel to any other person in connection with the issuance by the City of its $17,310,000 Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert-St. Louis International Airport) (the "Bonds"), dated the date of this letter.

The Bonds are issued pursuant to the Constitution and statutes of the State of Missouri (the "State"), including particularly, Article VI, Section 27(a) and Section 28 of the Missouri Constitution, as amended, Chapters 108.140 and 108.170 of the Revised Statutes of Missouri, as amended, the Charter of the City (the "Charter"), Ordinance No. 69939, adopted by the Board of Aldermen of the City (the "Board of Aldermen") on February 6, 2015, and signed by the Mayor of the City on February 17, 2015 (the "Ordinance"), and an Indenture of Trust between the City and UMB Bank, N.A., as trustee, dated as of October 15, 1984, as amended and restated by the Amended and Restated Indenture of Trust, dated as of July 1, 2009, as supplemented and amended, including by the Twentieth Supplemental Indenture of Trust, dated as of June 1, 2015 (collectively, the "Indenture"). Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity, the Indenture and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Bonds and the Indenture are valid and binding obligations of the City, enforceable in accordance with their respective terms.

2. The Bonds constitute special and limited obligations of the City, and the principal of and interest on (collectively, "debt service") the Bonds, together with debt

service on any other obligations issued and outstanding on a parity with the Bonds as provided in the Indenture, are payable from and secured solely by those sources pledged for that purpose as provided in the Indenture. The Bonds and the interest thereon do not constitute a pledge of the faith and credit of the City, the State or any political subdivision of the State.

3. The Ordinance has been duly and lawfully adopted by the City, is in full force and effect, and is valid and binding upon the City and enforceable against the City in accordance with its terms.

4. The Twentieth Supplemental Indenture has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other party thereto, constitutes the valid and binding obligation of the City in accordance with its terms.

5. The Indenture creates the valid pledge which it purports to create of the moneys, securities and funds included in the Trust Estate and all Revenues subject to the application thereof for the purposes and on the conditions permitted by the Indenture.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on the Bonds is excluded from Missouri taxable income for purposes of the personal income tax and corporate income tax imposed by the State. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City. We have relied upon the opinions of even date herewith of the City Counselor of the City with respect to the matters set forth therein.

In rendering those opinions with respect to treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Respectfully submitted,

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APPENDIX G

FORM OF THE CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

Dated as of June 1, 2015

between

THE CITY OF ST. LOUIS, MISSOURI

and

UMB BANK, N.A.,
as Dissemination Agent

$17,310,000

THE CITY OF ST. LOUIS, MISSOURI
AIRPORT REVENUE REFUNDING BONDS
SERIES 2015 (NON-AMT)
(LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT)

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT dated as of June 1, 2015 (this *"Continuing Disclosure Agreement"*), is executed and delivered by The City of St. Louis, Missouri (the *"City"*) and UMB Bank, N.A., as dissemination agent (the *"Dissemination Agent"*).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered by the City and the Dissemination Agent in connection with the issuance of $17,310,000 aggregate principal amount of the City's Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert–St. Louis International Airport) (the *"Bonds"*). The Bonds are being issued pursuant to an Indenture of Trust, dated as of October 15, 1984, as amended and restated by the Amended and Restated Indenture of Trust, dated July 1, 2009, as further amended and supplemented, including by the Twentieth Supplemental Indenture of Trust, dated as of June 1, 2015 (collectively, the *"Indenture"*) between the City and UMB Bank, N.A., as Trustee (the *"Trustee"*).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (all as defined below). The City acknowledges that no other party has undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement, unless otherwise defined in the Recitals or this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Beneficial Owner" means any registered owner of any Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Comptroller, on behalf of the City, or her successors or designees, or such other person as the City shall designate in writing to the Dissemination Agent from time to time.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org, or such other location as may be designated in the future by the MSRB pursuant to the Rule.

"Listed Events" means any of the events listed in Section 4(A) of this Continuing Disclosure Agreement, and includes any Material Listed Events.

"Material Listed Events" means such of the events listed in Section 4(A) of this Continuing Disclosure Agreement which requires a determination of materiality and which the City has advised the Dissemination Agent are material under applicable federal securities law.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the SEC in accordance with the Rule.

"National Repository" means any nationally recognized municipal securities information repository for purposes of the Rule. Currently, the sole National Repository within the meaning of the Rule is the MSRB through EMMA and filings shall be submitted solely at its website, http://emma.msrb.org.

"Objective Criteria" means any air carrier that is party to a use agreement with the City with a term of more than one year pursuant to which it (or its corporate parent) has paid amounts equal to at least 20% of the Revenues of the Airport for each of the prior two fiscal years. As of the date of the Official Statement, Southwest Airlines is the only airline which meets the criteria in the preceding sentence.

"Obligated Person" means the City and any airline meeting the Objective Criteria.

"Official Statement" means the Official Statement dated June 17, 2015, relating to the issuance and sale of the Bonds.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" means each National Repository and each State Repository, if any.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

"State" means the State of Missouri.

"State Repository" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

Unless the context clearly indicates otherwise, words used in the singular include the plural and words used in the plural include the singular.

Section 2. Provision of Annual Reports.

A. The City shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days (if the 210th day is not a Business Day, then the next succeeding Business Day) after the end of the City's Fiscal Year (presently June 30) commencing with the report for the Fiscal Year ending June 30, 2015, provide to each Repository an Annual Report which is consistent with the requirements of Section 3 of this Continuing Disclosure Agreement.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Continuing Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement.

B. Not later than three (3) Business Days prior to the date specified in Subsection A above for providing the Annual Report to the Repositories, the City shall either provide the Annual Report, in PDF format, word-searchable, to the Dissemination Agent with instructions to file the Annual Report as specified in Subsection A above or provide a written certification to the Dissemination Agent and the Trustee (if not the Dissemination Agent) that the City has provided the Annual Report to the Repositories.

C. If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date in Subsection A above, the Dissemination Agent shall send a notice to each Repository in substantially the form of **Exhibit A** hereto.

D. The Dissemination Agent shall:

1. determine each year, prior to the date for providing the Annual Report to the Repositories the name and address of each National Repository and the State Repository, if any;

2. unless the City has certified in writing that the City has provided the Annual Report to the Repositories, promptly following receipt of the Annual Report and the instructions required by Subsection B above, provide the Annual Report to the Repositories and file a report with the City and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided or that the City has certified that it filed the Annual Report; and

3. unless the City has provided the Annual Report as provided above, notify the City in each year not later than ninety (90) days and again not later than thirty (30) days prior to the date for providing the Annual Report to the Repositories, of the date on which its Annual Report must be provided to the Dissemination Agent or the Repositories.

Section 3. Content of Annual Reports.

The City's Annual Report will contain or incorporate by reference the following:

A. Audited financial statements of the Airport for the prior Fiscal Year**,** prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Governmental Accounting Standards Board ("GASB") and all statements and interpretations issued by the Financial Accounting Standards Board which are not in conflict with the statements issued by GASB, provided, however, that the Airport may from time to time, in order to comply with federal or State legal requirements, modify the basis upon which such financial statements are provided. Notice of any such modification shall be provided to the MSRB and shall include a reference to the applicable law or requirement describing such accounting basis. If the Airport's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Continuing Disclosure Agreement, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the Annual Report for the prior Fiscal Year, and the audited financial statements will be filed in the same manner as the Annual Report when they become available.

B. The following statistical and operating data of the Airport, updated for the Airport's prior Fiscal Year:

(1) The list of Major Air Carriers, Regional Air Carriers and Air Cargo Carriers at the Airport, including information as to which are Signatory Airlines and Non-Signatory Airlines comparable to the list contained in the Official Statement under the caption "AIRPORT OPERATIONS–Air Carrier Service";

(2) The table captioned "Airport Revenues and Expenses and Certain Bond-Related Data" contained in the Official Statement in the section "AIRPORT FINANCIAL INFORMATION–Revenues and Expenses";

(3) A table reflecting "O&D and Connecting Enplanements" comparable to the table contained in the Official Statement in the section "AIRPORT OPERATIONS–Passenger Enplanements";

(4) A table reflecting "Annual Enplanements of Three Largest Carriers" and Market Share comparable to the table in the Official Statement under the caption "AIRPORT OPERATIONS–Airline Market Shares";

(5) A table reflecting "Summary of Signatory Airline Revenues, Cost Per Enplaned Passenger and Rates" (actual only) comparable to the table in the Official Statement under the caption "AIRPORT CONSULTANT - Projected Airport Revenues";

(6) A table reflecting "Trends in Air Service at STL" comparable to Figure 2 in APPENDIX A - "Airport Consultant Letter" in the Official Statement;

(7) A table reflecting "Base Forecast Enplanements" (actual only) comparable to Table 1 in APPENDIX A - "Airport Consultant Letter" in the Official Statement;

(8) A table reflecting "Base Forecast Aircraft Arrivals" (actual only) comparable to Table 2 in APPENDIX A - "Airport Consultant Letter" in the Official Statement;

(9) A table reflecting "Base Forecast Aircraft Landed Weight" (actual only) comparable to Table 3 in APPENDIX A - "Airport Consultant Letter" in the Official Statement;

(10) A table reflecting "Summary of Signatory Airlines Revenues, Cost Per Enplaned Passenger and Rates" (actual only) comparable to Table 6 in APPENDIX A - "Airport Consultant Letter" in the Official Statement; and

(11) A table reflecting "Projected Coverage Calculation" comparable to Table 7 in APPENDIX A - "Airport Consultant Letter" in the Official Statement.

Section 4. Reporting of Listed Events.

A. Pursuant to the provisions of this Section, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such event:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. modifications to rights of Bondholders, if material;

4. Bond calls, if material, and tender offers;

5. defeasance;

6. rating changes;

7. 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;

8. unscheduled draws on debt service reserves reflecting financial difficulties;

9. unscheduled draws on credit enhancements reflecting financial difficulties;

10. substitution of credit or liquidity providers, or their failure to perform;

11. release, substitution or sale of property securing repayment of the Bonds, if material;

12. bankruptcy, insolvency, receivership or similar event of an Obligated Person;

13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

B. The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event, contact the City, inform the Disclosure Representative of the event, and, if such Listed Event requires a determination of materiality, request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Subsection F below. For the purpose of this Continuing Disclosure Agreement, "actual knowledge" of the Listed Events shall mean knowledge by an officer of the Dissemination Agent with responsibility for matters related to this Continuing Disclosure Agreement.

C. Whenever the City obtains knowledge of the occurrence of a Listed Event requiring a determination of materiality, as set forth in Subsection A above, because of a notice from the Dissemination Agent pursuant to Subsection B above or otherwise, the City shall as soon as possible determine if such event is a Material Listed Event.

D. If knowledge of the occurrence of a Listed Event requiring a determination of materiality would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing that it is a Material Listed Event. Such notice shall instruct the Dissemination Agent to report the occurrence of the Material Listed Event pursuant to Subsection F below.

E. If in response to a request under Subsection B above, the City determines that the Listed Event requiring a determination of materiality is not a Material Listed Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to Subsection F below.

F. The Dissemination Agent shall file a notice of all Listed Events within the timeframe set forth in Subsection A above with the Repository, with a copy to the City.

Section 5. EMMA. The Dissemination Agent shall use EMMA for the submission of Annual Reports and Listed Events for so long as EMMA is recognized, authorized or approved by the SEC. Submission of an Annual Report or a Listed Event by the Dissemination Agent to EMMA shall be deemed to satisfy the Dissemination Agent's obligations under this Continuing Disclosure Agreement with respect to that Annual Report or Listed Event.

Section 6. Termination of Reporting Obligations. The City's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If the City's obligations under this Continuing Disclosure Agreement are assumed in full by another entity, such entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 4(A) of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn, retroactively repealed, or having been found by a court of competent jurisdiction to be invalid in a non-appealable action; or (ii) receipt by the Dissemination Agent, the Trustee (if the Dissemination Agent is not the Trustee), and the City of an opinion of counsel of nationally recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

A. If the amendment or waiver relates to the provisions of Sections 2A, 3 or 4A of this Continuing Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, rule or regulation or change in the identity, nature or status of an Obligated Person with respect to the Bonds, or the type of business conducted;

B. The undertaking, as amended or taking into account such waiver, should, in the opinion of counsel to the Participating Underwriters, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment or waiver in the Opinion of Co-Bond Counsel for the Bonds, does not materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 4A of this Continuing Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Trustee may (and, upon receipt of satisfactory indemnity and at the request of any Participating Underwriter or the Bondholders or Beneficial Owner of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Bondholder or Beneficial Owner of at least 25% aggregate principal amount of the Bonds may, take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture or with respect to the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent at the time acting hereunder may at any time resign by giving not less than sixty (60) days' written notice to the City specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Dissemination Agent shall have been appointed by the City. If no successor Dissemination Agent has been appointed within sixty (60) days of the notice, the Dissemination may petition a court of competent jurisdiction to have a successor Dissemination Agent appointed.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and, to the extent permitted by law, the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including its reasonable extraordinary fees and the costs and expenses (including reasonable attorney’s fees) of defending against any claim of liability as it relates to the City, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the City to the Dissemination Agent for filing or the City’s failure to submit a complete Annual Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the City or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the City.

The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The ordinary fees, charges, and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid as provided in the Indenture.

Section 11. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Airport:	Lambert-St. Louis International Airport 10701 Lambert International Drive St. Louis, Missouri 63145 Attention: Rhonda K. Hamm-Niebruegge Telephone: (314) 426-8000 Facsimile: (314) 426-5733
To the City:	The City of St. Louis, Missouri City Hall West 1520 Market Street, Room 3005 St. Louis, Missouri 63103 Attention: Ivy Neyland-Pinkston, Deputy Comptroller for Finance and Development Telephone: (314) 657-3431 Facsimile: (314) 588-0550
With copy to:	The City of St. Louis, Missouri City Hall, Room 314 1200 Market Street St. Louis, Missouri 63103 Attention: City Counselor Telephone: (314) 622-4078 Facsimile: (314) 622-4956
To the Dissemination Agent:	UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attention: Corporate Trust Department Telephone: (314) 612-8480 Facsimile: (314) 612-8499

Any person may, by written notice to the other persons listed above, designate a different address, telephone number(s) or facsimile number(s) to which subsequent notices or communications should be sent.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriters, and Bondholders and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Governing Law; Venue. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. Any action under this Continuing Disclosure Agreement shall be filed in the 22nd Judicial Circuit of the State of Missouri (City of St. Louis) or in the United States District Court for the Eastern District of Missouri.

Section 15. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 16. Captions. The captions or headings in this Continuing Disclosure Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Continuing Disclosure Agreement.

Section 17. Electronic Means. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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IN WITNESS WHEREOF, The City of St. Louis, Missouri, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf and its corporate seal to be hereunto affixed and attested by its duly elected officials and/or authorized officers, all as of the day and year first above written.

[SEAL]

THE CITY OF ST. LOUIS, MISSOURI

By:________________________________
Francis G. Slay, Mayor

By:________________________________
Darlene Green, Comptroller

[SEAL]

ATTEST

By:________________________________
Parrie L. May, Register

APPROVED AS TO FORM:

By:________________________________
Winston Calvert, City Counselor

IN WITNESS WHEREOF, UMB Bank, N.A., as Dissemination Agent, has caused this Continuing Disclosure Agreement to be signed in its name and on its behalf by one of its duly authorized officers as of the day first above written.

UMB BANK N.A., as Dissemination Agent

By: ______________________________
Brian P. Krippner, Senior Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The City of St. Louis, Missouri (the *"City"*)
Name of Bond Issue:	$17,310,000 The City of St. Louis, Missouri Airport Revenue Refunding Bonds, Series 2015 (Non-AMT) (Lambert–St. Louis International Airport)
Name of Obligated Person:	City and Southwest Airlines
Date of Issuance:	June 25, 2015

NOTICE IS HEREBY GIVEN that the City has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of June 1, 2015, between the City and UMB Bank, N.A., as Dissemination Agent. [The City has informed the Dissemination Agent that the City anticipates that the Annual Report will be filed by _____________.]

Dated: __________ ___, _____

UMB BANK, N.A., as Dissemination Agent
on behalf of The City of St. Louis, Missouri

cc: The City of St. Louis, Missouri

APPENDIX H

The PFC Program

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THE PFC PROGRAM

Authority and Purpose of Passenger Facility Charges. Section 40117 of Title 49 of the United States Code allows public agencies controlling commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1, $2, $3, $4 or $4.50 charge, referred to as a Passenger Facility Charge, or "PFC". The purpose of the charge is to provide additional capital funding for the expansion of the national airport system. The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

Termination of Authority to Impose and Use PFCs. The FAA may terminate the City's authority to impose PFCs, subject to informal and formal procedural safeguards, if the FAA determines that (i) the City is in violation of certain provisions of the Noise Control Act, 42 USC 4901-4918 (the "Noise Act"), relating to airport noise and access restrictions, (ii) PFCs and investment income thereon are not being used for Approved PFC funding in accordance with the FAA's approvals or with the PFC Act and the PFC Regulations, (iii) implementation of projects financed with PFCs does not commence within the time periods specified in the PFC Act and the PFC Regulations or (iv) the City is otherwise in violation of the PFC Act, the PFC Regulations or the PFC Approvals.

Noise Act Violations. The City's authority to impose PFCs may be terminated if the City violates the provisions of the Noise Act. Although the procedures described above do not apply to alleged violations of the Noise Act, the Noise Act and FAA regulations thereunder provide procedural safeguards to ensure that the City's authority to impose PFCs at the Airport will not be summarily terminated because of violations of the Noise Act. In general, the City can prevent termination of its PFC Authority by suspending the effectiveness of any noise or access restriction in question, until the legal sufficiency of the restriction, and its impact on the City's authority to impose PFCs at the Airport, has been determined The PFC approvals issued by the FAA in 2000 included findings by the FAA that the City has not been found to be in violation of the Noise Act and that the FAA is not aware of any proposal at the Airport that would be found to be in violation of the Noise Act.

Informal Resolution Process for PFC Act Violations. Pursuant to the provisions of the PFC Act, the PFC Regulations provide for an informal process for resolution of possible violations of the PFC Act, PFC Regulations or PFC Approvals. A public agency may also request that the FAA agree in the PFC approval to a specific, informal resolution process that the FAA will follow if it suspects the public agency has committed such a violation.

Formal Termination Process for PFC Act Violations. Pursuant to the PFC Regulations, formal termination proceedings are authorized only if the FAA determines that efforts to achieve an informal resolution are not successful. The formal termination process prescribed in the PFC Regulations is to be initiated upon the FAA's filing of a notice, followed by a 60-day period during which the City may submit further comments and take corrective action. The PFC Regulations provide that if corrective action is not taken as prescribed in the notice, the FAA is required to hold a public hearing at least 30 days after notifying the City and publishing a notice of the hearing in the Federal Register. After the public hearing, the City would have 10 days after receiving notice of the FAA's decision to advise the FAA in writing that it will complete any corrective action prescribed in the FAA's decision within 30 days or to provide the FAA with a list of collecting carriers, after which the FAA would notify the collecting carriers to terminate or to modify the PFC accordingly. The formal termination process would last at least 100 days.

Treatment of PFCs in Air Carrier Bankruptcies. The PFC Act was amended in 1996 to provide that PFCs that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the eligible agency imposing the PFCs and that the Collecting Carrier holds neither legal nor equitable interest in the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with their other sources of revenue and are also entitled to retain interest earned on PFC collections until such PFCs must be remitted. Despite the language in the PFC Act, at least one bankruptcy court in an unpublished opinion has indicated that PFC revenues held by an air carrier in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of such air carrier's unsecured creditors. In an unpublished opinion rendered in the TWA bankruptcy, the Court entered a stipulated order on March 12, 2001 establishing a $7 5 million PFC trust fund for the benefit of various airports to whom TWA was not current on PFC payments. At the time TWA filed its petition for reorganization, the Airport was owed approximately $2 million in PFCs for the month of November 2000, which were payable by December 31, 2000. Pursuant to Court authorization, the Airport was paid all PFC amounts then due it on January 17, 2001. Thereafter, during the bankruptcy proceedings, TWA paid all PFC amounts due the Airport. There is no assurance as to which approach other bankruptcy courts will use in the future. In 2003, Congress added a provision (Section 124 of Pub. L. 108-176 (December 12, 2003)) that imposes additional requirements relating to PFC revenues on air carriers filing for bankruptcy after the date of enactment. These air carriers in bankruptcy would have to segregate PFC money so that the airport for which the PFC was collected would be assured of receiving its money should the airline go out of business during the interim period between the date that the PFC was collected and the time it was remitted to the airport. Such air carriers would not be required, however, to put that money in an escrow account.

The PFC Program at the City

City PFC Approvals. The Airport has obtained the approval under seven PFC applications (PFC #1, PFC #2, PFC #3, PFC #4, PFC #5 and PFC #6 and PFC #9) to impose and use PFCs (on both a pay-as-you-go and leveraged basis) for a variety of projects including the Noise Compatibility Program, Terminal 2, a number of smaller airfield and terminal projects, the ADP and the Terminal Improvement Program. The Airport collected a total of $25.6 million in PFC Revenues (including investment earnings) for the Fiscal Year ended June 30, 2014. In September 2001, the Airport obtained approval to increase the PFC rate from $3.00 per passenger to $4.50. The $4.50 rate has been collected since December 2001.

As of April 30, 2015, the FAA had authorized the City to collect up to $1.1 billion in PFCs through 2026, of which approximately $718 million has been collected, plus an additional $52 million of interest earned totaling $770 million of PFC Revenues. From this total, $751 million has been expended, leaving a PFC Account balance of approximately $19 million

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THE CITY OF ST. LOUIS, MISSOURI • AIRPORT REVENUE REFUNDING BONDS, SERIES 2015 (NON-AMT) (LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT)

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