

In the opinion of Kutak Rock LLP, Bond Counsel to the Department, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2025ABC Subordinate Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2025A Subordinate Bond or any Series 2025B Subordinate Bond for any period during which such Series 2025A Subordinate Bond or such Series 2025B Subordinate Bond, as applicable, is held by a “substantial user” of the facilities financed or refinanced by the Series 2025A Subordinate Bonds or the Series 2025B Subordinate Bonds, as applicable, or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that (a) interest on the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals, and (b) interest on the Series 2025C Subordinate Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Series 2025ABC Subordinate Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that interest on the Series 2025ABC Subordinate Bonds is exempt from present State of California personal income taxes. See “TAX MATTERS” herein.



\$1,599,325,000
DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES,
CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT



\$1,308,460,000
Subordinate Revenue and
Refunding Revenue Bonds
2025 Series A
(Private Activity/AMT)
(Green Bonds)

\$123,215,000
Subordinate Revenue and
Refunding Revenue Bonds
2025 Series B
(Private Activity/AMT)

\$167,650,000
Subordinate Refunding Revenue
Bonds
2025 Series C
(Governmental Purpose/Non-AMT)



Dated: Date of Delivery

Due: May 15, as shown on the inside cover

The Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series A (Private Activity/AMT) (Green Bonds) (the “Series 2025A Subordinate Bonds”), the Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series B (Private Activity/AMT) (the “Series 2025B Subordinate Bonds”), and the Los Angeles International Airport Subordinate Refunding Revenue Bonds, 2025 Series C (Governmental Purpose/Non-AMT) (the “Series 2025C Subordinate Bonds” and, collectively with the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds, the “Series 2025ABC Subordinate Bonds”), of the Department of Airports of the City of Los Angeles (the “Department”) are being issued as described herein. Capitalized terms not defined on the cover of this Official Statement have the meanings ascribed to them in this Official Statement.

The Series 2025ABC Subordinate Bonds are being issued to: (i) pay and/or reimburse the Department for the costs of certain capital projects at LAX; (ii) current refund and defease (A) a portion of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series A (AMT), (B) all of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series B (Non-AMT), (C) a portion of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series D (AMT), (D) all of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series E (Non-AMT), and (E) all of the outstanding Los Angeles International Airport Subordinate Refunding Revenue Bonds, 2015 Series C (Non-AMT); (iii) refund a portion of the outstanding Subordinate Commercial Paper Notes; (iv) fund a portion of the interest accruing on the Series 2025A Subordinate Bonds, certain Existing Senior Bonds and certain Existing Subordinate Bonds; (v) make a deposit to the Subordinate Reserve Fund; and (vi) pay costs of issuance. See “PLAN OF FINANCE.”

THE SERIES 2025ABC SUBORDINATE BONDS ARE LIMITED OBLIGATIONS OF THE DEPARTMENT PAYABLE SOLELY FROM AND SECURED SOLELY BY: (I) A PLEDGE OF SUBORDINATE PLEDGED REVENUES; AND (II) CERTAIN FUNDS AND ACCOUNTS HELD BY THE SUBORDINATE TRUSTEE. THE SERIES 2025ABC SUBORDINATE BONDS ARE BEING ISSUED ON PARITY WITH THE EXISTING SUBORDINATE BONDS, THE SUBORDINATE COMMERCIAL PAPER NOTES AND THE SUBORDINATE REVOLVING OBLIGATIONS. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS.”

The Series 2025ABC Subordinate Bonds do not constitute or evidence an indebtedness of the City of Los Angeles (the “City”) or a lien or charge on any property or the general revenues of the City. Neither the faith and the credit nor the taxing power of the City, the State of California or any public agency, other than the Department, to the extent described herein, is pledged to the payment of the principal of or interest on the Series 2025ABC Subordinate Bonds. The Department has no power of taxation. The Series 2025ABC Subordinate Bonds constitute and evidence an obligation of the Department payable only in accordance with Section 609(b) of the City Charter and other applicable provisions thereof. None of the properties of the Airport System is subject to any mortgage or other lien for the benefit of the owners of the Series 2025ABC Subordinate Bonds. The Department is under no obligation to pay the Series 2025ABC Subordinate Bonds, except from funds in the LAX Revenue Account of the Airport Revenue Fund and as further specifically provided in the Subordinate Indenture.

Interest on the Series 2025ABC Subordinate Bonds will be payable on each May 15 and November 15, commencing November 15, 2025. The Series 2025ABC Subordinate Bonds are being issued only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”) and will be available in authorized denominations of \$5,000 and integral multiples thereof. The Series 2025ABC Subordinate Bonds initially are being issued and delivered in book-entry form only.

The Series 2025ABC Subordinate Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described under “DESCRIPTION OF THE SERIES 2025ABC SUBORDINATE BONDS—Redemption Provisions.”

The Series 2025ABC Subordinate Bonds are offered when, as and if issued by the Department, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to the Department, and certain other conditions. Certain legal matters will be passed upon for the Department by Hyde Feldstein Soto, City Attorney of the City. Stradling Yocca Carlson & Rauth LLP, serves as Disclosure Counsel to the Department. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP. Public Resources Advisory Group and Frasca & Associates, LLC serve as Co-Municipal Advisors to the Department. It is expected that the delivery of the Series 2025ABC Subordinate Bonds will be made through the facilities of DTC on or about April 3, 2025.

Barclays
Bancroft Capital, LLC

Academy Securities Inc.
PNC Capital Markets LLC

Date of Official Statement: March 27, 2025.

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND
CUSIP[†] NUMBERS**

**\$1,308,460,000
DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT
Subordinate Revenue and Refunding Revenue Bonds
2025 Series A
(Private Activity/AMT)(Green Bonds)**

<i>Maturity Date (May 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†] No. (544445)</i>
2026	\$9,415,000	5.000%	3.410%	101.723	2F5
2027	21,770,000	5.000	3.550	102.927	2G3
2028	28,595,000	5.000	3.610	104.058	2H1
2029	30,875,000	5.000	3.700	104.917	2J7
2030	32,420,000	5.000	3.800	105.528	2K4
2031	22,500,000	5.000	3.860	106.154	2L2
2032	4,565,000	5.000	3.950	106.454	2M0
2033	35,825,000	5.000	4.030	106.654	2N8
2034	37,630,000	5.000	4.140	106.470	2P3
2035	39,505,000	5.000	4.210	106.449	2Q1
2036	41,475,000	5.000	4.260	106.025 ^C	2R9
2037	42,500,000	5.000	4.320	105.520 ^C	2S7
2038	25,000,000	5.000	4.360	105.185 ^C	2T5
2039	15,200,000	5.000	4.420	104.685 ^C	2U2
2040	50,880,000	5.250	4.440	106.538 ^C	2V0
2041	62,525,000	4.000	4.650	92.681	2W8
2042	40,710,000	5.250	4.620	105.040 ^C	2X6
2043	42,840,000	5.250	4.700	104.382 ^C	2Y4
2044	45,090,000	5.250	4.760	103.892 ^C	2Z1
2045	47,450,000	5.250	4.800	103.567 ^C	3A5

\$210,820,000 5.250% Series 2025A Subordinate Term Bonds due May 15, 2050 – Yield 4.870%, Price 103.001^C, CUSIP* No. 5444453B3

\$149,750,000 5.000% Series 2025A Subordinate Term Bonds due May 15, 2055 – Yield 4.980%, Price 100.151^C, CUSIP* No. 5444453C1

\$271,120,000 5.500% Series 2025A Subordinate Term Bonds due May 15, 2055 – Yield 4.870%, Price 104.979^C, CUSIP* No. 5444453D9

^CPriced to par call on May 15, 2035

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\$123,215,000
DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT
Subordinate Revenue and Refunding Revenue Bonds
2025 Series B
(Private Activity/AMT)

<i>Maturity Date (May 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP* No. (544445)</i>
2026	\$4,650,000	5.000%	3.410%	101.723	3E7
2027	5,780,000	5.000	3.550	102.927	3F4
2028	6,845,000	5.000	3.610	104.058	3G2
2033	7,745,000	5.000	4.030	106.654	3H0
2034	8,840,000	5.000	4.140	106.470	3J6
2035	9,270,000	5.000	4.210	106.449	3K3
2036	9,740,000	5.000	4.260	106.025 ^C	3L1
2041	12,080,000	4.250	4.650	95.494	3M9
2042	6,065,000	4.375	4.730	95.861	3N7
2043	6,325,000	4.375	4.810	94.774	3P2
2044	6,615,000	4.500	4.860	95.545	3Q0
2045	6,905,000	4.500	4.900	94.914	3R8

\$14,085,000 5.250% Series 2025B Subordinate Term Bonds due May 15, 2050 – Yield 4.870%, Price 103.001^C, CUSIP* No. 5444453S6

\$18,270,000 5.500% Series 2025B Subordinate Term Bonds due May 15, 2055 – Yield 4.870%, Price 104.979^C, CUSIP* No. 5444453T4

^C Priced to par call on May 15, 2035

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\$167,650,000
DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT
Subordinate Refunding Revenue Bonds
2025 Series C
(Governmental Purpose/Non-AMT)

<i>Maturity Date (May 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP* No. (544445)</i>
2026	\$7,850,000	5.000%	2.610%	102.610	3U1
2027	9,215,000	5.000	2.700	104.698	3V9
2028	9,675,000	5.000	2.740	106.704	3W7
2029	10,165,000	5.000	2.800	108.495	3X5
2030	10,660,000	5.000	2.840	110.216	3Y3
2031	11,195,000	5.000	2.910	111.630	3Z0
2032	11,760,000	5.000	3.000	112.727	4A4
2033	12,345,000	5.000	3.070	113.769	4B2
2034	12,975,000	5.000	3.180	114.302	4C0
2035	13,615,000	5.000	3.260	114.888	4D8
2036	14,295,000	5.000	3.370	113.871 ^C	4E6
2037	13,340,000	5.000	3.460	113.047 ^C	4F3
2038	14,005,000	5.000	3.510	112.592 ^C	4G1
2039	2,155,000	5.000	3.580	111.959 ^C	4H9
2040	2,280,000	5.000	3.680	111.062 ^C	4J5
2041	2,385,000	5.000	3.790	110.085 ^C	4K2
2042	2,260,000	5.000	3.910	109.031 ^C	4L0
2043	2,370,000	5.000	4.010	108.162 ^C	4M8
2044	2,490,000	5.000	4.090	107.473 ^C	4N6
2045	2,615,000	5.000	4.150	106.959 ^C	4P1

^C Priced to par call on May 15, 2035

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This Official Statement is provided in connection with the issuance of the Series 2025ABC Subordinate Bonds referred to herein and may not be reproduced or be 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 Department and other sources which are believed to be reliable.

No dealer, broker, salesperson or other person has been authorized by the Department to give any information or to make any representation, other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Department. 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 2025ABC Subordinate Bonds in any jurisdiction in which it is unlawful 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 Department since the date hereof.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Series 2025ABC Subordinate Bonds or passed upon the adequacy or accuracy of this Official Statement. Any representation to the contrary is a criminal offense.

The Series 2025ABC Subordinate Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Subordinate Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2025ABC Subordinate Bonds. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Department since the date hereof.

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

The Department undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of materials contained on the websites referenced in this Official Statement, including but not limited to, updates of such information or links to other Internet sites accessed through such websites. Any information contained on such websites that is inconsistent with the information set forth in this Official Statement should be disregarded. No information contained on such websites or the Department's or the City's social media accounts is a part of or incorporated into this Official Statement except as expressly noted.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the cover page, the inside cover page and the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2025ABC Subordinate Bonds is made only by means of this entire Official Statement.

CITY OF LOS ANGELES OFFICIALS

Karen Bass, Mayor
Hydee Feldstein Soto, *City Attorney*
Kenneth Mejia, *City Controller*
Matthew W. Szabo, *City Administrative Officer*
Petty Santos, *Interim City Clerk*
Diana Mangioglou, *Director of Finance / City Treasurer*

CITY COUNCIL

Eunisses Hernandez (District 1)	Imelda Padilla (District 6)	Traci Park (District 11)
Adrin Nazarian (District 2)	Monica Rodriguez (District 7)	John S. Lee (District 12)
Bob Blumenfield (District 3)	Marqueece Harris-Dawson (District 8)	Hugo Soto Martinez (District 13)
Nithya Raman (District 4)	Curren D. Price, Jr. (District 9)	Ysabel Jurado (District 14)
Katy Yaroslavsky (District 5)	Heather Hutt (District 10)	Tim McOsker (District 15)

BOARD OF AIRPORT COMMISSIONERS

Karim Webb, President		
Matthew M. Johnson, Vice President	Vanessa Aramayo, Commissioner	
Courtney La Bau, Commissioner	Victor Narro, Commissioner	
Nicholas P. Roxborough, Commissioner	Valeria C. Velasco, Commissioner	

LOS ANGELES WORLD AIRPORTS STAFF

John Ackerman, Chief Executive Officer
Marla Bleavins, Chief Airport Administrative Officer
Tatiana Starostina, Chief Financial Officer
Michael Christensen, Chief Airport Development Officer
Becca Doten, Chief of Staff
Ian Law, Chief Innovation and Experience Officer
Brian Ostler, General Counsel
Doug Webster, Chief Operations and Maintenance Officer
Jacob Adams, Deputy Executive Director, Airport Development Group, Landside Access Modernization Program
Richard J. Connolly, Deputy Executive Director, Facilities Management
Martin Elam, Deputy Executive Director, Public Safety and Security
Jacob Haik, Airport Manager, Van Nuys Airport
Crystal Lee, Deputy Executive Director, Airport Development Group: Sustainability, Energy, Environmental, and Development Services
Robert Lowe, Chief People and Culture Officer
Emery Molnar, Deputy Executive Director, Airport Development Group, Airports Development Program
Aura Moore, Deputy Executive Director, Information Management and Technology
Courtney Moore, Deputy Executive Director Strategy, Innovation and Experience
David Reich, Deputy Executive Director, Mobility Planning and Strategy
Cecil W. Rhambo Jr., Chief of Airport Police
Harold Samms, Deputy Executive Director, LAMP Performance
Hans Thilenius, Deputy Executive Director, Terminal Development and Improvement Program
Erin Trapp, Deputy Executive Director, Major Events and Strategy

SUBORDINATE TRUSTEE

U.S. Bank Trust Company,
National Association

BOND COUNSEL

Kutak Rock LLP

DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth LLP

CO-MUNICIPAL ADVISOR

Public Resources Advisory Group

CO-MUNICIPAL ADVISOR

Frasca & Associates, LLC

AIRPORT CONSULTANT

WJ Advisors LLC

GREEN BONDS EXTERNAL REVIEWER

Kestrel

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OFFICIAL STATEMENT

\$1,599,325,000

**DEPARTMENT OF AIRPORTS
OF THE CITY OF LOS ANGELES, CALIFORNIA
LOS ANGELES INTERNATIONAL AIRPORT**

\$1,308,460,000
Subordinate Revenue and
Refunding Revenue Bonds
2025 Series A
(Private Activity/AMT)
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\$123,215,000
Subordinate Revenue and
Refunding Revenue Bonds
2025 Series B
(Private Activity/AMT)

\$167,650,000
Subordinate Refunding
Revenue Bonds
2025 Series C
(Governmental
Purpose/Non-AMT)

INTRODUCTION

This introduction contains a summary of the offering and certain documents. Investors must read this Official Statement, including the appendices hereto, in its entirety.

General

The purpose of this Official Statement, which includes the cover page, the inside cover and following pages, the table of contents and the appendices of this Official Statement, is to provide certain information concerning the issuance by the Department of Airports of the City of Los Angeles (the “**Department**”) of its Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series A (Private Activity/AMT) (Green Bonds) (the “**Series 2025A Subordinate Bonds**”), Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series B (Private Activity/AMT) (the “**Series 2025B Subordinate Bonds**”), and Subordinate Refunding Revenue Bonds, 2025 Series C (Governmental Purpose/Non-AMT) (the “**Series 2025C Subordinate Bonds**” and, collectively with the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Revenue Bonds, the “**Series 2025ABC Subordinate Bonds**”). Capitalized terms used but not defined herein have the meanings ascribed to them in APPENDIX C-1—“CERTAIN DEFINITIONS.”

The City, the Department and the Airport System

The Department is designated a proprietary department of the City of Los Angeles (the “**City**”). The City is a municipal corporation and chartered city duly organized and existing under and pursuant to the provisions of the Constitution of the State of California (the “**State**”) and the Charter of the City. The City, acting through the Department, operates and maintains Los Angeles International Airport (“**LAX**”) and Van Nuys Airport (“**VNY**”). In addition, the Department maintains LA/Palmdale Regional Airport (“**LA/PMD**”) and, collectively with LAX and VNY, the “**Airport System**”), although LA/PMD is not currently certificated by the Federal Aviation Administration (the “**FAA**”). The Department’s fiscal year (“**Fiscal Year**”) currently begins on July 1 and ends on June 30 of the immediately subsequent year. The City operates the Airport System as a financially self-sufficient enterprise, without support from the City’s General Fund, through the Department under the supervision of the Board of Airport Commissioners of the City (the “**Board**”). The Department is governed by the seven-member Board, which is in possession, management and control of the Airport System.

Plan of Finance

The Series 2025ABC Subordinate Bonds are being issued to: (i) pay and/or reimburse the Department for the costs of certain capital projects at LAX; (ii) current refund and defease (A) a portion of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series A (AMT), (B) all of the outstanding

Los Angeles International Airport Senior Revenue Bonds, 2015 Series B (Non-AMT), (C) a portion of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series D (AMT), (D) all of the outstanding Los Angeles International Airport Senior Revenue Bonds, 2015 Series E (Non-AMT) (collectively, the “**Series 2015 Senior Bonds**”), and (E) all of the outstanding Los Angeles International Airport Subordinate Refunding Revenue Bonds, 2015 Series C (Non-AMT) (the “**Series 2015 Subordinate Bonds**” and, together with the Series 2015 Senior Bonds, the “**Series 2015 Bonds**”); (iii) refund a portion of the outstanding Subordinate Commercial Paper Notes (as defined herein); (iv) fund a portion of the interest accruing on the Series 2025A Subordinate Bonds, certain Existing Senior Bonds and certain Existing Subordinate Bonds; (v) make a deposit to the Subordinate Reserve Fund; and (vi) pay the costs of issuance.

See “PLAN OF FINANCE” and “DESCRIPTION OF THE SERIES 2025ABC SUBORDINATE BONDS.”

Series 2025ABC Subordinate Bonds and Other Subordinate Obligations

The Series 2025ABC Subordinate Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of December 1, 2002, as amended (the “**Master Subordinate Indenture**”), by and between the Department and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the “**Subordinate Trustee**”), and a Twenty-Sixth Supplemental Subordinate Trust Indenture, to be dated as of April 1, 2025 (the “**Twenty-Sixth Supplemental Subordinate Indenture**,” and together with the Master Subordinate Indenture and all supplements thereto, the “**Subordinate Indenture**”), by and between the Department and the Subordinate Trustee; and under and in accordance with Section 609 of the Charter of the City of Los Angeles, relevant ordinances of the City and the Los Angeles Administrative Code (collectively, the “**Charter**”). Issuance of the Series 2025ABC Subordinate Bonds has been authorized by Resolution No. 27612, as amended, adopted by the Board on October 20, 2022 and approved by the City Council on December 2, 2022 and the Mayor of the City on December 8, 2022, and Resolution No. 28128 adopted by the Board on March 13, 2025 (the “**Documents Resolution**”). The Documents Resolution will not become final until five City Council meetings convened in regular session have passed. During those five City Council meetings, the City Council may, on a two-thirds vote, take up the matter. If the matter is taken up, the City Council may approve or veto the Document Resolution within 21 calendar days of taking up the matter in accordance with Section 245 of the Charter. If the City Council takes no action to assert jurisdiction over the action of the Board during those five meetings the Documents Resolution will become final. As of the date of this Official Statement, the Documents Resolution has become final.

The Series 2025ABC Subordinate Bonds are secured by a pledge of and first lien on Subordinate Pledged Revenues. “**Subordinate Pledged Revenues**” means for any given period, the Pledged Revenues for such period, less, for such period, the LAX Maintenance and Operation Expenses, less, for such period, the debt service payable on the Outstanding Senior Bonds, less, for such period, deposits to any reserve fund or account required pursuant to the Senior Indenture (as defined below). Pledged Revenues generally include certain income and revenue received by the Department from LAX, but exclude any income and revenue from the Department’s other airports. The Series 2025ABC Subordinate Bonds are secured by a pledge of and lien on Subordinate Pledged Revenues on a parity with the Existing Subordinate Bonds (as defined herein), any additional bonds issued on parity with the Series 2025ABC Subordinate Bonds under the terms and provisions of the Master Subordinate Indenture (the “**Additional Subordinate Bonds**”), the Subordinate Commercial Paper Notes (as defined herein), the payment obligations of the Department under the CP Reimbursement Agreements (as defined herein), the Subordinate Revolving Obligations (as defined herein), the additional payment obligations of the Department under the Subordinate Credit Agreement (as defined herein) and any other obligations issued or incurred on a parity with respect to Subordinate Pledged Revenues pursuant to the Master Subordinate Indenture (collectively, “**Additional Subordinate Obligations**”). The Series 2025ABC Subordinate Bonds are not secured by moneys held in any construction funds established under the Subordinate Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS—Pledge of Subordinate Pledged Revenues.”

For purposes of this Official Statement, “**Subordinate Bonds**” means the Series 2025ABC Subordinate Bonds, the Existing Subordinate Bonds and any Additional Subordinate Bonds; and “**Subordinate Obligations**” means the Subordinate Bonds, the Subordinate Commercial Paper Notes, the payment obligations of the Department under the CP Reimbursement Agreements, the Subordinate Revolving Obligations, the additional payment obligations of the Department under the Subordinate Credit Agreement and any Additional Subordinate Obligations.

THE SERIES 2025ABC SUBORDINATE BONDS DO NOT CONSTITUTE OR EVIDENCE AN INDEBTEDNESS OF THE CITY OR A LIEN OR CHARGE ON ANY PROPERTY OR THE GENERAL REVENUES OF THE CITY. NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY PUBLIC AGENCY, OTHER THAN THE DEPARTMENT, TO THE EXTENT OF THE SUBORDINATE PLEDGED REVENUES, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025ABC SUBORDINATE BONDS. THE DEPARTMENT HAS NO POWER OF TAXATION. THE SERIES 2025ABC SUBORDINATE BONDS CONSTITUTE AND EVIDENCE AN OBLIGATION OF THE DEPARTMENT PAYABLE ONLY IN ACCORDANCE WITH SECTION 609(B) OF THE CHARTER AND OTHER APPLICABLE PROVISIONS THEREOF. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM IS SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2025ABC SUBORDINATE BONDS. THE DEPARTMENT IS UNDER NO OBLIGATION TO PAY THE SERIES 2025ABC SUBORDINATE BONDS, EXCEPT FROM FUNDS IN THE LAX REVENUE ACCOUNT OF THE AIRPORT REVENUE FUND AND AS FURTHER SPECIFICALLY PROVIDED IN THE SUBORDINATE INDENTURE. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS.”

Existing Subordinate Obligations

Existing Subordinate Bonds. Pursuant to the Subordinate Indenture and the Charter, the Department has previously issued and, as of March 1, 2025, there were outstanding \$6,563,125,000 aggregate principal amount of Existing Subordinate Bonds. See Table 2 under “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations” for a list of the Existing Subordinate Bonds and the outstanding principal amounts thereof. See also “PLAN OF FINANCE—Refunding of the Series 2015 Bonds” for a discussion of the plan to current refund and defease all of the outstanding Series 2015 Subordinate Bonds with a portion of the proceeds of the Series 2025C Subordinate Bonds.

Subordinate Commercial Paper Notes. Pursuant to the Subordinate Indenture and the Charter, the Department is authorized to issue and have outstanding, at any one time, its Los Angeles International Airport, Subordinate Revenue Commercial Paper Notes, Series A (Governmental – Non-AMT), Series B (Private Activity – AMT), Series C (Federally Taxable) and Series D (Private Activity – Non-AMT) (collectively, the “**Subordinate Commercial Paper Notes**”) in a maximum aggregate principal amount not exceeding \$500,000,000 (subject to certain conditions). As of March 1, 2025, Subordinate Commercial Paper Notes were outstanding in the aggregate principal amount of \$384,353,000. See also “PLAN OF FINANCE—Refunding of Subordinate Commercial Paper Notes” and “—Series 2025DE Subordinate Bonds” for a discussion of the plan to current refund and pay all or a portion of the outstanding Subordinate Commercial Paper Notes with a portion of the proceeds of the Series 2025A Subordinate Bonds, the Series 2025B Subordinate Bonds and the Series 2025D Subordinate Bonds (as defined herein).

Subordinate Revolving Obligations. Pursuant to the Subordinate Indenture, the Charter and the Revolving Credit Agreement, dated as of December 5, 2024 (the “**Subordinate Credit Agreement**”), by and between the Department and Wells Fargo Municipal Capital Strategies, LLC (the “**Subordinate Revolving Obligations Lender**”), the Department is authorized to issue and have outstanding, from time to time, up to \$500,000,000 in aggregate principal amount of its Los Angeles International Airport Subordinate Revenue

Revolving Obligations (collectively, the “**Subordinate Revolving Obligations**”). As of March 1, 2025, the Department had \$500,000,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. See “PLAN OF FINANCE – Series 2025DE Subordinate Bonds” for a discussion of the Department’s plan to refund and repay all of the outstanding Subordinate Revolving Obligations with a portion of the proceeds of the Series 2025D Subordinate Bonds.

Existing Senior Bonds

Pursuant to the Master Trust Indenture, dated as of April 1, 1995, as amended (the “**Master Senior Indenture**”), by and between the Department, acting through the Board, and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor in interest to BNY Western Trust Company, as successor in interest to U.S. Trust Company of California, N.A., as trustee (the “**Senior Trustee**”), and various supplemental trust indentures (collectively with the Master Senior Indenture and all supplements thereto, the “**Senior Indenture**”), by and between the Department, acting through the Board, and the Senior Trustee, and the Charter, the Department, acting through the Board, has previously issued and, as of March 1, 2025, there were outstanding \$3,795,295,000 aggregate principal amount of Existing Senior Bonds (as defined herein). See Table 1 under “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Senior Bonds” for a list of the Existing Senior Bonds and the outstanding principal amounts thereof. See also “PLAN OF FINANCE—Refunding of the Series 2015 Bonds” for a discussion of the plan to current refund and defease a portion of the outstanding Series 2015 Senior Bonds with a portion of the proceeds of the Series 2025ABC Subordinate Bonds.

As of the date of this Official Statement, the only obligations the Department has issued pursuant to the Senior Indenture, and that are currently outstanding, are the Existing Senior Bonds. The Existing Senior Bonds are secured by a pledge of and first lien on the Net Pledged Revenues. “**Net Pledged Revenues**” means, for any given period, Pledged Revenues for such period, less, for such period, LAX Maintenance and Operation Expenses. Payment of debt service on the Series 2025ABC Subordinate Bonds and all other Subordinate Obligations is subordinate in priority to the payment of the Senior Bonds. For purposes of this Official Statement, “**Senior Bonds**” means the Existing Senior Bonds and any additional bonds issued on parity with respect to Net Pledged Revenues with the Existing Senior Bonds under the terms of the Master Senior Indenture (the “**Additional Senior Bonds**”). See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Senior Bonds.”

Continuing Disclosure

In connection with the issuance of the Series 2025ABC Subordinate Bonds, the Department will covenant for the benefit of the owners of the Series 2025ABC Subordinate Bonds to provide annually certain financial information and operating data concerning the Department to the Municipal Securities Rulemaking Board (the “**MSRB**”) and notice of certain enumerated events, pursuant to the requirements of Rule 15c2-12 adopted by the SEC (“**Rule 15c2-12**”). See “CONTINUING DISCLOSURE” and APPENDIX G—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Report of the Airport Consultant

Included as APPENDIX A to this Official Statement is a Report of the Airport Consultant dated March 17, 2025 (the “**Report of the Airport Consultant**”), prepared by WJ Advisors LLC (the “**Airport Consultant**”) in connection with the issuance of the Series 2025ABC Subordinate Bonds and the expected issuance of the Department’s Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series D (Governmental Purpose/Non-AMT) (Green Bonds) (the “**Series 2025D Subordinate Bonds**”), and Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series E (Governmental Purpose/Non-AMT) (the “**Series 2025E Subordinate Bonds**” and, together with the Series 2025D Subordinate Bonds, the “**Series 2025DE Subordinate Bonds**”). See APPENDIX A—

“REPORT OF THE AIRPORT CONSULTANT.” The 2025ABC Subordinate Bonds and the Series 2025DE Subordinate Bonds are referred to collectively as the “**Series 2025A-E Subordinate Bonds.**”

The Report of the Airport Consultant was prepared to demonstrate that forecast financial results are sufficient to meet the requirements of the rate covenants set forth in the Master Senior Indenture and the Master Subordinate Indenture for Fiscal Years 2025 through 2034 (referred to in the Report of the Airport Consultant as the “**Forecast Period**”) when taking into account the issuance of: (1) the proposed Series 2025A-E Subordinate Bonds; and (2) future Senior Bonds and additional Subordinate Obligations currently expected to be issued by the Department during the Forecast Period to fund a portion of the Capital Program (as defined herein).

No assurance can be given that the projections discussed in the Report of the Airport Consultant will occur or that the other assumptions for passenger traffic and financial results on which the projections are based will be realized. The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an explanation of the assumptions and projections used therein. The financial projections in the Report of the Airport Consultant are based upon certain information and assumptions that were provided or reviewed and agreed to by the Department. Additionally, the debt service projections in the Report of the Airport Consultant are estimates made by Public Resources Advisory Group based on the expected issuance of the Series 2025A-E Subordinate Bonds and are not expected to be updated to reflect the issuance and final terms of the Series 2025A-E Subordinate Bonds, nor do they include any adjustments for debt service savings which may occur with respect to the refunding of any Senior Bonds or Subordinate Obligations during the Forecast Period. As of the date of this Official Statement, in the opinion of the Airport Consultant, the assumptions made in the Report of the Airport Consultant provide a reasonable basis for the projections therein. See “—Forward-Looking Statements,” “CERTAIN INVESTMENT CONSIDERATIONS—Assumptions in the Report of the Airport Consultant,” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Investment Considerations

The purchase and ownership of the Series 2025ABC Subordinate Bonds involve investment risks. Prospective purchasers of the Series 2025ABC Subordinate Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2025ABC Subordinate Bonds, see “CERTAIN INVESTMENT CONSIDERATIONS” herein.

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are forward-looking statements. When used in this Official Statement, words such as “plan,” “expect,” “estimate,” “budget,” “project,” “maintain,” “achieve,” “forecast,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “intend” or other similar expressions identify forward-looking statements. Statements contained in this Official Statement which involve estimates, forecasts or other matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Department, the Board and the Airport Consultant on the date hereof and are subject to change without notice. None of the Department, the Board or the Airport Consultant assume any obligation to update any such forward-looking statements with new forward-looking statements. All forward-looking statements are expressly qualified in their entirety by the cautionary statements in this section and elsewhere in the Official Statement. It is important to note that the Department’s actual results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible

invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Department and the Board. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate, and actual results, performance or achievements may differ materially from the expectations and forecasts described in this Official Statement.

Additional Information

Brief descriptions of the Series 2025ABC Subordinate Bonds, the Senior Indenture, the Subordinate Indenture and certain other documents are included in this Official Statement and the appendices to this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to such documents and any other documents, statutes, laws, reports or other instruments described in this Official Statement are qualified in their entirety by reference to each such document, statute, law, report or other instrument. Information contained in this Official Statement has been obtained from officers, employees and records of the Department and from other sources believed to be reliable. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2025ABC Subordinate Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Department or LAX since the date of this Official Statement. This Official Statement is not to be construed as a contract or agreement between the Department and purchasers or owners of any of the Series 2025ABC Subordinate Bonds. The City, the Department and the Board maintain certain websites (including an investor relations website) and social media accounts, the information on which is not part of this Official Statement, is not incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2025ABC Subordinate Bonds.

PLAN OF FINANCE

The Series 2025ABC Subordinate Bonds are being issued to: (i) pay and/or reimburse the Department for the costs of certain capital projects at LAX; (ii) current refund and defease a portion of the Series 2015 Bonds; (iii) current refund a portion of the outstanding Subordinate Commercial Paper Notes; (iv) fund a portion of the interest accruing on the Series 2025A Subordinate Bonds, certain Existing Senior Bonds and certain Existing Subordinate Bonds; (v) make a deposit to the Subordinate Reserve Fund; and (vi) pay costs of issuance.

Financing Capital Program Projects

A portion of the proceeds of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds will be used to pay and/or reimburse the Department for the cost of certain capital projects at LAX. See also Appendix A – “REPORT OF THE AIRPORT CONSULTANT” for additional information regarding the capital projects expected to be financed with a portion of the proceeds of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds.

Refunding of the Series 2015 Bonds

A portion of the proceeds of the Series 2025ABC Subordinate Bonds, together with other available moneys, will be used to current refund and defease a portion of the outstanding Series 2015 Senior Bonds (the “**Refunded Series 2015 Senior Bonds**”) and all of the outstanding Series 2015 Subordinate Bonds (the

“Refunded Series 2015 Subordinate Bonds,” and together with the Refunded Series 2015 Senior Bonds, the **“Refunded Bonds”**). The Refunded Bonds are described below.

Series 2015 Senior Bonds

Series	Maturity Date (May 15)	Principal to be Paid/Redeemed	Payment/Redemption Date	CUSIP (544435)*	Redemption Price
2015A	2025	\$6,350,000	May 15, 2025	3Z1	N/A
2015A	2026	6,665,000	May 15, 2025	4A5	100%
2015A	2027	7,000,000	May 15, 2025	4B3	100
2015A	2028	7,340,000	May 15, 2025	4C1	100
2015A	2029	5,550,000	May 15, 2025	4D9**	100
2015A	2030	5,825,000	May 15, 2025	4E7**	100
2015A	2031	6,125,000	May 15, 2025	4F4**	100
2015A	2032	2,350,000	May 15, 2025	4G2**	100
2015A	2033	9,365,000	May 15, 2025	4H0	100
2015A	2034	9,845,000	May 15, 2025	4J6	100
2015A	2035	10,340,000	May 15, 2025	4K3	100
2015A	2040	29,595,000	May 15, 2025	4L1**	100
2015A	2040	15,415,000	May 15, 2025	4N7**	100
2015A	2045	76,045,000	May 15, 2025	4M9	100
TOTAL		\$197,810,000			
2015B	2025	\$1,135,000	May 15, 2025	4X5	N/A
2015B	2026	1,185,000	May 15, 2025	4Y3	100%
2015B	2027	1,240,000	May 15, 2025	4Z0	100
2015B	2028	1,300,000	May 15, 2025	5A4	100
2015B	2029	1,370,000	May 15, 2025	5B2	100
2015B	2030	1,440,000	May 15, 2025	5C0	100
2015B	2031	1,510,000	May 15, 2025	5D8	100
2015B	2032	1,580,000	May 15, 2025	5E6	100
2015B	2033	1,660,000	May 15, 2025	5F3	100
2015B	2034	1,750,000	May 15, 2025	5G1	100
2015B	2035	1,835,000	May 15, 2025	5H9	100
2015B	2040	10,645,000	May 15, 2025	5J5	100
2015B	2045	13,580,000	May 15, 2025	5K2	100
TOTAL		\$40,230,000			
2015D	2025	\$8,405,000	May 15, 2025	7B0	N/A
2015D	2026	8,830,000	May 15, 2025	7C8	100%
2015D	2027	9,265,000	May 15, 2025	7D6	100
2015D	2028	9,735,000	May 15, 2025	7E4	100
2015D	2029	6,535,000	May 15, 2025	7F1**	100
2015D	2030	6,865,000	May 15, 2025	7G9**	100
2015D	2031	7,210,000	May 15, 2025	7H7**	100
2015D	2032	3,000,000	May 15, 2025	7J3**	100
2015D	2033	12,420,000	May 15, 2025	7K0	100
2015D	2034	13,045,000	May 15, 2025	7L8	100
2015D	2035	13,690,000	May 15, 2025	7M6	100
2015D	2036	14,375,000	May 15, 2025	7N4	100
2015D	2041	79,570,000	May 15, 2025	7P9**	100
TOTAL		\$192,945,000			

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** Will be assigned a new CUSIP number at the time of its refunding and defeasance.

Series 2015 Senior Bonds

Series	Maturity Date (May 15)	Principal to be Paid/Redeemed	Payment/Redemption Date	CUSIP (544435)*	Redemption Price
2015E	2025	\$1,140,000	May 15, 2025	7Y0	N/A
2015E	2026	1,195,000	May 15, 2025	7Z7	100%
2015E	2027	1,255,000	May 15, 2025	8A1	100
2015E	2028	1,315,000	May 15, 2025	8B9	100
2015E	2029	1,385,000	May 15, 2025	8C7	100
2015E	2030	1,450,000	May 15, 2025	8D5	100
2015E	2031	1,525,000	May 15, 2025	8E3	100
2015E	2032	1,605,000	May 15, 2025	8F0	100
2015E	2033	1,685,000	May 15, 2025	8G8	100
2015E	2034	1,770,000	May 15, 2025	8H6	100
2015E	2035	1,855,000	May 15, 2025	8J2	100
2015E	2036	1,945,000	May 15, 2025	8K9	100
2015E	2041	2,065,000	May 15, 2025	8L7	100
TOTAL		<u>\$20,190,000</u>			

Series 2015 Subordinate Bonds

Series	Maturity Date (May 15)	Principal to be Paid/Redeemed	Payment/Redemption Date	CUSIP (544445)*	Redemption Price
2015C	2025	\$7,275,000	May 15, 2025	5V8	N/A
2015C	2026	7,635,000	May 15, 2025	5W6	100%
2015C	2027	8,020,000	May 15, 2025	5X4	100
2015C	2028	8,420,000	May 15, 2025	5Y2	100
2015C	2029	8,840,000	May 15, 2025	5Z9	100
2015C	2030	9,280,000	May 15, 2025	6A3	100
2015C	2031	9,745,000	May 15, 2025	6B1	100
2015C	2032	10,235,000	May 15, 2025	6C9	100
2015C	2033	10,745,000	May 15, 2025	6D7	100
2015C	2034	11,285,000	May 15, 2025	6E5	100
2015C	2035	11,850,000	May 15, 2025	6F2	100
2015C	2038	39,215,000	May 15, 2025	6G0	100
TOTAL		<u>\$142,545,000</u>			

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

A portion of the proceeds of the Series 2025ABC Subordinate Bonds, together with other available moneys, will be deposited into escrow funds for the Refunded Series 2015 Senior Bonds (the “**Series 2015 Senior Escrow Funds**”), to be established under the terms of an escrow agreement to be entered into by the Department, acting through the Board, and the Senior Trustee, as trustee and escrow agent. Certain amounts deposited into the Series 2015 Senior Escrow Funds will be invested in direct, noncallable obligations of the United States Treasury and all remaining amounts deposited in the Series 2015 Senior Escrow Funds will be held uninvested in cash. Amounts on deposit in the Series 2015 Senior Escrow Funds will be used on May 15, 2025 to pay (i) the principal of the Refunded Series 2015 Senior Bonds maturing on May 15, 2025, (ii) the redemption price of the Refunded Series 2015 Senior Bonds maturing on and after May 15, 2026, and (iii) the accrued interest on all of the Refunded Series 2015 Senior Bonds.

A portion of the proceeds of the Series 2025C Subordinate Bonds, together with other available moneys will be deposited into an escrow fund for the Refunded Series 2015 Subordinate Bonds (the “**Series 2015 Subordinate Escrow Fund**”), to be established under the terms of an escrow agreement to be entered into by the Department and the Subordinate Trustee, as trustee and escrow agent. Certain amounts deposited into the Series 2015 Subordinate Escrow Fund will be invested in direct, noncallable obligations of the United States Treasury and all remaining amounts deposited in the Series 2015 Subordinate Escrow Fund will be held uninvested in cash. Amounts on deposit in the Series 2015 Subordinate Escrow Fund will be used on May 15, 2025 to pay (i) the principal of the Refunded Series 2015 Subordinate Bonds maturing on May 15, 2025, (ii) the redemption price of the Refunded Series 2015 Subordinate Bonds maturing on and after May 15, 2026, and (iii) the accrued interest on all of the Refunded Series 2015 Subordinate Bonds.

Samuel Klein and Company, Certified Public Accountants, will verify that: (i) the amounts to be deposited to the Series 2015 Senior Escrow Funds, together with the interest earnings thereon, will be sufficient to pay, on May 15, 2025 (A) the principal of the Refunded Series 2015 Senior Bonds maturing on May 15, 2025, (B) the redemption price of the Refunded Series 2015 Senior Bonds maturing on and after May 15, 2026, and (C) the accrued interest on all of the Refunded Series 2015 Senior Bonds; and (ii) the amounts to be deposited to the Series 2015 Subordinate Escrow Fund, together with the interest earnings thereon, will be sufficient to pay, on May 15, 2025 to pay (A) the principal of the Refunded Series 2015 Subordinate Bonds maturing on May 15, 2025, (B) the redemption price of the Refunded Series 2015 Subordinate Bonds maturing on and after May 15, 2026, and (C) the accrued interest on all of the Refunded Series 2015 Subordinate Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

Refunding of Subordinate Commercial Paper Notes

A portion of the proceeds of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds will be used to refund and pay all of the outstanding Subordinate Commercial Paper Notes, Series B (Private Activity – AMT) (the “**Refunded Commercial Paper Notes**”). The proceeds of the Refunded Commercial Paper Notes were used to pay the cost of various capital improvements at the Airport and to pay capitalized interest on previously issued bonds. See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations.”

Series 2025DE Subordinate Bonds

The Department currently plans to issue the Series 2025DE Subordinate Bonds in April 2025, and to use the proceeds of the Series 2025DE Subordinate Bonds to (i) pay and/or reimburse the Department for the costs of certain capital projects at LAX; (ii) current refund a portion of the outstanding Subordinate Commercial Paper Notes; (iii) current refund all of the Subordinate Revolving Obligations; (iv) current refund and defease all or a portion of the Department’s Los Angeles International Airport Subordinate Revenue Bonds, 2009 Series C (Federally Taxable - Build America Bonds - Direct Payment to Issuer) (the “Series 2009C Subordinate Bonds”); (v) fund a portion of the interest accruing on the Series 2025DE Subordinate Bonds, certain Existing Senior Bonds and certain Existing Subordinate Bonds; (vi) make a deposit to the Subordinate Debt Service Reserve Fund; and (vii) pay costs of issuance of the Series 2025DE Subordinate Bonds. The Series 2025DE Subordinate Bonds are not being offered pursuant to this Official Statement.

In addition, in connection with the issuance of the Series 2025DE Subordinate Bonds, the Department is considering the issuance of an additional series of Subordinate Bonds to refund the Series 2015 Senior Bonds which are not refunded with the proceeds of the Series 2025ABC Subordinate Bonds. The determination to issue the additional series of Subordinate Bonds and refund such Series 2015 Senior Bonds, if any, will be made at the time of sale of the Series 2025DE Subordinate Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Series 2025ABC Subordinate Bonds:

	<i>Series 2025A</i> <i>Subordinate Bonds</i>	<i>Series 2025B</i> <i>Subordinate Bonds</i>	<i>Series 2025C</i> <i>Subordinate Bonds</i>	<i>Total</i>
SOURCES:				
Principal Amount	\$1,308,460,000.00	\$123,215,000.00	\$167,650,000.00	\$1,599,325,000.00
Net Original Issue Premium	47,347,464.85	2,359,595.75	18,622,994.20	68,330,054.80
Release of Moneys from Series 2015 Senior Bonds Debt	17,705,687.50	6,785,993.75	3,779,825.00	28,271,506.25
Service Funds				
Release of Moneys from Series 2015 Subordinate Bonds	-	-	10,838,625.00	10,838,625.00
Debt Service Fund				
Release of Moneys from Senior Reserve Fund	21,805,871.78	5,380,831.94	4,203,601.80	31,390,305.52
Release of Moneys from Subordinate Reserve Fund	-	-	9,168,663.20	9,168,663.20
TOTAL:	\$1,395,319,024.13	\$137,741,421.44	\$214,263,709.20	\$1,747,324,154.77
USES:				
Deposit to Series 2025AB Construction Funds	\$763,085,829.00	\$30,131,001.00	-	\$793,216,830.00
Deposit to Series 2015 Senior Escrow Funds	317,690,494.37	80,806,518.49	\$61,616,405.46	460,113,418.32
Deposit to Series 2015 Subordinate Escrow Fund	-	-	145,380,923.83	145,380,923.83
Refund Subordinate Commercial Paper Notes	206,743,340.15	21,880,882.78	-	228,624,222.93
Deposit to Interest Accounts ⁽¹⁾	54,754,630.17	-	-	54,754,630.17
Deposit to Subordinate Reserve Fund	49,414,677.99	4,576,776.84	6,789,031.83	60,780,486.66
Costs of Issuance ⁽²⁾	3,630,052.45	346,242.33	477,348.08	4,453,642.86
TOTAL:	\$1,395,319,024.13	\$137,741,421.44	\$214,263,709.20	\$1,747,324,154.77

⁽¹⁾ Represents a portion of the interest accruing on the Series 2025A Subordinate Bonds, certain Existing Senior Bonds and certain Existing Subordinate Bonds.

⁽²⁾ Includes legal fees, Underwriters' discount, trustee fees, municipal advisory fees, legal fees, consultant fees, rating agency fees, verification agent fees, printing costs and other costs of issuance.

DESCRIPTION OF THE SERIES 2025ABC SUBORDINATE BONDS

General

The Series 2025ABC Subordinate Bonds will bear interest at the rates and mature, subject to redemption prior to maturity, on the dates and in the principal amounts set forth on the inside front cover pages of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2025ABC Subordinate Bonds will be dated their date of delivery and bear interest from that date payable semi-annually on May 15 and November 15 of each year, commencing November 15, 2025 (each an "Interest Payment Date"). Interest due and payable on the Series 2025ABC Subordinate Bonds on any Interest Payment Date will be payable to the person who is the registered owner as of the Record Date (The Depository Trust Company ("DTC"), so long as the book-entry system with DTC is in effect). Each Series 2025ABC Subordinate Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2025ABC Subordinate Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2025ABC Subordinate Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before November 1, 2025, in which event such Series 2025ABC Subordinate Bond will bear interest from its date of delivery. If interest on the Series 2025ABC Subordinate Bonds is in default, Series 2025ABC Subordinate Bonds issued in exchange for Series 2025ABC Subordinate Bonds surrendered for transfer or exchange will bear interest from the last Interest Payment Date to which interest has been paid in full on the Series 2025ABC Subordinate Bonds surrendered.

The Series 2025ABC Subordinate Bonds are being issued in denominations of \$5,000 and integral multiples thereof (“**Authorized Denominations**”), in fully registered form in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Series 2025ABC Subordinate Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Series 2025ABC Subordinate Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2025ABC Subordinate Bonds, references herein to the Bondholders or registered owners means Cede & Co. and does not mean the Beneficial Owners of the Series 2025ABC Subordinate Bonds.

So long as Cede & Co. is the registered owner of the Series 2025ABC Subordinate Bonds, the principal and redemption price of and interest on the Series 2025ABC Subordinate Bonds are payable by wire transfer from the Subordinate Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the Direct and Indirect Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Series 2025ABC Subordinate Bonds. See APPENDIX F—“BOOK ENTRY ONLY SYSTEM.”

Redemption Provisions

Optional Redemption. The Series 2025A Subordinate Bonds maturing on or before May 15, 2035 are not subject to optional redemption prior to maturity. The Series 2025A Subordinate Bonds maturing on and after May 15, 2036 are redeemable at the option of the Department on or after May 15, 2035, in whole or in part at any time, from any moneys that may be provided for such purpose and, at a redemption price equal to 100% of the principal amount of the Series 2025A Subordinate Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

The Series 2025B Subordinate Bonds maturing on or before May 15, 2035 are not subject to optional redemption prior to maturity. The Series 2025B Subordinate Bonds maturing on and after May 15, 2036 are redeemable at the option of the Department on or after May 15, 2035, in whole or in part at any time, from any moneys that may be provided for such purpose and, at a redemption price equal to 100% of the principal amount of the Series 2025B Subordinate Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

The Series 2025C Subordinate Bonds maturing on or before May 15, 2035 are not subject to optional redemption prior to maturity. The Series 2025C Subordinate Bonds maturing on and after May 15, 2036 are redeemable at the option of the Department on or after May 15, 2035, in whole or in part at any time, from any moneys that may be provided for such purpose and, at a redemption price equal to 100% of the principal amount of the Series 2025C Subordinate Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2025A Subordinate Bonds maturing on May 15, 2050 (the “**Series 2025A Subordinate Term Bonds (2050)**”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on May 15 of the following years and in the following principal amounts:

<i>Redemption Date (May 15)</i>	<i>Principal Amount</i>
2046	\$37,960,000
2047	39,955,000
2048	42,055,000
2049	44,265,000
2050†	46,585,000

† Final Maturity

The Series 2025A Subordinate Bonds maturing on May 15, 2055 and bearing interest at a rate of 5.000% (the “**Series 2025A Subordinate Term Bonds (2055 - 5.000%)**”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on May 15 of the following years and in the following principal amounts:

<i>Redemption Date (May 15)</i>	<i>Principal Amount</i>
2051	\$27,095,000
2052	28,455,000
2053	29,880,000
2054	31,375,000
2055†	32,945,000

† Final Maturity

The Series 2025A Subordinate Bonds maturing on May 15, 2055 and bearing interest at a rate of 5.500% (the “**Series 2025A Subordinate Term Bonds (2055 - 5.500%)**,” and together with the Series 2025A Subordinate Term Bonds (2050) and the Series 2025A Subordinate Term Bonds (2055 – 5.000%), the “**Series 2025A Subordinate Term Bonds**”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on May 15 of the following years and in the following principal amounts:

<i>Redemption Date (May 15)</i>	<i>Principal Amount</i>
2051	\$64,855,000
2052	67,995,000
2053	43,960,000
2054	46,050,000
2055†	48,260,000

† Final Maturity

The Series 2025B Subordinate Bonds maturing on May 15, 2050 (the “**Series 2025B Subordinate Term Bonds (2050)**”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on May 15 of the following years and in the following principal amounts:

<i>Redemption Date (May 15)</i>	<i>Principal Amount</i>
2046	\$2,540,000
2047	2,670,000
2048	2,805,000
2049	2,955,000
2050†	3,115,000

† Final Maturity

The Series 2025B Subordinate Bonds maturing on May 15, 2055 (the “**Series 2025B Subordinate Term Bonds (2055)**”) and together with the Series 2025A Subordinate Term Bonds and the Series 2025B Subordinate Term Bonds (2050), the “**Series 2025AB Subordinate Term Bonds**”) are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on May 15 of the following years and in the following principal amounts:

<i>Redemption Date (May 15)</i>	<i>Principal Amount</i>
2051	\$3,270,000
2052	3,455,000
2053	3,645,000
2054	3,845,000
2055†	4,055,000

† Final Maturity

At the option of the Department, to be exercised by delivery of a written certificate to the Subordinate Trustee, on or before the 60th day next preceding any mandatory sinking fund redemption date for the Series 2025AB Subordinate Term Bonds, as applicable, the Department may: (a) deliver to the Subordinate Trustee for cancellation the Series 2025AB Subordinate Term Bonds, as applicable, or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Department; or (b) specify a principal amount of the applicable Series 2025AB Subordinate Term Bonds, or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Subordinate Trustee, at the request of the Department and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2025AB Subordinate Term Bond or portion thereof so purchased, acquired or optionally redeemed and delivered to the Subordinate Trustee for cancellation will be credited by the Subordinate Trustee at 100% of the principal amount thereof against the obligation of the Department to pay the principal of the Series 2025AB Subordinate Term Bonds, as applicable, on such mandatory sinking fund redemption date.

Notices of Redemption. The Subordinate Trustee is required to give notice of redemption, in the name of the Department, to Holders affected by redemption (or to DTC, so long as the book-entry system with DTC is in effect) at least 20 days but not more than 60 days before each redemption date and to send such notice of redemption by first class mail (or with respect to the Series 2025ABC Subordinate Bonds, held by DTC, either via electronic means or by an express delivery service for delivery on the next following Business Day) to each Holder of a Series 2025ABC Subordinate Bond to be redeemed; each such notice will be sent to the Holder’s registered address.

Each notice of redemption will specify the date of issue, the applicable Series, the maturity date, the interest rate and the CUSIP number of the applicable Series 2025ABC Subordinate Bonds to be redeemed, if less than all of the Series 2025ABC Subordinate Bonds of a Series, maturity date and interest rate are called

for redemption, the numbers assigned to such Series 2025ABC Subordinate Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the applicable Series 2025ABC Subordinate Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid, will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

Failure to give any required notice of redemption as to any particular Series 2025ABC Subordinate Bond will not affect the validity of the call for redemption of any Series 2025ABC Subordinate Bond, in respect of which no failure occurs. Any notice sent as provided in the Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2025ABC Subordinate Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price except as otherwise provided in the Subordinate Indenture. In the event that funds are deposited with the Subordinate Trustee, sufficient for redemption, interest on the Series 2025ABC Subordinate Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

The Department may provide that if at the time of mailing of notice of an optional redemption there has not been deposited with the Subordinate Trustee, moneys sufficient to redeem all of the Series 2025ABC Subordinate Bonds, as applicable, called for redemption, such notice may state that it is conditional and subject to the deposit of the redemption moneys with the Subordinate Trustee, not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event that sufficient moneys are not on deposit by the opening of business one Business Day prior to the scheduled redemption date, then the redemption will be cancelled and on such cancellation date notice of such cancellation will be mailed to the Holders of such Series 2025ABC Subordinate Bonds.

Effect of Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Twenty-Sixth Supplemental Subordinate Indenture, and sufficient moneys for payment of the redemption price being held in trust by the Subordinate Trustee to pay the redemption price, interest on such Series 2025ABC Subordinate Bonds will cease to accrue from and after such redemption date, such Series 2025ABC Subordinate Bonds will cease to be entitled to any lien, benefit or security under the Subordinate Indenture and the owners of such Series 2025ABC Subordinate Bonds will have no rights in respect thereof except to receive payment of the redemption price. Series 2025ABC Subordinate Bonds which have been duly called for redemption and for the payment of the redemption price of which moneys will be held in trust for the holders of the respective Series 2025ABC Subordinate Bonds to be redeemed, all as provided in the Twenty-Sixth Supplemental Subordinate Indenture, will not be deemed to be Outstanding under the provisions of the Subordinate Indenture.

Selection of the Series 2025ABC Subordinate Bonds for Redemption; Series 2025ABC Subordinate Bonds Redeemed in Part. Redemption of the Series 2025ABC Subordinate Bonds will only be in Authorized Denominations. The Series 2025ABC Subordinate Bonds are subject to redemption in such order of maturity (except mandatory sinking fund payments on the Series 2025ABC Subordinate Term Bonds) as the Department may direct and by lot, selected in such manner as the Subordinate Trustee (or DTC, as long as DTC is the securities depository for the Series 2025ABC Subordinate Bonds), deems appropriate. Except as otherwise provided under the procedures of DTC, on or before the 45th day prior to any mandatory sinking fund redemption date, the Subordinate Trustee will proceed to select for redemption (by lot in such manner as the Subordinate Trustee may determine), from the applicable Series 2025ABC Subordinate Term Bonds, an aggregate principal amount of the applicable Series 2025ABC Subordinate Term Bonds equal to the amount for such year as set forth in the applicable table under “—Mandatory Sinking Fund Redemption” above and will call the applicable Series 2025ABC Subordinate Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

DESIGNATION OF SERIES 2025A SUBORDINATE BONDS AS GREEN BONDS

Green Bonds Designation

Per the International Capital Market Association (“ICMA”), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: (1) Use of Proceeds; (2) Process for Project Evaluation and Selection; (3) Management of Proceeds; and (4) Reporting.

A portion of the proceeds of the Series 2025A Subordinate Bonds is being applied to pay costs of: (i) the Baggage Optimization Project Phase II; (ii) Midfield Satellite Concourse - South; and (iii) the Terminal 5 renovation and reconstruction. In addition, a portion of the proceeds of the Series 2025A Subordinate Bonds is being applied to the repayment of Subordinate Commercial Paper Notes and funding of additional capitalized interest for (i) the North Terminal Improvement Project (Terminals 2 and 3); (ii) the Tom Bradley International Terminal/Terminal 5/Automated People Mover Vertical Core Projects; (iii) the Power Distribution Facility and; (iv) the Terminal 4 Program. A portion of the proceeds of the Series 2025A Subordinate Bonds will also refund certain projects originally financed with the Series 2015A Senior Bonds and the Series 2015D Senior Bonds. The projects to be financed and refinanced with the Series 2025A Subordinate Bonds are referred to, collectively, as the “**Applicable Projects.**” See “PLAN OF FINANCE.” Kestrel has provided an independent external review and opinion that the Series 2025A Subordinate Bonds conform with the four core components of the ICMA Green Bond Principles, as described in Kestrel’s “Second Party Opinion,” which is attached hereto as APPENDIX I—“SECOND PARTY OPINION REGARDING GREEN BONDS.” The Series 2025B Subordinate Bonds and the Series 2025C Subordinate Bonds are not in conformance with such components and are not “Green Bonds.”

See also “THE DEPARTMENT OF AIRPORTS—Sustainability Initiatives,” AIRPORT CAPITAL PLANNING” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

The Series 2025A Subordinate Bonds may not be a suitable investment for all investors seeking investments in green or sustainable assets. No assurance can be provided to investors that the Applicable Projects being refinanced with proceeds of the Series 2025A Subordinate Bonds will meet investor expectations regarding sustainability performance. The term “Green Bonds” is neither defined in nor related to any provisions of the Subordinate Indenture. The term “Green Bond” is solely for identification purposes and is not intended to provide or imply that the owners of the Series 2025A Subordinate Bonds are entitled to any security other than that described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS.” No party, including the Department, the Board, the City and the Underwriters, has any legal obligation to ensure that the Series 2025A Subordinate Bonds comply with any legal or other standards or principles that may be related to “Green Bonds,” whether now existing or as may be developed in the future.

Independent Second Party Opinion on Green Bonds Designation and Disclaimer

For over 20 years, Kestrel has been consulting in sustainable finance. Kestrel is an Approved Verifier accredited by the Climate Bonds Initiative. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and Criteria.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Series 2025A Subordinate Bonds. Second Party Opinions provided by Kestrel are not a recommendation to any person to purchase, hold, or sell the Series 2025A Subordinate Bonds and designations do not address the market price or suitability of the

Series 2025A Subordinate Bonds for a particular investor and do not and are not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by the Department or that was otherwise made available to Kestrel.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS

Flow of Funds

Pursuant to Section 635 of the Charter of the City, all fees, charges, rentals and revenue from every source collected by the Department in connection with its possession, management and control of its assets are deposited in the City Treasury to the credit of the Airport Revenue Fund. Pursuant to the Charter and the Master Senior Indenture, the Department has established the LAX Revenue Account in the Airport Revenue Fund and has covenanted to deposit all LAX Revenues in such account. LAX Revenues will, immediately upon receipt thereof, become subject to the lien and pledge of the Senior Indenture and the Subordinate Indenture. The Department has notified the City Treasurer of the pledge of, lien on and interest in LAX Revenues granted by the Senior Indenture and the Subordinate Indenture and has instructed the City Treasurer that all such LAX Revenues are to be accounted for separately and apart from all other revenues, funds, accounts or other resources of the Department or the City.

The Master Senior Indenture generally defines “**LAX Revenues**” to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the Department from LAX, for any given period, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to: (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Department for the use or availability of property or facilities at LAX; and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Department at LAX, including Facilities Construction Credits and rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Department or any successor thereto from the possession, management, charge, superintendence and control of LAX (or any LAX Airport Facilities or activities or undertakings related thereto) or from any other facilities wherever located with respect to which the Department receives payments which are attributable to LAX Airport Facilities or activities or undertakings related thereto. LAX Revenues further include all income, receipts and earnings from the investment of amounts held in the LAX Revenue Account, any Senior Construction Fund or Subordinate Construction Fund allowed to be pledged by the terms of a Supplemental Senior Indenture or Supplemental Subordinate Indenture, any Senior Debt Service Reserve Fund, the Subordinate Reserve Fund, any other Subordinate Debt Service Reserve Fund and allocated earnings on the Maintenance and Operations Reserve Fund.

The Subordinate Obligations (including the Series 2025ABC Subordinate Bonds) are limited obligations of the Department payable solely from and secured solely by: (i) a pledge of Subordinate Pledged Revenues; and (ii) certain funds and accounts held by the Subordinate Trustee.

The Master Subordinate Indenture generally defines “**Subordinate Pledged Revenues**” to mean, for any given period, the Pledged Revenues for such period, less, for such period, the LAX Maintenance and Operation Expenses, less, for such period, the principal and interest coming due and payable on the Outstanding Senior Bonds, less, for such period, deposits to any Senior Debt Service Reserve Fund required pursuant to the Senior Indenture.

The Master Senior Indenture generally defines “**Pledged Revenues**” to mean, except to the extent specifically excluded in the Senior Indenture or under the terms of any Supplemental Senior Indenture (only with respect to the series of bonds issued pursuant to such Supplemental Senior Indenture), LAX Revenues.

Pledged Revenues also include any additional revenues designated as Pledged Revenues pursuant to a Supplemental Senior Indenture. To date, the Department has not designated any additional revenues as Pledged Revenues. The following, including any investment earnings thereon, are specifically excluded from Pledged Revenues: (a) any amounts received by the Department from the imposition of ad valorem taxes; (b) gifts, grants and other income (including any investment earnings thereon) otherwise included in LAX Revenues which are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Bonds or the Subordinate Obligations; (c) Net Proceeds or other insurance proceeds received as a result of damage to or destruction of LAX Airport Facilities or any condemnation award or amounts received by the Department from the sale of LAX Airport Facilities under the threat of condemnation, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid, to a use inconsistent with the payment of debt service on the Senior Bonds or the Subordinate Obligations; (d) any Transfer (as defined herein); and (e) LAX Special Facilities Revenue (as defined herein). In addition, the following, including any investment earnings thereon, are excluded from Pledged Revenues, unless designated as Pledged Revenues under the terms of a Supplemental Senior Indenture: (i) Senior Swap Termination Payments or Subordinate Swap Termination Payments paid to the Department pursuant to a Senior Qualified Swap or a Subordinate Qualified Swap, as applicable; (ii) Facilities Construction Credits; (iii) Passenger Facility Charges (“PFCs”) collected with respect to LAX, unless otherwise pledged under the terms of any Supplemental Senior Indenture; (iv) Customer Facility Charges (“CFCs”), unless otherwise pledged under the terms of a Supplemental Senior Indenture (provided that only CFCs in respect of LAX may be pledged); (v) unless otherwise pledged, all revenues of the Airport System not related to LAX; and (vi) Released LAX Revenues, Senior Swap Termination Payments, Subordinate Swap Termination Payments, Facilities Construction Credits, PFC revenues, CFCs, other revenues of the Airport System not related to LAX and Released LAX Revenues have not been designated as Pledged Revenues under the terms of any Supplemental Senior Indenture or Supplemental Subordinate Indenture.

The Master Senior Indenture requires that Pledged Revenues credited to the LAX Revenue Account be applied as follows and in the order set forth below:

FIRST, to the payment of LAX Maintenance and Operation Expenses for the Airport System that are payable from LAX Revenues, which include payments to the City for services provided by it to LAX;

SECOND, to the payment of amounts required to be deposited in any Senior Debt Service Funds for the Senior Bonds pursuant to the Master Senior Indenture and any Supplemental Senior Indenture;

THIRD, to the payment of amounts required to be deposited in the Senior Reserve Fund and any other Senior Debt Service Reserve Fund pursuant to the Master Senior Indenture and any Supplemental Senior Indenture;

FOURTH, to the payment of Subordinate Obligations (including the Series 2025ABC Subordinate Bonds), pursuant to the Master Subordinate Indenture and any Supplemental Subordinate Indenture;

FIFTH, to the payment of amounts required to be deposited in the Subordinate Reserve Fund and any other Subordinate Debt Service Reserve Fund established for the Subordinate Obligations pursuant to any Supplemental Subordinate Indenture;

SIXTH, to the payment of Third Lien Obligations, if any;

SEVENTH, to the payment of any reserve requirement for the Third Lien Obligations, if any;

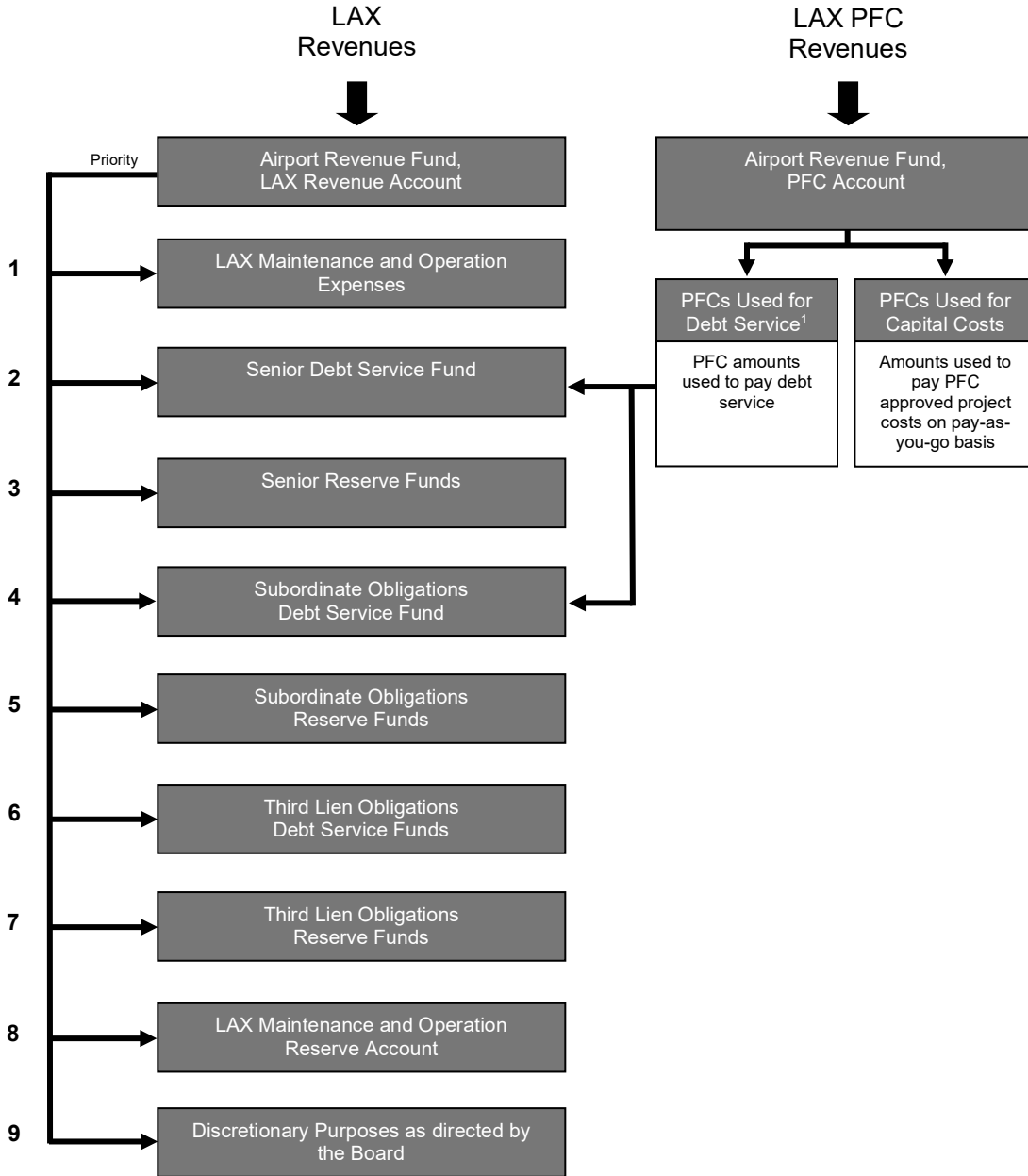
EIGHTH, to the payment of the amounts required to be deposited in the LAX Maintenance and Operation Reserve Account which are payable from LAX Revenues as determined by the Department. The Department has covenanted to fund the Maintenance and Operation Reserve Account each Fiscal Year in an

amount which, when added to any moneys in such account, will be equal to not less than 25% nor more than 50% of the budgeted LAX Maintenance and Operation Expenses for the current Fiscal Year; and

NINTH, to the payment of such amounts as are directed by the Department for discretionary purposes as authorized by the Charter which include capital projects, defraying the expenses of any pension or retirement system applicable to the employees of the Department, defraying the Maintenance and Operation Expenses of the Airport System, for reimbursement to another department or office of the City on account of services rendered, or materials, supplies or equipment furnished to support purposes of the Department and for any other lawful purpose of the Department, but only to the extent any such purposes relate to LAX.

The following is a graphic description of the flow of funds described above and the flow of PFC revenues. See “—Passenger Facility Charges.”

**FLOW OF LAX REVENUES AND
LAX PFC REVENUES**



⁽¹⁾ Pledged Revenues do not include PFC revenues unless otherwise included in Pledged Revenues pursuant to a Supplemental Senior Indenture. To date, the Department has not elected, and the Department has no current plans to elect, to include PFC revenues in Pledged Revenues nor otherwise to pledge PFC revenues to the payment of the Senior Bonds or the Subordinate Obligations. However, the Department has used and expects to use PFC revenues to pay a portion of the debt service on certain Senior Bonds and/or certain Subordinate Obligations which are or become PFC Eligible Obligations (as defined herein). See “AIRPORT CAPITAL PLANNING—Financing the Capital Program—Passenger Facility Charges” and “CERTAIN FUNDING SOURCES” for additional information about the Department’s expected use of PFC revenues.

With respect to the application of Pledged Revenues described in paragraphs FIRST, EIGHTH and NINTH above (i.e., to fund LAX Maintenance and Operation Expenses, the deposits to the LAX Maintenance and Operation Reserve Account, and for the discretionary purposes as directed by the Board), the Department

need apply only such amount of Pledged Revenues pursuant to the provisions of such paragraphs as is necessary, after taking into account all other moneys and revenues available to the Department for application for such purposes, to pay the amounts required by such paragraphs.

The Senior Indenture provides that, notwithstanding the provisions therein, nothing precludes the Department from making the payments described in paragraphs FIRST through NINTH above from sources other than Pledged Revenues.

The Department, pursuant to the Senior Indenture, has covenanted to continue using moneys on deposit in the LAX Revenue Account as described in the flow of funds detailed above.

For more information about the Senior Indenture see APPENDIX C-2—“SUMMARY OF THE MASTER SENIOR INDENTURE.”

Pledge of Subordinate Pledged Revenues

The Series 2025ABC Subordinate Bonds are limited obligations of the Department payable solely from and secured by a pledge of and first lien on Subordinate Pledged Revenues. The Series 2025ABC Subordinate Bonds are also secured by a pledge of and first lien on amounts held in certain funds and accounts pursuant to the Subordinate Indenture, as further described herein.

THE SERIES 2025ABC SUBORDINATE BONDS DO NOT CONSTITUTE OR EVIDENCE AN INDEBTEDNESS OF THE CITY OR A LIEN OR CHARGE ON ANY PROPERTY OR THE GENERAL REVENUES OF THE CITY. NEITHER THE FAITH AND THE CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY PUBLIC AGENCY, OTHER THAN THE DEPARTMENT, TO THE EXTENT OF THE SUBORDINATE PLEDGED REVENUES, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2025ABC SUBORDINATE BONDS. THE DEPARTMENT HAS NO POWER OF TAXATION. THE SERIES 2025ABC SUBORDINATE BONDS CONSTITUTE AND EVIDENCE AN OBLIGATION OF THE DEPARTMENT PAYABLE ONLY IN ACCORDANCE WITH SECTION 609(B) OF THE CHARTER AND OTHER APPLICABLE PROVISIONS THEREOF. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM IS SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2025ABC SUBORDINATE BONDS. THE DEPARTMENT IS UNDER NO OBLIGATION TO PAY THE SERIES 2025ABC SUBORDINATE BONDS, EXCEPT FROM FUNDS IN THE LAX REVENUE ACCOUNT OF THE AIRPORT REVENUE FUND AND AS FURTHER SPECIFICALLY PROVIDED IN THE SUBORDINATE INDENTURE.

The Series 2025ABC Subordinate Bonds are secured by a pledge of and lien on Subordinate Pledged Revenues on a parity with the Existing Subordinate Bonds, the Subordinate Commercial Paper Notes, the payment obligations of the Department under the CP Reimbursement Agreements, the Subordinate Revolving Obligations, the additional payment obligations of the Department under the Subordinate Credit Agreement, any Additional Subordinate Bonds and any Additional Subordinate Obligations. See “—Pledge of Subordinate Pledged Revenues” and “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations.” The Series 2025ABC Subordinate Bonds are not secured by moneys held in any construction funds established under the Subordinate Indenture.

Subordinate Rate Covenant

The Department has covenanted in the Master Subordinate Indenture to fulfill the following requirements:

(a) The Department will, while any of the Subordinate Obligations remain Outstanding (but subject to all existing contracts and legal obligations of the Department as of the date of execution of the Master Subordinate Indenture setting forth restrictions relating thereto), establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with LAX and for services rendered in connection therewith, so that Subordinate Pledged Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the interest on and principal of the Outstanding Subordinate Obligations, as the same become due and payable by the Department in such year;

(ii) the required deposits to any Subordinate Debt Service Reserve Fund (including the Subordinate Reserve Fund) which may be established by a Supplemental Subordinate Indenture;

(iii) the reimbursement owed to any Credit Provider as required by a Supplemental Subordinate Indenture;

(iv) the interest on and principal of any indebtedness required to be funded during such Fiscal Year, other than Special Facility Obligations, Senior Bonds and Outstanding Subordinate Obligations, but including obligations issued with a lien on Subordinate Pledged Revenues, ranking junior and subordinate to the lien of the Subordinate Obligations; and

(v) payments of any reserve requirement for debt service for any indebtedness, other than Senior Bonds and Outstanding Subordinate Obligations, but including obligations issued with a lien on Subordinate Pledged Revenues, ranking junior and subordinate to the lien of the Subordinate Obligations.

(b) The Department has further agreed that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with LAX and for services rendered in connection therewith, so that during each Fiscal Year the Subordinate Pledged Revenues, together with any Transfer, will be equal to at least 115% of Subordinate Annual Debt Service on the Outstanding Subordinate Obligations for such Fiscal Year. For purposes of this paragraph (b), the amount of any Transfer taken into account may not exceed 15% of Subordinate Annual Debt Service on the Outstanding Subordinate Obligations in such Fiscal Year. “**Transfer**” means for any Fiscal Year the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, on the first day of such Fiscal Year in the LAX Revenue Account (after all deposits and payments required by paragraphs FIRST through NINTH, as described under “—Flow of Funds” above, have been made as of the last day of the immediately preceding Fiscal Year),

(c) If the Department violates either covenant set forth in paragraph (a) or (b) above, such violation will not be a default under the Master Subordinate Indenture and will not give rise to a declaration of a Subordinate Event of Default if, within 180 days after the date such violation is discovered, the Department revises the schedule of rates, tolls, fees, rentals and charges insofar as practicable and revises any LAX Maintenance and Operation Expenses insofar as practicable and takes such other actions as are necessary so as to produce Subordinate Pledged Revenues to cure such violation for future compliance; provided, however, that if the Department does not cure such violation by the end of the second subsequent Fiscal Year succeeding the date such violation is discovered, a Subordinate Event of Default may be declared under the Master Subordinate Indenture. The Department may obtain such recommendations from a Consultant as it deems necessary or appropriate to bring the Department into compliance with said covenants. However, a non-payment of principal of and/or interest on Subordinate Obligations when due would be a Subordinate Event of Default under the Subordinate Indenture. See APPENDIX C-3—“SUMMARY OF THE MASTER

SUBORDINATE INDENTURE—Subordinate Events of Default and Remedies—Subordinate Events of Default.”

In addition to the requirements of the Master Subordinate Indenture, the Charter requires the Department to set rates and charges at LAX in an amount sufficient to pay debt service and premiums, if any, due upon the redemption of revenue bonds, in addition to all maintenance and operation expenses at LAX for each Fiscal Year.

Pursuant to the Master Subordinate Indenture, the Department may exclude from its calculation of Subordinate Aggregate Annual Debt Service, for the purpose of determining compliance with the rate covenant described above, the payment of debt service or portions thereof on Subordinate Obligations whose debt service is payable from amounts not included in Subordinate Pledged Revenues (including, but not limited to PFC revenues) which have been irrevocably deposited with the Subordinate Trustee for the payment of debt service on such Subordinate Obligations. See “—Passenger Facility Charges,” “AIRPORT CAPITAL PLANNING—Financing the Capital Program—Passenger Facility Charges,” “CERTAIN INVESTMENT CONSIDERATIONS—Considerations Regarding Passenger Facility Charges” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT—AIRPORT FACILITIES AND CAPITAL PROGRAM—FUNDING THE AIRPORT CAPITAL PROGRAM—PFC Revenues” for additional information about the Department’s expected use of PFC revenues.

Subordinate Debt Service Deposits

The Master Subordinate Indenture provides that the Department will cause the City Treasurer, not later than five Business Days prior to each Payment Date, to transfer from the LAX Revenue Account to the Subordinate Trustee for deposit in the Subordinate Debt Service Funds established in respect of each Series of Outstanding Subordinate Obligations the full amount required to pay the principal of and/or the interest on the Subordinate Obligations of that Series due on such Payment Date.

Subordinate Reserve Fund

Pursuant to the Fourth Supplemental Subordinate Indenture, a Subordinate Debt Service Reserve Fund (the “**Subordinate Reserve Fund**”) was established for the Existing Subordinate Bonds and any Additional Subordinate Bonds which the Department elects to have participate in the Subordinate Reserve Fund. Pursuant to the Twenty-Sixth Supplemental Subordinate Indenture, the Department intends to elect to have the Series 2025ABC Subordinate Bonds participate in the Subordinate Reserve Fund.

Moneys and investments held in the Subordinate Reserve Fund may be used only to pay the principal of and interest on the Subordinate Bonds participating in the Subordinate Reserve Fund (including the Series 2025ABC Subordinate Bonds). Moneys and investments held in the Subordinate Reserve Fund are not available to pay debt service on the Senior Bonds, the Subordinate Commercial Paper Notes, the Subordinate Revolving Obligations, any Subordinate Obligations for which the Department has decided will not participate in the Subordinate Reserve Fund or any Third Lien Obligations. The Subordinate Reserve Fund may be drawn upon if the amounts in the respective Subordinate Debt Service Funds for the Series 2025ABC Subordinate Bonds and the other Subordinate Bonds participating in the Subordinate Reserve Fund are insufficient to pay in full any principal or interest then due on such Subordinate Bonds. In the event that any amounts are required to be withdrawn from the Subordinate Reserve Fund, such amounts will be withdrawn and deposited pro rata to meet the funding requirements of the Subordinate Debt Service Funds for the Subordinate Bonds secured by the Subordinate Reserve Fund.

The Subordinate Reserve Fund is required to be funded in an amount equal to the Subordinate Reserve Requirement. The “**Subordinate Reserve Requirement**” equals the least of: (i) Subordinate Maximum Aggregate Annual Debt Service for Reserve Requirement with respect to all of the Subordinate Bonds participating in the Subordinate Reserve Fund; (ii) 10% of the principal amount of all of the Subordinate

Bonds participating in the Subordinate Reserve Fund, less the amount of original issue discount with respect to the Subordinate Bonds participating in the Subordinate Reserve Fund if such original issue discount exceeded 2% on such Subordinate Bonds at the time of its original sale; and (iii) 125% of the average Subordinate Aggregate Annual Debt Service for Reserve Requirement with respect to all of the Subordinate Bonds participating in the Subordinate Reserve Fund. In the event that the Department issues any Additional Subordinate Bonds pursuant to a Supplemental Subordinate Indenture under which the Department elects to have such Additional Subordinate Bonds participate in the Subordinate Reserve Fund, the Department will be required to deposit an amount in the Subordinate Reserve Fund sufficient to cause the amount on deposit in the Subordinate Reserve Fund to equal the Subordinate Reserve Requirement. Such deposit to the Subordinate Reserve Fund can be made at the time of issuance of the Additional Subordinate Bonds participating in the Subordinate Reserve Fund or over 12 months following the date of issuance of the Additional Subordinate Bonds that will be participating in the Subordinate Reserve Fund. At the time of issuance of the Series 2025ABC Subordinate Bonds, a portion of the proceeds of the Series 2025ABC Subordinate Bonds will be deposited to the Subordinate Reserve Fund, the Subordinate Reserve Requirement will equal \$ 546,722,050.36, and the Subordinate Reserve Fund will be fully funded with cash and securities.

The Department may fund all or a portion of the Subordinate Reserve Requirement with a Subordinate Debt Service Reserve Fund Surety Policy. A Subordinate Debt Service Reserve Fund Surety Policy may be an insurance policy or surety bond, or a letter of credit, deposited in the Subordinate Reserve Fund in lieu of or in partial substitution for cash or securities. Any such Subordinate Debt Service Reserve Fund Surety Policy must either extend to the final maturity of the Series of Subordinate Bonds for which the Subordinate Debt Service Reserve Fund Surety Policy was issued or the Department must agree, by Supplemental Subordinate Indenture, that the Department will replace such Subordinate Debt Service Reserve Fund Surety Policy prior to its expiration with another Subordinate Debt Service Reserve Fund Surety Policy, or with cash, and the face amount of the Subordinate Reserve Fund Surety Policy, together with amounts on deposit in the Subordinate Reserve Fund, including the face amount of any other Subordinate Debt Service Reserve Fund Surety Policy, are at least equal to the Subordinate Reserve Requirement. Any such Subordinate Debt Service Reserve Fund Surety Policy deposited to the Subordinate Reserve Fund must secure all of the Subordinate Bonds participating in the Subordinate Reserve Fund. As of the date of this Official Statement and at the time of the issuance of the Series 2025ABC Subordinate Bonds, there are no, and there will be no, Subordinate Debt Service Reserve Fund Surety Policies on deposit in the Subordinate Reserve Fund. See APPENDIX D-2—“AMENDMENTS TO THE MASTER SUBORDINATE INDENTURE” for amendments being made to the definition of “Subordinate Debt Service Reserve Fund Surety Policy.”

Except with respect to any guaranteed investment contract used in funding the Subordinate Reserve Fund, the Subordinate Trustee is required annually, on or about May 15 of each year, and at such other times as the Department deems appropriate, to value the Subordinate Reserve Fund on the basis of the lower of amortized cost or market value thereof, including accrued interest thereon and the basis of the cost thereof, adjusted for amortization of premium or discount on the investment thereof. For purposes of determining the amount on deposit in the Subordinate Reserve Fund, any Subordinate Debt Service Reserve Fund Surety Policy held by, or the benefit of which is available to, the Subordinate Trustee as security for the Subordinate Bonds participating in the Subordinate Reserve Fund is required to be deemed to be a deposit in the face amount of the policy or the stated amount of the credit facility provided, except that, if the amount available under a Subordinate Debt Service Reserve Fund Surety Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Subordinate Debt Service Reserve Fund Surety Policy and not reinstated or another Subordinate Debt Service Reserve Fund Surety Policy provided, then, in valuing the Subordinate Reserve Fund, the value of such Subordinate Debt Service Reserve Fund Surety Policy must be reduced accordingly. Upon each such valuation, the Subordinate Trustee is required to prepare a written certificate setting forth the Subordinate Reserve Requirement as of such valuation date and the value of the Subordinate Reserve Fund and deliver a copy thereof to the Chief Financial Officer. If, upon any valuation, the value of the Subordinate Reserve Fund exceeds the Subordinate Reserve Requirement, the excess amount, including investment earnings, is required to be withdrawn and deposited by the Subordinate Trustee into the respective Subordinate Debt Service Funds, pro rata based on the

outstanding par amounts for each Series of Subordinate Bonds participating in the Subordinate Reserve Fund, unless otherwise directed by the Department. If the value is less than the Subordinate Reserve Requirement, the Department is required to replenish such amounts within twelve months.

Additional Subordinate Obligations

The Master Subordinate Indenture provides the Department with flexibility in establishing the nature and terms of any Additional Subordinate Obligations hereafter issued with a lien and charge on Subordinate Pledged Revenues on parity with the Series 2025ABC Subordinate Bonds and the other Subordinate Obligations.

Additional Subordinate Obligations may be issued under the Master Subordinate Indenture on a parity with the Subordinate Obligations provided that, among other things, there is delivered to the Subordinate Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Subordinate Obligations being issued and the date of delivery of such Subordinate Obligations (both dates inclusive), prepared by an Authorized Representative showing that the Subordinate Pledged Revenues, together with any Transfer, for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Subordinate Obligations or preceding the first issuance of the proposed Subordinate Program Obligations were at least equal to 115% of Subordinate Maximum Aggregate Annual Debt Service with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and the proposed Subordinate Obligations, calculated as if the proposed Subordinate Obligations and the full Subordinate Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding; or

(b) a certificate, dated as of a date between the date of pricing of the Subordinate Obligations being issued and the date of delivery of such Subordinate Obligations (both dates inclusive), prepared by a Consultant showing that:

(i) the Subordinate Pledged Revenues, together with any Transfer, for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Subordinate Obligations or the establishment of a Subordinate Program, were at least equal to 115% of the sum of the Subordinate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations (not including the proposed Subordinate Obligations or the proposed Subordinate Program Obligations) for such Fiscal Year or other applicable period; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Subordinate Obligations during which no interest on such Subordinate Obligations is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Subordinate Obligations; or (B) the third full Fiscal Year during which no interest on such Subordinate Obligations is expected to be paid from the proceeds thereof, the estimated Subordinate Pledged Revenues, together with any estimated Transfer, for each such Fiscal Year, will be at least equal to 115% of the Subordinate Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and the proposed Subordinate Obligations calculated as if the proposed Subordinate Obligations and the full Subordinate Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding.

The certificate described in subparagraph (a) above is expected to be delivered by the Department in connection with the issuance of the Series 2025ABC Subordinate Bonds.

For purposes of subparagraphs (a) and (b) above, the amount of any Transfer taken into account cannot exceed 15% of the Subordinate Annual Debt Service or Subordinate Aggregate Annual Debt Service,

as applicable, on the Outstanding Subordinate Obligations, the Unissued Program Subordinate Obligations, the proposed Subordinate Obligations and the full Subordinate Authorized Amount of such proposed Subordinate Program Obligations, as applicable, for such applicable Fiscal Year or such other applicable period.

For purposes of subparagraph (b)(ii) above, in estimating Subordinate Pledged Revenues, the Consultant may take into account: (1) Pledged Revenues from Specified LAX Projects or LAX Airport Facilities reasonably expected to become available during the period for which the estimates are provided; (2) any increase in fees, rates, charges, rentals or other sources of Pledged Revenues which have been approved by the Board and will be in effect during the period for which the estimates are provided; and (3) any other increases in Pledged Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to LAX Maintenance and Operation Expenses, the Consultant may use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical LAX Maintenance and Operation Expenses; (ii) LAX Maintenance and Operation Expenses associated with the Specified LAX Projects and any other new LAX Airport Facilities; and (iii) such other factors, including inflation and changing operations or policies of the Board, as the Consultant believes to be appropriate. The Consultant will include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Subordinate Pledged Revenues and will also set forth the calculations of Subordinate Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized Representative may rely upon financial statements prepared by the Department which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Representative certifies as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

Neither of the certificates described above under subparagraphs (a) or (b) will be required:

(1) if the Subordinate Obligations being issued are for the purpose of refunding then-Outstanding Subordinate Obligations and there is delivered to the Subordinate Trustee, instead, a certificate of the Authorized Representative showing that the Subordinate Aggregate Annual Debt Service for each Fiscal Year after the issuance of such Refunding Subordinate Obligations will not exceed the Subordinate Aggregate Annual Debt Service for each Fiscal Year prior to the issuance of such Refunding Subordinate Obligations;

(2) if the Subordinate Obligations being issued constitute Subordinate Notes and there is delivered to the Subordinate Trustee, instead, a certificate prepared by an Authorized Representative showing that the principal amount of the proposed Subordinate Notes being issued, together with the principal amount of any Subordinate Notes then Outstanding, does not exceed 10% of the Subordinate Pledged Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Subordinate Notes and there is delivered to the Subordinate Trustee a certificate of an Authorized Representative setting forth calculations showing that for each of the Fiscal Years during which the Subordinate Notes will be Outstanding, and taking into account the debt service becoming due on such Subordinate Notes, the Department will be in compliance with the rate covenant under the Master Subordinate Indenture (as described above under “—Subordinate Rate Covenant”); or

(3) if the Subordinate Obligations being issued are to pay costs of completing a Specified LAX Project for which Subordinate Obligations have previously been issued and the principal amount of such Subordinate Obligations being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Subordinate Obligations originally issued for such Specified LAX Project and reasonably allocable to the Specified LAX Project to be completed as shown in a written certificate of an Authorized Representative and there is delivered to the Subordinate Trustee: (i) a Consultant’s certificate stating that the nature and purpose of such Specified LAX Project has not materially changed; and (ii) a

certificate of an Authorized Representative to the effect that: (A) all of the proceeds (including investment earnings on amounts in the construction fund allocable to such Specified LAX Project) of the original Subordinate Obligations issued to finance such Specified LAX Project have been or will be used to pay costs of the Specified LAX Project; (B) the then-estimated costs of the Specified LAX Project exceed the sum of the costs of the Specified LAX Project already paid plus moneys available in the construction fund established for the Specified LAX Project (including unspent proceeds of the Subordinate Obligations previously issued for such purpose); and (C) the proceeds to be received from the issuance of such Subordinate Obligations plus moneys available in the construction fund established for the Specified LAX Project (including unspent proceeds of the Subordinate Obligations previously issued for such purpose) will be sufficient to pay the remaining estimated costs of the Specified LAX Project.

Passenger Facility Charges

Passenger Facility Charges – Pledged Revenues. Pledged Revenues do not include PFC revenues unless otherwise included in Pledged Revenues pursuant to a Supplemental Senior Indenture. The Department has not elected, and the Department has no current plans to elect, to include PFC revenues in Pledged Revenues. The Department has not pledged PFC revenues to the payment of the Senior Bonds or the Subordinate Obligations, and the Department has no current plans to pledge PFC revenues to the payment of the Senior Bonds or the Subordinate Obligations. Although PFC revenues are not included in Pledged Revenues and have not been pledged to the payment of debt service on the Senior Bonds and/or the Subordinate Obligations, the Department has used and expects to use (to the extent approved by the FAA) PFC revenues to pay a portion of the debt service on certain Senior Bonds and/or certain Subordinate Obligations which are or become PFC Eligible Obligations. For additional information regarding PFC revenues and the Department’s expected use of PFC revenues, see “AIRPORT CAPITAL PLANNING—Financing the Capital Program—Passenger Facility Charges,” “CERTAIN INVESTMENT CONSIDERATIONS—Considerations Regarding Passenger Facility Charges” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT—AIRPORT FACILITIES AND CAPITAL PROGRAM—FUNDING THE AIRPORT CAPITAL PROGRAM—PFC Revenues.”

Passenger Facility Charges – Exclusion from Rate Covenant and Additional Bonds Tests. Debt service paid with PFC revenues is not included in the calculation of the rate covenants set forth in the Master Senior Indenture and the Master Subordinate Indenture. Additionally, debt service on Additional Senior Bonds and Additional Subordinate Obligations expected to be paid from irrevocably committed PFC revenues is not included in the additional bonds tests set forth in the Master Senior Indenture and the Master Subordinate Indenture. As of the date of this Official Statement, the Department has not irrevocably committed any PFC revenues to the payment of debt service on PFC Eligible Obligations.

Permitted Investments

Moneys held by the Subordinate Trustee under the Subordinate Indenture, including moneys in the Subordinate Debt Service Funds (and the accounts therein) and in the Subordinate Reserve Fund, may be invested as directed by the Department in Subordinate Permitted Investments, subject to the restrictions set forth in the Subordinate Indenture and subject to restrictions imposed upon the Department by the Charter. Investments held in the Subordinate Reserve Fund cannot exceed a maturity of five years.

All moneys held in the Airport Revenue Fund are currently invested by the City Treasurer in investments authorized by State law. Pursuant to State law, the City Treasurer must present an annual investment policy to the City Council for confirmation. The City has provided to the Department its “City of Los Angeles Investment Policy” for the current fiscal year which authorizes the City Treasurer to invest the City’s funds in a manner which maximizes safety, liquidity, yield and diversity. See “FINANCIAL AND OPERATING INFORMATION CONCERNING LAX—Investment Practices of the City Treasurer.”

Events of Default and Remedies; No Acceleration

Subordinate Events of Default under the Subordinate Indenture and related remedies are described in APPENDIX C-3—“SUMMARY OF THE MASTER SUBORDINATE INDENTURE—Subordinate Events of Default and Remedies.” The occurrence of a Subordinate Event of Default does not grant any right to accelerate payment of the Subordinate Obligations or the Senior Bonds to any of the Subordinate Trustee, the Senior Trustee, the Holders of the Subordinate Obligations or Senior Bonds, the CP Banks (as defined below) or the Subordinate Revolving Obligations Lender. The Subordinate Trustee is authorized to take certain actions upon the occurrence of a Subordinate Event of Default, including proceedings to enforce the obligations of the Department under the Subordinate Indenture. See APPENDIX C-3—“SUMMARY OF THE MASTER SUBORDINATE INDENTURE—Subordinate Events of Default and Remedies—Application of Moneys.” See also “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations.”

Amendments to the Master Subordinate Indenture

On June 1, 2016, pursuant to a Supplemental Subordinate Indenture, the Department amended certain provisions of the Master Subordinate Indenture, which are more particularly described in APPENDIX D-2—“AMENDMENTS TO THE MASTER SUBORDINATE INDENTURE” (the “**Master Subordinate Indenture Amendments**”).

The Master Subordinate Indenture Amendments cannot become effective until the earlier of: (a) the date on which none of the Series 2009C Subordinate Bonds, the Series 2010C Subordinate Bonds and the Series 2015C Subordinate Bonds (collectively, the “**Pre-2016 Subordinate Bonds**”), remain Outstanding; or (b) the date the Department receives the written consent of 51% or more of the Bondholders of the Outstanding Pre-2016 Subordinate Bonds.

The Master Subordinate Indenture Amendments do not require the consent of the purchasers of the Series 2025ABC Subordinate Bonds in order to become effective. Any purchaser of the Series 2025ABC Subordinate Bonds will be purchasing the Series 2025ABC Subordinate Bonds subject to the Master Subordinate Indenture Amendments. The Department will not be requesting a separate written consent from the purchasers of the Series 2025ABC Subordinate Bonds for the Master Subordinate Indenture Amendments.

As of the date of this Official Statement, the Department has no plans to solicit the written consent of Bondholders of the Pre-2016 Subordinate Bonds and therefore, in all likelihood, the Master Subordinate Indenture Amendments will not become effective until the date the Pre-2016 Subordinate Bonds are no longer outstanding.

Amendments to the Master Senior Indenture

On June 1, 2016, pursuant to a Supplemental Senior Indenture, the Department amended certain provisions of the Master Senior Indenture which are more particularly described in APPENDIX D-1—“AMENDMENTS TO THE MASTER SENIOR INDENTURE” (collectively, the “**Master Senior Indenture Amendments**”). The amendments to the Master Senior Indenture do not require the consent of the Bondholders of the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds) and are provided in this Official Statement for informational purposes only.

For more information about the Senior Indenture see APPENDIX C-2—“SUMMARY OF THE MASTER SENIOR INDENTURE.”

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Senior Bonds

The following table sets forth information about the Senior Bonds outstanding as of March 1, 2025 (the “Existing Senior Bonds”).

TABLE 1
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
EXISTING SENIOR BONDS
AS OF MARCH 1, 2025

<i>Series</i>	<i>Principal Amount Outstanding</i>	<i>Final Maturity</i>
Series 2015A Senior Bonds ⁽¹⁾	\$225,905,000	May 15, 2045
Series 2015B Senior Bonds ⁽¹⁾	40,230,000	May 15, 2045
Series 2015D Senior Bonds ⁽¹⁾	242,155,000	May 15, 2041
Series 2015E Senior Bonds ⁽¹⁾	20,190,000	May 15, 2041
Series 2016C Senior Bonds	148,005,000	May 15, 2038
Series 2018B Senior Bonds	209,920,000	May 15, 2034
Series 2020A Senior Bonds	709,005,000	May 15, 2040
Series 2020B Senior Bonds	526,940,000	May 15, 2040
Series 2020C Senior Bonds	372,160,000	May 15, 2050
Series 2020D Senior Bonds	117,405,000	May 15, 2048
Series 2022G Senior Bonds	602,820,000	May 15, 2052
Series 2022H Senior Bonds	373,735,000	May 15, 2052
Series 2022I Senior Bonds	206,825,000	May 15, 2048
Total	<u>\$ 3,795,295,000</u>	

⁽¹⁾ A portion of the Series 2015 Senior Bonds will be refunded with a portion of the proceeds of the Series 2025ABC Subordinate Bonds in the following amounts: Series 2015A Senior Bonds - \$197,810,000; Series 2015B Senior Bonds - \$40,230,000; Series 2015D Senior Bonds - \$192,945,000; and Series 2015E Senior Bonds - \$20,190,000. See “PLAN OF FINANCE.”

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

Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations

Outstanding Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations. The following table sets forth information about the outstanding Subordinate Bonds (the “Existing Subordinate Bonds”), the Subordinate Commercial Paper Notes and the Subordinate Revolving Obligations as of March 1, 2025.

TABLE 2
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
EXISTING SUBORDINATE BONDS, SUBORDINATE COMMERCIAL PAPER NOTES AND
SUBORDINATE REVOLVING OBLIGATIONS
AS OF MARCH 1, 2025

<i>Subordinate Obligations</i>	<i>Principal Amount Outstanding</i>	<i>Final Maturity Date</i>
<i>Existing Subordinate Bonds</i>		
Series 2009C Subordinate Bonds ⁽¹⁾	\$220,885,000	May 15, 2039
Series 2010C Subordinate Bonds	59,360,000	May 15, 2040
Series 2015C Subordinate Bonds ⁽²⁾	142,545,000	May 15, 2038
Series 2016A Subordinate Bonds	16,110,000	May 15, 2026
Series 2016B Subordinate Bonds	409,620,000	May 15, 2046
Series 2017A Subordinate Bonds	241,900,000	May 15, 2047
Series 2017B Subordinate Bonds	75,160,000	May 15, 2042
Series 2018A Subordinate Bonds	406,025,000	May 15, 2048
Series 2018C Subordinate Bonds	376,745,000	May 15, 2044
Series 2018D Subordinate Bonds	356,440,000	May 15, 2048
Series 2018E Subordinate Bonds	156,630,000	May 15, 2048
Series 2019A Subordinate Bonds	180,635,000	May 15, 2049
Series 2019B Subordinate Bonds	45,360,000	May 15, 2049
Series 2019C Subordinate Bonds	69,770,000	May 15, 2039
Series 2019D Subordinate Bonds	161,450,000	May 15, 2049
Series 2019E Subordinate Bonds	257,270,000	May 15, 2049
Series 2019F Subordinate Bonds	390,280,000	May 15, 2049
Series 2021A Subordinate Bonds	405,405,000	May 15, 2051
Series 2021B Subordinate Bonds	395,005,000	May 15, 2048
Series 2021C Subordinate Bonds	92,945,000	May 15, 2036
Series 2021D Subordinate Bonds	735,015,000	May 15, 2051
Series 2021E Subordinate Bonds	116,665,000	May 15, 2051
Series 2022A Subordinate Bonds	347,415,000	May 15, 2049
Series 2022B Subordinate Bonds	157,625,000	May 15, 2048
Series 2022C Subordinate Bonds	305,015,000	May 15, 2049
Series 2022D Subordinate Bonds	96,085,000	May 15, 2036
Series 2022E Subordinate Bonds	20,225,000	May 15, 2039
Series 2022F Subordinate Bonds	40,985,000	May 15, 2042
Series 2023A Subordinate Bonds	239,855,000	May 15, 2048
Series 2023B Subordinate Bonds	44,700,000	May 15, 2038
	\$6,563,125,000	
<i>Total Existing Subordinate Bonds</i>		
<i>Subordinate Commercial Paper Notes</i>		
Series A ⁽³⁾	\$154,214,000	Various ⁽⁶⁾
Series B ⁽⁴⁾	230,139,000	Various ⁽⁶⁾
Series C ⁽⁵⁾	0	Various ⁽⁶⁾
	\$384,353,000	
<i>Total Subordinate Commercial Paper Notes</i>		
	<i>Total Subordinate Revolving Obligations⁽⁷⁾</i>	<i>December 3, 2027</i>
	\$500,000,000	
<i>Total Outstanding Existing Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations</i>		
	\$7,447,478,000	

See footnotes on following page.

- (1) To be refunded with a portion of the proceeds of the Series 2025E Subordinate Bonds. See “PLAN OF FINANCE.”
- (2) To be refunded in full with a portion of the proceeds of the Series 2025C Subordinate Bonds. See “PLAN OF FINANCE.”
- (3) As of March 1, 2025. The Subordinate Commercial Paper Notes Series A (Governmental – Non AMT) may be issued in various Subseries designated Subseries A-1 through A-3. To be refunded with a portion of the proceeds of the Series 2025D Subordinate Bonds. See “PLAN OF FINANCE.”
- (4) As of March 1, 2025. The Subordinate Commercial Paper Notes Series B (Private Activity – AMT) may be issued in various Subseries designated Subseries B-1 through B-3. To be refunded in full with a portion of the proceeds of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds. See “PLAN OF FINANCE.”
- (5) As of March 1, 2025. The Subordinate Commercial Paper Notes Series C (Federally Taxable) may be issued in various Subseries designated Subseries C-1 through C-3.
- (6) The Subordinate Commercial Paper Notes have rolling maturities of 270 days or less.
- (7) A portion of the proceeds of the Series 2025D Subordinate Bonds is expected to be used to refund all of the outstanding Subordinate Revolving Obligations. See “PLAN OF FINANCE.”

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

CP Letters of Credit and CP Reimbursement Agreements. To provide credit support for the Subordinate Commercial Paper Notes, the Department has entered into three separate reimbursement agreements (collectively, the “**CP Reimbursement Agreements**”) with PNC Bank, National Association, Barclays Bank PLC and Bank of America, N.A., respectively (collectively, the “**CP Banks**”), pursuant to which each CP Bank has issued a separate irrevocable transferable direct-pay letter of credit (collectively, the “**CP Letters of Credit**”). Each CP Letter of Credit provides credit support for the timely payment of the principal of and interest on certain specified Subseries of the Subordinate Commercial Paper Notes as described in more detail in the following table.

<i>CP Banks</i>	<i>Subseries of Subordinate Commercial Paper Notes Supported by CP Letter of Credit</i>	<i>Principal Amount of Subordinate Commercial Paper Notes Supported by CP Letter of Credit</i>	<i>Total Stated Amount of CP Letter of Credit⁽¹⁾</i>	<i>CP Letter of Credit Termination Date⁽²⁾</i>
PNC Bank, National Association	A-1, B-1, C-1	\$ 100,000,000	\$ 109,000,000	August 24, 2027
Barclays Bank PLC	A-2, B-2, C-2	\$ 300,000,000	\$ 327,000,000	August 24, 2026
Bank of America, N.A.	A-3, B-3, C-3	\$ 100,000,000	\$ 109,000,000	August 24, 2026

(1) Equal to principal of Subordinate Commercial Paper Notes to be supported by the CP Letter of Credit plus interest on such Subordinate Commercial Paper Notes accruing at a rate of 12% for 270 days based on 360-day year.

(2) Unless extended or terminated sooner in accordance with the respective terms of the CP Letter of Credit.

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

Each CP Letter of Credit only supports the payment of the principal of and interest on the applicable Subseries of Subordinate Commercial Paper Notes.

In the event that the Department does not immediately reimburse a CP Bank for a drawing under the applicable CP Letter of Credit, the Department will be required pursuant to the applicable CP Reimbursement Agreement to pay all principal of and interest due to the applicable CP Bank as a result of such drawing within five years of the applicable date of the original drawing. Events of default under the CP Reimbursement Agreements include, among other events: (i) failure to pay principal of or interest on any drawing, advance or other obligations under the applicable CP Reimbursement Agreement; (ii) failure to perform the terms of the applicable CP Reimbursement Agreement; (iii) defaults in any payment of any debt secured by a charge, lien or encumbrance on the Net Pledged Revenues or the Subordinate Pledged Revenues; and (iv) a downgrade of the Subordinate Obligations below “BBB-” or “Baa3.” Any obligations of the Department incurred pursuant to the CP Reimbursement Agreements will be secured by Subordinate Pledged Revenues on parity with the Series 2025ABC Subordinate Bonds, the Existing Subordinate Bonds, the Subordinate Commercial Paper Notes, the Subordinate Revolving Obligations, the additional payment obligations of the Department under the Subordinate Credit Agreement and any Additional Subordinate Obligations. Redacted copies of the CP Reimbursement Agreements are available on the MSRB’s Electronic Municipal Market Access (“EMMA”) website.

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Indenture, the Twenty-Fifth Supplemental Subordinate Trust Indenture, dated as of December 5, 2024 (the “**Twenty-Fifth Supplemental Subordinate Indenture**”), by and between the Department and the Subordinate Trustee, and the Subordinate Credit Agreement, the Department is authorized to issue and have outstanding, from time to time, up to \$500,000,000 in aggregate principal amount of Subordinate Revolving Obligations. As of March 1, 2025, the Department had \$500,000,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. As described in “PLAN OF FINANCE,” the Department plans to refund all of the outstanding Subordinate Revolving Obligations with a portion of the proceeds of the Series 2025D Subordinate Bonds.

All Subordinate Revolving Obligations issued by the Department are purchased by the Subordinate Revolving Obligations Lender in accordance with the terms of the Subordinate Credit Agreement. Except as otherwise provided in the Subordinate Credit Agreement, the principal of all Subordinate Revolving Obligations outstanding pursuant to the Master Subordinate Indenture, the Twenty-Fifth Supplemental Subordinate Indenture and the Subordinate Credit Agreement are due and payable on December 3, 2027. However, subject to the terms of the Subordinate Credit Agreement, on December 3, 2027, the Department can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable in twelve equal quarterly installments following December 3, 2027. Events of default under the Subordinate Credit Agreement include, among other events: (i) failure to pay the principal of or interest on the Subordinate Revolving Obligations or any other amounts due under the Subordinate Credit Agreement; (ii) failure to perform the terms of the Subordinate Credit Agreement; (iii) defaults in any payment of any debt secured by a charge, lien or encumbrance on the Net Pledged Revenues or the Subordinate Pledged Revenues; and (iv) a downgrade of the Subordinate Obligations below “BBB-” or “Baa3.” Any obligations of the Department incurred pursuant to the Subordinate Credit Agreement will be secured by Subordinate Pledged Revenues on parity with the Series 2025ABC Subordinate Bonds, the Existing Subordinate Bonds, the Subordinate Commercial Paper Notes, the obligations of the Department incurred pursuant to the CP Reimbursement Agreements and any Additional Subordinate Obligations. A redacted copy of the Subordinate Credit Agreement is available on the EMMA website.

Debt Service Requirements

The following table sets forth debt service requirements on the Existing Senior Bonds, the Existing Subordinate Bonds and the Series 2025ABC Subordinate Bonds:

TABLE 3
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
SENIOR BONDS AND SUBORDINATE BONDS DEBT SERVICE REQUIREMENTS⁽¹⁾

Fiscal Year	Total Debt Service on Existing Senior Bonds	Total Debt Service on Existing Subordinate Bonds ⁽²⁾	Series 2025A Subordinate Bonds		Series 2025B Subordinate Bonds		Series 2025C Subordinate Bonds		Total Debt Service on Subordinate Bonds	Total Debt Service
			Principal of Series 2025A Subordinate Bonds	Interest on Series 2025A Subordinate Bonds	Principal of Series 2025B Subordinate Bonds	Interest on Series 2025B Subordinate Bonds	Principal of Series 2025C Subordinate Bonds	Interest on Series 2025C Subordinate Bonds		
2025	\$288,345,729	\$470,067,323	-	-	-	-	-	-	\$ 470,067,323	\$758,413,052
2026	253,599,617	491,203,336	\$9,415,000	\$75,093,405	\$4,650,000	\$6,757,704	\$7,850,000	\$9,360,458	604,329,903	857,929,519
2027	258,666,617	486,227,640	21,770,000	66,777,075	5,780,000	5,819,175	9,215,000	7,990,000	603,578,890	862,245,507
2028	246,645,867	498,234,053	28,595,000	65,688,575	6,845,000	5,530,175	9,675,000	7,529,250	622,097,053	868,742,920
2029	265,722,117	485,786,401	30,875,000	64,258,825	-	5,187,925	10,165,000	7,045,500	603,318,651	869,040,768
2030	270,397,367	481,068,850	32,420,000	62,715,075	-	5,187,925	10,660,000	6,537,250	598,589,100	868,986,467
2031	270,626,617	488,577,450	22,500,000	61,094,075	-	5,187,925	11,195,000	6,004,250	594,558,700	865,185,317
2032	279,610,117	488,202,959	4,565,000	59,969,075	-	5,187,925	11,760,000	5,444,500	575,129,459	854,739,576
2033	263,767,867	468,368,282	35,825,000	59,740,825	7,745,000	5,187,925	12,345,000	4,856,500	594,068,532	857,836,399
2034	263,946,117	468,190,864	37,630,000	57,949,575	8,840,000	4,800,675	12,975,000	4,239,250	594,625,364	858,571,481
2035	270,523,867	466,903,977	39,505,000	56,068,075	9,270,000	4,358,675	13,615,000	3,590,500	593,311,227	863,835,094
2036	261,707,140	464,302,448	41,475,000	54,092,825	9,740,000	3,895,175	14,295,000	2,909,750	590,710,198	852,417,338
2037	270,598,050	450,501,361	42,500,000	52,019,075	-	3,408,175	13,340,000	2,195,000	563,963,611	834,561,662
2038	270,870,129	450,634,777	25,000,000	49,894,075	-	3,408,175	14,005,000	1,528,000	544,470,027	815,340,155
2039	294,412,813	435,532,827	15,200,000	48,644,075	-	3,408,175	2,155,000	827,750	505,767,827	800,180,640
2040	322,716,913	408,127,132	50,880,000	47,884,075	-	3,408,175	2,280,000	720,000	513,299,382	836,016,295
2041	116,068,650	423,672,571	62,525,000	45,212,875	12,080,000	3,408,175	2,385,000	606,000	549,889,621	665,958,271
2042	112,215,050	418,302,714	40,710,000	42,711,875	6,065,000	2,894,775	2,260,000	486,750	513,431,114	625,646,164
2043	148,462,000	399,051,873	42,840,000	40,574,600	6,325,000	2,629,431	2,370,000	373,750	494,164,654	642,626,654
2044	148,452,500	372,658,841	45,090,000	38,325,500	6,615,000	2,352,713	2,490,000	255,250	467,787,303	616,239,803
2045	148,458,425	346,549,029	47,450,000	35,958,275	6,905,000	2,055,038	2,615,000	130,750	441,663,092	590,121,517
2046	148,458,550	346,441,302	37,960,000	33,467,150	2,540,000	1,744,313	-	-	422,152,764	570,611,314
2047	148,468,500	302,597,208	39,955,000	31,474,250	2,670,000	1,610,963	-	-	378,307,421	526,775,921
2048	51,851,400	277,455,324	42,055,000	29,376,613	2,805,000	1,470,788	-	-	353,162,724	405,014,124
2049	25,112,050	170,858,508	44,265,000	27,168,725	2,955,000	1,323,525	-	-	246,570,758	271,682,808
2050	25,116,700	52,295,891	46,585,000	24,844,813	3,115,000	1,168,388	-	-	128,009,091	153,125,791
2051	5,226,000	52,255,249	91,950,000	22,399,100	3,270,000	1,004,850	-	-	170,879,199	176,105,199
2052	5,229,000	-	96,450,000	17,477,325	3,455,000	825,000	-	-	118,207,325	123,436,325
2053	-	-	73,840,000	12,314,850	3,645,000	634,975	-	-	90,434,825	90,434,825
2054	-	-	77,425,000	8,403,050	3,845,000	434,500	-	-	90,107,550	90,107,550
2055	-	-	81,205,000	4,301,550	4,055,000	223,025	-	-	89,784,575	89,784,575
Total	\$5,435,275,767	\$10,664,068,190	\$1,308,460,000	\$1,295,899,255	\$123,215,000	94,514,360	\$167,650,000	\$72,630,458	\$13,726,437,262	\$19,161,713,030

⁽¹⁾ Totals may not add due to individual rounding. Reflects the refunding of the Refunded Bonds.

⁽²⁾ Debt service on the Subordinate Commercial Paper Notes (which may be outstanding from time to time up to \$500 million aggregate principal amount), payment obligations under the CP Reimbursement Agreements, debt service on the Subordinate Revolving Obligations (which may be outstanding from time to time up to \$500 million aggregate principal amount) and additional payment obligations under the Subordinate Credit Agreement are not reflected in this table. As of March 1, 2025, \$384,353,000 aggregate principal amount of Subordinate Commercial Paper Notes were outstanding and \$500,000,000 aggregate principal amount of Subordinate Revolving Obligations were outstanding. For additional information on these obligations, see “—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations” above. Also see “PLAN OF FINANCE.”

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

Future Financings

In addition to the Series 2025A-E Subordinate Bonds, the Airport Consultant has assumed that the Department will issue approximately \$9.4 billion in aggregate principal amount of Additional Senior Bonds and approximately \$1.2 billion in aggregate principal amount of Additional Subordinate Bonds through Fiscal Year 2034 in order to, among other things, complete the remaining proposed projects in the Next Airport Capital Program (as defined herein). See “AIRPORT CAPITAL PLANNING” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.” See also “CERTAIN INVESTMENT CONSIDERATIONS—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness.”

In addition, the Department continuously evaluates refunding opportunities and, when economically beneficial, may, from time to time, refund one or more Series of Senior Bonds and/or Subordinate Bonds. The debt service projections in the Report of the Airport Consultant do not include any adjustments for debt service savings which may occur with respect to any refunding of any Senior Bonds or Subordinate Obligations during the Forecast Period.

Other Obligations

General Obligation Bonds. The City last issued general obligation bonds for Department purposes in 1956, and those bonds were retired in February 1990. The Board has covenanted in the Master Senior Indenture not to adopt a resolution determining that Pledged Revenues be used to pay general obligation bonds of the City on a senior lien basis. There are currently no outstanding general obligation bonds of the City for Department purposes issued or authorized but unissued.

Other Repayment Obligations. Under certain circumstances the obligation of the Department, pursuant to a written agreement, to reimburse the provider of a Credit Facility or a Liquidity Facility (a “**Repayment Obligation**”) may be secured by a pledge of and lien on Net Pledged Revenues on parity with the Senior Bonds or by a pledge of and lien on Subordinate Pledged Revenues on a parity with the Subordinate Obligations. See “—Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations” above for additional information about the pledge of and lien on Subordinate Pledged Revenues granted to the CP Banks in connection with the CP Banks’ issuance of the CP Letters of Credit.

If a Credit Provider or Liquidity Provider advances funds to pay principal of or interest on or to purchase Senior Bonds, all or a portion of the Department’s Repayment Obligation may be afforded the status of a Senior Bond under the Master Senior Indenture. The Department currently does not have any Senior Repayment Obligations outstanding. Additionally, if a Credit Provider or Liquidity Provider advances funds to pay principal of or interest on or to purchase Subordinate Obligations as applicable, all or a portion of the Department’s Repayment Obligations may be afforded the status of a Subordinate Obligation under the Master Subordinate Indenture. The Department currently does not have any Subordinate Repayment Obligations outstanding. See APPENDIX C-2—“SUMMARY OF THE MASTER SENIOR INDENTURE—Senior Repayment Obligations Afforded Status of Senior Bonds” and APPENDIX C-4—“SUMMARY OF THE MASTER SUBORDINATE INDENTURE—Subordinate Repayment Obligations Afforded Status of Subordinate Obligations.”

Credits. The Department from time to time has provided credits to its Aeronautical Users (as defined herein) that may be applied as an offset against amounts otherwise due to the Department by such Aeronautical Users as charges for use of LAX facilities, including amounts owed pursuant to the Airport Terminal Tariff or landing fees. Because these credits are applied as an offset to amounts owed to the Department by such Aeronautical Users, the Department receives less money from these Aeronautical Users than such Aeronautical Users would otherwise provide absent the credit. Thus, although the credits are not secured by any pledge of or lien on the Department’s revenues, the effect of using such credits is the creation of a higher payment priority for such credits than for the Senior Bonds and the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds). See “USE OF AIRPORT FACILITIES—Department Acquisition of Certain Terminal Improvements; Credits.”

Payments in Connection with the Automated People Mover System. As described under “AIRPORT CAPITAL PLANNING—Major Existing Capital Program Projects—Landside Access Modernization Program—The Automated People Mover System,” the APM Agreement (as defined herein) provides that the APM Developer is entitled to receive APM Milestone Payments (as defined herein) from the Department during construction of, and upon completion of, an approximately 2.25 mile elevated, grade-separated automated people mover system (the “**APM System**”) that will transport passengers and others between the consolidated rental car facility (the “**ConRAC**”) and the Central Terminal Area. The APM Agreement initially provided that once passenger service is available on the APM System (the “**APM Passenger Service Availability Date**”) (which, based on the APM Developer’s current projections, the Department currently estimates will occur in the second quarter of 2026), the Department would make monthly APM Availability Payments (as defined herein) to the APM Developer throughout the term of the APM Agreement. As described in “AIRPORT CAPITAL PLANNING—Completion of the Automated People Mover System,” pursuant to prior settlements of disputes with the APM Developer, the Department agreed to commence in March 2023 payment of the portion of the Availability Payments attributable to the APM Developer’s financing costs.

For the purposes of financial planning, the Department assumed, that, among other things: (i) the APM Milestone Payments have been and will be funded with the proceeds of Senior Bonds, Subordinate Bonds and Subordinate Revolving Obligations; (ii) the portion of the APM Availability Payments attributable to the costs of operating and maintaining the APM System will be treated as LAX Maintenance and Operation Expenses under the Master Senior Indenture; and (iii) the portion of the APM Availability Payments attributable to the costs of designing, building and financing the APM System and not otherwise paid from the APM Milestone Payments will be treated as unsecured obligations of the Department payable from available funds of the Department remaining after the payment of LAX Maintenance and Operation Expenses, the payment of debt service and deposits to the debt service reserve funds with respect to the Senior Bonds, the Subordinate Obligations, and any Third Lien Obligations, and deposits to the LAX Maintenance and Operation Reserve Account (or funded NINTH under the Flow of Funds as described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS—Flow of Funds”).

The APM Developer has asserted various relief event claims under the APM Agreement, including claims for schedule relief and additional costs. For a discussion of these claims, see “AIRPORT CAPITAL PLANNING— Completion of the Automated People Mover System.”

Payments in Connection with the ConRAC. The ConRAC Agreement (as defined herein) provides that the ConRAC Developer (as defined herein) was entitled to receive certain specified payments as partial compensation for the ConRAC Developer’s performance of the work required to design and build the ConRAC. The ConRAC Agreement further provides that, beginning on the date of beneficial occupancy of the ConRAC (the “**ConRAC Date of Beneficial Occupancy**”) (which occurred on March 28, 2024), the ConRAC Developer was entitled to receive from the Department: (i) payments to compensate the ConRAC Developer for the costs of designing, building and financing a portion of the ConRAC (equity and debt) (the “**ConRAC Capital Availability Payments**”); (ii) payments for the cost of operating and maintaining certain portions of the ConRAC (the “**ConRAC Operations and Maintenance Availability Payments**”); and (iii) payments for the costs of renewing the ConRAC (the “**ConRAC Renewal Availability Payments**,” and collectively with ConRAC Capital Availability Payments and ConRAC Operations and Maintenance Availability Payments, the “**ConRAC Availability Payments**”).

Construction-related milestone payments were primarily funded from pay-as-you-go CFC revenues, proceeds of Subordinate Commercial Paper Notes and from proceeds of the Department’s Los Angeles International Airport Customer Facility Charge Revenue Bonds (Consolidated Rental Car Facility Project) 2022 Series A (Federally Taxable) (the “**LAX CFC Bonds**”), which the Department issued on March 16, 2022 (which are secured solely by and payable from CFC revenues). The ConRAC Capital Availability Payments will be treated as unsecured obligations of the Department and are expected to be paid from CFC revenues remaining after the payment of the principal of and interest on the LAX CFC Bonds or other available funds of the Department remaining after the payment of LAX Maintenance and Operation Expenses, the payment of debt service and deposits to the debt service reserve funds with respect to the Senior Bonds, the Subordinate Obligations, and any Third Lien Obligations and deposits to the LAX Maintenance and Operation Reserve

Account (or funded NINTH under the Flow of Funds as described under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS—Flow of Funds”). The ConRAC Operations and Maintenance Availability Payments and the ConRAC Renewal Availability Payments will be treated as LAX Maintenance and Operation Expenses under the Master Senior Indenture. See “USE OF AIRPORT FACILITIES—Concession and Parking Agreements—Rental Cars.”

There can be no assurance that: (i) the CFC revenues collected by the rental car companies on behalf of the Department will be sufficient to pay any debt service on the LAX CFC Bonds, the ConRAC Capital Availability Payments or any other lawful use; or (ii) the annual amount of CFC revenues in excess of CFC revenues that are required to pay debt service on the LAX CFC Bonds and ConRAC Capital Availability Payments plus the CTS Contribution (as defined herein) will be sufficient to pay annual capital and operating costs associated with the CTS (as defined herein) portion of the APM System, as projected in the Report of the Airport Consultant. Other than with respect to the LAX CFC Bonds, if there are insufficient funds to make the foregoing described payments, additional Department funds may be required to fund such annual capital and operating costs and such Department funds would not be available for other uses. The LAX CFC Bonds are solely secured by the CFCs and certain funds and accounts held by the trustee for the LAX CFC Bonds; no other revenues of the Department are pledged to or made available to the payment of the LAX CFC Bonds.

SPECIAL FACILITY AND CONDUIT FINANCINGS

LAX Special Facility Obligations

Pursuant to the Master Senior Indenture, the Department may: (i) designate a separately identifiable existing facility or improvement or a planned facility or improvement as an “LAX Special Facility;” (ii) pursuant to an indenture other than the Master Senior Indenture and without a pledge of any Pledged Revenues (except as otherwise provided in clause (iv) below), incur debt primarily for the purpose of acquiring, constructing, renovating or improving, or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility or improvement; (iii) provide that the contractual payments derived from or related to such LAX Special Facility, together with other income and revenues available to the Department from such LAX Special Facility to the extent necessary to make certain payments required under the Master Senior Indenture, will be “LAX Special Facilities Revenue” and will not be included as Pledged Revenues, unless otherwise provided in any supplemental indenture; and (iv) provide that: (1) the debt so incurred will be an “LAX Special Facilities Obligation;” (2) the principal of and interest thereon will be payable solely from the LAX Special Facilities Revenue; and (3) the proceeds of such LAX Special Facilities Obligation will be set aside exclusively to pay debt service on such LAX Special Facility Obligation (except that the Department may, in its sole discretion, determine to make Pledged Revenues or such other moneys not included in Pledged Revenues available (through a specific pledge or otherwise and subject to any covenant or other provisions of the Master Senior Indenture or such other indentures or agreements of the Department) to the payment of principal of and interest on such LAX Special Facility Obligation in such amounts and at such times as may be agreed to by the Department). The Department may from time to time refinance any such LAX Special Facility Obligation with other LAX Special Facility Obligations.

The Department does not currently have any outstanding LAX Special Facility Obligations but may incur such obligations in the future.

Conduit Financings

In addition to the improvements financed or planned to be financed at LAX through the issuance of revenue bonds, interest income, PFC revenues, CFC revenues and grants-in-aid, other improvements at LAX have been financed through the issuance of bonds by the Regional Airports Improvement Corporation (“RAIC”), the California Statewide Communities Development Authority (“CSCDA”) and the California Municipal Finance Authority (“CMFA”). Bonds of RAIC, CSCDA and CMFA are not obligations of the Department or the City, are not payable from or secured by any pledge of, or lien upon, moneys in the Airport Revenue Fund and do not rely upon the taxing power of the City. RAIC, CSCDA and CMFA bonds are secured solely by the payment obligations of the airlines or other users of the facilities financed with such

bonds and, in the case of RAIC bonds, by leasehold deeds of trust on the financed properties. See “AIRPORT CAPITAL PLANNING—Completion of the Automated People Mover System.”

Certain of the outstanding RAIC bonds have “buy-back rights,” whereby the Department may at any time purchase the financed facilities by retiring the bonds used to finance those facilities. The Department may from time to time identify leases related to improvements which can be terminated on terms favorable to the Department. Financing for any such lease terminations and any restructuring of third-party debt associated with such lease terminations could be provided by the Department through use of moneys in the Airport Revenue Fund or by issuing Additional Senior Bonds, Additional Subordinate Bonds, Subordinate Commercial Paper Notes or other obligations of the Department. See “USE OF AIRPORT FACILITIES.”

THE DEPARTMENT OF AIRPORTS

General Description

The City, acting through the Department, currently operates and maintains two airports, LAX and VNY, in the region served by LAX (the “**Airport Service Region**”). In addition, the Department maintains LA/PMD, although LA/PMD is not currently certificated by the FAA. The Department voluntarily returned the operating certificate relating to LA/PMD to the FAA, but may, upon compliance with certain requirements, request to have the LA/PMD certificate reissued. The Airport System, which includes LAX, VNY and LA/PMD, is operated as a financially self-sufficient enterprise, without support from the City’s General Fund, through the Department under the supervision of the Board. The Department is governed by the seven-member Board, which is in possession, management and control of the Airport System.

For a description of LAX, see “LOS ANGELES INTERNATIONAL AIRPORT.”

VNY is a general aviation airport located approximately 20 miles northwest of downtown Los Angeles, in the San Fernando Valley, and occupies approximately 730 acres. VNY is one of the busiest general aviation airports in the United States with 331,538 operating movements in Fiscal Year 2024 as reported by the Department. A number of businesses are located at VNY, which cater to a variety of private, government and corporate aviation needs.

LA/PMD is located in the Antelope Valley approximately 60 miles north of LAX. Currently, there is no scheduled service at LA/PMD. The Department owns approximately 17,500 acres of land at and around LA/PMD. The Department has transferred operation, management, and control of the LA/PMD terminal facility to the City of Palmdale, but has retained certain rights for future development of the adjoining 17,500 acres.

Board of Airport Commissioners

The Department is governed by the Board, which is comprised of seven members and is in possession, management and control of the Airport System. Each Board member is appointed by the Mayor, subject to confirmation by the City Council, for a staggered five-year term. A Board member continues to hold office following the expiration of that person’s term until a replacement has been appointed and confirmed by the City Council. One member is required to live near LAX and one is required to live near VNY. The President and Vice President of the Board are elected by the Board members for one-year terms. The current members of the Board are set forth below:

Member	Occupation	Date of First Appointment	Current Term Expires
Karim Webb, President	Entrepreneurial Activist	October 25, 2019	June 30, 2029
Matthew M. Johnson, Vice President	Attorney	December 19, 2022	June 30, 2025
Vanessa Aramayo	Non-Profit CEO	April 26, 2023	June 30, 2028
Courtney La Bau	Business Owner	June 28, 2023	June 30, 2029
Victor Narro	UCLA Labor Studies and Law Professor, Policy/Legal Advocacy and Research, Immigrant Rights and Labor Activist	June 27, 2023	June 30, 2026
Nicholas P. Roxborough	Attorney	March 26, 2019	June 30, 2025
Valeria C. Velasco	Attorney	September 6, 2005	June 30, 2027

The Charter provides that, in the event a Board member has reason to believe that such Board member might have a conflict of interest disqualifying such Board member from acting on a matter and the City Attorney decides that it is probable that a court would hold that a disqualification exists, the matter will be referred to the Board of Referred Powers. The Board of Referred Powers is a City Council committee consisting of five individuals designated by the City Council from time to time.

Oversight

The Charter allows the City Council to review all Board actions. The Charter states that actions of the Board become final at the expiration of five meeting days of the City Council unless the City Council acts within that time, by a two-thirds vote, to bring an action of the Board before the City Council for review or to waive review of the action. If the City Council chooses to assert jurisdiction over the action, the City Council may, by a two-thirds vote, veto the action of the Board within 21 calendar days of voting to bring the matter before it, or the action of the Board is final. An action vetoed by the City Council will be remanded to the Board, which will have the authority it originally held to take action on the matter. In addition, the Charter provides that certain actions of the Board, including the issuance of debt, must also be approved by the City Council.

In addition, the Department is subject to periodic audits, reviews, inspections and other inquiries by, among others, the City Controller, the FAA, the United States Department of Transportation (the “U.S. DOT”), the Office of the Inspector General, the U.S. and California Environmental Protection Agencies, the Internal Revenue Service, various water control boards and air quality management districts, the California Coastal Commission and the Department’s own auditors. See “AIRPORT SYSTEM ENVIRONMENTAL MATTERS—Hazardous Substances.”

Department Management

Responsibility for the implementation of the policies formulated by the Board and for the day-to-day operations of the Airport System rests with the senior management of the Department. The Chief Executive Officer is appointed by the Board, subject to confirmation by the Mayor and the City Council. Subject to civil service rules and regulations, the Chief Executive Officer is empowered to appoint and remove the senior managers. Within each of the various divisions in the Department, there are various sections that are assigned certain responsibilities for the efficient operation and development of the Airport System. The following report directly to the Chief Executive Officer: (i) Chief of Staff; (ii) Chief Airport Administrative Officer; (iii) Chief Airport Development Officer; (iv) Chief Operations and Maintenance Officer; and (v) Chief Innovation & Experience Officer. Certain officers of the Department and their positions are set forth below:

John Ackerman, Chief Executive Officer. John Ackerman was appointed in December 2023 as the Chief Executive Officer (“CEO”) and has oversight of LAX and VNY. Mr. Ackerman has over 30 years of experience in the aviation industry. Previously, he most recently served as Executive Vice President of Global

Strategy and Development for Dallas/Fort Worth International Airport (“DFW”), where he was part of the team that expanded the organization’s global footprint by driving the first-ever cargo strategy — a multi-year program focused on Asia-Latin America trade flows. His team also designed and launched the first online parking system with dynamic pricing offered at a U.S. airport and grew the business to be DFW’s largest source of earnings. Additionally, he helped develop a data and analytics strategy that led to the creation of the airport’s first data science team, deploying Data360 across the enterprise and consolidating all data in a single data lake. Prior to his time at DFW, Ackerman served as Chief Commercial Officer for Denver International Airport (“DEN”), where he led teams that transformed the customer experience at every touchpoint. During his tenure, he launched new retail and restaurant concepts that transformed DEN’s customer offerings, while augmenting same-location sales; led the airport’s first major expansion since its establishment — a multi-modal infrastructure project critical to connecting DEN to the central business district; and secured the largest capacity and network growth in over 15 years, inaugurating the airport as a mega hub for United Airlines and Southwest Airlines. Ackerman holds a Bachelor of Arts degree in Economics from Duke University. He is also a trained pilot and veteran of the U.S. Armed Forces.

Becca Doten, Chief of Staff. Becca Doten serves as the Chief of Staff, which includes serving as a strategic counsel to the CEO, overseeing executive and Board administration and leadership over the Department’s external affairs functions, including government relations, marketing and communications, and community relations. She also oversees the Strategic Initiatives Division and the Major Events Division which is tasked with the coordination and preparation for the 2026 World Cup and the 2028 Olympic and Paralympic Games. Ms. Doten joined the Department in July of 2017 as the Director of Public Relations. She has also served as the Chief Airport Affairs Officer, Deputy Executive Director for Public & Government Affairs and was the interim Chief Corporate Strategy and Affairs Officer. Ms. Doten brings with her more than a decade of experience in communications, community relations and public policy at the city, county and state level. Originally from Cottage Grove, Minnesota, Ms. Doten earned a Bachelor of Arts degree in film production from the University of Southern California.

Marla Bleavins, Chief Airport Administrative Officer. Marla Bleavins was appointed in May 2024 as Chief Airport Administrative Officer. In that role, Ms. Bleavins oversees the Finance, Human Resources, Commercial Development, Strategic Sourcing, and Internal Audit and Ethics divisions. In this role, she is focused on how the Department supports its people and the communities it serves, and is leading the modernization of legacy systems and processes. Ms. Bleavins returned to the Department after serving in executive leadership positions across the City of Los Angeles. In her over 20 years of public service, Ms. Bleavins has served as Assistant General Manager at the Department of Convention and Tourism Development, Debt and Treasury Manager for the Department, and Finance Specialist in the Office of the City Administrative Officer. She most recently served as Deputy Executive Director and Chief Financial Officer for the Port of Los Angeles. Ms. Bleavins has an undergraduate degree from Stanford University in Public Policy and Political Science and a Master of Business Administration from the Wharton School at the University of Pennsylvania.

Michael R. Christensen, Chief Airport Development Officer. Michael Christensen was appointed Deputy Executive Director, Facilities Maintenance and Utilities Group in 2017. He was subsequently promoted to Chief Operations and Maintenance Officer in 2021, and in August 2024 was appointed Chief Airport Development Officer. Mr. Christensen’s responsibilities currently include overseeing the planning, design, and construction of airside, terminal, and landside infrastructure which are part of the Department’s \$30 billion capital improvement program. He has over 48 years of experience as an engineering and transportation professional. Prior to joining the Department, he spent 9 years as Chief Development Officer at the Port of Los Angeles. Before joining the Port of Los Angeles in 2006, Mr. Christensen served as Vice President at Parsons Transportation Group, responsible for a broad range of airport, port, planning, roadway, and rail projects, and as a senior executive with several other transportation consulting firms in the San Francisco Bay Area. His career also included 16 years of service with a Class One railroad where he held posts at eight different locations throughout the railroad’s 13-state system engaged in construction, maintenance, operations, and environmental remediation. Mr. Christensen earned a bachelor’s degree in civil engineering from Arizona State University and certificates in Executive Education from the Harvard Kennedy School of Government and California State University Northridge. He is a registered professional civil engineer in California and nine other western states. He is a life member of the American Society of Civil

Engineers and the American Railway Engineering and Maintenance-of-Way Association, and an Accredited Airport Executive with the American Association of Airport Executives.

Douglas G. Webster, Chief Operations and Maintenance Officer. Douglas G. Webster serves as Chief Operations and Maintenance Officer. Mr. Webster is responsible for Airside Operations, Facility Maintenance and Security. Before coming to the Department in 2022, Mr. Webster served as the Chief Operating Officer and Executive Vice President for Delhi International Airport. An accomplished aviation professional, Mr. Webster has four decades of rich experience in airports and aviation. His broad background encompasses airport operations, airlines expertise, strategic planning, terminal transition planning, staffing, transformation, customer service automation and stakeholder management. Mr. Webster has previously served as a Deputy Director with Fort Lauderdale-Hollywood Airport in Florida and as a General Manager with Northwest Airlines. Mr. Webster has a Bachelor of Science degree in business administration from the University of North Dakota.

Ian Law, Chief Innovation & Experience Officer. Ian Law was appointed Chief Innovation & Experience Officer in May 2022. Mr. Law's responsibilities include the development and delivery of the Department's digital transformation strategy, oversight of the Department's Information Management and Technology, Guest Experience and Mobility divisions. Prior to his appointment, Mr. Law was Chief Information Officer at San Francisco International Airport, where he led the Information Technology team to innovate solutions in ground-transportation, passenger processing, tenant services, information analytics and cloud-hosted digital services. During the pandemic, Mr. Law led industry initiatives to enable public access to important airport-related COVID-19 information at over 300 airports worldwide and spearheaded an effort with international airports and airlines to make airport COVID-19 testing and vaccination services information more accessible to passengers. Mr. Law has held several advisory and consultancy roles at the UK government, focused on technology procurement and public service reform and transformation. Mr. Law led international outsourcing and supply chain advisory businesses at KPMG UK, working with clients in Europe, USA, South America, Asia, Africa, and the Middle East. He led and participated in corporate transactions as well as developed KPMG's international advisory practices. Mr. Law is the current chair of ACI World's Airport Information Technology Standing Committee and former chair of both ACI North America's Business & Information Technology committee and ACI's Aviation Community Recommended Information Services committee. Mr. Law served on the International Air Transport Association's working group on autonomous vehicles and airport automation. He is an industry contributor on the American Association of Airport Executives' Airport Consortium programs and initiatives. He holds a BSc in Computer Science from University College Cork, Ireland and an MBA from Cranfield School of Management, England.

Tatiana Starostina, Chief Financial Officer. Tatiana Starostina was appointed Chief Financial Officer in January 2020 and an Assistant General Manager in January 2022. Ms. Starostina has more than 20 years of experience in the aviation industry. Most recently, she served as the Assistant Director of Aviation – Business and Strategy at the Port of Oakland, having previously served as Manager of Financial Planning. Prior to serving at the Port of Oakland, Ms. Starostina worked at the Port of Portland as the Senior Manager for Financial Analysis and Projects and at United Airlines as Regional Manager for Airport Affairs, Corporate Real Estate, where her work included negotiation of airport-airline agreements at airports which were undergoing substantial terminal development programs that required significant changes in airline operations and business arrangements. She helped develop new rate-making methodologies and served on Airline-Airport Affairs Committees, overseeing capital improvement programs. Ms. Starostina was named the Medium Airport Finance Professional of the Year by Airports Council International-North America in 2019. Ms. Starostina holds a Master of Business Administration degree from the Kellogg School of Management at Northwestern University in analytical finance, strategy, accounting and decision science.

Employees and Labor Relations

The Department is a civil service organization, which, as of June 30, 2024, had 2,997 employees, as compared to 2,923 employees as of June 30, 2023. The Fiscal Year 2024-25 budget assumes a headcount of approximately 3,772 full-time and part-time positions, including additional headcount in operations and safety and security.

As a municipal organization, the Department’s employee and labor relations are governed by applicable State and City civil service rules and regulations as well as 25 separate labor agreements between management and unions (the “**Memoranda of Understanding**”). Most of the Department’s employees are covered by the Memoranda of Understanding. The following table lists all Memoranda of Understanding between the Department and labor and management unions and their respective expiration dates.

**DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
MEMORANDA OF UNDERSTANDING
BETWEEN THE CITY AND
EMPLOYEE LABOR ORGANIZATIONS REPRESENTING EMPLOYEES OF
THE LOS ANGELES INTERNATIONAL AIRPORT**

<i>Bargaining Unit</i>	<i>Expires</i>
Service Employees International Union, Local 721	
Equipment Operation and Labor Employees Representation Unit No. 4	December 23, 2028
Professional Engineering and Scientific Unit No. 8	December 23, 2028
Service and Craft Representation Unit No. 14	December 23, 2028
Service Employees Representation Unit No. 15	December 23, 2028
Supervisory Professional Engineering and Scientific Unit No. 17	December 23, 2028
Safety/Security Representation Unit No. 18	December 23, 2028
Municipal Construction Inspectors Association, Inc.	
Inspectors Unit No. 5 ⁽¹⁾	January 6, 2029
Los Angeles Professional Managers Association	
Management Employees Unit No. 36	December 23, 2028
Personnel Director Unit No. 63	December 23, 2028
Confidential Senior Personnel Analysts Unit No. 64	December 23, 2028
American Federation of State, County and Municipal Employees	
Clerical and Support Services Unit No. 3	December 23, 2028
Executive Administrative Assistants Unit No. 37	December 23, 2028
Engineers and Architects Association	
Administrative Unit No. 1	December 25, 2027
Supervisory Technical Unit No. 19	December 25, 2027
Supervisory Administrative Unit No. 20	December 25, 2027
Technical Rank and File Unit No. 21	December 25, 2027
Local No. 501, International Union of Operating Engineers	
Plant Equipment Operation and Repair Representation Unit No. 9	December 23, 2028
Los Angeles City Supervisors and Superintendents Association, Laborer’s International Union of North America, Local 777	
Supervisory Blue Collar Unit No. 12	December 23, 2028
Los Angeles/Orange Counties Building and Construction Trades Council	
Building Trades Rank and File Representation Unit No. 2	December 23, 2028
Supervisory Building Trades and Related Employees Representation Unit No. 13	December 23, 2028
Use of Union Hiring Halls for Temporary Use of Craft Workers No. 35	On-going
All City Employees Association, Local 2006, AFSCME, Council 36, AFL-CIO	
Professional Medical Services Unit No. 10	December 23, 2028
Los Angeles Airport Peace Officers Association	
Peace Officers Representation Unit No. 30	September 4, 2026
Airport Supervisory Police Officers’ Association of Los Angeles	
Supervisory Peace Officers’ Unit No. 39	September 4, 2026
Airport Police Command Officers Association of Los Angeles	
Management Peace Officers’ Unit No. 40	June 27, 2026

⁽¹⁾ The Department is currently negotiating a new memorandum of understanding. Prior to finalization and approval of the new memorandum, the employees covered by such memorandum continue to work pursuant to the terms of the expired memorandum.

Retirement Plan

Department employees participate in either the Los Angeles City Employees' Retirement System ("LACERS") or the City of Los Angeles Fire and Police Pension Plan ("LAFPP"), the two retirement systems of the City.

LACERS is a contributory plan established in 1937 under the Charter, covering most City employees except certain uniformed fire and police personnel and employees of the Department of Water and Power. LAFPP, established in 1899 and incorporated into the Charter in 1923, represents contributory plans covering uniformed fire, police, Harbor police and Airport police. The LACERS and LAFPP plans are the obligation of the City. Under requirements of the Charter, the Department makes contributions to LACERS and LAFPP with respect to its employees in amounts determined by LACERS or LAFPP, as the case may be, and its actuaries. The Department does not participate in the governance or management of LACERS or LAFPP.

The Department's pension cost varies from year to year depending on, among other things, the annual contribution rates determined by LACERS and LAFPP and their actuaries, the total salaries paid to the Department's covered employees, the retirement benefits accruing to those employees, and the portion of LACERS and LAFPP unfunded accrued liability allocated to the Department. The following table shows Department contributions to LACERS and LAFPP during the last five Fiscal Years. For each of these Fiscal Years, the contribution made by the Department equaled 100% of the annual required contribution as calculated by LACERS, LAFPP and their respective actuaries.

TABLE 4
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
CONTRIBUTIONS TO LACERS AND LAFPP
(in millions)

<i>Fiscal Year</i>	<i>LACERS</i>	<i>LAFPP</i>
2020	\$87.4	\$1.7
2021	80.4	2.2
2022	83.6	2.8
2023	97.0	3.7
2024	97.0	3.6
2025 (budgeted)	100.0	4.6

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

For Fiscal Year 2025, the Department budgeted a LACERS contribution of approximately \$113.0 million and a LAFPP contribution of approximately \$4.6 million. The actual payment to LACERS for Fiscal Year 2025 has already been made in the amount of \$100 million, net of a \$16.5 million credit for the prior Fiscal Year true-up. The payment to LAFPP in the amount of \$4.6 million has also been made.

The Department plans to move to LAFPP active and inactive vested Airport Police Department employees currently within LACERS. Based on preliminary actuarial studies, the transfer will result in an initial cost to the Department for the unfunded liability related to the transfer of approximately \$60 million. Annual costs to the Department will increase as well, with a preliminarily estimated initial increase of approximately \$5 million.

In 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which applies to governmental entities such as the Department. GASB 68 requires governments providing defined benefit pensions to recognize the difference between pension plans' fiduciary net position (the amount held in a trust for paying retirement benefits, generally the market value of assets) and their long-term obligation for pension benefits as a liability (the "Net Pension Liability"). Also, pursuant to GASB 68, a proportionate share of the City's Net Pension Liability is allocated for accounting purposes to the Department. For Fiscal Year 2024, a proportional allocation of the City's Net Pension Liability in the aggregate amount of

approximately \$848.6 million was allocated to the Department with respect to LAX. GASB 68 addresses the disclosure of pension liability only and does not impose any funding requirements. See “CERTAIN INVESTMENT CONSIDERATIONS—Retirement Plan Funding.”

In 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“**GASB 75**”), which applies to governmental entities such as the Department. GASB 75 requires the liability of employers to employees for defined benefit postemployment benefits other than pensions (“**OPEB**”) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the OPEB plan’s fiduciary net position (the “**Net OPEB Liability**”). Also, pursuant to GASB 75, a proportionate share of the City’s Net OPEB Liability is allocated for accounting purposes to the Department. For Fiscal Year 2025, a proportional allocation of the City’s Net OPEB Asset in the aggregate amount of approximately \$14.6 million was allocated to the Department with respect to LAX. GASB 75 addresses the disclosure of OPEB liability only and does not impose any funding requirements. See “CERTAIN INVESTMENT CONSIDERATIONS—Retirement Plan Funding.”

Due to LACERS’ and LAFPP’s smoothing methodology, certain investment losses have not been recognized in the determination of LACERS’ and LAFPP’s unfunded actuarial accrued liabilities (the “**UAALs**”). Aggregate contributions by the Department to LACERS and LAFPP may increase significantly in the coming Fiscal Years, as contribution rates are subject to change due to changes in market conditions, assumptions and funding methodologies.

Investors are cautioned that information about the City’s Net Pension Liability, the City’s Net OPEB Liability, LACERS and LAFPP, including UAALs, funded ratios and calculations of required contributions, included or referenced in this Official Statement, are “forward looking” information. Such “forward looking” information reflects the judgment of LACERS and LAFPP and their actuaries as to the amount of assets that LACERS and LAFPP will be required to accumulate to fund future benefits over the lives of the currently active employees, vested terminated employees and existing retired employees and beneficiaries. These judgments are based upon a variety of assumptions, one or more of which may prove to be inaccurate and/or be changed in the future.

For information regarding the City’s Net Pension Liability, the City’s Net OPEB Liability, LACERS-related and LAFPP-related unfunded actuarial accrued liabilities, LACERS and LAFPP system assets, LACERS and LAFPP funded ratios and certain of the City’s projected contributions to LACERS and LAFPP, related assumptions and other LACERS-related and LAFPP-related information, see APPENDIX B—“ANNUAL FINANCIAL REPORT OF LOS ANGELES WORLD AIRPORTS (DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA) LOS ANGELES INTERNATIONAL AIRPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023” and APPENDIX H—“CERTAIN INFORMATION REGARDING THE RETIREMENT PLAN AND PENSION SYSTEMS OF THE CITY OF LOS ANGELES.” The information in APPENDIX H has been provided by the City. The LACERS Reports and LAFPP Reports are available on LACERS’ and LAFPP’s websites and contain additional information regarding LACERS and LAFPP assumptions, plan details and investment of plan assets. The Department is relying upon, and has not independently confirmed or verified, the accuracy or completeness of this section, APPENDIX H or the LACERS Reports, LAFPP Reports or other information incorporated by reference therein. See also “CERTAIN INVESTMENT CONSIDERATIONS—Retirement Plan Funding.”

Sustainability Initiatives

The Department has a longstanding commitment to advancing sustainability in its built environment and operations at LAX and VNY, and it is engaged in ongoing efforts to collaborate, deliver results and drive innovation. The Department categorizes and measures its sustainability performance at LAX and VNY on the basis of: (i) economic viability; (ii) social responsibility; (iii) energy stewardship; (iv) water conservation; (v) air quality; (vi) material resources management; (vii) sustainable construction practices; and (viii) natural resources management. Building upon its 2007 Sustainability Vision and Principles, the Department

progressed in these focus areas, and has a Chief Sustainability Officer who is responsible for overseeing all environmental and sustainability programs for the Department.

In recognition of the Department's commitment to mitigating climate change impacts through a comprehensive inventory of greenhouse gas emissions, it has achieved Airport Carbon Accreditation, "Level 3 – Optimization" for the past three years, a program in which the Department voluntarily participates. The Board also approved a Sustainability Action Plan in November 2019 (the "**2019 Sustainability Plan**"), which sets specific goals for the Department to reduce water and energy use, as well as greenhouse gas emissions and waste.

Department achievements with respect to sustainability (some of which are described in more detail below) include the following:

- Reclaimed water accounted for 4.8% of total water use in 2023 (approximately 21.9 million gallons).
- Total potable water consumption per passenger at LAX decreased 12% from 6.5 gallons per passenger in 2022 to 5.7 gallons per passenger in 2023.
- Since 2011, LAX has decreased gas consumption by 28.3% to 634,271 MMBTU in 2023, contributing to the per passenger energy use reduction.
- In 2023, energy consumption per passenger decreased 9.0% from 2022 decreased 26.1 from 2011.
- Effective mid-2023, LAX and VNY phased out the sale and provision of single-use plastic water bottles, eliminating nearly 4.7 million bottles in 2023.
- The Department had 1,182 installed electric vehicle chargers by the end of 2023.
- 53% of the Department's sedan fleet was powered by electricity in 2023.
- 50% of Department buses at LAX are electric-powered.
- Sustainable Aviation Jet Fuel usage at LAX in 2023 increased by 22% compared to 2022,
- Energy consumption at LAX has been reduced per passenger by 26% since 2019.
- In 2023, passenger levels at LAX increased 14% over 2022, while per passenger water and energy consumption declined.

The Department annually issues a Sustainability Report which contains additional information regarding sustainability, as well as the Department's Corporate Social Responsibility and Environmental practices. In July 2024, the Department issued its 2023 Sustainability Report (the "**2023 Sustainability Report**"), which highlighted the Department's sustainability achievements and provided an update on certain targets set forth in the Sustainability Plan.

Key targets prioritized in the 2019 Sustainability Plan, as well as progress towards such targets, are described below.

Energy Management. The 2019 Sustainability Plan identifies as a goal implementation of effective energy management via conservation, efficiency and the use of renewable energy. The Department's energy goals in the 2019 Sustainability Plan included, among others: (i) reducing energy use per passenger 15% by 2025 and 30% by 2035; and (ii) supplying 100% of the Department's energy from renewable sources by 2045.

In 2023, energy consumption per passenger decreased by 26.1% from 2011 levels, exceeding the Sustainability Plan 2025 goal of a 15% reduction. The Department advanced solar generation at VNY, with nearly 13,000 operational panels and an additional 30,000 in construction/planned.

Water Management. The 2019 Sustainability Plan reflects a shift in the Department's water conservation programs away from temporary drought measures toward permanent changes to conserve and use water efficiently, including through the use of reclaimed water where feasible. The Department's water goals include, among others: (i) increasing reclaimed water use 35% by 2035; and (ii) reducing potable water use 30% by 2035.

In 2023, 56% of LAX landscape was irrigated with reclaimed water.

Air emissions management. The 2019 Sustainability Plan includes goals to improve the air quality of the Los Angeles region by strengthening current emissions reduction initiatives and identifying innovative approaches to further improve air quality in the future. The Department's air emission goals include, among others, reducing pollutants and greenhouse gas emissions by reducing the use of fossil fuels (including the use of clean fuel vehicles and equipment at LAX) so that by 2045 the Department's operations and facilities will be carbon neutral.

The Department is taking steps toward establishing a more sustainable approach to its vehicle fleet, with alternative fuel technology first introduced in 1993 and an Electric Vehicle Purchasing Policy adopted in 2017 to progressively increase the percentage of light duty electric vehicles owned by the Department from 2017 to 2035, ultimately reaching a 100% all-electric sedan fleet and a commitment to an all-electric bus fleet at LAX by 2030. In 2022, the Board adopted an updated Electric Vehicle Purchasing Policy with a target that 100% of the Department's light duty sedan fleet will be zero emissions by 2031 and adopted a zero emissions first policy for all new light duty vehicle purchases when these vehicles are commercially available and technically feasible.

Over the last several years, the Department also has increased the number of publicly accessible electric vehicle ("EV") chargers. The implementation of "smart" parking has resulted in the installation of 1,264 EV chargers in the public parking lots at LAX. In addition, all passenger gates allow for all electric gate operations, including the provision of electric power and pre-conditioned air at all passenger contact gates to allow aircraft to turn off their auxiliary power units that run on jet fuel to support aircraft operations while parked at the gate.

The FlyAway bus service is part of the Department's initiative to reduce traffic and emissions and offers non-stop transportation between LAX and Union Station in Downtown LA and Van Nuys. In 2024, FlyAway ridership increased by about 17% over the previous year. 350 EV chargers were installed for a total of 1,182 by the end of 2023. The Department achieved its EV Purchasing Policy target for EV sedans with 53% of the sedan fleet powered by electricity. The Department implemented an incentive program to accelerate deployment of electric ground service equipment. In addition, in 2024 sustainable aviation fuel usage increased at LAX by 22% over the previous year.

Material Resources Management. The 2019 Sustainability Plan includes a goal to coordinate waste collection, handling, education and preventive practices in order to improve diversion rates. The Department's material resources goals in the 2019 Sustainability Report included, among others, achieving a 25% non-construction waste diversion rate by 2025 and 50% by 2035, expanding food donation and diverting all food waste previously sent to landfills by 2028, and increasing education and outreach.

The Department adopted a food donation policy in 2021, which requires concessionaires and other businesses that provide food to participate in a food donation program to reduce food waste. A single-use plastic water bottle ban, which eliminates plastic water bottles at LAX and VNY, went into effect on June 30, 2023.

The LAX diversion rate of 30.9% in 2023 continues to exceed the 2019 Sustainability Plan goal for 2025 of over 25% of materials diverted. The Department's single-use plastic water bottle ban went into effect June 30, 2023 and approximately 4.7 million plastic water bottles were avoided in the first six months. The Department also has a food donation policy to reduce food waste so that prepackaged food is donated to organizations rather than being sent to landfills. In 2023, 18,842 pounds of edible food were donated. The Department works with terminal kitchens to collect and recycle food scraps and through the program, 469.6 tons of organic waste were collected in 2023.

Noise Management. The 2019 Sustainability Plan identified as a target minimizing noise impacts on surrounding communities.

Over the last several years, the Department has received \$143 million in FAA funding to soundproof an additional 2,400 homes in the City of Los Angeles and El Segundo around LAX (as of October 2024, 55 homes completed and 400 in construction); completed sound insulation at Lennox School District (six schools); continued funding of residential sound insulation in the City of Inglewood and nearby unincorporated County areas when requested; implemented noise portals where the public can find out more information about flights in their communities and about the policies and programs that the Department has implemented to address noise concerns; and adopted a Fly Quieter program, a recognition program at LAX, which acknowledges airlines that abide by noise abatement measures and take steps to engage with the community or initiate other noise reduction efforts.

Natural Resources Management. The 2019 Sustainability Plan identified as a target integrating sustainable practices into all aspects of the Department's operations.

In 2023, the Department held 15 community dunes restoration events removing 10,900 pounds of invasive and non-native vegetation across the Northern and Southern LAX Dunes. In addition 6,000 pounds of non-native Acacia were removed from the LAX Dunes and sent to the LA Zoo as animal feed and bedding, and 4,147 native plants were planted at the LAX Dunes. The Department also developed a partnership with Delta Airlines to help restore 1.1 acres of land in the El Segundo Blue Butterfly Habitat Restoration Area.

Corporate Responsibility/Workforce Development. The 2019 Sustainability Plan identified as a target maximizing access to business and job opportunities for small businesses and local residents, ensuring that local and diverse communities benefit from the Department's investments and ensuring that the Department meets the gold standard for public corporate social responsibility.

The Department hosted ten community relations events at LAX and six community relations events at VNY. The Department held a hiring fair where over 300 applications were handed out and partnered with Unibail-Rodamco-Westfield Airports to host another job fair where the Department offered over 350 positions for in-person hiring. Since its inception and through 2023, HireLAX graduated 375 students. The HireLAX program provides local residents access to enroll in a comprehensive, construction apprenticeship preparation program offered by select public agencies or community partners. Upon completion, program graduates are competitively positioned for placement consideration on a Department construction project through its contractors and local craft unions. Veterans and women are strongly encouraged to participate in the program.

Additional Efforts. The LAMP is a cornerstone of the Department's sustainability efforts, and its transformation of ground transportation at LAX is projected to serve 30 million travelers annually and reduce vehicle miles traveled by 117,000 per day when both the APM System and the ConRAC open. The Department was selected as the "Public Agency of the Year" by the Los Angeles Sustainability Coalition in 2018, in recognition of the improvements in Los Angeles regional transportation system sustainability that are expected from the APM System.

Following adoption of the Department's Sustainable Design and Construction Policies in 2017, all eligible new buildings or major renovations must achieve The United States Green Building Council's ("USGBC") LEED Silver certification. Exceeding the Department's requirements, the West Gates at the Tom Bradley International Terminal ("TBIT") (formerly referred to as the Midfield Satellite Concourse or MSC), the Airport Police Facility, and Terminal 4.5 Vertical Core, and ConRAC received LEED Gold Certification from USGBC. Terminal 1.5 received LEED Silver Certification. Additionally, the Department expects that portions of the APM (the APM Maintenance and Storage Facility) will receive LEED Gold Certification from USGBC, and that the North Terminal Improvement Project, the Terminal 4 Improvement Project, the TBIT Core and APM System Interface and the Terminal 5 Core and APM Mover System Interface will receive at least LEED Silver certification from USGBC.

The Sustainability Plan and the 2023 Sustainability Report can be found on the Department's website. The foregoing reference to the Department's website is for informational purposes only, and neither the website nor the information contained on the website shall be deemed incorporated herein by reference. The Department is not obligated to continue to provide information found on its website.

Business Inclusivity Program

The Department operates eight business inclusivity programs: (1) Airport Concessions Disadvantaged Business Enterprise; (2) Disabled Veteran Business Enterprise; (3) Disadvantaged Business Enterprise; (4) Local Business Enterprise /Local Small Business Enterprise; (5) Local Business Preference Program; (6) Minority, Women and Other Business Enterprises; (7) Small and Local Business; and (8) Small Business Enterprise. Each program has its own eligibility criteria, incentives and standards. The Department's overarching policy is to provide equal opportunities for historically disadvantaged, small, veteran-owned, locally-owned, minority-owned and women-owned businesses to win contracts with the Department for the provision goods and services.

Subsidization within the Airport System

Although the Charter, as currently in effect, does not require LAX revenues to be used to make up any deficiencies of any of the other airports in the Airport System, the Department anticipates that LAX revenues will continue to be used for subsidizing deficiencies incurred in the Airport System. No assurance can be given that major catastrophic liabilities or other unanticipated events will not occur within the Airport System which would require substantial unanticipated transfers of LAX revenues or that subsidies, if provided to the other airports in the Airport System, will not be substantially higher than they have been in the past.

VNY serves as a reliever airport for LAX. Any VNY subsidy, when provided, is recovered by the Department through an increase in landing fees at LAX. Landing fees at LAX are calculated based on LAX's operating costs and amortization of debt as well as certain costs associated with VNY.

Any subsidy for LA/PMD is not incorporated in LAX landing fees but rather would be paid from discretionary funds and may increase or decrease in the future. See "AIRPORT SYSTEM ENVIRONMENTAL MATTERS—Hazardous Substances."

Los Angeles 2025 Wildfire Event

Beginning on January 7, 2025, a severe fire fueled by windstorms occurred within and around Los Angeles County including the Pacific Palisades neighborhood (the "**Palisades Fire**"), which is part of the City of Los Angeles. On January 7, 2025, the Mayor declared a local emergency throughout the City and the Governor of California proclaimed a State of Emergency with respect to the Palisades Fire. Almost 24,000 acres were burned in the Palisades Fire, with an estimate of more than 7,800 structures damaged or destroyed in the affected areas of Pacific Palisades, as well as the loss of several lives.

As a result of such declarations and subsequent federal action, funding from the Federal Emergency Management Agency ("**FEMA**") is generally available to the City with respect to its recovery efforts and those affected by the Palisades Fire. The City's process for recovering from the Palisades Fire is at its earliest stages. The City continues to focus on debris removal and assessing the immediate financial impact of the Palisades Fire.

Multiple lawsuits were filed and additional lawsuits continue to be filed against the City and the Department of Water and Power of the City by property owners whose properties were damaged in the Palisades Fire under the doctrine of inverse condemnation. The doctrine of inverse condemnation is a "takings clause" cause of action under the State constitution that entitles property owners to just compensation if their private property is damaged by a public use.

The City intends to vigorously defend against these lawsuits, and any others that may be filed. The City is unable to assess at this time whether additional claims will be asserted by the plaintiffs, the likelihood of success of the plaintiffs' cases or any possible outcome.

The Department has not been named in any of the lawsuits described above. Additionally, the Department is not aware of any of its facilities or operations that were impacted by the Palisades Fire and does not believe that either the Palisades Fire (or the other wildfires that occurred in Southern California during the

same time period as the Palisades Fire) or the litigation related thereto will directly impact its financial condition in any material respect.

LOS ANGELES INTERNATIONAL AIRPORT

Introduction

LAX is located approximately 15 miles from downtown Los Angeles on the western boundary of the City. LAX occupies approximately 3,800 acres in an area generally bounded on the north by Manchester Avenue, on the east by La Cienega Boulevard, on the south by Imperial Highway and on the west by Vista Del Mar. The LAX site, originally known as Mines Field, has been in use as an aviation field since 1928. During World War II it was used for military flights. Commercial airline service started in December 1946. In the early 1980s, LAX added domestic and international terminals, parking structures and a second level roadway. LAX offers commercial air service to every major city in the United States and to virtually every major international destination and is classified by the FAA as a large hub airport.

Following are certain statistics concerning LAX for calendar year 2023:

- the second busiest passenger origin and destination (“O&D”) airport in the world;
- the fourth busiest airport in the United States in terms of total O&D and connecting passengers (enplaned plus deplaned);
- the second busiest international gateway in the United States as measured by the number of international arriving passengers; and
- In September 2024, the airlines operating at LAX provided scheduled service to 96 domestic destinations and 75 international destinations.

Historically, the level of connecting passengers at LAX is due primarily to: (i) LAX’s role as a major gateway to numerous international markets; (ii) the geographical location of LAX in relation to numerous markets along the west coast of the United States; (iii) the significant number of nonstop flights to and from domestic markets; and (iv) the alliances among airlines serving LAX. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Facilities

The Department maintains a variety of facilities at LAX. The central terminal complex features a decentralized design concept with nine individual terminals constructed on two levels lining a U-shaped two-level roadway (the “**Central Terminal Area**” or “CTA”). The total terminal area is approximately 9.7 million square feet. The terminals are physically connected, however they function largely as independent terminals with separate ticketing, baggage, security screening checkpoints and passenger processing systems.

Passenger terminal facilities include ticketing and baggage check-in on the upper departure level and baggage claim on the ground level, fronting on the lower-level roadway. Passenger terminal facilities provide access to and from aircraft arrival/departure areas. LAX has 148 contact gates of which 6 are currently closed for remodeling. Eight additional contact gates are under construction for delivery in late 2025.

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

Approximately 13,500 public parking spaces are available at LAX in parking lots owned by the Department, including approximately: (i) 6,900 public parking spaces in eight parking garages in the Central Terminal Area; (ii) approximately 4,300 public parking spaces in Economy Parking Garage; (iii) 2,300 in the budget parking surface lot; and (iv) 131 public parking spaces in a cell phone waiting lot.

Cargo facilities at LAX provide approximately 2.0 million square feet of building space. These buildings and accompanying aircraft ramp areas occupy approximately 261 acres of land. Rental car company facilities, major commercial airline maintenance hangars and office buildings, a 12-story administration building, a control tower, a central utility plant, two flight kitchens, a fuel farm and FAA and Transportation Security Administration (“TSA”) facilities are also located at LAX.

ConRAC

The Consolidated Rent-A-Car (“ConRAC”) facility was completed on March 28, 2024. While construction has been completed, the ConRAC will not be fully operational until the APM is operational, which is expected to occur in the second quarter of 2026. When fully operational, the ConRAC facility will centralize rental car operations of companies serving LAX into a single convenient location. Located adjacent to Interstate 405, the facility will be served by the APM, offering airport guests travel between car rental options and LAX’s terminals. The ConRAC was certified LEED Gold in 2023. Sustainable building elements of the ConRAC include native drought-tolerant landscaping, reclaimed water usage and a solar farm capable of generating approximately 8,400 megawatt hours annually.

As the easternmost stop on the APM, the ConRAC is where many guests will start or end their travel to and from LAX. The approximately 6.4-million-square-foot facility houses more than 18,000 parking stalls consisting of 6,600 ready/return spaces, 10,000 idle vehicle storage spaces and 1,100 rental car employee spaces. Together, the ConRAC and APM (when operational) will eliminate an estimated 3,200 daily rental car shuttle trips from LAX’s Central Terminal Area. The ConRAC also features a Quick Turn Around (“QTA”) area, which allows for vehicle maintenance and car washing. This QTA area will help alleviate traffic congestion by keeping these operations within the footprint of the facility.

As of October 9, 2024, Avis Budget Group has been in full operation at the ConRAC, utilizing its own company busing operations. The move-in date of other car rental companies has not yet been determined.

The ConRAC was designed and built, and is currently being operated and maintained by LA Gateway Partners, LLC (the “ConRAC Developer”) pursuant to an agreement with the Department entered into on November 6, 2018 (the “ConRAC Agreement”). The ConRAC Developer is comprised of Fengate Capital Management Ltd., PCL Investments USA, LLC and MVI Finance LLC.

Total payments to the ConRAC Developer through November 2024 for design and construction and related activities were approximately \$858.5 million; with an additional \$9.0 million expected to be paid. This reflects an increase of approximately \$76.8 million over the original budgeted cost. Amounts paid by the Department were funded from pay-as-you go CFCs and a portion of the proceeds of the LAX CFC Bonds.

See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE - Other Obligations - Payments in Connection with the ConRAC” for a description of payments to be made to the ConRAC Developer during the term of the ConRAC Agreement.

Air Carriers Serving LAX

The following table sets forth the air carriers serving LAX as of December 1, 2024.

TABLE 5
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
AIR CARRIERS SERVING LAX
AS OF DECEMBER 1, 2024

<u>U.S. Flag Airlines (16)</u>	<u>Foreign Flag airlines (52)</u>	<u>Non-Scheduled Carriers (15)</u>	<u>All-Cargo Carriers (47)</u>
<i>Network Airlines</i>	<i>Asia</i>	<i>Europe</i>	21 Air
Alaska Airlines ⁽¹⁾	Air China	Aer Lingus	ABX Air Inc.
American Airlines	Air Premia	Air France	AeroLogic GmbH
Delta Air Lines	All Nippon Airways	Austrian Airlines	Aero Micronesia
Hawaiian Airlines ⁽¹⁾	Asiana Airlines	British Airways	Aerotransporte De Carga Union
United Airlines	Cathay Pacific Airways	Condor	Aerotransportes Mas De Carga
	China Airlines	Finnair	Air Atlanta Icelandic
<i>Regional Airlines</i>	China Eastern Airlines	French Bee	Air China Cargo
Horizon Air ⁽²⁾	China Southern Airlines	Iberia ⁽⁷⁾	Air Transport International
SkyWest ⁽³⁾	EVA Airways	ITA Airways	All Nippon Airways
Southern Airways Express	Japan Airlines Co. ⁽⁴⁾	KLM	Ameriflight
	Korean Air Lines	LOT	Amerijet
<i>Low-Cost Airlines</i>	Philippine Airlines	Lufthansa	Asiana Cargo
Allegiant Air	Sichuan Airlines	Norse Atlantic ⁽⁸⁾	Atlas Air Cargo
Breeze	Singapore Airlines	SAS	CargoJet Airways
Frontier	Starlux Airlines	SWISS	Cargolux
JetBlue Airways	Xiamen Airlines	Virgin Atlantic Airways	Cathay Pacific Cargo
JSX			China Airlines Cargo
Southwest Airlines	<i>South Pacific</i>	<i>Middle East/Africa</i>	China Cargo Airlines
Spirit Airlines	Air New Zealand	El Al Israel	China Eastern Airlines
Sun Country	Air Tahiti Nui	Emirates	China Southern Cargo
	Fiji Airways	Qatar Airways	European Air Transport Leipzig
	Qantas Airways	Saudi Arabia Airlines	Eva Airways Cargo
		Turkish Airlines	FedEx
	<i>Latin America</i>		Hi Fly Ltd.
	Avianca Airlines ⁽⁵⁾	<i>Mexico</i>	Kalitta Air LLC
	Cayman Airways	Aeroméxico	Korean Cargo
	Copa	VivaAerobus	LATAM Cargo Chile
	LATAM Airlines ⁽⁶⁾	Volaris ⁽⁹⁾	LATAM Cargo Colombia
			LATAM Cargo Ecuador
		<i>Canada</i>	Longtail Aviation
		Air Canada	Maleth Aero
		Flair Airlines	National Air Cargo Group
		Porter Airlines	Nippon Cargo
		WestJet	Northern Air Cargo
			Polar Air Cargo
			Qantas Airways Cargo
			Qatar Airways Cargo
			SF Airlines Co. Ltd.
			Silk Way West
			Singapore Airlines Cargo
			Sky Lease
			Tampa Cargo
			TM Aerolineas
			United Parcel Service
			USA Jet Airlines
			Western Global Airlines

Note: Airlines providing scheduled service are shown.

- (1) Alaska Airlines acquired Hawaiian Airlines in September 2024, however, each airline is shown separately above, as they plan to continue to operate under their respective brands.
- (2) Horizon Airlines flies for Alaska Airlines.
- (3) SkyWest Airlines flies for Alaska Airlines, American Airlines, Delta Air Lines, and United Airlines.

Footnotes continued on the following page.

- (4) Japan Airlines Co. includes ZIPAIR Tokyo.
- (5) Avianca Airlines includes Avianca Costa Rica, Avianca El Salvador, Wamos Air, Vuela El Salvador, and TACA International Airlines.
- (6) Includes LATAM Peru and LATAM Brazil.
- (7) Iberia includes LEVEL.
- (8) Norse Atlantic includes Norse Atlantic U.K.
- (9) Includes Volaris Costa Rica, Volaris El Salvador, and Vuela El Salvador.

Aviation Activity

LAX is classified by the FAA as a large hub airport. In Fiscal Year 2024, LAX had the largest number of domestic O&D passengers in the U.S. O&D passengers begin and end their journeys at LAX, while connecting passengers transfer to other flights at LAX.

The following table shows preliminary air passenger activity, total movements and cargo volume at LAX relative to the world’s other busiest airports for calendar year 2023. See “LOS ANGELES INTERNATIONAL AIRPORT” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

TABLE 6
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
TOP 20 WORLDWIDE RANKINGS – CALENDAR YEAR 2023

Rank	Airport	Total Passengers	Airport	Total Movements	Airport	Total Cargo (metric tons) ¹
1	Atlanta (ATL)	104,653,451	Atlanta (ATL)	775,818	Hong Kong (HKG)	4,329,934
2	Dubai (DXB)	86,994,365	Chicago (ORD)	720,582	Memphis (MEM)	3,881,211
3	Dallas/Fort Worth (DFW)	81,755,538	Dallas/Fort Worth (DFW)	689,569	Shanghai (PVG)	3,440,084
4	London (LHR)	79,183,364	Denver (DEN)	657,218	Anchorage (ANC)	3,380,374
5	Tokyo (HND)	78,719,302	Las Vegas (LAS)	611,806	Incheon (ICN)	2,744,136
6	Denver (DEN)	77,837,917	Los Angeles (LAX)	575,097	Louisville (SDF)	2,727,820
7	Istanbul (IST)	76,027,321	Charlotte (CLT)	539,066	Miami (MIA)	2,525,591
8	Los Angeles (LAX)	75,050,875	Istanbul, Turkey (IST)	505,968	Doha (DOH)	2,355,503
9	Chicago (ORD)	73,894,226	New York (JFK)	481,075	Los Angeles (LAX)	2,130,835
10	New Delhi (DEL)	72,214,841	Tokyo (HND)	464,910	Taipei (TPE)	2,112,988
11	Paris (CDG)	67,421,316	Amsterdam (AMS)	464,727	Guangzhou (CAN)	2,030,523
12	Guangzhou (CAN)	63,169,169	Miami (MIA)	461,792	Tokyo (NRT)	1,906,623
13	New York (JFK)	62,464,331	London (LHR)	456,104	Chicago (ORD)	1,906,463
14	Amsterdam (AMS)	61,889,586	Guangzhou (CAN)	456,104	Cincinnati (CVG)	1,900,270
15	Madrid (MAD)	60,181,604	Paris (CDG)	454,893	Paris (CDG)	1,870,919
16	Frankfurt (FRA)	59,355,389	Phoenix (PHX)	454,665	Frankfurt (FRA)	1,869,090
17	Singapore (SIN)	58,946,000	New Delhi (DEL)	453,498	Dubai (DXB)	1,805,898
18	Orlando (MCO)	57,735,726	Shanghai (PVG)	433,867	Singapore (SIN)	1,759,800
19	Las Vegas (LAS)	57,666,456	Frankfurt (FRA)	430,436	Istanbul (IST)	1,603,262
20	Incheon (ICN)	56,235,412	Newark (EWR)	426,268	Shenzen (SZX)	1,600,348

⁽¹⁾ ACI cargo statistics do not match those presented elsewhere in this Official Statement because ACI uses a different methodology for this calculation.

Source: ACI Preliminary World Airport Traffic and Results for 2023, as of July 2024.

The following table presents historical total revenue operations (landings and takeoffs) and total domestic and international enplanements and deplanements at LAX for the full Fiscal Years 2015 through 2024 and for the first six months (July through December) of Fiscal Years 2022 through 2025. The decrease in revenue operations and total enplaned and deplaned passengers at LAX in Fiscal Years 2020 and 2021 were due to the COVID-19 pandemic.

TABLE 7⁽¹⁾
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
AIR TRAFFIC DATA

<i>Fiscal Year</i>	<i>Revenue Operations</i>		<i>Enplanements and Deplanements</i>				<i>Total Passenger Growth</i>	
	<i>Total Operations</i>	<i>Operations Growth</i>	<i>Domestic⁽²⁾</i>	<i>Domestic Growth</i>	<i>International⁽²⁾</i>	<i>International Growth</i>		<i>Total⁽²⁾</i>
2015	608,687	1.8%	52,465,475	4.6%	19,612,144	5.3%	72,077,619	4.8%
2016	627,529	3.1	56,133,548	7.0	21,675,592	10.5	77,809,140	8.0
2017	662,621	5.6	58,857,648	4.9	24,067,027	11.0	82,924,675	6.6
2018	668,911	0.9	60,902,492	3.5	25,729,359	6.9	86,631,851	4.5
2019	663,266	(0.8)	61,983,392	1.8	25,922,076	0.7	87,905,468	1.5
2020	526,921	(20.6)	44,801,765	(27.7)	17,913,305	(30.9)	62,715,070	(28.7)
2021	366,879	(30.4)	24,688,871	(44.9)	4,361,760	(75.7)	29,050,631	(53.7)
2022	529,477	44.3	48,485,050	96.4	12,203,194	179.8	60,688,244	108.9
2023	525,237	(0.8)	51,079,280	5.4	19,841,170	62.6	70,920,450	16.9
2024	548,668	4.5	52,895,885	3.6	23,663,051	19.3	76,558,936	8.0
First Six Months⁽³⁾								
2022	271,243	66.1%	24,771,329	163.1%	5,270,453	216.2%	30,041,782	171.1%
2023	264,260	(2.6)	25,690,521	3.7	9,587,315	81.9	35,277,836	17.4
2024	281,804	6.6	27,438,202	6.8	11,975,394	24.9	39,413,596	11.7
2025	280,533	(0.5)	27,142,561	(1.1)	12,297,855	2.7	39,440,416	0.1

⁽¹⁾ Due to its date of publication, certain of the information contained in this table is more current than certain of the information contained in the Annual Financial Report of Los Angeles World Airports (Department of Airports of the City of Los Angeles, California) Los Angeles International Airport for the Fiscal Years ended June 30, 2024 and June 30, 2023 included as Appendix B to this Official Statement.

⁽²⁾ Enplaned and deplaned passengers.

⁽³⁾ Reflects results from July 1 through December 31 of noted Fiscal Years. Results for the first six months of Fiscal Year 2025 may not be indicative of results for the full Fiscal Year 2025.

Source: Department of Airports of the City of Los Angeles

Enplanements at LAX for the air carriers with the largest share of enplanements at LAX for Fiscal Years 2020 through 2024 are shown in the table below.

TABLE 8
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
HISTORICAL TOTAL ENPLANEMENTS BY AIRLINE⁽¹⁾
(RANKED BY FISCAL YEAR 2024 RESULTS)

	Airline	Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024	
		Enplanements	Share(%)	Enplanements	Share(%)	Enplanements	Share(%)	Enplanements	Share(%)	Enplanements	Share(%)
1	Delta Air Lines ^{(2)**}	5,593,994	17.8	3,220,176	22.1	6,180,455	20.4	6,818,564	19.2	7,574,865	19.7
2	American Airlines ^{(3)‡}	6,236,116	19.8	2,947,274	20.2	5,809,233	19.2	5,563,124	15.7	5,798,281	15.1
3	United Airlines ^{(4)†}	4,405,911	14.0	2,170,164	14.9	4,930,724	16.3	5,484,481	15.4	5,782,680	15.1
4	Southwest Airlines	3,341,752	10.6	1,523,531	10.4	3,036,261	10.0	3,381,599	9.5	3,500,144	9.1
5	Alaska Airlines‡	2,386,562	7.6	1,254,373	8.6	2,329,911	7.7	2,350,115	6.6	2,419,481	6.3
6	Spirit Airlines	926,856	2.9	935,538	6.4	1,410,893	4.7	1,758,879	5.0	1,842,525	4.8
7	JetBlue	725,885	2.3	675,008	4.6	1,467,999	4.9	1,668,362	4.7	1,647,835	4.3
8	Air Canada†	551,681	1.8	30,694	0.2	356,730	1.2	663,967	1.9	691,092	1.8
9	Hawaiian Airlines	358,822	1.1	173,243	1.2	489,805	1.6	494,956	1.4	572,603	1.5
10	Volaris	331,529	1.1	224,740	1.5	413,784	1.4	481,135	1.4	505,532	1.3
11	Air France**	230,996	0.7	45,401	0.3	236,214	0.8	365,300	1.0	368,806	1.0
12	WestJet	250,504	0.8	6,894	0.0	136,891	0.5	325,714	0.9	362,589	0.9
13	Aerovias De Mexico**	206,470	0.7	110,998	0.8	290,299	1.0	287,967	0.8	314,139	0.8
14	Qantas Airways‡	374,732	1.2	394	0.0	88,782	0.3	264,553	0.7	306,551	0.8
15	Lufthansa Airlines†	221,161	0.7	51,415	0.4	183,249	0.6	246,708	0.7	285,103	0.7
16	Philippine Airlines	166,131	0.5	38,636	0.3	135,067	0.4	246,661	0.7	279,937	0.7
17	British Airways‡	219,316	0.7	22,074	0.2	150,691	0.5	246,431	0.7	278,855	0.7
18	Asiana Airlines†	186,223	0.6	37,858	0.3	86,277	0.3	241,001	0.7	271,694	0.7
19	Korean Airlines**	200,356	0.6	44,591	0.3	100,337	0.3	221,752	0.6	257,725	0.7
20	Eva Airways†	197,775	0.6	18,953	0.1	21,454	0.1	209,459	0.6	240,937	0.6
21	Virgin Atlantic**	129,025	0.4	15,786	0.1	121,255	0.4	206,691	0.6	204,152	0.5
	Other	4,187,513	13.3	1,046,050	7.2	2,291,501	7.6	3,997,931	11.3	4,855,105	12.7
	Airport Total ⁽⁵⁾	31,429,310	100.0	14,593,791	100.0	30,267,812	100.0	35,525,350	100.0	38,339,553	100.0

* Data in the table represents most recent data available to the Department, and may differ from amounts reported in the Department's audited financial reports due to updates provided by the airlines since the preparation of the audited financial reports.

** Member of SkyTeam Alliance.

† Member of Star Alliance.

‡ Member of oneworld Alliance.

(1) For those airlines that (i) were party to a completed merger or acquisition, (ii) have received a single FAA certificate and (iii) have completed operational integration, only the surviving entity is presented and the activity for the airlines that are now a part of the surviving airline are included in the information presented (including in years prior to the such merger or acquisition).

(2) Includes SkyWest and Compass Airlines as Delta.

(3) Includes SkyWest, Envoy, American Eagle and Compass Airlines as American Airlines.

(4) Includes SkyWest Airlines as United.

(5) Totals may not add due to rounding.

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

The following table presents the total revenue landed weight for the air carriers with the largest share of revenue landed weight at LAX for Fiscal Years 2020 through 2024 are shown in the table below.

TABLE 9
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
TOTAL REVENUE LANDED WEIGHT⁽¹⁾
(RANKED BY FISCAL YEAR 2024 RESULTS)
(000 LBS.)

	Airline	Fiscal Year 2020		Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024	
		Revenue Landed Weight	Share(%)	Revenue Landed Weight	Share(%)	Revenue Landed Weight	Share(%)	Revenue Landed Weight	Share(%)	Revenue Landed Weight	Share(%)
1	Delta Airlines ^{(3)**}	6,859,308	12.9	5,806,830	14.5	7,385,362	13.6	8,054,208	14.6	8,953,965	15.3
2	American Airlines ^{(2)‡}	8,352,102	15.7	4,934,991	12.3	7,474,554	13.8	6,886,272	12.5	7,275,133	12.5
3	United Airlines ^{(4)†}	5,953,695	11.2	3,919,964	9.8	6,266,391	11.5	6,694,077	12.1	7,269,352	12.5
4	Southwest Airlines	4,280,304	8	2,334,760	5.8	3,446,636	6.3	3,777,663	6.8	3,910,851	6.7
5	Alaska Airlines‡	2,983,128	5.6	2,088,492	5.2	2,682,983	4.9	2,554,758	4.6	2,608,506	4.5
6	JetBlue Airways	946,540	1.8	1,068,766	2.7	1,855,096	3.4	1,991,764	3.6	1,979,522	3.4
7	Spirit Airlines	970,870	1.8	1,061,726	2.7	1,498,518	2.8	1,794,988	3.3	1,835,675	3.1
8	Federal Express	1,893,430	3.6	1,934,455	4.8	1,807,874	3.3	1,538,487	2.8	1,342,969	2.3
9	Kalitta Air	938,188	1.8	1,812,510	4.5	1,674,556	3.1	1,075,198	1.9	1,178,234	2.0
10	Korean Airlines**	1,038,837	1.9	1,042,454	2.6	1,299,861	2.4	1,072,854	1.9	829,878	1.4
11	Air Canada†	763,435	1.4	130,721	0.3	477,588	0.9	794,874	1.4	811,872	1.4
12	China Airlines**	669,946	1.3	1,205,088	3.0	1,142,684	2.1	750,172	1.4	777,810	1.3
13	Hawaiian Airlines	571,989	1.1	439,602	1.1	747,194	1.4	734,463	1.3	770,421	1.3
14	Asiana Airlines†	679,696	1.3	656,404	1.6	769,104	1.4	711,094	1.3	770,220	1.3
15	Air France**	457,419	0.9	246,287	0.6	507,968	0.9	694,260	1.3	732,240	1.3
16	Qantas Airways‡	858,346	1.6	132,851	0.3	430,994	0.8	650,906	1.2	730,652	1.3
17	Singapore Airlines Ltd	406,848	0.8	200,010	0.5	433,022	0.8	636,130	1.2	722,265	1.2
18	Eva Airways†	624,331	1.2	692,457	1.7	652,516	1.2	628,765	1.1	685,816	1.2
19	Atlas Air	355,758	0.7	514,660	1.3	787,451	1.5	581,662	1.1	667,669	1.1
20	British Airways‡	537,349	1.0	167,805	0.4	424,792	0.8	554,995	1.0	622,095	1.1
	Other	13,136,985	24.7	9,664,160	24.1	12,539,793	23.1	12,996,633	23.6	13,860,222	23.8
	Airport Total ⁽⁶⁾	53,278,504	100.0	40,054,993	100.0	54,304,937	100.0	55,174,223	100.0	58,335,367	100.0

* Data in the table represents most recent data available to the Department, and may differ from amounts reported in the Department's audited financial reports due to updates provided by the airlines since the preparation of the audited financial reports.

** Member of SkyTeam Alliance.

† Member of Star Alliance.

‡ Member of oneworld Alliance.

(1) For those airlines that (i) were party to a completed merger or acquisition, (ii) have received a single FAA certificate and (iii) have completed operational integration, only the surviving entity is presented and the activity for the airlines that are now a part of the surviving airline are included in the information presented (including in years prior to the such merger or acquisition).

(2) Includes SkyWest, Envoy, American Eagle and Compass Airlines as American Airlines.

(3) Includes SkyWest and Compass Airlines as Delta.

(4) Includes SkyWest Airlines as United.

(5) Totals may not add due to rounding.

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

The following table presents enplaned and deplaned cargo at LAX for the full Fiscal Years 2015 through 2023 and for the first six months (July through December) of Fiscal Years 2022 through 2025.

TABLE 10
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
ENPLANED AND DEPLANED CARGO⁽¹⁾
(US TONS = 2,000 lbs.)

<i>Fiscal Year</i>	<i>Domestic Cargo</i>	<i>Annual Growth (%)</i>	<i>International Cargo</i>	<i>Annual Growth (%)</i>	<i>Total Cargo</i>	<i>Annual Growth (%)</i>
2015	838,095	4.1	1,274,616	13.1	2,112,711	9.3
2016	853,422	1.8	1,267,466	(0.6)	2,120,888	0.4
2017	894,193	4.8	1,423,921	12.3	2,318,114	9.3
2018	896,577	0.3	1,521,789	6.9	2,418,366	4.3
2019	904,498	0.9	1,496,933	(1.6)	2,401,431	(0.7)
2020	855,645	(5.4)	1,429,799	(4.5)	2,285,445	(4.8)
2021	1,054,890	23.3	1,762,420	23.3	2,817,310	23.3
2022	1,086,110	3.0	1,859,321	5.5	2,945,431	4.5
2023	888,728	(18.2)	1,593,954	(14.7)	2,482,681	(16.0)
2024	840,477	(5.4)	1,546,496	(3.0)	2,386,973	(3.9)
<i>First Six Months⁽²⁾</i>						
2022	570,059	10.5	950,328	12.4	1,520,387	11.7
2023	469,657	(17.6)	863,791	(9.1)	1,333,448	(12.3)
2024	427,224	(9.0)	781,007	(9.6)	1,208,232	(9.4)
2025	400,512	(6.3)	825,027	5.6	1,225,539	1.4

⁽¹⁾ Due to its date of publication, certain of the information contained in this table is more current than certain of the information contained in the Annual Financial Report of Los Angeles World Airports (Department of Airports of the City of Los Angeles, California) Los Angeles International Airport for the Fiscal Years ended June 30, 2024 and June 30, 2023 included as Appendix B to this Official Statement.

⁽²⁾ Reflects results for July 1 through December 31 of noted Fiscal Year. Results for the first six months of Fiscal Year 2025 may not be indicative of results for the full Fiscal Year 2025.

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

See “CERTAIN INVESTMENT CONSIDERATIONS” for discussion of some factors that may impact future aviation activity at LAX. See “USE OF AIRPORT FACILITIES” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT,” for a discussion of the impact of aviation activity on revenues generated at LAX.

Competition

The Airport Service Region includes primary and secondary areas. The primary geographical area served by LAX consists of the Los Angeles-Long Beach-Riverside Combined Statistical Area (“**Los Angeles CSA**”), as designated by the United States Bureau of the Census and includes the five-county area of Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. There are six air carrier airports within the primary area. Historically, LAX is the dominant airport in the primary area, with approximately 71.9% of the total enplaned passengers in calendar year 2023. Ontario International Airport (ONT), Hollywood Burbank Airport (BUR), John Wayne Airport (SNA), Long Beach Airport (LGB) and Palm Springs Airport (PSP) provide more limited air service to destinations outside of the Airport Service Region and accounted the remainder of enplaned passengers in LAX’s primary area in calendar year 2023.

The secondary area served by LAX, which includes many of the counties surrounding the Los Angeles CSA, is defined by the location of (and the airline service offered at) other “nearby” air carrier airports. The secondary area comprises seven airports with scheduled air carrier service including Bakersfield’s Meadows Field (BFL), Imperial County Airport (IPL), Carlsbad’s McClellan-Palomar Airport (CRQ), San Diego International Airport (SAN), San Luis Obispo Regional Airport (SBP), Santa Barbara Municipal Airport (SBA), and Santa Maria Municipal Airport (SMX).

DesertXpress Enterprises, LLC is developing a privately-owned and operated high-speed rail service, Brightline West, that will connect Southern California and Las Vegas, Nevada, through multiple, intercity projects totaling 260 miles. The project, if and when completed, may provide the public with an attractive alternative to air travel between the Airport Service Region and the Las Vegas metropolitan area.

Emergency Management

The Department has four core groups that are responsible for emergency management: Fire, Law Enforcement, Airport Operations and Emergency Management Division. These core groups are responsible for the emergency planning for all phases of emergency management: mitigation, preparedness, response and recovery, which are coordinated and overseen by the Department’s Emergency Management Division. The roles and responsibilities of each entity within these four groups are defined by Emergency Support Functions in the federal National Incident Management System (the “NIMS”), the National Response Framework, the California Standardized Emergency Management System (the “SEMS”), FAA Regulation Part 139 (“FAR 139”), the Charter, the Airport Rules and Regulations, and other statutes. The “Airport Rules and Regulations” are established pursuant to the Charter in order to, among other things, comply with FAA and TSA regulations which require the Department to establish operational and safety procedures and institute certain secondary measures for airport certification. Emergency management responsibilities for the core groups include: (1) hazard vulnerability analysis; (2) development and maintenance of emergency operations plans; (3) integration with the City’s Emergency Management Department and the emergency processes of other City departments and agencies; (4) developing, conducting and coordinating training and exercises; (5) planning for continuity of operations/continuity of government for the Airport System; (6) oversight of implementation for new emergency guidelines, mandates, technology, emergency response and preparedness at local, state, federal and international levels concerning airport emergency operations; and (7) responding to the activation of the Department Operations Center, and sending Department representation to the City Emergency Operations Center for emergency activations.

The Department is required by certain federal, State, City and other directives to develop and maintain a number of airport emergency response plans to ensure protection of lives and property and mitigation measures to lessen the impact on the disruption of business. The Department is also subject to Homeland Security Presidential Directive 5, which requires compliance with the NIMS and the National Response Framework. The State requires compliance with the SEMS. Under FAR 139, the Department is required to create, maintain and exercise specific emergency plan components that must be specific to LAX and contained in FAA-approved Airport Certification Manuals. These plans set forth emergency procedures to ensure a prompt response to emergencies in order to save lives, minimize the possibility and extent of personal and property damage and ensure recovery of the critical transportation infrastructure. The Department has included these emergency procedures in the Airport Rules and Regulations for LAX. The Department holds exercises to test the content in its airport emergency plan as required by the FAA, TSA regulations, security directives, FAR 139 mandates and City exercise programs. A yearly security exercise is held under the direction of Airport Police and through the collaborative efforts and participation of airport stakeholders. The Department conducts and participates in a number of additional scheduled exercises with federal, airline and City agencies to exercise and test mitigation, preparedness, response and recovery.

The Department also conducts cybersecurity training and exercises to encourage a prompt response to cyber incidents and recovery of critical information and systems needed to operate LAX.

See also “CERTAIN INVESTMENT CONSIDERATIONS—Aviation Safety; Security Concerns; Cyber Security” and “—Seismic Risks; Other Force Majeure Events.”

USE OF AIRPORT FACILITIES

General

The Department permits airlines and other parties to use Airport facilities, and receives payment for the use of Airport facilities, pursuant to a variety of arrangements, all of which are intended to fulfill the Department’s goal of recovering all costs allocable to areas used from the users of such facilities (including, but not limited to, capital, debt service, maintenance and operations, certain airline equipment and infrastructure costs). Generally, these arrangements consist of:

- Air Carrier Operating Permits;
- The Airport Terminal Tariff and the Rate Agreement (as defined herein);
- Terminal leases;
- Facilities Use Terms and Conditions;
- Concession and parking agreements;
- Non-exclusive licensing agreements; and
- Various other building and miscellaneous leases including for cargo and hangar facilities.

Operating and contractual arrangements and other aspects relating to the use of the Airport facilities are described below in this section. Information concerning the revenues generated from the use of particular Airport facilities is set forth in “FINANCIAL AND OPERATING INFORMATION CONCERNING LAX.”

Operating Permits – Landing and Apron Facilities and Landing Fees

The Department has entered into separate operating permits covering the use of landing and apron facilities with air carriers serving LAX. These operating permits grant operating rights to each airline typically for a ten-year term, and are commonly referred to as the “Air Carrier Operating Permits” or the “ACOPs.” For new ACOPs, the Department is currently authorized to issue ACOPs that expire June 30, 2032. The Department expects that the ACOPs will be renewed upon their expiration, although no assurance can be given that they will be renewed or that the terms of the new ACOPs will be the same as the existing terms. The ACOPs are terminable by either party on 30 days’ notice. The ACOPs require each airline to pay a landing and apron fee to the Department for each aircraft that uses the landing and apron facilities at LAX, generally equal to the product of; (i) the units of maximum gross landed weight of the aircraft, with each unit being 1,000 pounds; multiplied by (ii) the applicable landing or apron fee rate currently in effect. Air carriers that are not a party to an ACOP must still comply with the Airport Rules and Regulations, which require the uninterrupted payment of landing and apron fees. Landing and apron fees are substantially higher for such air carriers than for air carriers that are party to an ACOP. The landing and apron fee rates to be charged during each Fiscal Year are based upon the Department’s then-current budget and are adjusted at the end of each Fiscal Year to reflect the actual expenses incurred. All adjustments for deficiencies are billed when determined and overages are credited to the affected airlines.

See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Airport Terminal Tariff

The airlines and businesses involved in aeronautical activities at LAX other than governmental activities or concessions (each, an “Aeronautical User”) use terminal space under the terms of the LAX Passenger Terminal Tariff (the “Airport Terminal Tariff”). The Airport Terminal Tariff has no term or expiration date but is subject to change from time to time by the Board. After consultation with airline

representatives regarding the Department's rates and charges, on June 3, 2021, the Board approved certain changes to the Airport Terminal Tariff, which became effective on July 1, 2021.

Terminal rates under the Airport Terminal Tariff are designed to recover all costs, including administrative and access costs, allocable to terminal space used by Aeronautical Users. Under the Airport Terminal Tariff, Aeronautical Users are required to pay to the Department the following:

- Terminal Buildings Charge – A charge based on an equalized rate calculated by the Department by dividing the total of all capital and maintenance and operation costs allocated by the Department to the passenger facilities at LAX by the total rentable areas in the terminals. For Fiscal Year 2025, the Terminal Building Charge increased from \$275.53 to \$303.77 per square foot per year. The increase is primarily due to increased debt service.
- FIS Fee – A fee based on an equalized rate calculated by the Department by dividing the total of all capital and maintenance and operation costs allocated by the Department to Federal Inspection Services (“FIS”) areas at LAX by the number of international passengers passing through the FIS facilities. For Fiscal Year 2025, the FIS Fee increased from \$14.20 to \$15.49 per deplaned international passenger. The increase is primarily due to increased debt service.
- Common Use Area Fees and Charges – Fees and charges based on rates calculated by the Department based on airlines' use of common areas in the terminals, such as hold rooms, baggage claim systems and ticket counters.
- Terminal Special Charges – Fees based on rates calculated by the Department for use by the Aeronautical Users of certain equipment and services at LAX that are not otherwise billed to Aeronautical Users through the rates and charges described above, such as, in certain terminals, custodial services, outbound baggage system maintenance, terminal airline support systems and loading bridge capital and maintenance.

Aeronautical Users subject to the Airport Terminal Tariff are required to provide a performance guaranty which is at least three times the sum of the estimated monthly installments of the Terminal Buildings Charge and other amounts.

See “FINANCIAL AND OPERATING INFORMATION CONCERNING LAX—Top Revenue Providers and Sources.” See also APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Rate Agreement

In connection with the negotiation of the terms of the Airport Terminal Tariff, to resolve certain litigation that was then pending and potential future litigation regarding the Department's rate setting methodology, and to provide a phase-in period for the new rates and charges for airlines, the Department offered the airlines (including certain consortiums that have been formed to manage specified terminal facilities at LAX) a Rate Agreement (as amended from time to time, the “**Rate Agreement**”).

Pursuant to the Rate Agreements, each applicable airline (each, a “**Signatory Airline**”) consented to and waived its right to challenge the application of the Airport Terminal Tariff rate methodology approved by the Board (originally in September 2012). The Terminal Building Rate and the FIS Rate are charged pursuant to the Airport Terminal Tariff.

The Rate Agreement generally permits the Department to charge the Signatory Airlines for, among other things, the recovery of certain types of capital costs or operations and maintenance expenses, including those costs related to ground access for vehicles and pedestrians, such as airside and landside access, and Airport access generally. Through annual updates to the rates and charges under the Rate Agreement, the

Department is entitled to collect from the Signatory Airlines a significant portion of the capital costs and maintenance and operation expenses related to the Capital Program.

Beginning in calendar year 2014, the Department provided Signatory Airlines a credit for a portion of the concession revenue generated in the terminals at LAX. The amount of these credits was approximately \$40.3 million in Fiscal Year 2020, approximately \$30.4 million in Fiscal Year 2021, \$6.3 in Fiscal Year 2022, \$10.4 million in Fiscal Year 2023 and \$20.6 million in Fiscal Year 2024. The Department budgeted \$17.0 million in Fiscal Year 2025. These credits result in a reduced Terminal Building Rate (and a corresponding reduction in revenues derived from the Terminal Building Rate) and a reduced FIS Rate paid by the Signatory Airlines.

Under the Rate Agreement, the Department is required to establish a Terminal Renewal and Improvement Fund (the “TRIF”). The TRIF is required to be funded from annual net revenues from the application of the Airport Terminal Tariff. Amounts deposited in the TRIF are required to be used by the Department to fund, together with debt and grant funding, terminal-related capital improvements, or pay down bond or interim financing principal allocable to the terminals. Deposits into the TRIF may not exceed \$139.2 million annually with a maximum unused fund balance amount of \$655.9 million. This limit is subject to annual consumer price index increases. The Department is permitted to collect and amortize charges associated with capital projects funded from TRIF deposits; however, such collection and amortization are required to be deferred for five years after the projects are placed in service. In Fiscal Year 2024, the Department transferred approximately \$180.0 million of the TRIF to the Airport Revenue Fund to finance terminal-related capital improvements, subject to reconciliation.

Under the Rate Agreement, beginning in calendar year 2014, 50% of the funds in the TRIF that are not otherwise committed to projects in excess of the TRIF limit described above are required to be deposited in a Revenue Sharing Fund. On July 2, 2020, \$23.7 million of the TRIF was deposited to the Revenue Sharing Fund. No further deposits were made into the Revenue Sharing Fund for the subsequent Fiscal Years. The remaining excess funds may be used by the Department for any lawful purpose. Amounts deposited in the Revenue Sharing Fund are required to be distributed to the Signatory Airlines that have passed certain eligibility criteria as a credit against any amount due to the Department in the following priority: first, against terminal rentals and second, against landing fees.

In December 2019, the Board authorized the Department to enter into an Amended and Restated Rate Agreement (“**2019 Rate Agreement Amendment**”) with willing airlines. The 2019 Rate Agreement Amendment, among other things: (i) extended the term of the Rate Agreement through December 2032; (ii) required airlines executing a 2019 Rate Agreement Amendment to pay an “extraordinary debt service coverage charge” to the Department designed to maintain a debt service coverage ratio (inclusive of all of the Department’s Senior Bonds, Subordinate Obligations, APM Availability Payments attributable to the costs of designing, building and financing the APM System not otherwise paid from the APM Milestone Payments and ConRAC Capital Availability Payments) equal to not less than 1.40x; and (iii) under certain circumstances, eliminated the requirement that a participating airline provide the performance guarantee otherwise required under the Airport Terminal Tariff or lease agreement, as the case may be, and instead pay to the Department a “bad debt surcharge,” a pooled surcharge designed to compensate the Department for bad debt costs. All of the airlines serving LAX have executed the 2019 Rate Agreement Amendment.

As aeronautical activity recovered from the COVID, the Department again revised and amended the rate methodology to complete the rate stabilization and harmonization efforts. The revisions to the rate methodology further streamline the common use rates and charges, permit the Department to defer common use cost requirements due to exogenous causes, and allow the Department to expense capital outlays into the current year rate base. The Amended and Restated Agreement (“**2023 Amended and Restated Rate Agreement**”) implements the amended rate methodology and offer signatory carriers certain concessions, including a gradual phase-in of newly-developed access facilities acreage and costs allocable to airline cost centers and cost reductions to certain activity based requirements, collectively, the Fiscal Year 2024

Adjustments. The 2023 Amended and Restated Rate Agreement became effective July 1, 2023 and expires on June 30, 2035.

As of March 1, 2025, about 70 carriers comprising more than 97% of terminal revenues have signed the 2023 Amended and Restated Rate Agreement. Carriers that are signatories to prior Rate Agreements, but do not sign 2023 Amended and Restated Rate Agreement, will be charged according to their Rate Agreement in effect.

The Report of the Airport Consultant considers the rate-setting principles of the 2023 Amended and Restated Rate Agreement in forecasting airline revenues. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Land and Other Non-Terminal Building Rentals

In addition to terminal leases, under a variety of leases, permits and other use agreements, the Department rents certain cargo, maintenance and other building facilities (“**Other Building Rentals**”) and ancillary land facilities at LAX (“**Land Rentals**”). The rental rates and other terms for Other Building Rentals and Land Rentals vary. See “—Facilities Use Terms and Conditions.”

Department Acquisition of Certain Terminal Improvements; Credits

In connection with certain terminal leases, certain Aeronautical Users have agreed to undertake renovations to their leased Terminals. These renovations may include: (i) proprietary renovations, which generally include branded improvements to the terminal and other improvements unique to the Aeronautical User’s operational needs; (ii) Aeronautical User renovations, which generally include non-proprietary improvements to the terminal usable by any Aeronautical User operating in the terminal (“**Aeronautical User Improvements**”); and (iii) terminal renovations, which generally include improvements to the terminal that are allocated to the public areas (“**Terminal Improvements**”). Terminal renovations may also include provisions for certain relocations of terminal users to enable the terminal renovations.

Under the Department’s terminal leases, subject to certain conditions, the Department has agreed to purchase from Aeronautical Users certain Aeronautical User Improvements in the aggregate amount of approximately \$2.92 billion (of which as of September 30, 2024, approximately \$574 million have not been purchased) and the Department has the option to purchase from Aeronautical Users certain Terminal Improvements in the aggregate principal amount of approximately \$1.25 billion (of which as of September 30, 2024, approximately \$239 million have not been purchased). If the Department does not exercise the option to purchase the Terminal Improvements, it is required under the applicable terminal lease to issue to the applicable Aeronautical User a credit in an amount to reimburse the applicable Aeronautical User for costs related to such Terminal Improvements and imputed interest. If such credits are issued, the credits will be issued and amortized on a straight-line basis over the period from the date on which the Department could exercise the option to purchase the Terminal Improvements through the end of the terminal lease or such date as the Department extinguishes the credit through cash payment. The Department has exercised all options to purchase Terminal Improvements with funds that have been appropriated as of the date of this Official Statement.

The Department, pursuant to the Department’s terminal leases, also may be required to issue credits to certain Aeronautical Users responsible for the cost of relocating other terminal users to facilitate the terminal renovations, for the cost of such relocations. Credits are applied as an offset against amounts otherwise due to the Department by such Aeronautical Users as charges for use of LAX facilities, including amounts owed pursuant to the Airport Terminal Tariff and landing fees. Because these credits are applied as an offset to amounts owed to the Department by such Aeronautical Users, the Department receives less money from these Aeronautical Users than such Aeronautical Users would otherwise provide absent the credit, thereby reducing

the amount of revenues collected by the Department in a Fiscal Year. See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—Credits.”

From time to time the Department may negotiate with Aeronautical Users regarding new terminal leases that may contain terms similar to those described above. If the Department enters into any such new leases, the Department may agree to be obligated or have the right to purchase from such Aeronautical Users the applicable Aeronautical User Improvements, the cost of which purchase may be material and financed with the issuance of Additional Senior Bonds and/or Additional Subordinate Bonds when such acquisition is made.

The acquisition of certain Aeronautical User Improvements and Terminal Improvements under terminal leases are part of the Capital Program, and those terminal acquisition projects identified in the Report of the Airport Consultant, including their capital and operating costs, financing and estimated revenue impacts, have been included in the financial analysis included in the Report of the Airport Consultant. See “AIRPORT CAPITAL PLANNING” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Facilities Use Terms and Conditions

Facilities Use Terms and Conditions apply to users of certain Department-owned space at LAX that are not subject to a lease or the Airport Terminal Tariff, principally certain buildings in the airfield and off-Airport facilities. Facilities Use Terms and Conditions have no term or expiration date but are subject to change from time to time by the Board and include a basic per square foot charge, subject to periodic adjustment to fair market rental value. If the Department determines that any portion of the facilities to which the Facilities Use Terms and Conditions apply are being underutilized, the Department may, upon the satisfaction of certain requirements, accommodate other users in such space. Facilities Use Terms and Conditions require users to provide a performance guaranty which is at least three times the sum of the amount of the initial estimated monthly installments of base charges and other additional amounts.

Concession and Parking Agreements

The Department has entered into numerous agreements with office management companies, parking operators, terminal commercial managers, duty free concessionaires, food and beverage concessionaires, retail concessionaires and others. Certain of these agreements are described below. Also see APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Facility Management. The Department has entered into various operation and management agreements with ABM Aviation, Inc., and Colliers International Real Estate Management Services (CA) (together, the “**Facility Management Companies**”) whereby the Facility Management Companies provide facility management and operational services with respect to Department-owned office buildings, parking structures and parking lots. Under these agreements, the Facility Management Companies are compensated for the provision of services through various monthly management and service fees and, where applicable, are required to remit the gross revenues from the parking facilities, on a daily basis, to the Department. These agreements may be terminated by the Department upon 90 days’ notice. Parking facility revenues for LAX were approximately \$162.0 million in Fiscal Year 2024.

Terminal Commercial Manager Concessions. The Department has entered into terminal commercial manager concession agreements with URW Airports, LLC, successor by merger to Westfield Airports, LLC (“**URW**”), for concession development in Terminal 2 and the TBIT (including the West Gates at the TBIT, formerly referred to as the Midfield Satellite Concourse) (“**URW Agreement No. 1**”), and Terminals 1, 3 and 6 (“**URW Agreement No. 2**” and together with the URW Agreement No. 1, the “**URW Concession Agreements**”).

Pursuant to the URW Concession Agreements, URW serves as a developer and manager of retail, specialty retail, food and beverage and other passenger services in the applicable terminals and space,

including selecting concessionaires, subject to Department approval. Under the URW Concession Agreements, URW is required to develop concession and related spaces, market and promote the concessionaires, negotiate and administer contracts with each concessionaire and monitor and manage concessionaire performance. The term of each URW Concession Agreement is comprised of a development period and an operational period. The URW Agreements are currently scheduled to expire on June 30, 2034, subject to the Department's ability to terminate the agreements earlier as described below. The Department is currently negotiating for an extension to provide for required capital improvements to upgrade the TBIT facility for the 2028 LA Olympics.

Under the URW Concession Agreements, URW and its concessionaires were required to make initial capital investments in initial premises improvements in an aggregate amount of approximately \$160.5 million, initial capital investments in initial non-premises improvements in an aggregate amount of approximately \$74.5 million and capital investments in mid-term premises improvements in an aggregate amount of approximately \$32.1 million. Beginning in January 2014, each minimum annual guaranty was subject to increase based on the consumer price index and a percentage of the prior year's percentage rent and to decrease based on certain reductions in passenger enplanements. The Department may terminate: (a) URW Agreement No. 1 in the thirteenth year of operation; and (b) URW Agreement No. 2 in the tenth year of operation, in each case if URW does not meet certain performance targets, subject to certain buy-out payments for URW's investment in improvements. On October 21, 2021, the Department amended the minimum annual guaranty payment commencing in Fiscal Year 2023 by multiplying the Consumer Price Index ("CPI")-adjusted per-square foot rate by an amount equal to the ratio of the current passenger levels to pre-pandemic levels in each terminal. The minimum annual guaranty under the URW Concession Agreements will be reinstated once passenger traffic reaches pre-pandemic levels.

Food and Beverage Concessions. The Department has entered into concession agreements with several food and beverage concessionaires for concessions at Terminals 4, 5, 7, 8 and the commuter facilities at LAX (the "**Food and Beverage Concession Agreements**"). The Food and Beverage Concession Agreements provide that the Department will receive from each concessionaire a concession fee equal to the greater of a minimum annual guaranty or a percentage of gross receipts. The aggregate minimum annual guaranty under the Food and Beverage Concession Agreements is approximately \$17.6 million. Under the Food and Beverage Concession Agreements, each concessionaire was required to make initial capital investments and additional capital improvements at specified levels. Each food and beverage concessionaire is required to provide a performance guaranty in an amount equal to 25% of the applicable minimum annual guaranty. On October 21, 2021, the Department amended the minimum annual guaranty payment commencing in Fiscal Year 2023 by multiplying the pre-pandemic minimum annual guaranty by a ratio of the current passenger levels to pre-pandemic levels in each terminal. The minimum annual guaranty under the Food and Beverage Concession Agreements will be reinstated once passenger traffic reaches pre-pandemic levels. On March 21, 2024, the Department extended the Food and Beverage Concession Agreements until June 30, 2029, to provide continuity of concession services to guests and airline partners through the 2026 World Cup and the 2028 Olympics.

Retail Concessions. The Department has entered into concession agreements with a number of retail concessionaires for concessions at Terminals 4, 5, 7 and 8 (the "**Retail Concession Agreements**"). The Retail Concession Agreements provide that the Department will receive from each concessionaire a concession fee equal to the greater of a minimum annual guaranty or a percentage of gross receipts. The aggregate minimum annual guaranty under the Retail Concession Agreements is approximately \$9.0 million. Under the Retail Concession Agreements, each concessionaire is required to make initial capital investments for initial improvements to such concessionaire's premises, aggregating approximately \$10.8 million, and additional mid-term capital investments for refurbishment of the applicable premises, aggregating approximately \$2.1 million. Each concessionaire is required to provide a performance guaranty in an amount equal to 25% of the applicable minimum annual guaranty. On October 21, 2021, the Department amended the minimum annual guaranty payment commencing in Fiscal Year 2023 by multiplying the pre-pandemic minimum annual guaranty by a ratio of the current passenger levels to pre-pandemic levels in each terminal. The minimum

annual guaranty under the Retail Concession Agreements will be reinstated once passenger traffic reaches pre-pandemic levels. On March 21, 2024, the Department extended the Retail Concession Agreements until June 30, 2029, to provide continuity of concession services to guests and airline partners through the 2026 World Cup and the 2028 Olympics.

Duty Free Concessions. The Department entered into a duty-free merchandise concession agreement with DFS Group L.P. (“**DFS**”) for the design, construction, development and operation of duty free and duty paid merchandise concession at all terminals at LAX (the “**DFS Concession Agreement**”). The DFS Concession Agreement currently expires in June 2034. Under certain circumstances, the Department has the right to extend the DFS Concession Agreement for three consecutive one year extension terms. Under the DFS Concession Agreement, DFS is required to make initial capital investments for initial improvements to its premises of approximately \$25 million and mid-term capital investments for refurbishment of its premises of approximately \$17 million. Effective October 21, 2021, the minimum annual guaranty is equal to the greater of: (i) an annual amount equal to \$35,888,942 subject to CPI adjustments based on a recovery ratio; or (ii) the total number of international enplaned passenger in the TBIT (including the West Gates at the TBIT, formerly referred to as the Midfield Satellite Concourse) multiplied by \$6.80. DFS is required to provide a performance guaranty in an amount equal to 25% of its minimum annual guaranty.

Advertising and Sponsorship. The Department entered into a terminal media operator concession agreement (the “**TMO Agreement**”) with JCDecaux Airport, Inc. (“**JCDecaux**”), effective February 2014. Pursuant to the TMO Agreement, JCDecaux serves as terminal media operator for the development and operation of certain advertising, sponsorship and other media concession locations within LAX. Under the TMO Agreement JCDecaux was granted the right to, among other things, market certain advertising and digital activation opportunities, develop and manage advertising displays, sponsorship activations and other media elements display locations at LAX. Under the TMO Agreement, JCDecaux was required to undertake certain development activities relating to advertising displays and other media elements at LAX. The TMO Agreement is scheduled to expire in December 2026, with provisions for a one year extension. The annual concession fees payable from JCDecaux to the Department under the TMO Agreement are based on a series of formulas set forth in the TMO Agreement and consist of, among other things, certain fees derived from certain minimum guaranties and/or certain fees derived from a percentage of gross revenues from advertising, media and sponsorship activities. Each of these minimum annual guaranties is subject to increases on an annual basis.

Effective October 21, 2021, the minimum annual guaranty is the greater of: (A) the sum of: (x) the greater of: (i) the temporary advertising minimum annual guaranty (\$25 million); or (ii) the advertising percentage fees for such year; plus: (y) the greater of: (i) the temporary sponsorship minimum annual guaranty (\$9.5 million); or (ii) the sponsorship percentage fees for such year; or (B) 85% of the actual base fees payable for the prior year.

Rental Cars. Approximately 19 rental car brands currently operate a rental car concession at LAX from facilities located off-airport. Five rental car companies, operating 12 rental car brands (the “**Existing Concessionaire Rental Car Companies**”), operate pursuant to a non-exclusive concession agreement (the “**Existing Rental Car Concession Agreement**”) with the Department to operate their rental car concessions at LAX. The rental car brands that are subject to an Existing Rental Car Concession Agreement currently include Avis, Budget, Payless, Zip Car, Enterprise, Alamo, National, Hertz, Dollar, Thrifty, Sixt and Fox. The Concessionaire Rental Car Companies provide courtesy shuttle services between LAX and their respective locations and are permitted to pick up and drop off their customers directly from the airline terminals. Pursuant to the Existing Rental Car Concession Agreement, the Existing Concessionaire Rental Car Companies are each required to pay annually to the Department either a minimum annual guaranty or a concession fee, as set forth in the Existing Rental Car Concession Agreement, and also are required to collect a CFC from their customers and remit the CFC to the Department. The Existing Rental Car Concession Agreements (which have been extended since initially executed) expire on the earlier of (i) the date of beneficial occupancy of the ConRAC or (ii) December 31, 2026.

In Fiscal Year 2019, in anticipation of the construction of the ConRAC, the Department entered into a series of substantially similar concession and lease agreements (the “New Rental Car CLAs”) with various rental car companies (the “**New Concessionaire Rental Car Companies**”) serving LAX which provide for, among other things, use and occupancy of the ConRAC, collection and remittance of CFCs, certain rents and fees, and the payment of a minimum annual guaranty or concession fee, whichever is greater. The New Rental Car CLAs will become effective upon the date of beneficial occupancy of the ConRAC (the “ConRAC DBO”), as determined by the Department, at which time the Existing Rental Car Concession Agreements will be terminated. As of the date of this Official Statement, the New Concessionaire Rental Car Companies include the following rental car brands: Avis, Budget, Payless, Zip Car, Enterprise, Alamo, National, Hertz, Dollar, Thrifty, Fox, Europcar and Sixt. The New Rental Car CLAs have terms of 20 years commencing from the ConRAC DBO, but can be extended for an additional five years either at the option of the Department or automatically if certain conditions are met under the New Rental Car CLAs.

Under the New Rental Car CLAs, commencing on ConRAC DBO, the New Concessionaire Rental Car Companies will be required to pay to the Department: (i) a concession fee equal to the greater of a minimum annual guaranty or 10% of annual gross revenue; (ii) land and other facility-related rental and operation and maintenance charges; (iii) a common-use transportation system (“CTS”) contribution for, among other things, the privilege of ConRAC customers’ use of the APM System (the “CTS Contribution”); and (iv) certain other charges. Each New Concessionaire Rental Car Company also will be required to collect CFCs from their customers and remit such CFCs to the Department. Pursuant to the New Rental Car CLAs, each New Concessionaire Rental Car Company is entitled to receive reductions to their annual CTS Contributions through (i) CTS Contribution Scheduled Abatements, which have been funded by the Department through annual CFC revenues and will be effective from ConRAC operational date through the 9th anniversary of ConRAC operational date and (b) additional CTS Contribution abatements (the “**CTS Contribution Additional Abatement**”) from ConRAC DBO through the remaining term of the New Rental Car CLA if remaining CFC revenues (after application to debt service on the LAX CFC Bonds and ConRAC Capital Availability Payments, each as described below) and CTS Contributions are greater than the 41% of APM System operating and capital costs, with a portion of the excess amount required to be considered CTS Contribution Additional Abatements and the remaining portion required to be distributed to the Department to pay other CFC-eligible costs. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information.

As of October 9, 2024, the Avis Budget Group (which includes the Avis, Budget, Payless, and Zipcar brands) has been in full operation at the ConRAC, utilizing its own company busing operations, pursuant to a Lease and Reimbursement Agreement (the “LRA”), which generally mirrors the New Rental Car CLA with respect to ground rent and certain other ConRAC-related provisions. The ConRAC move-in date of other car rental companies has not yet been determined, but when the other New Concessionaire Rental Car Companies fully relocate to the new ConRAC, the LRA between LAWA and Avis Budget Group will terminate and the New Rental Car CLAs will become effective. The Department is evaluating different potential options to allow New Concessionaire Rental Car Companies to occupy and use non-customer facing portions of the ConRAC (e.g., vehicle storage areas) prior to the operational date of the ConRAC.

The Department requires non-Concessionaire Rental Car Companies that serve LAX to enter into a non-exclusive license agreement. Seven rental car companies currently operate at LAX pursuant to a non-exclusive license agreement. Subject to the terms of the non-exclusive license agreement, effective February 2025 non-Concessionaire Rental Car Companies are required to have their customers transported on Department-operated buses to a waiting area for off airport rental car customers at the Department Economy Parking garage. Customers will take the Department-operated Economy Parking shuttle to and from the garage. Off-airport rental car shuttles will pick up and drop off customers at the Economy Parking garage. The non-exclusive license agreements were most recently amended in February 2025 and are currently scheduled to expire January 1, 2030. As part of this amendment, the non-Concessionaire Rental Car Companies will pay 10% of gross sales to LAWA as rent effective no later than the full opening of the ConRAC. Currently, the Non-Concessionaire Rental Car Companies are not required to collect a CFC from their customers.

Transportation Network Companies. In August 2015, the Department approved non-exclusive license agreements (“**TNC Agreements**”) with various TNCs which connect passengers with approved drivers who provide transportation using their own vehicles and pay for the service through a mobile application. TNCs include Uber, Lyft and other similar companies. The TNC Agreements allow each company’s approved drivers’ access to designated Airport property in connection with the provision of transportation services for airport customers, employees, and passengers with their personal baggage. Subject to the terms of the TNC Agreements, TNCs are required (except in limited circumstances) to drop off passengers only on the Central Terminal Area upper departure level, pick up passengers only in the designated “LAX-it” zone, and are otherwise only allowed to use Airport property within the designated TNC airport assignment area and designated TNC staging areas at LAX. The TNC Agreements are subject to termination by the Department upon 7 days’ notice by the Department or upon 30 days’ written notice by the TNC. Under the TNC Agreements, TNCs are required to pay the Department a monthly license fee equal to the greater of \$25,000 or the product of: (i) the number of trips conducted by the TNC’s vehicles in one calendar month; and (ii) the trip fee then in effect. The current trip fee approved by the Board is \$4.00 for each drop-off or pick-up at LAX.

The Department cannot predict the impact of TNCs on revenues from parking, other ground transportation services or rental cars concessionaires. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” and for additional information about TNC revenues. In 2019, the Department added the LAX-it lot to provide a pickup location for taxis and TNCs.

AIRPORT CAPITAL PLANNING

Overview

The Department is continuing to undertake a multi-billion dollar capital development program at LAX. Projects include various terminal, airfield and apron, access and other projects designed to, among other things, modernize terminals, make long-term improvements to passenger access and accommodate existing and future aircraft designs, all to address growth in passenger activity levels that is projected to occur with or without these projects. The Department employs various strategies to design, build and finance multiple facilities concurrently, including, among others, design-build-finance-operate-maintain arrangements (which was utilized for ConRAC and the APM System described below); design-bid-build arrangements; design-build arrangements; and terminal improvement acquisitions described under the caption “USE OF AIRPORT FACILITIES—Department Acquisition of Certain Terminal Improvements; Credits.”

Department management periodically develops and updates its Airport Capital Program for the redevelopment, improvement, and expansion of Airport facilities. The Airport Capital Program is developed based on strategic priorities, anticipated facility needs (if any), current and forecast airline traffic, available funding sources, project priorities, and other relevant information that is available to the Department when the Airport Capital Program is developed.

Capital Program

The Department manages its capital development planning with a variety of tools, including a multi-year comprehensive planning tool (the “**Capital Program**”). The Capital Program is updated periodically as projects are programmed for implementation. Where the Capital Program projects are not expected to commence during the Forecast Period, such projects are not included in their entirety in the projections of the Airport Consultant. In each case, only projects that are sufficiently developed in terms of their scope, cost, certain approval and reviews, funding sources and/or other commercial arrangements, are included in the projections of the Airport Consultant.

For purposes of this Official Statement and the Report of the Airport Consultant, the Capital Program is currently comprised of (1) the “Existing Airport Capital Program” which was initiated in 2018 and is expected to be completed in Fiscal Year 2026 and (2) the “Next Airport Capital Program” which is expected to

be completed by Fiscal Year 2034. A general description of the elements of the Capital Program is set forth below. The Report of the Airport Consultant contains more detailed information concerning the elements of the Capital Program, as well as cost and funding sources.

Existing Capital Program. The Department currently estimates that the Existing Airport Capital Program will cost approximately \$12.1 billion (excluding approximately \$3.0 billion of project costs associated with APM System and ConRAC Developer milestone payments, VNY projects, Facility Maintenance Program projects, and certain projects already completed by 2023). The total published cost of the Existing Airport Capital Program is approximately \$15.1 billion. The Department currently does not expect to issue any additional bonds in the future to fund the Existing Airport Capital Program. The Department estimates that approximately \$13.4 billion of the Existing Airport Capital Program costs have been incurred through Fiscal Year 2024. The remaining \$1.7 billion of costs of the Existing Airport Capital Program are expected to be funded with Department cash, the proceeds of previously issued Senior and Subordinate Bonds and certain grant funds.

Projects already completed or substantially completed include:

- Airport Police Station
- Intermodal Transportation Facility (ITF-West Phase 1)
- Midfield Satellite Concourse North (also referred to as MSC North or TBIT West)
- MSC/Bradley West Baggage Project
- North Terminal Improvement Program – Delta Airlines (Terminals 2 & 3)
- Taxiway P Construction
- Terminal 1.5 Project
- Terminal 6 Project – Alaska Airlines
- TBIT Core and APM Interface Project
- Terminal 5 Core and APM Interface Project

Estimated to be completed by the end of Fiscal Year 2026:

- APM System
- ConRAC
- Power Distribution Facility

The Department currently estimates that the APM System will be tested and completed by the APM System Developer in February 2026 and will be operational in the second quarter of 2026. Costs associated with the APM System have increased as a result of project change orders, prior payments to the APM System Developer for delay-related relief events, and a settlement with the APM System Developer in August 2024. These additional costs associated with the APM System are included in the Next Airport Capital Program.

Next Airport Capital Program. As described in the Report of the Airport Consultant, in 2024 the Department started and completed an Airport Capital Program optimization effort, which resulted in a revised 10-year Next Airport Capital Program, as more particularly described in the Report of the Airport Consultant.

The Next Airport Capital Program is currently estimated to cost approximately \$15.0 billion and estimated to be completed in or around Fiscal Year 2033, which is approximately four years later than initially expected. Significant elements of the Next Airport Capital Program are described below. See the Report of the Airport Consultant for more detailed information concerning the Next Airport Capital Program, including estimated costs and funding sources. Significant elements of the Next Airport Capital Program include the following:

Terminals. Terminal projects in the Next Airport Capital Program are currently expected to cost \$8.4 billion. Significant terminal improvements include:

- *Terminal 5 Renovation and Reconstruction Project.* This project includes: (1) reconstruction of Terminal 5 to meet seismic and sustainability objectives, (2) new airside connectors to Terminal 4 and Terminal 6, (3) replacement of outdated systems and facilities with newer and efficient systems and facilities, and (4) improvement of passenger experience. Terminal 5 currently has 15 gates, and no new gates will be added as part of this project. The Terminal 5 Renovation and Reconstruction Project is estimated to cost approximately \$1.7 billion, which costs are expected to be funded with a portion of the proceeds of the Series 2025A Subordinate Bonds, proceeds of additional bonds to be issued in the future and Department funds. This project is expected to be completed by the end of Fiscal Year 2028.
- *Midfield Satellite Concourse – South.* This project is an extension of MSC North, including approximately 150,000 square feet of terminal space and 8 aircraft gates that will serve domestic airline operations. The MSC South project (as further described in the Report of the Airport Consultant) and is estimated to cost approximately \$428.7 million, which costs are expected to be funded with a portion of the proceeds of the Series 2025A Subordinate Bonds and Department funds. This project is expected to be completed by the end of Fiscal Year 2026.
- *Baggage Optimization Project Phase 2.* This project includes improvements to checked baggage inspection, sortation, and conveyor systems in TBIT. The Baggage Optimization Project Phase 2 is estimated to cost approximately \$263.9 million, which costs are expected to be funded with a portion of the proceeds of the Series 2025A Subordinate Bonds and Department funds. This project is expected to be completed by the end of Fiscal Year 2027.

As described in “USE OF AIRPORT FACILITIES – Department Acquisition of Certain Terminal Improvements”, a number of terminal improvement projects are undertaken by the particular airline which leases the terminal. Under the Department’s terminal leases, subject to certain conditions, the Department has agreed to purchase these improvements.

Airfield and Apron. Airfield and apron projects in the Next Airport Capital Program are currently expected to cost \$1.8 billion and include improvements to taxiways and other miscellaneous projects. Significant airfield and apron projects include:

- *North Airfield Exit Taxiways Project.* This project includes four new angled taxiways from Runway 6L-24R that will connect to Taxiway E, removal of certain existing taxiways, and rehabilitation and reconstruction of certain portions of Runway 6L-24R. This project is estimated to cost \$245.4 million, approximately \$211.4 million, which costs are expected to be funded with a portion of the proceeds of the Series 2025E Subordinate Bonds, federal grants and Department funds. This project is expected to be completed by the end of FY 2025.
- *Taxiway D Project.* This project includes the extension of Taxiway D. This project is estimated to cost \$136.5 million, which costs are expected to be funded with a portion of the proceeds of the Series 2025E Subordinate Bonds, federal grants and Department funds. This project is expected to be completed by the end of Fiscal Year 2025.
- *LAXFuel Facility Relocation.* This project includes the relocation of the LAXFuel facility to accommodate the Taxiway D Project. This project is estimated to cost \$39.9 million, which costs are expected to be funded with a portion of the proceeds of the Series 2025B

Subordinate Bonds and Department funds. This project is expected to be completed by the end of Fiscal Year 2025.

Access Projects. Access and nonairline cost center projects in the Next Airport Capital Program are currently expected to cost \$3.7 billion. Significant access projects include:

- *ATMP Roadway Improvements Project.* This project includes demolition of existing roadways and facilities, construction of new roadways, ramps, bridges, intersections, traffic signals and controls, traffic monitoring and management equipment, street lighting, signage and striping, landscaping and sidewalks, utilities, and infrastructure. This project will provide a roadway system configuration that will better centralize vehicular entrance to the Central Terminal Area and will help keep airport-related traffic congestion and vehicular back-ups off public streets. It will also integrate and build upon prior roadway system improvements in the Existing Airport Capital Program. The Roadway Improvements Project is estimated to cost approximately \$2.2 billion, which costs are expected to be funded with proceeds of bonds to be issued in the future, federal grants and Department funds. This project is expected to be completed by the end of Fiscal Year 2030.
- *Additional APM System Costs.* As described in the Report of the Airport Consultant, additional APM System costs related to prior change orders, prior payments to the APM System Developer for delay-related relief events, and a settlement with the APM System Developer in August 2024 are included in the Next Airport Capital Program. The Department currently expects that additional costs associated with the construction of the APM System project will be \$801.2 million, and that the APM System will be completed by the APM System Developer in February 2026 and will be operational in the second quarter of 2026. See “Completion of the Automated People Mover System” below. To fund the additional costs associated with the APM System project, the Department plans to use approximately \$685.4 million of the proceeds of the Series 2025D Subordinate Bonds (\$500 million of which will be used to refund and repay the Subordinate Revolving Obligations), approximately \$115.5 million of proceeds of bonds to be issued in the future and \$300,000 of Department funds.
- *ITF Auxiliary Curbs Project.* This project includes construction of (1) curbs and staging areas at the east and west intermodal transportation facilities (“**ITF East**” and “**ITF West**”) and (2) adjacent roadway improvements. Once the APM System is operational, the curbs and staging areas at ITF West and ITF East will collectively serve as the main connection points for passengers arriving at or departing LAX using public transportation, taxi, ride service, or shuttle buses. This project is estimated to cost approximately \$295.2 million, which costs are expected to be funded with federal grants and Department funds. This project is expected to be completed in the second half of Fiscal Year 2026.

LAX Cargo Modernization Program. In May 2023, the Board approved execution of a Pre-Development Agreement between the Department and LAX Community Partners, LLC, for term of up to three years, to advance the LAX Cargo Modernization Program’s environmental process for a full campus-wide development and modernization of the Airport cargo areas and ramp area, prepare a Phase 1 project definition and financial plan, and provide the basis to negotiate potential subsequent development agreements. In connection with the approval, approximately \$8.2 million was appropriated for Department costs. The Cargo Modernization Program is not contained within the Existing Capital Program or the Next Airport Capital Program, as the Department anticipates that the developer(s) will be responsible for the financing of the program, and will make payments to the Department in substantially the same amounts as the cargo facilities rental payments that the Department currently receives.

Completion of the Automated People Mover System

Additional APM System costs related to prior change orders, prior payments to the APM System Developer for delay-related relief events, and a settlement with the APM System Developer in August 2024 are included in the Next Airport Capital Program. The Department currently expects that its additional costs associated with the APM System project will be \$801.2 million, and that the APM System will be completed in February 2026 and will be operational in the second quarter of 2026. To fund the additional costs associated with the APM System project, the Department expects to use approximately \$685.4 million from the net proceeds of the Series 2025A-E Bonds, and approximately \$115.5 million from the issuance of Future Bonds.

General. On April 11, 2018, the Department and LAX Integrated Express Solutions, LLC (the “**APM Developer**”) entered into a design-build-finance-operate-maintain agreement, as amended (the “**APM Agreement**”), for the purposes of developing, financing, operating and maintaining the approximately 2.25-mile elevated, grade-separated APM System that will generally run from the ConRAC to the Central Terminal Area. The APM System will include six stations: (i) one in the ConRAC; (ii) one to be located at the multi-modal/transit facility located at 96th Street and Aviation Boulevard, which facility will also contain a connection to the Los Angeles County Metropolitan Transportation Authority’s light rail system; (iii) one to be located at the multi-modal/transit facility located north of 96th Avenue between Jetway Boulevard and Airport Boulevard; and (iv) three stations to be located in the Central Terminal Area. The APM Developer is comprised of Fluor Enterprises, Inc., Balfour Beatty Investments, Inc., ACS Infrastructure Development, Inc., HOCHTIEF PPP Solutions GmbH and Alstom (successor to Bombardier Transportation (Holdings) USA Inc.), among others. Under the APM Agreement, the Department has granted the APM Developer the exclusive right, during a 30-year term, to design, build, finance, operate and maintain the APM System. The APM Agreement provides for various circumstances, including force majeure events, the occurrence of which entitles the APM Developer to adjustment in the construction price and/or schedule. The APM Agreement also provides for a dispute resolution process to address claims brought by either party under the APM Agreement. The dispute resolution process provides for submission of disputes to a project neutral for non-binding recommendations addressing the merits of the claims.

APM Developer Share of Project Funding. The APM Agreement required the APM Developer to provide funding for a share of the costs of the costs of planning, development, design, construction and financing of the APM System (above the design and construction-related payments made by the Department). At the time of execution of the APM Agreement, the APM Developer indicated that it expected to incur costs of approximately \$2.72 billion (which included the \$1.01 billion originally payable by the Department as described below). Under the terms of the APM Agreement, the APM Developer is solely responsible for obtaining and repaying, at its own cost and risk and without recourse to the City or the Department, all financing necessary for its share of the costs of the design and construction of the APM System. In June 2018, the APM Developer secured several sources of financing for its share of the design and construction of the APM System, including, among other sources, approximately \$1.30 billion of proceeds from senior lien revenue bonds issued by CMFA.

APM Milestone Payments; Cost and Schedule Adjustments. In addition to the financing required to be obtained by the APM Developer, the APM Agreement provided that the APM Developer would be entitled to receive a series of payments from the Department upon its completion of certain design and construction milestones in the aggregate principal amount of approximately \$1.01 billion, subject to deductions provided in the APM Agreement, as partial compensation for the APM Developer’s performance of the work required to design and construct the APM System (each such payment, an “**APM Milestone Payment**”). Payment of the APM Milestone Payments was and continues to be subject to certain conditions being met by the APM Developer.

Over the course of construction of the APM System, the APM Developer has from time to time asserted that it has been entitled to adjustment in the amount payable by the Department for construction of the APM System. A significant portion of these claims for adjustments were denied by the Department, and the

dispute resolution procedures set forth in the APM Agreement were utilized. The APM Developer and the Department ultimately arrived at a number of settlements of these claims. In addition to the disputed and settled claims, there were agreed-upon change orders.

The APM Agreement also initially provided that the APM Passenger Service Availability Date would occur in March 2023. However, construction of the APM System has encountered a number of delays which were also the subject of the change orders and settlements described above.

The most recent settlement occurred in August 2024, pursuant to which the Department and the APM Developer settled claims occurring prior to and including May 31, 2024 (the “**August 2024 Settlement**”). The August 2024 Settlement included a change order to the compensation under the APM Agreement in the amount of \$550 million. The total amount of increased costs payable by the Department (including the \$550 million from the August 2024 Settlement) is approximately \$900 million. This amount does not include the portion of the Availability Payments paid by the Department since March 2023 described below.

In addition to the increased construction costs described above, pursuant to prior settlements, the Department agreed to commence in March 2023 payment of the portion of the Availability Payments (described below) attributable to the APM Developer’s financing costs. The APM Agreement initially had provided that no portion of the Availability Payments would be payable until the APM Passenger Service Availability Date. The portion of the Availability Payments attributable to operation and maintenance costs will not commence until the APM Passenger Service Availability Date.

Construction of the APM System is continuing and, based on the APM Developer’s current projections, the Department currently estimates that the APM System will be completed and customer service will commence in the second quarter of 2026.

Recent Delay in APM Projected Completion. In March 2025, the APM Developer provided the Department with a revised schedule for the APM Project with a projected availability date occurring in February 2026, which is later than the December 2025 availability date specified in the August 2024 Settlement. Pursuant to the APM Agreement, if the APM Developer expects to not meet the schedule set forth in the August 2024 Settlement, it is required to provide the Department with a plan and schedule (the “Recovery Schedule”) which describes the actions the APM Developer will take in order to meet the December 2025 availability date specified in the August 2024 Settlement. The APM Agreement provides for specific timelines for the Recovery Schedule to be provided. As of the date hereof, the APM Developer has not provided a Recovery Schedule that meets the requirements of the APM Agreement. The APM Agreement specifies remedies available to the Department for failure of the APM Developer to provide the Recovery Schedule or otherwise fail to meet the requirements of the APM Agreement and August 2024 Settlement (in addition to the remedies provided in the APM Agreement for other failures of the APM Developer to meet contractual requirements), including the assessment of “Noncompliance Points” against the APM Developer. Assessment of Noncompliance Points may result in the Department’s increased oversight of the APM Project work at the APM Developer’s expense and default under the APM Agreement. Upon a default, the lenders to the APM Developer have step-in rights to complete the APM Project work, which if not exercised, would allow the Department the right to step-in to complete the APM Project work, suspend the work, and, potentially, terminate the APM Agreement.

Additional Claims Asserted by the APM Developer. The APM Agreement provides for a dispute resolution process to address claims brought by either party under the APM Agreement. The dispute resolution process provides for submission of disputes to a project neutral for non-binding recommendations addressing the merits of the claims. From time to time over the course of construction, the APM Developer has submitted claims for schedule relief and additional compensation, as described above.

In addition to the claims which have been settled as described above, the APM Developer has asserted various additional claims seeking additional compensation which remain unresolved. The Department

disputes both the validity and the financial impact of significant portions of these claims. These additional claims could result in payments potentially exceeding \$100 million.

There can be no assurances that the APM Developer will not assert further claims for schedule and/or financial relief under the APM Agreement in the future. The Department intends to vigorously defend against all claims based on its assessment of their merits. No assurance can be provided that the Department will settle any pending or future claims by the APM Developer. However, the settlement of the claims described above, and any claims that may be potentially asserted in the future, may result in additional costs to the Department (over and above the costs which are described above), which costs could be material and could exceed project contingencies and other project funding. Some or all of such additional costs may need to be funded from other available Department sources, including, potentially, the proceeds of Additional Senior Bonds or Additional Subordinate Bonds. The Department is also unable to predict whether any future relief event claims, or other actions by the APM Developer, will ultimately result in additional material project completion delays. See “CERTAIN INVESTMENT CONSIDERATIONS—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness.”

APM Availability Payments. As described above, the APM Agreement initially provided that, beginning on the APM Passenger Service Availability Date, the Department would be required to make monthly payments to the APM Developer (the “**APM Availability Payments**”). The APM Availability Payments are intended to compensate the APM Developer for the costs of designing, building and financing the APM System not otherwise paid from the APM Milestone Payments, as well as the costs of operating and maintaining the APM System over the term of the APM Agreement. Under the APM Agreement, the Department’s obligation to make the APM Availability Payments is subject to certain deductions for performance deficiencies and inflation-based increases tied to agreed-upon indices. As described above, pursuant to prior settlements, the Department agreed to commence in March 2023 payment of the portion of the Availability Payments (described below) attributable to the APM Developer’s financing costs. The portion of the Availability Payments attributable to operation and maintenance costs will not commence until the APM Passenger Service Availability Date.

The projections in the Report of the Airport Consultant include estimates of, and the expected sources of payment of, the APM Availability Payments. In connection with prior settlement of disputes concerning claims asserted by the APM Developer, the Department agreed to commence payments of the portion of the Availability Payments representing the APM Developer’s costs of designing, building and financing the APM System not otherwise paid from Department payments.

The Report of the Airport Consultant does not take into account any additional delays to the APM’s Passenger Service Availability Date in connection with any pending claims, or future claims that may be made by the APM Developer.

Assumptions Regarding the APM System in the Report of the Airport Consultant. The Report of the Airport Consultant contains a variety of assumptions and qualifications regarding the APM System which investors should consider. There can be no assurance that any of the Department’s estimates and expectations or the Airport Consultant’s assumptions, estimates or projections will be attained. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information regarding the assumptions made by the Airport Consultant with respect to the funding and financing of the APM System; and “CERTAIN INVESTMENT CONSIDERATIONS—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness.”

Financing the Next Airport Capital Program

Exhibit A of the Report of the Airport Consultant contains the estimated sources of funding of the Next Airport Capital Program, which consist primarily of

- \$1.1 billion of federal grants
- \$4.3 billion of Department funds
- \$1.6 billion of the proceeds of the Series 2025A Subordinate Bonds, the Series 2025B Subordinate Bonds, the Series 2025D Subordinate Bonds and the Series 2025E Subordinate Bonds
- \$918.8 million of the proceeds of future Additional Subordinate Bonds
- \$7.0 billion of the proceeds of future Additional Senior Bonds

The estimated costs of, and the projected schedule for, the Next Airport Capital Program are subject to various uncertainties. In addition, it is possible that the Department will pursue projects not incorporated in the Next Airport Capital Program. The Department may ultimately decide not to proceed with certain projects in the Next Airport Capital Program or may proceed with them on a different schedule, resulting in different results than those included in the projections of the Airport Consultant.

See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Future Financings” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information regarding the Department’s future financing plans. See also CERTAIN FUNDING SOURCES,” “CERTAIN INVESTMENT CONSIDERATIONS—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness,” “-Federal Funding,” “PLAN OF REFUNDING” and “USE OF AIRPORT FACILITIES—Airport Terminal Tariff.”

CERTAIN FUNDING SOURCES

Passenger Facility Charges

Generally, the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508) (the “**1990 PFC Act**”) and the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181) (“**AIR 21**,” and collectively with the 1990 PFC Act, the “**PFC Acts**”) permit public agencies controlling certain commercial service airports to charge each enplaning passenger a facility charge ranging from \$1.00 to \$4.50. The proceeds from PFCs must be used to finance eligible airport-related projects. Eligible airport-related projects approved by the FAA are referred to in this Official Statement as “Approved PFC Projects.” Public agencies wishing to impose and use PFCs to finance eligible airport-related projects must apply to the FAA for the authority to do so. The Department has received approval from the FAA to collect a PFC up to \$4.50 on each eligible enplaning passenger at LAX.

PFC revenues to fund certain Approved PFC Projects are collected by air carriers as part of the price of a ticket and then remitted to the Department. The air carriers are permitted by the PFC Acts to retain a portion of each PFC collected (currently \$0.11 of each PFC collected) as compensation for collecting and handling PFC revenues. PFC revenues received by the Department are net of this collection fee. Since 1993, the Department has received approval from the FAA to impose and use approximately \$9.5 billion of PFC revenues (including investment income) at LAX, and the Department’s authority to collect PFCs currently extends through January 1, 2038. Total PFC revenues collected by the Department as of June 30, 2024 were approximately \$3.5 billion.

PFC revenues may also be used for the payment of debt service on certain portions of Senior Bonds and/or Subordinate Obligations issued to finance all or a portion of Approved PFC Projects (the “**PFC Eligible Obligations**”). As described in the Report of the Airport Consultant, the Department expects to pay a portion of the debt service on the PFC Eligible Obligations with PFC revenues. However, the Department is prohibited from using PFC revenues to pay debt service on PFC Eligible Obligations in excess of the amounts

of PFCs approved by the FAA for the Approved PFC Projects. If the actual cost of Approved PFC Projects is less than the amount approved by the FAA, the Department may be required to submit an amendment to the FAA application to reduce the approved amount for applicable projects.

Pledged Revenues do not include PFC revenues unless otherwise included in Pledged Revenues pursuant to a Supplemental Senior Indenture. To date, the Department has not elected, and the Department has no current plans to elect, to include PFC revenues in Pledged Revenues nor otherwise pledge PFC revenues to the payment of the Senior Bonds or the Subordinate Obligations. However, the Department expects to use PFC revenues to pay a portion of the debt service on PFC Eligible Obligations. Debt service paid with PFC revenues is not included in the calculation of the rate covenant set forth in the Senior Indenture. Debt service on Additional Senior Bonds expected to be paid from irrevocably committed PFC revenues is not included in the additional bonds test set forth in the Senior Indenture although the Department has not made any such irrevocable commitment of PFC revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS—Passenger Facility Charges.”

No assurance can be given that PFC revenues will actually be received in the amounts or at the times expected by the Department. The amount and timing of receipt of actual PFC revenues are expected to vary depending on actual levels of qualified passenger enplanements at LAX. If PFC revenues are not available, the Department may be required to eliminate or scale down projects or incur additional indebtedness, possibly including issuing Additional Senior Bonds, Additional Subordinate Bonds or Subordinate Commercial Paper Notes, to finance such projects. In the event of an airline bankruptcy, it is unclear whether the Department would be afforded the status of a secured creditor with regard to PFC revenues collected or accrued with respect to that airline. See “CERTAIN INVESTMENT CONSIDERATIONS—Considerations Regarding Passenger Facility Charges,” “—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness,” “—Demand for Air Travel, Aviation Activity and Related Matters” and “—Financial Condition of the Airlines; Effect of Airline Industry Consolidation; Effect of Airline and Counterparty Bankruptcies” and the discussion regarding a number of factors that may impact the number of passenger enplanements and the Department’s receipt of PFC revenues. See also “AIRPORT CAPITAL PLANNING—Financing the Capital Program” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information about the Department’s expected use of PFC revenues.

Grants

Under the AIP, the FAA awards grant moneys to airports around the country for capital improvement projects and airport operating costs. AIP grants include entitlement funds, which are apportioned annually based upon the number of enplaned passengers and total landed weight of all-cargo aircraft at the airport, as well as discretionary funds, which are awarded by the FAA based on a national priority system. Generally, federal grants are paid to the Department on a reimbursement basis when the grant agreement is approved and after eligible expenditures are made. The amount and timing of receipt of actual AIP grant moneys may vary and may not be reimbursed for a significant period of time after the eligible expenditure is made. If AIP grant moneys are not available or timely reimbursed, the Department may be required to eliminate or scale down projects or incur additional indebtedness, possibly including issuing Additional Senior Bonds, Additional Subordinate Bonds or Subordinate Commercial Paper Notes, to finance such projects. Between June 2009 and September 2024, the Department received approximately \$643.9 million in the original AIP grant amounts authorized for acceptance by the Board. See “CERTAIN INVESTMENT CONSIDERATIONS—Federal Funding” and “—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness.”

The Department is subject to periodic compliance reviews by the FAA and the Office of the Inspector General, some of which have included a review of payments made by the Department to the City, to verify the Department’s compliance with applicable federal laws, FAA grant assurances and FAA policies concerning the use of airport revenue and airport revenue diversion. In addition, interested parties such as Airlines for America (formerly known as the Air Transport Association of America) and Aircraft Owners and Pilots Association may initiate U.S. DOT proceedings relating to these types of issues.

The federal Infrastructure Investment and Jobs Act of 2021 (referred to as the “**Bipartisan Infrastructure Law**” or “**BIL**”) was approved by the United States Congress and signed by the President on November 15, 2021. BIL provides approximately \$20 billion in grants for airport infrastructure development over five years between 2022 through 2026. Up to approximately \$2.9 billion per year of BIL funds will be awarded to primary airports as Airport Infrastructure Grants (“**Infrastructure Grants**”), allocated on the same basis as AIP entitlement grants. The Department intends to use approximately \$280.0 million of Infrastructure Grants to finance roadway improvement projects in the Next Capital Program. The Department was awarded approximately \$72.5 million of Infrastructure Grants for LAX, and \$851,000 for VNY, in the 2024 federal fiscal year (October 1, 2023 through September 30, 2024). The Department was awarded approximately \$79.1 million of Infrastructure Grants for LAX, and \$844,000 for VNY, in the 2023 federal fiscal year (October 1, 2022 through September 30, 2023). In addition to the Infrastructure Grants, BIL provides for approximately \$1.0 billion per year of grants to be awarded through the Airport Terminal Program (“ATP”) provisions of BIL, with up to 55% going to large hub airports. On February 27, 2023, the Department was awarded a \$50 million ATP grant in the 2023 federal fiscal year for the terminal roadway improvements at LAX. On February 15, 2024, the Department was awarded a \$31 million ATP grant in the 2024 federal fiscal year for the Auxiliary Curbs at ITF West and ITF East at LAX. As of the date of this Official Statement, the Department has started to draw its eligible Infrastructure Grants and ATP grants from the FAA.

A portion of the projects in the Capital Program are expected to be funded from AIP and BIL grants that have not yet been applied for or approved. See “AIRPORT CAPITAL PLANNING” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information about the Department’s expectations concerning grants.

The federal government has recently issued a series of executive orders, and the Office of Management and Budget has issued guidance, that suspend or limit federal government funding to state and local entities. Certain of these actions have been the subject of judicial challenges. The Department cannot predict the outcome of future federal administrative actions, legislation or budget deliberations and the impact that such budgets will have on federal funding to the Department. There can be no assurances that the Department will receive federal grants in the amounts or at the times contemplated in the Report of the Airport Consultant. See “CERTAIN INVESTMENT CONSIDERATIONS – Federal Funding”

Customer Facility Charges

The Department currently requires the collection by Concessionaire Rental Car Companies of a CFC from their customers at a rate of \$9 per transaction day (limited to five transaction days per rental car contract). For Fiscal Year 2024, the Department collected approximately \$70.7 million in CFC revenues. Through June 30, 2024, the Department had collected (including interest earnings) approximately \$764.1 million in the aggregate of CFC revenues.

The CFCs collected by the Concessionaire Rental Car Companies on behalf of the Department are permitted under applicable law to finance, design and construct the new ConRAC; to finance, design, construct and operate a common-use transportation system (the APM System and any common transportation shuttle bus system that transports people between the ConRAC and the Central Terminal Area, as described in this Official Statement), as well as acquiring vehicles for use in that system; and to finance, design and construct terminal modifications to accommodate the common-use transportation system.

Pledged Revenues do not include CFC revenues unless otherwise included in Pledged Revenues pursuant to a Supplemental Senior Indenture. The Department has not elected and will not elect (while the LAX CFC Bonds are outstanding) to include CFC revenues in Pledged Revenues nor otherwise pledge CFC revenues to the payment of the Senior Bonds or the Subordinate Obligations. The LAX CFC Bonds are secured by and have a first lien on the CFCs.

For additional discussion regarding CFCs, see “USE OF AIRPORT FACILITIES—Concession and Parking Agreements—Rental Cars” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

FINANCIAL AND OPERATING INFORMATION CONCERNING LAX

Summary of Operating Statements

The following table summarizes the financial results from operations for LAX for Fiscal Years 2020 through 2024. In reviewing the figures in the following table and throughout the Official Statement, it is important to note that revenues are calculated on an accrual basis. See APPENDIX B—“ANNUAL FINANCIAL REPORT OF LOS ANGELES WORLD AIRPORTS (DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA) LOS ANGELES INTERNATIONAL AIRPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023.”

TABLE 11
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
HISTORICAL OPERATING STATEMENTS*
(Dollars in Thousands)⁽¹⁾

	2020	2021	2022 (Restated)⁽²⁾	2023	2024
Operating revenues:					
Aviation revenue					
Landing fees (net)	\$ 258,013 ⁽⁴⁾	\$ 163,437 ⁽⁴⁾	\$ 250,171	\$ 327,263 ⁽⁴⁾	\$ 340,991 ⁽⁴⁾
Building rentals	571,478	599,974	641,360	815,490	919,155
Other aviation revenue ⁽³⁾	122,857	116,277	117,630	126,736	138,975
Concession revenue	380,331	161,185	366,312	447,478	512,393
Airport sales and services	4,082	3,737	6,011	6,650	9,607
Other operating revenue	3,962	910	962	2,804	2,062
Total operating revenue	\$ 1,340,723	\$ 1,045,520	\$ 1,382,446	\$ 1,726,421	\$ 1,923,183
Operating expenses:					
Salaries and benefits	\$ 532,563	\$ 484,581	\$ 358,445	\$ 435,105	\$ 484,046
Contractual services	230,647	181,815	250,716	275,150	301,357
Administrative expense	5,608	(225)	1,862	2,142	2,757
Materials and supplies	55,493	42,191	40,923	42,044	56,738
Utilities	47,334	39,007	48,985	58,879	62,180
Advertising and public relations	3,167	948	1,364	1,098	2,492
Other operating expenses	12,856	9,181	14,344	17,130	27,075
Total operating expenses before depreciation and amortization	\$ 887,668	\$ 757,498	\$ 716,639	\$ 831,548	\$ 936,645
Income from operations before depreciation and amortization	\$ 453,055	\$ 288,022	\$ 665,807	\$ 894,873	\$ 986,538
Depreciation and amortization	(445,887)	(451,888)	(629,021)	(689,766)	(757,632)
Operating Income	\$ 7,168	\$ (163,866)	\$ 36,786	\$ 205,107	\$ 228,906
Non-Operating revenues/(expenses):					
Passenger facility charges	\$ 118,023	\$ 68,748	\$ 124,856	\$ 144,322	\$ 151,506
Customer facility charges	65,621	32,606	60,991	66,518	70,732
Interest income	75,448	38,008	33,378	130,635	156,954
Change in fair value of					
Investments	44,490	(35,706)	(105,454)	(47,732)	30,032
Other non-operating revenue	14,286	10,265	10,722	22,123	9,704
Interest expense	(320,892)	(313,797)	(361,110)	(426,326)	(461,543)
Bond expense	(3,424)	(6,210)	(8,419)	(4,945)	(175)
Other non-operating expenses	-	(2,467)	(35)	(68,512)	(11,418)
Net non-operating revenues/(expenses)	\$ (6,448)	\$ (208,553)	\$ (245,071)	\$ (183,917)	\$ (54,208)
Income before capital grants, and inter-agency transfers	\$ 720	\$ (372,419)	\$ (208,285)	\$ 21,190	\$ 174,698
Federal grants	85,978	313,032 ⁽⁵⁾	31,864	387,533 ⁽⁶⁾	127,534 ⁽⁷⁾
Change in net position	\$ 86,698	\$ (59,387)	\$ (176,421)	\$ 408,723	\$ 302,232
Net position, beginning of period	\$ 5,715,713	\$ 5,802,411	\$ 5,743,024	\$ 5,566,603	\$ 5,975,326
Change in accounting principle and removal of net pension obligation	-	-	-	-	-
Net position, end of period	\$ 5,802,411	\$ 5,743,024	\$ 5,566,603	\$ 5,975,326	\$ 6,277,558

Footnotes are on the following page.

- (1) Totals may not add due to rounding.
- (2) Fiscal Year 2022 financial results have been restated in connection with the adoption of Government Accounting Standards Board Statement No. 96 – SBITA.
- (3) Includes reimbursement of security-related expenses; TSA revenue pertaining to law enforcement officers and canines presented in non-operating revenue.
- (4) Net of reliever airport fee of approximately \$3.3 million, \$0.8 million, \$1.3 million and \$1.2 million for Fiscal Years 2024, 2023, 2021 and 2020, respectively.
- (5) Fiscal Year 2021 includes The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funds.
- (6) Fiscal Year 2023 includes Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (“CRRSSA”) and American Rescue Plan Act of 2021 (“ARPA”) funds.
- (7) Fiscal Year 2024 includes ARPA funds.

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

See also APPENDIX B—“ANNUAL FINANCIAL REPORT OF LOS ANGELES WORLD AIRPORTS (DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA) LOS ANGELES INTERNATIONAL AIRPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023.”

Management Discussion of Fiscal Year 2025 Results to Date

Based on unaudited results for the period from July 1, 2024 through December 31, 2024, operating revenue at LAX totaled approximately \$1,051.8 million, which was approximately 3% below budgeted operating revenue of \$1,082.2 million, primarily due to lower building rental and landing fee revenue resulting from lower than budgeted actual passenger traffic and landed weight, and approximately 7% above operating revenue of \$985.6 million for the corresponding period in Fiscal Year 2024. The increase in operating revenue in Fiscal Year 2025 to date compared to the corresponding period in Fiscal Year 2024 is attributable to increases in terminal rental and common use fees as well as non-aviation revenues such as terminal commercial management, and auto-parking fees. These increases resulted in higher revenues despite decreases in non-aviation revenues such as advertising and food and beverage fees compared to the corresponding period in Fiscal Year 2024.

Based on unaudited results for the period from July 1, 2024 through December 31, 2024, operating expenses at LAX totaled approximately \$525.1 million, which was approximately 1% over budgeted operating expenses of \$519.9 million and approximately 17% above operating expenses of \$449.7 million for the corresponding period in Fiscal Year 2024. The increase in operating expenses in Fiscal Year 2025 to date compared to the corresponding period in Fiscal Year 2024 is attributable to increased salaries and benefits as well as increases in contractual services. However, salaries and benefits and contractual services as well as other administrative costs, are all lower than budgeted for the period from July 1, 2024 through December 31, 2024.

As a result of the foregoing, based on unaudited results for the period from July 1, 2024 through December 31, 2024, operating income before depreciation and amortization totaled approximately \$526.7 million, which was approximately 6% lower than budget and approximately 2% lower than budget for the corresponding period in Fiscal Year 2024.

Department Unrestricted and Restricted Funds

As of June 30, 2024, the Department had approximately \$1.8 billion in unrestricted cash on hand, which is approximately 689 days cash on hand excluding the Maintenance and Operation Reserve Fund, and approximately 795 days cash on hand including the Maintenance and Operation Reserve Fund, which is subject to change. It is the Department’s policy to maintain cash on hand equal to at least one year of Maintenance and Operation Expenses of the Airport System. The Fiscal Year 2023 unrestricted days’ cash on hand was 835 days excluding the Maintenance and Operation Reserve Fund and 942 days including the Maintenance and Operation Reserve Fund.

As of June 30, 2024, the Department had approximately \$1.8 billion in restricted cash on hand comprised of approximately \$128 million in construction funds, approximately \$857.7 million in debt service reserve funds, approximately \$271.5 million in the Maintenance and Operation Reserve Fund, approximately \$58.9 million in debt service funds, approximately \$200 million in Customer Facility Charges, approximately \$292 million in PFCs and approximately \$2.7 million in other restricted funds.

Based on unaudited numbers, unrestricted cash on hand as of December 31, 2024 was approximately \$1.6 billion, which is equivalent to approximately 508 days cash on hand excluding the Maintenance and Operation Reserve Fund and reflects a decrease of approximately \$219 million compared to unrestricted cash on hand as of December 31, 2023.

Top Revenue Providers and Sources

The following tables set forth the top ten revenue providers at LAX for Fiscal Year 2024.

TABLE 12
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
TOP TEN REVENUE PROVIDERS
FISCAL YEAR 2024
(Dollars in Thousands)⁽¹⁾⁽²⁾

	<i>Provider</i>	<i>Revenue</i>
1.	Delta Air Lines*	\$227,503
2.	American Airlines ^{‡(3)}	210,580
3.	United Airlines [†]	201,864
4.	Southwest Airlines	91,623
5.	Alaska Airlines [‡]	63,766
6.	DFS Group	61,707
7.	JetBlue Airways	54,708
8.	URW Airports LLC	53,482
9.	Spirit Airlines	51,013
10.	Avis Rent A Car System LLC ⁽⁴⁾	37,975

* Member of SkyTeam Alliance.

† Member of Star Alliance.

‡ Member of oneworld Alliance.

(1) Excludes revenue from the federal government. The amounts in this table reflect those amounts billed by the Department to the applicable revenue providers as of June 30, 2024. Excludes rental credits, if any.

(2) For airlines that (i) were party to a completed merger or acquisition, (ii) have received a single FAA certificate and (iii) have completed operational integration, only the surviving entity is presented and the activities for the airlines that are now a part of the surviving airline are included in the information presented.

(3) Includes Envoy, SkyWest and Compass Airlines as American Airlines.

(4) Includes approximately \$11.8 million of CFCs collected by Avis Rent A Car System LLC. CFCs are not included in Pledged Revenues.

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

The following table sets forth top ten revenue sources at LAX for Fiscal Year 2024.

TABLE 13
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
TOP TEN REVENUE SOURCES
FISCAL YEAR 2024⁽¹⁾
(Dollars in Thousands)

<i>Source</i>	<i>Revenue</i>
1. Terminal Rentals	\$838,134
2. Net Landing Fees	340,991
3. Auto Parking	162,045
4. Land Rentals ⁽²⁾	122,528
5. Rental Cars ⁽³⁾	82,795
6. Other Building Rentals ⁽⁴⁾	81,021
7. Food, Beverage, Gift, News and Terminal Commercial Managers	80,701
8. Duty Free Sales	67,369
9. Transportation Network Companies	39,261
10. Advertising	36,675

⁽¹⁾ The amounts in this table reflect those amounts received by the Department from the applicable revenue sources as of June 30, 2024.

⁽²⁾ Consists primarily of rental revenue derived from the ancillary land facilities at LAX.

⁽³⁾ Excludes Customer Facility Charges which are not included in Pledged Revenues.

⁽⁴⁾ Consists primarily of rental revenue derived from cargo, maintenance and other building facilities at LAX.

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

Budgeting Process

Department management annually submits the Department’s proposed budget to the Board for adoption. Department management and staff develop each operating budget after considering a number of factors, including recent years’ operating revenue and expense trends, LAX passenger traffic projections, the Department’s capital projects (including the issuance of additional debt to finance capital projects), and other Departmental goals and strategic plans. Staff from each of LAX’s divisions prepare and submit their preliminary budgets to Department management within the constraints defined by budget staff and submit additional requests for review. Budget hearings are conducted with operating budget staff and the Department’s deputy executive directors to discuss past trends and changes in future needs. The Department’s executive management team reviews the resulting budget and additional requests and adjustments are made based on expenditure priority and operational need. The final budget is adopted by the Board prior to the beginning of the Fiscal Year. For informational purposes only, the Chief Executive Officer of the Department submits the Department’s proposed budget to the Mayor, and for informational purposes only, the Mayor includes the Department’s proposed budget as a part of the overall City budget. Neither the Mayor nor the City Council may amend or otherwise change the Department’s adopted budget; however, see “THE DEPARTMENT OF AIRPORTS—Oversight.” Certain of the Department’s payment obligations under the APM Agreement (e.g., the portion of the APM Availability Payments attributable to the costs of operating and maintaining the APM System), like the Department’s other contractual obligations, are subject to the Board approving an appropriation of funds as part of the annual budgeting process described herein.

Fiscal Year 2025 Budget. The Board formally adopted the Fiscal Year 2025 operating budget in June 2025.

The Fiscal Year 2025 LAX operating budget projects operating revenues of approximately \$2.1 billion, compared to \$1.97 billion projected in the Fiscal Year 2024 LAX operating budget. The Department projects LAX aviation revenues of approximately \$1.59 billion, compared to \$1.45 billion forecasted in the Fiscal Year 2024 LAX operating budget. The Fiscal Year 2025 LAX operating budget projects non-aviation operating revenues of approximately \$536 million, approximately 3% higher than forecast in the Fiscal Year 2024 LAX operating budget, as levels of projected passenger traffic remain flat. The Fiscal Year 2025 LAX operating budget projects operating expenses of approximately \$1.2 billion, approximately 11.1% higher than the Fiscal Year 2024 LAX operating budget. The Fiscal Year 2025 LAX operating budget does not include appropriations for the Capital Program or other capital improvement projects. Department management will be required to seek approval from the Board for appropriations of funds for certain projects on a project-by-project basis. See “AIRPORT CAPITAL PLANNING.” Under the Fiscal Year 2025 LAX operating budget, the Department has budgeted approximately \$584 million for salaries, benefits and other payroll expenses for the Department’s employees at LAX (compared to approximately \$537 million for the Fiscal Year 2024 LAX operating budget) and approximately \$88 million for payments to the City for fire service, supplemental police assistance and other support services and personnel costs at LAX. Amounts budgeted for these expenses represent approximately 7.3% of the LAX operating budget for Fiscal Year 2025. Contractual services, including payments for services provided by the City, as described above, are budgeted in the Fiscal Year 2025 LAX operating budget at approximately \$399.9 million (representing an increase of approximately 12.4% from the Fiscal Year 2024 LAX operating budget). See also “THE DEPARTMENT OF AIRPORTS—Employees and Labor Relations” and “—Retirement Plan.”

The following table sets forth a summary of the operating budget at LAX for Fiscal Year 2025.

TABLE 14
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
SUMMARY OF OPERATING BUDGET
FISCAL YEAR 2025⁽¹⁾
(Dollars in Thousands)

Operating revenues:	
Aviation revenue	
Landing fees	\$ 385,331
Building rentals	1,058,466
Land rentals	116,891
Other aviation revenue	15,726
Concession revenue	496,482
Airport sales and services	9,722
Miscellaneous revenue	<u>2,272</u>
Total operating revenue	\$ 2,084,890
Operating expenses:	
Salaries and benefits	\$ 574,527
Contractual services	381,317
Materials and supplies	77,919
Utilities	71,227
Other operating expense	<u>49,981</u>
Total operating expenses	\$ 1,151,016
Income from operations before depreciation and amortization	\$ 933,874

⁽¹⁾ Totals may not add due to rounding.

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

Debt Service Coverage

The following table shows historical debt service coverage on the Senior Bonds and the Subordinate Obligations for Fiscal Years 2020 through 2024.

TABLE 15
DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES
LOS ANGELES INTERNATIONAL AIRPORT
HISTORICAL DEBT SERVICE COVERAGE
FISCAL YEARS 2020-2024
(Dollars in Thousands)

	2020	2021	2022 Restated ⁽⁸⁾	2023	2024
Pledged Revenues ⁽¹⁾					
Total Operating Revenues	\$ 1,340,723	\$ 1,045,520	\$ 1,382,446	\$ 1,726,421	\$ 1,923,183
Interest Income ⁽²⁾	68,220	3,926	(69,353)	26,554	109,904
Build America Bonds Subsidy ⁽³⁾	7,184	7,158	7,085	6,512	6,460
Non-Operating TSA Revenue	3,216	2,744	2,991	3,072	2,492
Total Pledged Revenues	\$ 1,419,343	\$ 1,059,348	\$ 1,323,169	\$ 1,762,559	\$ 2,042,039
LAX Maintenance and Operation Expenses ⁽⁴⁾	(844,630)	(448,831)	(768,847)	(671,224)	(939,839)
Net Pledged Revenues ⁽⁵⁾	\$ 574,713	\$ 610,517	\$ 554,322	\$ 1,091,335	\$ 1,102,200
Senior Bond Aggregate Annual Debt Service ⁽⁶⁾	\$ 69,919	\$ 52,052	\$ 81,435	\$ 131,700	\$ 138,667
Senior Bond Debt Service Coverage Ratio	8.22x	11.73x	6.81x	8.29x	7.95x
Subordinate Obligations Debt Service ⁽⁷⁾	\$ 151,062	\$ 117,297	\$ 149,624	\$ 224,207	\$ 286,936
Subordinate Obligations Debt Service Coverage Ratio	3.34x	4.76x	3.16x	4.28x	3.36x
Total Debt Service Coverage Ratio	2.60x	3.61x	2.40x	3.07x	2.59x

(1) As defined in the Senior Indenture.

(2) Excludes interest income from PFC revenues, Customer Facility Charges and construction funds.

(3) Represents cash subsidy payments from the United States Treasury received in connection with the Series 2009C Bonds and the Series 2010C Bonds.

(4) As defined in the Senior Indenture. Excludes depreciation and expenses of LAX payable from sources other than Pledged Revenues. Deducted from Maintenance and Operation expenses are net non-cash pension and OPEB expenses of \$33.4 million, \$59.4 million, \$(60.7) million, \$(4.8) million and \$(3.2) million in Fiscal Years 2020, 2021, 2022, 2023 and 2024, respectively. CARES Act grant money in the amount of approximately \$9.7 million and \$249.3 million was applied to LAX Maintenance and Operation Expenses in Fiscal Years 2020 and 2021. CRRSAA grant of \$8.5 million and \$29.1 million in Fiscal Years 2022 and 2023 and ARPA grant of \$136.0 million in Fiscal Year 2023 were applied to LAX Maintenance and Operation Expenses. In addition certain ARPA funds were used for tenant rent relief in Fiscal Year 2024.

(5) As defined in the Senior Indenture. Equals Pledged Revenues less LAX Maintenance and Operation Expenses.

(6) Net of approximately \$138.9 million, \$69.0 million, \$30.7 million, \$37.7 million and \$61.3 million of PFC revenues used in Fiscal Years 2020, 2021, 2022, 2023 and 2024, respectively; and approximately \$10.5 million of CARES Act Grant in Fiscal Year 2021 to pay debt service on Senior Bonds. Presentations of the use of PFC revenues to pay debt service on Senior Bonds in this table differ from those in the audited financial statements of the Department due to differences in accounting practices. Also excludes capitalized interest and net of debt service on the Senior Bonds paid with funds other than Pledged Revenues, including proceeds of Senior and Subordinate Bonds issued in Fiscal Years 2022 and 2023.

(7) Net of approximately \$4.5 million, \$66.8 million, \$92.2 million and \$68.9 million of PFC revenues in Fiscal Years 2020, 2021, 2022, 2023 and 2024; approximately \$42.8 million and \$11.4 million of CARES Act grant money used in Fiscal Years 2020 and 2021, to pay debt service on Subordinate Bonds; approximately \$2.5 million of CRRSAA grant used in Fiscal Year 2021 and approximately \$3.6 million, \$7.8 million and \$2.4 million of ARPA grant money used in Fiscal Years 2021, 2022 and 2023, respectively, to pay debt service on Subordinate Bonds. Also excludes capitalized interest and net of debt service on the Subordinate Bonds paid with funds other than Pledged Revenues, including proceeds of Senior and Subordinate Bonds issued in Fiscal Years 2022 and 2023. Includes actual debt service with respect to the Commercial Paper Notes.

(8) Fiscal Year 2022 financial results have been restated in connection with the adoption of Government Accounting Standards Board Statement No. 96 – SBITA.

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

Investment Practices of the City Treasurer

All moneys held in the Airport Revenue Fund are currently invested by the City Treasurer in investments authorized by State law. The City Treasurer invests temporarily idle cash for the City, including that of the Department, as part of a pooled investment program (the “Pool”) which combines general receipts

with special funds for investment purposes and allocates interest earnings on a pro rata basis when the interest is earned and distributes interest receipts based on the previously established allocations. Below is a summary of assets of the Pool as of June 30, 2024:

TABLE 16
CITY OF LOS ANGELES POOLED INVESTMENT FUND⁽¹⁾⁽²⁾
ASSETS AS OF JUNE 30, 2024
(Dollars in Millions)

<i>Description</i>	<i>Market Value⁽²⁾</i>	<i>% of Total</i>	<i>Department Market Value⁽³⁾</i>	<i>LAX Market Value⁽⁴⁾</i>
<i>Short-Term Core Portfolio</i>				
Commercial Paper	\$ 867	6.12%	\$ 134	\$ 133
U.S. Treasuries	1,717	12.11	265	264
Bank Deposits	339	2.39	53	52
Negotiable Certificate of Deposits	139	0.98	21	21
Corporate Notes	427	3.01	66	66
U.S. Federal Agencies/Munic/Supras	953	<u>6.72</u>	147	146
Total Short-Term Core Portfolio:	\$ 4,442	31.33%	\$ 686	\$ 682
<i>Long-Term Reserve Portfolio</i>				
U.S. Treasuries	\$ 7,487	52.80%	\$ 1,156	\$ 1,148
Corporate Notes	1,541	10.87	238	236
U.S. Federal Agencies/Munic/Supras	466	3.29	73	72
Asset-Backed Securities	243	<u>1.71</u>	37	37
Total Long-Term Reserve Portfolio	\$ 9,737	68.67%	\$ 1,504	\$ 1,493
Total Cash & Pooled Investments	\$ 14,179	100.00%	\$ 2,190	\$ 2,175

(1) Derived from unaudited financial statements; based on General Portfolio Asset Holdings provided by the Office of Finance.

(2) Total amount held by the City in the Pool, including the funds of other departments.

(3) The Department's share of the Pool, including restricted assets; allocated by Financial Reporting Division of the Department.

(4) Inclusive of restricted cash; fund not segregated from other funds in the Pool; allocated by Financial Reporting Division of the Department.

Source: Office of Finance, City of Los Angeles and Department of Airports of the City of Los Angeles, California.

The average life of the investment portfolio in the Pool as of June 30, 2024 was approximately 2.8 years.

The City's treasury operations are managed in compliance with the California State Government Code and a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturity of investments. The City Treasurer indicates that the City does not invest in structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments and mortgage-derived interest or principal-only strips. See "CERTAIN INVESTMENT CONSIDERATIONS—Enforceability of Remedies; Limitation on Remedies; Effect of City Bankruptcy" and Note 3 – APPENDIX B—"ANNUAL FINANCIAL REPORT OF LOS ANGELES WORLD AIRPORTS (DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA) LOS ANGELES INTERNATIONAL AIRPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023."

Risk Management and Insurance

The Senior Indenture requires that the Department maintain insurance or qualified self-insurance against such risks at LAX as are usually insured at other major airports, to the extent available at reasonable

rates and upon reasonable terms and conditions. The Department is not required under the Senior Indenture to carry insurance against losses due to seismic activity and has obtained a waiver of insurance from FEMA and the State Department of Insurance, which means that the Department would be eligible for reimbursement as and if available from FEMA in the event of earthquake losses. The Department has purchased insurance to cover catastrophic property losses with limits of \$2.5 billion. Additionally, the Department has purchased insurance coverage for earthquake losses up to \$25 million at LAX and \$5.0 million at VNY, with no deductible. The Department self-insures for earthquake losses in excess of \$30 million.

The Department also purchased \$25 million primary Nuclear Chemical Biological Radiological Terrorism insurance coverage; \$5 million primary Malicious Assailant insurance coverage; \$9 million aggregate and primary excess Law Enforcement Liability insurance coverage; \$15 million aggregate and primary excess Public Officials Errors and Omissions Liability insurance coverage; and \$10 million aggregate and primary excess Employment Practices Liability insurance coverage.

The Department carries commercial aviation general liability insurance with coverage limits of \$1.3 billion for losses arising out of liability for airport operations. The self-insured retention on the commercial aviation general liability coverage is \$500,000 per occurrence for bodily injury and property damage. The liability coverage has endorsements to cover third-party bodily injury and property damage claims and suits, on premises automobile coverage, personal and advertising injury coverage, errors and omissions coverage and hangar and aircraft owner's liability coverage. As a separate coverage agreement, the Department carries employment practices liability insurance with coverage limits of \$10 million for protection against employment-related losses, including coverage for defense costs and damages, with a self-insured retention of \$1.5 million per occurrence.

The Department carries all-risk property insurance with coverage limits of \$2.5 billion for all Department properties. The deductible on this coverage is 5% per insured structure subject to \$500,000 per occurrence with no aggregate. The Department's property insurance also incorporates a special endorsement that provides coverage of \$2.0 billion for property losses resulting from acts of terrorism for declared foreign acts of terrorism and "business interruption" losses resulting from a covered property peril as well as terrorism. The Department's property insurance coverage also incorporates a special endorsement that provides for coverage for "boiler and machinery" losses up to a covered limit of \$250.

The Department carries cyber liability, ransomware and technical errors and omissions insurance (subject to a deductible) for protection against cyber liability risks as well as critical financial protection from loss, disclosure, or theft of data in any form, including but not limited to, media and content rights infringement and liability, network security failure, denial of service attacks and transmission of malicious code.

The Department also has purchased excess War and Risk Perils buy-back coverage with limits of \$1.0 billion for any one occurrence and in the aggregate. War and Risk Perils coverage includes but is not limited to any act of one or more persons, whether or not agents for a sovereign for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional and any malicious act or act of sabotage. Coverage under the War and Risk Perils endorsement may be terminated at any time by the underwriters and terminates automatically upon the outbreak of war (whether there has been a declaration of war or not) between any two or more of the following: France, the People's Republic of China, the Russian Federation, the United Kingdom or the United States, and certain provisions of the endorsement are terminated upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force.

The Department maintains an insurance reserve fund pursuant to Board policy. This fund has been established to fund uninsured or under-insured losses or where insurance capacity is unavailable or excessive in cost relative to coverage. This reserve fund would provide primary funding for catastrophic losses with

respect to LAX, VNY and Palmdale Land Holdings. As of June 30, 2024, there was approximately \$248.2 million in this fund.

Pursuant to the State Labor Code, the State Department of Industrial Relations has provided the City a Certificate of Consent to Self-Insure in connection with its workers' compensation liability. See Note 15 to APPENDIX B—"ANNUAL FINANCIAL REPORT OF LOS ANGELES WORLD AIRPORTS (DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES, CALIFORNIA) LOS ANGELES INTERNATIONAL AIRPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023." Additionally, the Department annually conducts a comprehensive review of its active loss prevention program and risk profile for both general liability and property/casualty perils. This ongoing program seeks to identify, eliminate or mitigate the loss or peril before it becomes a loss or claim and may include benchmarking surveys with other similar domestic U.S. airports as well as examination of probable loss expectancy, exposure studies that incorporate past losses and statistical probabilities of future losses. The results of such reviews are used to establish insurance for coverage perils and limits of coverage.

AIRPORT SYSTEM ENVIRONMENTAL MATTERS

Several significant environmental matters have direct and indirect impacts on the Department and LAX, some of which are described below. These include mitigation of aircraft noise impacts and wildlife hazards, hazardous substance cleanup and clean air requirements. In accordance with Department policy, generally the Department's tenant leases and/or applicable laws provide that tenants are responsible for the costs of remediation of hazardous or other regulated material from Department property and for compliance with applicable laws. However, if a tenant does not comply with these lease requirements and/or applicable laws, and under certain circumstances, the Department could ultimately become responsible for the costs of compliance and/or required environmental cleanup. The timing and aggregate costs of such cleanups cannot be determined at this time, but could be material.

Aircraft Noise Impacts

In the State, commercial airports operate under permits issued by the California Department of Transportation ("Caltrans"). Airports within the State are regulated under the State of California Aeronautics Act. The Department maintains a Noise Management Section within the Environmental Programs Division which operates the Department's noise monitoring system and prepares and submits periodic reports to Caltrans as required under applicable law.

The State does not regulate noise generation from aircraft. However, State regulations, commonly known as Title 21, require an airport proprietor that operates an airport with a noise impact area that exceeds specified airport noise standards to apply for and receive a variance. In order to obtain a variance, among other requirements, the airport proprietor must submit a plan showing how the airport expects to work toward compliance with the noise standards.

Compliance measures include sound insulation of certain incompatible structures to reduce the interior noise to acceptable levels, acquisition of incompatible properties located within the noise impact areas and the purchase of noise easements from affected property owners. An application for a new noise variance was submitted to Caltrans in July 2023, and while the application is in process, the previous three-year variance, which expired in August 2023, remains in place per Title 21 until a new variance is granted.

In support of a Noise Mitigation Program, the Department provides funding for land acquisition, residential sound insulation programs, and school sound insulation programs. The goal of these programs is to reduce the number of residences in areas impacted by noise from airport operations through voluntary acquisition of properties and relocation assistance for certain residential neighbors near LAX and acoustic treatment of certain residential dwelling units and targeted school districts. Acoustic treatment generally includes replacing doors and windows, caulking, and additional weather-stripping.

For the period from November 1997 through and including June 30, 2024, the FAA approved the collection and use of PFC revenues in the amount of approximately \$1.06 billion for Noise Mitigation Programs, which consist of \$30.9 million for reimbursement of eligible expenditures related to the Lennox Schools and approximately \$66.1 million for Inglewood Unified School District's sound insulation programs, and \$963.3 million for Noise Mitigation – Land Acquisition for incurred costs for the Voluntary Residential Land Acquisition in the Manchester Square and Belford neighborhoods near LAX and the residential Noise Mitigation Program to sound insulate residences in Los Angeles County, the City of Los Angeles, the City of El Segundo and the City of Inglewood.

As of June 30, 2024, the Department has expended approximately \$1.02 billion of PFC revenues in connection with the residential Noise Mitigation Program and for funding of eligible expenditures related to the Lennox and Inglewood Unified Schools' sound insulation programs. See "CERTAIN FUNDING SOURCES—Passenger Facility Charges" and "AIRPORT CAPITAL PLANNING—Financing the Capital Program."

The Cities of Los Angeles and Culver City have initiated a judicial petition for review of certain actions taken by the FAA in connection with recent changes to procedures that affect incoming aircraft flying over certain portions of the City on their way to LAX. The challenges relate to the environmental review and public comment process. In July 2021, the United States Court of Appeals for the Ninth Circuit held that the FAA needed to undertake an environmental review process of the changes made to the procedures and ensure that the public could participate in the process. The court also held that during the environmental review process, the changes made by the FAA could stay in place. The Department was not a participant in the case. In February 2024, the FAA filed the Final Air Traffic Environmental Review and Categorical Exclusion/Record of Decision for 2018 Amendments to certain arrival routes to LAX, which addressed the Ninth Circuit Court's finding that the FAA violated NEPA, NHPA, and Section 4(f) of the DOT Act with the implementation of the changes to those arrival routes in 2018.

Hazardous Substances

Airport operations involve the storage and use of a number of materials that are defined, or may in the future be defined, as hazardous under various federal, state, and local regulations. Petroleum products, predominantly jet fuel, comprise the majority of hazardous materials used at Department facilities. The majority of these materials are used by the Department's tenants in the normal course of their operations. However, the Department's own operations also include the storage and use of certain hazardous substances. Federal, State and local agencies also exercise responsibility related to the accidental discharge of hazardous materials.

The Department has an Environmental Programs Division tasked with performing soil and groundwater investigations, site remediation monitoring, storm water pollution prevention, Endangered Species Act compliance, air quality compliance and managing other environmental compliance programs and projects. The Department's Airport Operations group manages the wildlife hazard mitigation program. The Environmental Programs Division also monitors underground and above-ground storage tanks and hazardous substances and performs the mandated regulatory reporting on these programs. In the course of such investigations and monitoring, the Department may discover previously unknown contamination. No assurance can be given that the remediation costs for any such contamination will not be material.

The Department conducts annual inspections of tenant and Department operations at LAX, regarding compliance with the Department's National Pollutant Discharge Elimination System Storm Water Permit for Industrial Facilities (the "**Storm Water Discharge Permit**"), issued by the State Water Resources Control Board ("**SWRCB**"), Los Angeles Regional Water Quality Control Board ("**LARWQCB**") at LAX. These inspections seek to confirm compliance with the Storm Water Discharge Permit. The Department is also subject to regulation under the Construction Storm Water Permit, the City's Municipal Separate Storm Sewer System (MS4) Permit, storm water City ordinances, the City's Municipal Wastewater Permit and Industrial

Waste Permits for certain sewer discharges. The Department maintains records of all known areas where hazardous materials have been accidentally discharged. The Department works cooperatively with the relevant regulatory agencies to confirm that the responsible tenants are remediating contamination caused by their operations. There are, currently, two major remediation programs in place at LAX. One program involves the release of jet fuel to groundwater underlying LAX. The tenant at the time of the release, Continental Airlines (now merged with and into United Airlines), has accepted responsibility for the remediation and active remediation systems are in place at the direction of LARWQCB.

The Park One Property is also environmentally impacted and the subject of the second major remediation project. From approximately 1941 to 1988, the Park One Property was used for aerospace manufacturing, and included the use of chlorinated solvents. As a result, the soil and groundwater were impacted, including with volatile organic compounds and 1,4-dioxane. LARWQCB is currently providing regulatory oversight of investigation and remediation of this contamination. In or about 1991, soil remediation activities were conducted on most of the Park One Property. In 1993, LARWQCB issued a letter stating that contaminated soils in all areas covered by site investigations except the northwest quadrant had been adequately addressed. Currently, the remediation plan for the remaining portion, approximately the northwest quadrant, is being reconsidered by LARWQCB. As part of the acquisition transaction for the Park One Property, the Department became the assignee under an Indemnity Agreement entered into by Allied-Signal, Inc., now known as Honeywell International, Inc. (“**Honeywell**”) which covers, among other things, certain indemnification for soil and groundwater contamination. Honeywell has been investigating the groundwater contamination beneath and offsite from the Park One Property. The Department expects Honeywell to continue its remediation of the soil contamination and investigation of the groundwater contamination and to design and implement requisite groundwater clean-up work. Currently, and from time to time, there are smaller remediation projects in place at LAX.

The Department owns and operates underground storage tanks at LAX and VNY to provide for Department-owned vehicle fueling, emergency generator fueling, waste oil storage and fuel for the LAX aircraft fire drill site. Other ongoing investigations and assessments are being performed by the Department related to, among other things, fueling assets acquired from bankruptcy of tenants or other means where petroleum may have been released. Smaller scale clean-ups are conducted when hazardous substances are released.

The group of chemicals known as Per- and Polyfluoroalkyl Substances (“**PFAS**”), which includes perfluorooctanoic acid (“**PFOA**”), perfluorooctane sulfonic acid (“**PFOS**”), GenX chemicals and others, are found in numerous products, used in many manufacturing processes, and also in aqueous fire-fighting foam (“**AFFF**”) at airports and military bases across the country. While AFFF is effective in smothering fuel fires, a new military specification for fluorine-free foam has been developed with new product now available on the Qualified Products List. In compliance with California’s SB-1044, the Los Angeles Fire Department has transitioned to the use of fluorine-free foam and no longer uses AFFF at LAX and VNY in their firefighting apparatus. As permitted, the LAXFuel fuel farm at LAX continues to use AFFF until a suitable fluorine-free foam for that use is identified and available.

In April 2024 the United States Environmental Protection Agency (U.S. EPA) established drinking water Maximum Contaminant Levels for six PFAS compounds and the State of California adopted Public Health Goals for two PFAS compounds. In July 2024, the U.S. EPA designated PFOA and PFOS as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The Department was directed by LARWQCB to sample at two locations at LAX for PFAS in groundwater. Levels in groundwater at these sites in 2017 ranged from approximately 200 PPT to 1,700 PPT with no discernible plume pattern or gradient. In March 2019, the Department received a Water Code Section 13267 Order from SWRCB and LARWQCB for investigation of the presence of PFAS at LAX. The order was part of a statewide phased investigation plan regarding PFAS, with orders initially issued to all Part 139 airports in California that are required by the FAA to use AFFF fire-fighting foam for training or response. Subsequent investigations completed in October 2019 and August 2020 found PFAS chemicals in soil and

groundwater samples at four locations. Two of those four locations were found to have impacted groundwater but no source for the contamination. Of the other two locations, the extent of soil contamination has been defined at a former fire drill site at LAX. Additional investigations were undertaken in 2022 and 2023, including soil testing and the installation of two wells. While PFAs concentrations in groundwater at one site were generally consistent with previously detected concentration, PFAs concentrations at another site were an order of magnitude higher.

Subsequent monitoring was performed, with the most recent being in the third quarter of 2024. The groundwater monitoring data indicate potential comingling of PFAS concentrations from the fire drill sites and background concentrations from the surrounding area. Concentrations of PFAS are not delineated to non-detect levels and are not anticipated to be with further monitoring of the existing on-Site wells. As a result, and since quarterly groundwater monitoring for one year has been completed as proposed in the LARWQCB approved Work Plan, no further groundwater monitoring is planned at this time. The Department is awaiting LARWQCB review of its most recent report.

No assurance can be given that future environmental legislation, regulations, restrictions or limitations will not adversely impact operations at LAX, anticipated federal funding or PFC collections for capital projects for LAX or Pledged Revenues, Net Pledged Revenues or Subordinate Pledged Revenues.

Emission Standards

Air emissions associated with airport activities are governed by a number of federal, State and local regulations. Most notable of these are the federal Clean Air Act (the “FCAA”) and the California Clean Air Act (the “CCAA”), Assembly Bill 32, the California Global Warming Solutions Act of 2006 (“AB 32”), and various rules and regulations promulgated by the South Coast Air Quality Management District (“SCAQMD”). LAX-owned stationary equipment that produces or controls emissions currently operates under a Title V operating permit issued by SCAQMD.

The Department is subject to various mitigation measures designed to reduce emissions from airport operations at LAX, including, among other measures: provisions for all airline and tenant ground service equipment to meet low emission goals; providing ground power and preconditioned air at all passenger loading gates, allowing aircraft to shut off their auxiliary power units; installing ground power at all cargo operations and hangar areas, allowing aircraft at cargo and maintenance operations areas to shut off their auxiliary power units; provisions for medium and heavy-duty vehicles in operation at LAX to meet low emission goals; and reducing construction emissions through the use of low polluting construction equipment and exhaust emission controls.

On November 7, 2019, the Board approved a set of air quality improvement measures (the “AQIM”) developed in consultation with SCAQMD. The AQIM outlines measures the Department plans to take to reduce emissions of NOx from airport operations and includes a Memorandum of Understanding with SCAQMD (the “SCAQMD MOU”) which provides for the Department to implement specific air quality improvement measures (i.e., the Ground Support Equipment Emissions Reduction Program, the LAX Alternative Fuel Vehicle Incentive Program, and the conversion of Department-owned buses to zero-emission vehicles) and quantify emissions from those measures to assist SCAQMD in obtaining reductions for such measures to meet SCAQMD’s obligations under the FCAA and CCAA. The Department is implementing the SCAQMD MOU, the AQIM and related air quality improvement measures at LAX.

The Department has conducted an extensive air quality analysis and adopted numerous mitigation measures designed to reduce the air quality impacts associated with implementation of the Department’s Capital Program. For each project undertaken, the Department must disclose project level air quality environmental impacts under a project specific CEQA study.

AB 32 and related California legislative action specifically regulates the release of certain greenhouse gas (“GHG”) emissions from stationary sources within the State. The Mandatory Reporting requirement under AB 32 requires facilities that generate greater than 10,000 metric tons of carbon dioxide equivalent (“MtCO₂e”) per year to report their GHG emissions. The Department owns and operates a cogeneration plant at LAX along with other stationary sources in the facility (e.g., natural gas boilers and heaters). The Department complies in all material respects with all requirements under AB 32. In addition to the AB 32 Mandatory Reporting requirement, the Department also must report its GHG emissions to the EPA. Since 2011, the Department has reported its GHG emissions from these sources in substantial compliance with applicable requirements. The State Attorney General’s Office has been using CEQA aggressively to apply the provisions of AB 32 to local and regional plans as well as to projects. Project level CEQA analysis prepared for projects at LAX must include an analysis of the project’s potential GHG emissions and impacts. Since January 2013, facilities such as LAX that are subject to the Mandatory Reporting requirement under AB 32 are required to comply with the California Cap and Trade Program applicable to certain sources of GHG emissions in the State such as refineries, power plants, industrial facilities and transportation fuels. The California Cap and Trade Program includes an enforceable GHG cap that will decline over time. Under the California Cap and Trade Program, the California Air Resources Board (“CARB”) distributes GHG allowances, which are tradable permits, equal to the emission allowed under the cap. The Department is required to obtain emission allowances for annual emissions at LAX. These emission allowances can be obtained by way of free allocation from CARB, through purchase from the secondary market and CARB auction, and reserve sale. The cost to the Department of obtaining required emissions allowances is dependent on the actual emissions generated at LAX and the price fluctuations in the market for emissions credits. The Department expects to recoup the cost of purchasing emission credits through landing fees at LAX and/or LAX terminal rates and charges, as applicable. The consequences of not meeting an annual compliance obligation can include enforcement actions and penalties equivalent to four times the facilities’ excess emissions. Various industries throughout the State may seek to purchase emission allowances to comply with the Cap-and-Trade Program, which may cause the price of allowances to increase. As of August 2024, the emission allowance price was approximately \$30 per MtCO₂e. LAX emits on average approximately 32,000 MtCO₂e annually when fully operational. The Department’s purchase of allowances may vary and no assurance can be given that such costs will not be material.

SCAQMD imposes rules and regulations specifically targeted at various air pollutants and types of operations such as hydrant fueling, private vehicle fueling, power generators, boilers and the use of various volatile organic chemical containing materials. The LAX Central Utilities Plant is a co-generation plant providing electricity and cooling/heating to the Central Terminal Area. SCAQMD requires continuous emissions monitoring and stringent environmental oversight of the Central Utilities Plant (a power generating plant). The Department’s Environmental Programs Division includes an Air Quality Section with four full-time professional staff assigned to maintain compliance with the various rules and regulations.

See also “THE DEPARTMENT OF AIRPORTS—Sustainability Initiatives,” “AIRPORT CAPITAL PLANNING,” “CERTAIN INVESTMENT CONSIDERATIONS—Regulations and Restrictions Affecting LAX; Climate Change.”

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2025ABC Subordinate Bonds involve investment risk and may not be suitable for all investors. Prospective investors are urged to read this Official Statement, including its appendices, in its entirety. The factors set forth in this Official Statement, among others, may affect the security for and/or trading value of the Series 2025ABC Subordinate Bonds. The information contained in this Official Statement relates solely to the Series 2025ABC Subordinate Bonds and speaks only as of the date of this Official Statement. The information in this Official Statement does not purport to be a comprehensive or complete discussion of all risks or other considerations that may be relevant to an investment in the Series 2025ABC Subordinate Bonds. Other factors may exist which may be material to investors based on their respective individual characteristics. In addition, the order in which the following information is presented is

not intended to reflect the relative importance of any such considerations. Additional risk factors relating to the purchase of Series 2025ABC Subordinate Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, Pledged Revenues, Net Pledged Revenues, or Subordinate Pledged Revenues or individual investors. In addition, although the various risks discussed in this Official Statement are generally described separately, prospective investors of the Series 2025ABC Subordinate Bonds should consider the potential effects of the interplay of multiple risk factors which could occur concurrently. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There can be no assurance that other risks or considerations not discussed in this Official Statement are or will not become material in the future.

General

The revenues of the Department are affected by the economic health of the air transportation industry and the airlines serving the Airport System. Certain factors that may materially affect the Airport System and the Department's operations and revenues include, but are not limited to: (i) public health risks, such as COVID-19; (ii) national and international economic conditions and currency fluctuations; (iii) the population growth and the economic health of the region and the nation; (iv) the financial health and viability of the airline industry; (v) air carrier service and route networks; (vi) the availability and cost of aviation fuel and other necessary supplies; (vii) changes in demand for air travel; (viii) service and cost competition; (ix) levels of air fares; (x) fixed costs and capital requirements; (xi) the cost and availability of financing, including federal funding; (xii) the capacity of the national air traffic control system; (xiii) the capacity of the Airport System and of competing airports; (xiv) alternative modes of travel and transportation substitute; (xv) national and international disasters and hostilities; (xvi) the cost and availability of employees; (xvii) labor relations within the airline industry and the availability of labor generally; (xviii) regulation by the federal government; (xix) evolving federal restrictions on travel to the United States from certain countries; (xx) environmental risks and regulations, noise abatement concerns and regulations, emissions standards and regulations and the effects of climate change; (xxi) bankruptcy and insolvency laws; and (xxii) aviation safety and security concerns, cybersecurity and other safety concerns arising from international conflicts, the possibility of terrorist or other attacks and other risks (including the impact of such attacks on other airports that have flights to or from LAX, as well as the possibility of the closure of those airports for a period of time).

Worldwide Health Concerns

Travel restrictions, as well as other public health measures may be imposed to limit the spread of communicable diseases that may arise. The COVID-19 pandemic had an adverse effect on domestic and international travel and a number of travel-related industries, and has severely and broadly disrupted local and global economies.

Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention, warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which was linked to birth defects, were occurring. In 2009, WHO and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of the outbreaks of a serious strain of H1N1 influenza. In spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called Severe Acute Respiratory Syndrome, or "SARS".

Future outbreaks or pandemics may lead to a further decrease in air traffic, at least for a temporary period, which in turn could cause a further decrease in passenger activity at the Airport and a corresponding decline in Revenues. A disruption to the global supply chain due to a pandemic can also stall manufacturing and construction operations, which in turn could interfere with the implementation of the Airport Capital Program and other operations, or the operations of the airlines operating at LAX.

Demand for Air Travel, Aviation Activity and Related Matters

The Senior Bonds are payable solely from Net Pledged Revenues and other available funds. The Subordinate Obligations are payable solely from Subordinate Pledged Revenues and other available funds. Net Pledged Revenues, Subordinate Pledged Revenues, PFC revenues and CFC revenues depend significantly on the level of aviation activity, enplaned passenger traffic at LAX and passenger spending at airport facilities.

Air travel demand has historically correlated to the national economy, generally, and consumer income and business profits in particular. The long-term implications of recent economic, public health and political conditions are unclear. A lack of sustainable economic growth or unexpected events could negatively affect, among other things, financial markets, commercial activity and consumer spending.

Economic conditions throughout the world and in the United States, the State and the Los Angeles CSA influences the demand for passenger and cargo services at LAX. Consequently, economic assumptions that underlie the projections of enplaned passengers in this Official Statement and the Report of the Airport Consultant are based on a review of global, national, State and regional economic projections, as well as analyses of historical socioeconomic trends and airline traffic trends. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

The level of aviation activity and enplaned passenger traffic at LAX depend upon and are subject to a number of factors, including those discussed above and other economic and political conditions; international hostilities; world health concerns; aviation security concerns, including criminal and terrorist incidents; federal government-mandated security measures; accidents involving commercial passenger aircraft; airline service and routes; airline fares and competition; capacity of and changes to (including any privatization of) the national air traffic control and airport systems; reliability of air service; business travel substitutes, including teleconferencing, videoconferencing and web-casting; consumer price sensitivity; environmental consciousness; changes in law and the application thereof, among others.

In addition, competition from other airports and from alternative modes of transport from the Los Angeles CSA to certain destinations may impact aviation activity and enplaned passenger traffic at LAX. See APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for a description of other airports operating in the Los Angeles CSA.

In addition to revenues from airlines, the Department derives a substantial portion of its revenues from concessionaires including parking operations, terminal commercial manager concessions, duty free concessions, food and beverage concessions, retail concessions, rental cars and TNCs. See “USE OF AIRPORT FACILITIES—Concession and Parking Agreements.” Declines in passenger traffic or changes in the way passengers transact with concessionaires have adversely affected and may in the future adversely affect the commercial operation of concessionaires and alter the mix of revenues at LAX. While the Department’s agreements with concessionaires require the concessionaires to pay a minimum annual guaranty, severe financial difficulties for a concessionaire could lead to a failure by one or more concessionaires to make payments required under such concession agreements and/or interrupt such concessionaires’ operations. See “—Financial Condition of the Airlines; Effect of Airline Industry Consolidation; Effect of Airline and Counterparty Bankruptcies,” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Prior to the COVID-19 pandemic, revenues from TNCs represented an increasing portion of LAX Revenues and may have been contributing to a change in revenue sources, away from parking, rental cars, taxis and limousines. Emerging technologies, including autonomous vehicles and new transportation business strategies, may contribute to additional changes in the Department’s revenue sources. There can be no assurance that these changes will not adversely affect the Department’s revenues.

Many of these factors are outside the Department’s control. A number of these factors are discussed in APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.”

Industry Workforce and Labor Shortages

From time to time, workforce and labor shortages (including pilots, flight attendants, mechanics and other personnel) have resulted in difficulties in certain airlines restoring and maintaining routes and generally providing service. The shortage of pilots available to regional airlines may result in reduced service to some smaller U.S. markets. In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large number of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

General labor staffing shortages have also affected the airline industry and the FAA. Over the last few years, numerous airlines have cancelled thousands of flights attributed to bad weather, staffing shortages and air traffic control issues, among other things.

Labor shortages or discord among labor, including strikes, within the Department or the Airport System, or other industries affecting or relating to the Department's operations and finances, could adversely impact the Department's operations or finances.

Aviation Fuel Costs

Fuel is a significant cost component of airline operations and continues to be an important and uncertain determinant of an air carrier's operating economics. Historically, aviation fuel prices have been particularly sensitive to worldwide political instability (such as the current conflict in Ukraine and the resulting sanctions that have been brought against Russia and its oil production). Continued or new hostilities in petroleum producing regions or affecting key shipping lanes or other supply chain disruptions or the potential of tariffs could dramatically increase the price and adversely affect the availability of aviation fuel. Significant and prolonged increases in the cost of aviation fuel have had and are likely in the future to have an adverse effect on the air transportation industry by increasing airline operating costs and reducing airline profitability.

Financial Condition of the Airlines; Effect of Airline Industry Consolidation; Effect of Airline and Counterparty Bankruptcies

Financial Condition of the Airlines. The ability of the Department to generate Pledged Revenues, Net Pledged Revenues and Subordinate Pledged Revenues depends, in part, upon the financial health of the aviation industry. The economic condition of the industry has historically been volatile, and the aviation industry has undergone significant changes, including mergers, acquisitions, bankruptcies and closures in recent years. Furthermore, the aviation industry is sensitive to a variety of factors, including the cost and availability of labor, fuel, aircraft, supplies and insurance; general economic conditions; international trade; currency values; competitive considerations, including the effects of airline ticket pricing; traffic and airport capacity constraints; governmental regulation, including security and climate change-related regulations; taxes imposed on airlines and passengers; maintenance and environmental requirements; passenger demand for air travel; strikes and other union activities; availability of financing; and disruptions caused by airline accidents, technology failures, prolonged adverse weather conditions, criminal incidents, public health concerns and acts of war or terrorism. See "AIRLINE INDUSTRY INFORMATION."

Due to the discretionary nature of business and personal travel spending, airline passenger traffic and revenues are influenced by the state of the national economy (see the factors discussed in "—Demand for Air Travel, Aviation Activity and Related Matters"), other regional and world economies, business profitability, security concerns and other factors. The Department does not make any representation concerning the financial health of any airline, and no assurance can be given regarding the impact, if any, that future unfavorable events affecting airline users or the airline industry generally might have upon Pledged Revenues, Net Pledged Revenues, Subordinate Pledged Revenues or the Department.

The aviation industry is cyclical and subject to intense competition and variable demand. Aviation industry related performance has been volatile. There can be no assurance that weak economic conditions or other national and international fiscal concerns would not have an adverse effect on the air transportation industry while the Series 2025ABC Subordinate Bonds remain outstanding.

Consolidation of Airline Industry. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible that the airlines serving LAX could further consolidate operations through acquisition, merger, alliances, and code share sales strategies.

Airline consolidation has also occurred through the creation of global alliances and joint ventures. Airlines worldwide have increasingly sought to increase revenues, share costs and expand the reach of their route networks by developing international partnerships through multilateral alliances or joint ventures.

Additionally, seat capacity has become more concentrated among fewer airlines. The three largest United States network airlines, as measured by the number of enplaned passengers (American Airlines, Delta Air Lines, and United Airlines), currently have a strong presence at LAX, and as indicated in each airline's share of enplaned passengers for Fiscal Year 2024: Delta Air Lines (19.74%), American Airlines (15.1%), and United Airlines (15.1%).

Depending on which airlines serving LAX, if any, merge or join alliances, the result may be fewer flights by one or more airlines, which decrease could be significant.

Such decreases could result in reduced Pledged Revenues, Net Pledged Revenues and Subordinate Pledged Revenues, reduced PFC collections and increased costs for the airlines and concessionaires serving LAX. It is not possible at this time to predict the effect on gate usage at LAX, or the corresponding impact on Pledged Revenues, Net Pledged Revenues, Subordinate Pledged Revenues, PFC collections or airline or concessionaire costs, as a result of unknown potential airline consolidations.

Unmanned Aerial Vehicles. With the proliferation of inexpensive, commercially available, unmanned aerial vehicles ("UAVs"), or drones, the threat that unauthorized and unsafe UAV operations near airports could adversely affect the safety or security of U.S. airports and arriving or departing aircraft has increased significantly in recent years. There can be no assurance, however, that in the future, unauthorized UAV activity will not adversely affect LAX operations.

Effect of Contractual Counterparty Bankruptcies. A number of airlines and concessionaires (i.e., rental car companies) that served or are currently serving LAX have filed for bankruptcy protection in the past and may do so in the future. (Spirit Airlines is currently in bankruptcy proceedings, but continues to operate at LAX.) Historically, bankruptcies of airlines operating at LAX have resulted in transitory reductions of service levels, even in cases where such airlines continued to operate in bankruptcy. Future bankruptcies, liquidations or major restructurings of other airlines and/or concessionaires or other contractual counterparties may occur. While it is not possible to predict the impact on LAX of future bankruptcies, liquidations or major restructurings of contractual counterparties (including contractors for LAX construction projects), if a contractual counterparty has significant operations or obligations at LAX, its bankruptcy, liquidation or major restructuring could have a material adverse effect on revenues of the Department, operations at LAX, the costs to other contractual counterparties to operate at LAX (as, for instance, certain costs allocated to any such airline or concessionaire may be passed on to the remaining airlines or concessionaires under their respective agreements and there can be no assurance that such other contractual counterparties would be financially able to absorb the additional costs) and may result in delays or reductions in payments on Senior Bonds and Subordinate Obligations (including the Series 2025ABC Subordinate Bonds). The bankruptcy of a contractual counterparty (such as an airline or rental car company) may allow, over the long term, such counterparty to reduce its costs or improve its profitability, thus incentivizing similar contractual counterparties to consider bankruptcy protection to remain competitive.

In the event of a bankruptcy by a contractual counterparty operating at LAX, the automatic stay provisions of the United States Bankruptcy Code (the “**Bankruptcy Code**”) could prevent (unless approval of the Bankruptcy Court was obtained) an action to collect amounts owing by the contractual counterparty to the Department or other actions to enforce the obligations of the contractual counterparty to the Department and/or the City (e.g., requirements to make capital investments under the applicable agreements). With the authorization of the Bankruptcy Court, the contractual counterparty may be able to repudiate some or all of its agreements with the Department and/or the City and stop performing its obligations (including payment obligations) under such agreements. The contractual counterparty may be able, without the consent and over the objection of the Department and/or the City, the Senior Trustee, the Subordinate Trustee and the holders of the Senior Bonds and the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds), to alter the terms, including the payment terms, of its agreements with the Department and/or the City as long as the Bankruptcy Court determines that the alterations are fair and equitable. In addition, with the authorization of the Bankruptcy Court, the contractual counterparty may be able to assign its rights and obligations under any of its agreements with the Department and/or the City to another entity despite any contractual provisions prohibiting such an assignment. The Senior Trustee, the Subordinate Trustee, and the holders of the Senior Bonds and the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds), as applicable, may be required under the Bankruptcy Code to return to the contractual counterparty as preferential transfers any money that was used to make payments on the Senior Bonds or the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds) and that was received by the Department from the contractual counterparty during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the Department and/or the City under any agreement with such contractual counterparty may be subject to further limitations under the Bankruptcy Code.

Pursuant to the PFC Acts, the FAA has approved the Department’s applications to require the airlines to collect and remit to the Department a PFC on each enplaning revenue passenger at LAX. See “AIRPORT CAPITAL PLANNING—Financing the Capital Program.” The PFC Acts provide that PFC revenues collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Department) imposing the PFC revenues, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. The airlines, however, are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Department cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at LAX. Regardless, the Department could be held to be an unsecured creditor with respect to unremitted PFC revenues held by an airline that has filed for bankruptcy protection. Additionally, the Department cannot predict whether an airline operating at LAX that files for bankruptcy protection would have properly accounted for the PFC revenues owed to the Department or whether the bankruptcy estate would have sufficient moneys to pay the Department in full for the PFC revenues owed by such airline. See “AIRPORT CAPITAL PLANNING—Financing the Capital Program” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information about the Department’s expected use of PFC revenues.

CFC revenues collected by the rental car companies at LAX may constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Department) imposing the CFC, except for any handling fee or retention of interest collected on unremitted proceeds. The rental car companies may be permitted to commingle CFC collections with other revenues and may be entitled to retain interest earned on CFC collections until such CFC collections are remitted. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Department cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the rental car companies operating at LAX. Regardless, the Department could be held to be an unsecured creditor with respect to unremitted CFC revenues held by a rental car company that has filed for bankruptcy protection. Additionally, the Department cannot predict whether a rental car company operating at LAX that files for bankruptcy protection would have properly accounted for the CFC revenues owed to the Department or whether the bankruptcy estate would have sufficient moneys to

pay the Department in full for the CFC revenues owed by such rental car company. See “USE OF AIRPORT FACILITIES—Concession and Parking Agreements—Rental Cars” and APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT” for additional information about the Department’s expected use of CFC revenues.

With respect to a contractual counterparty in bankruptcy proceedings in a foreign country, the Department is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, nor the extent to which any such orders would be enforceable in the United States.

Other possible effects of a bankruptcy of a contractual counterparty include, but may not be limited to, delays or reductions in revenues received by the Department and potentially in delays or reductions in payments on the Series 2025ABC Subordinate Bonds. Regardless of any specific adverse determinations in a contractual counterparty bankruptcy proceeding, the fact of a contractual counterparty bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2025ABC Subordinate Bonds. To date, the Department has not incurred any material losses from recent contractual counterparty bankruptcies. See also “USE OF AIRPORT FACILITIES” regarding performance guaranties required by the Department.

The Department makes no representation with respect to the continued viability of any of the carriers or contractual counterparties serving LAX, airline service patterns, or the impact of any contractual counterparty failures on the Net Pledged Revenues, Subordinate Pledged Revenues and PFC or CFC collections.

Aviation Safety; Security Concerns; Cyber Security

Concerns about the safety of airline travel and the effectiveness of security precautions may influence, and in some instances have influenced, passenger travel behavior and air travel demand, particularly in light of recent aviation safety incidents, fatal crashes of aircraft, existing international hostilities, potential terrorist attacks and world health concerns, including epidemics and pandemics.

Aviation Safety. The Boeing 737 MAX aircraft (the “MAX”) was grounded in March 2019 after fatal crashes of that aircraft that were suspected to have been caused by malfunctions of the automated flight control system. In November 2020, the FAA issued an order enabling MAX aircrafts to resume operations upon receipt of FAA airworthiness certificates and export certificates of airworthiness. The FAA also published an Airworthiness Directive, which specifies design changes that must be made before the MAX may return to service. The MAX has since returned to service in the United States without further incident. The U.S. DOT inspector general issued a report in February 2021 with 14 recommendations for the FAA to implement to improve the certification process for future new planes. While the grounding has not caused significant flight cancellations at the Airports, safety concerns of travelers and future aircraft grounding could, in the future, impact airlines serving the Airports.

On April 9, 2021, Boeing warned airlines of a new possible electrical insulation fault in the recent production of some MAX planes. The top three U.S. MAX operators – Southwest Airlines, American Airlines and United Airlines – removed a total of 63 jets from service following the notice from Boeing. At the FAA’s request, Boeing supplied analysis and documentation showing that numerous MAX subsystems would not be affected by electrical grounding issues. The FAA reviewed Boeing’s analysis and approved the service bulletins sent to airlines on May 13, 2021.

Security Concerns. As a result of terrorist activities, certain international hostilities and risk of violent crime, the Department has implemented enhanced security measures mandated by the FAA, the TSA, the Department of Homeland Security and Airport management. Current and future security measures may create significantly increased inconvenience, costs and delays at LAX which may give rise to the avoidance of air travel generally and the switching from air to ground travel modes and may adversely affect the Department’s operations, expenditures and revenues.

LAX has been the target of a foiled terrorist bombing plot, has been recognized as a potential terrorist target and has been the scene of a shooting where a TSA officer was killed and several other people were injured in 2013. Recent incidents at United States and international airports underscore this risk. LAX is a high profile public facility in a major metropolitan area. The Department cannot predict whether LAX or any of the Department's other airports will be actual targets of terrorists or other violent acts in the future.

Cyber Security. Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the Department, concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Breaches and disruptions have occurred in the airline industry generally. Any such disruption, access, disclosure or other loss of information could result and have resulted in disruptions in the efficiency of the air travel industry, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and could cause a loss of confidence in the air travel industry, which could ultimately adversely affect Department revenues.

The Department's cyber security measures include multiple layers of security, such as endpoint protection, firewalls, anti-virus software, anti-spam/malware software, intrusion prevention, intrusion detection, log monitoring, incident response, identity and access management and privileged access management to safeguard against cyberattacks. The Department partners with local, State and federal agencies to keep abreast of cyber threats and ensure that it keeps up with best practices in this area, and the Department's network is scanned by third party consultants on a regular basis. The Department also conducts regular security awareness training for employees.

In December 2024, hackers attempted to take unauthorized control of some non-critical airport IT systems. While the airport's cyber security response successfully defended the Department from the attack, the cyber security team temporarily disconnected some specific Department IT systems from the internet while a vulnerability discovered during the initial attack was remediated. During this period, there was no disruption of operations at LAX because of the December 2024 incident, nor was any Department funds or proprietary information accessed. There can be no assurance that a future attack or attempted attack would not result in disruption of operations at LAX. The Department expects that any such disruptions would be temporary in nature due to its backup/restore procedures, cyber security response protocols and disaster recovery planning.

Regulations and Restrictions Affecting LAX; Climate Change

The operations of LAX are affected by a variety of contractual, statutory and regulatory restrictions and limitations including extensive federal legislation and regulations, including, without limitation, the provisions of the Airport Terminal Tariff, terminal leases, the Rate Agreement, various grant assurances, the federal acts authorizing the imposition, collection and use of PFC revenues and CFC revenues and extensive federal legislation and regulations applicable to airports in the United States, all of which are subject to change at times and in manners that the Department is unable to predict and which could have adverse consequences on the Department and/or the airlines and concessionaires operating at LAX.

In general, federal aviation law requires that airport fees charged to airlines and other Aeronautical Users be reasonable and that, in order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. Although the Department believes that it is in compliance with these requirements, the Department

faces occasional challenges to the reasonableness of rates charged and payments made. See “AIRPORT CAPITAL PLANNING—Financing the Capital Program.” Furthermore, no assurance can be given that additional challenges relating to the reasonableness of fees charged at LAX or the use of airport generated revenues will not be filed in the future. An adverse determination in a challenge or audit could limit the ability of the Department to charge airlines and other Aeronautical Users rates sufficient to meet the covenants in the Senior Indenture and the Subordinate Indenture which would require the Department to increase rates and fees charged to non-Aeronautical Users, could result in the loss of certain federal funding and could have a material adverse impact on the Pledged Revenues, the Net Pledged Revenues and the Subordinate Pledged Revenues. Further, federal grants are paid on a reimbursement basis and are subject to audit. Failure to comply with federal statutes and regulations can result in the loss of PFC revenues and federal grants.

The IRS includes a Tax Exempt and Government Entities Division, which has a subdivision that is specifically devoted to tax-exempt bond compliance. The Department can provide no assurance that, if an IRS examination of the Series 2025ABC Subordinate Bonds was undertaken, it would not adversely affect the market value of the Series 2025ABC Subordinate Bonds.

Changes in the earth’s average atmospheric temperature, generally referred to as “climate change,” and related concerns have led to new laws and regulations at the federal and State levels that could have a material adverse effect on the Department’s operations and on airlines operating at LAX. The EPA has taken steps towards the regulation of GHG emissions under existing federal law. On January 11, 2021, the EPA issued a final rule entitled Control of Air Pollution from Airplanes and Airplane Engines: GHG Emission Standards and Test Procedures, 86 Fed. Reg. 2136 (Jan. 11, 2021). The rule adopts GHG standards equivalent to those adopted by the International Civil Aviation Organization in 2017. The standards apply to certain types of new aircraft, but not to existing airplanes already in service.

In January 2021, a coalition of states including California filed a petition to review in the United States Court of Appeals for the District of Columbia, challenging the final rule as unlawful and requesting remand to the EPA. The petitioners argued that the rule will not reduce aircraft emissions and cause no action by aircraft manufacturers. The EPA reviewed the rule pursuant to President Biden’s Executive Order 13990, which directed agency review of regulations promulgated, issued or adopted between January 20, 2017 and January 20, 2021, and announced in November 2021 that it did not propose any changes to the rule. The petition to review the rule is pending. The impact to the Airport System is not expected to be significant, and the rule does not require modifications to airports.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including California, and have been proposed on the federal level. California passed AB 32, which requires the statewide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, CARB made the final adjustments to its implementation of AB 32: the California cap-and-trade program (the “**California Cap and Trade Program**”). In August 2016, Senate Bill 32 was enacted and extends the California Cap and Trade Program and CARB to ensure that California-wide GHG emissions are reduced by at least 40% below the California-wide emissions limit not later than December 31, 2030. CARB has released its 2022 Scoping Plan Update, which is intended to achieve carbon neutrality by 2045 and cut Statewide GHG emissions by 85% below 1990 levels. The Department’s annual MtCO₂e emissions exceed 25,000 metric tons and therefore the Department is required to participate in the California Cap and Trade Program. California Cap and Trade Program credits are market based, thus, the annual costs for participation in the program may vary. The California Cap and Trade Program may result in rising electricity and fuel costs, which may adversely affect the airlines serving LAX and the Department’s operations.

SCAQMD also imposes rules and regulations specifically targeted to various air pollutants and types of operations such as hydrant fueling, private vehicle fueling, power generators, boilers and the use of various volatile organic chemical containing materials.

See “THE DEPARTMENT OF AIRPORT—Sustainability Initiatives” and “AIRPORT SYSTEM ENVIRONMENTAL MATTERS.”

It is not possible to predict whether future restrictions or limitations on operations at or affecting LAX will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for LAX or whether such restrictions or legislation or regulations would adversely affect Pledged Revenues, Net Pledged Revenues or Subordinate Pledged Revenues.

Federal Funding

The Department receives certain federal funds including from the AIP. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). See “CERTAIN FUNDING SOURCES.” Additionally, certain operations at LAX are supported by federal agencies including, flight traffic controllers, FAA, TSA, FBI and Customs and Border Security, among others. Federal agencies also have regulatory and review authority over, among other things, certain LAX operations, construction at LAX and the airlines operating at LAX.

From time to time, the federal government has, and may in the future, come to an impasse regarding, among other things, reauthorization of the FAA (which has historically included funding for AIP) and other federal appropriations and spending.

Failure to adopt such legislation may have a material, adverse impact on, among other things: (i) federal funding received by the Department, including under the AIP; (ii) federal agency budgets, hiring, furloughs, operations and availability of federal employees to support certain operations at LAX, provide regulatory and other oversight and review and provide required approvals, in each case at LAX and over the airlines serving LAX; and (iii) flight schedules, consumer confidence, operational efficiency at LAX and in the air transportation system generally. In addition, the anticipated federal spending could be affected by, among other things, automatic across-the-board spending cuts, known as sequestration. Sequestration and other actions (or inactions) by Congress have in the past and could again in the future affect the Department’s receipt of other federal funds, including, but not limited to, the Department’s receipt of Build America Bond subsidies.

In addition, the federal government has recently issued a series of executive orders, and the Office of Management and Budget has issued guidance, that suspend or limit federal government funding to state and local entities. Certain of these actions have been the subject of judicial challenges. The Department cannot predict the outcome of future federal administrative actions, legislation or budget deliberations and the impact that such budgets will have on federal funding to the Department, or federal funding in support of the airport traffic system.

There can be no assurance that the Congress will enact and the President will sign federal appropriation legislation or future FAA reauthorization which may require the Department to fund capital expenditures forecast to come from such federal funds and from other sources (including operating revenues, Additional Senior Bonds or Additional Subordinate Bonds), result in decreases to the Department’s Capital Program or extend the timing for completion of certain projects, and the Department is also unable to predict the future impact of any federal spending cuts or appropriation impasses on airline traffic at LAX or the Department’s revenues. See “AIRPORT CAPITAL PLANNING—Financing the Capital Program.” See also “—Changes in Law and Application Thereof.”

The Report of the Airport Consultant assumes that the Department will receive approximately \$1.1 billion of additional federal grants through Fiscal Year 2034. See “CERTAIN FUNDING SOURCES—Grants.”

Considerations Regarding Passenger Facility Charges

Pursuant to the PFC Acts, the FAA has approved the Department's applications to require the airlines to collect and remit to the Department a PFC on each enplaning revenue passenger at LAX. The Department expects to use PFC revenues to pay a portion of the debt service on PFC Eligible Obligations.

Debt service to be paid with PFC revenues is not included in the coverage calculations described in "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025ABC SUBORDINATE BONDS—Passenger Facility Charges," "FINANCIAL AND OPERATING INFORMATION CONCERNING LAX—Debt Service Coverage" or APPENDIX A—"REPORT OF THE AIRPORT CONSULTANT."

No assurance can be given that the Department's authority to collect PFC revenues will be increased or extended. Further, no assurance can be given that PFC revenues will actually be received in the amounts or at the times contemplated by the Department. The amount and timing of receipt of actual PFC revenues may vary depending on actual levels of qualified passenger enplanements at LAX. See "—Demand for Air Travel, Aviation Activity and Related Matters."

In addition, the FAA may terminate the Department's ability to impose PFC revenues, subject to informal and formal procedural safeguards, if: (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Acts or the regulations promulgated thereunder; or (b) the Department otherwise violates the PFC Acts or regulations. The Department's authority to impose PFCs may also be terminated if the Department violates certain AIP grant assurances and certain provisions of the Airport Noise and Capacity Act of 1990 ("ANCA") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Department's authority to impose PFCs would not be summarily terminated. No assurance can be given that the Department's authority to impose PFCs will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or by the FAA so as to reduce PFC revenues available to the Department or that the Department will not seek to decrease the amount of the PFCs to be collected.

In the event the FAA or Congress reduced or terminated the Department's ability to collect PFC revenues, or PFC collections were otherwise less than anticipated, the Department would need to identify other funding sources to pay the debt service it expects to pay with PFC revenues. In addition, in such a circumstance the Department might need to identify other sources of funding, including issuing Additional Senior Bonds and/or Additional Subordinate Bonds, to finance the projects currently being paid for, or projected to be paid for, with PFC revenues.

The overall capital program funding plan, projected airline payments and other financial results reflected in the Report of the Airport Consultant are based on an assumption by the Airport Consultant that the current \$4.50 PFC level will remain the same during the Forecast Period.

See "AIRPORT CAPITAL PLANNING—Financing the Capital Program," "CERTAIN FUNDING SOURCES—Passenger Facility Charges," and APPENDIX A—"REPORT OF THE AIRPORT CONSULTANT" for additional information about the Department's expected use of PFC revenues. See also "—Changes in Law and Application Thereof."

Delays and Cost Increases; Future Capital Projects; Additional Indebtedness

The estimated costs of and projected schedule and sources of funding for the Existing Capital Program and the Next Airport Capital Program are described in the Report of the Airport Consultant. These costs, schedule and sources of funding are subject to a number of uncertainties and capital project budgets and financing plans are updated and have increased materially from time to time.

The ability of the Department to complete and finance capital projects may be adversely affected by various factors including: estimating variations; design and engineering variations; changes to the scope, scheduling or phasing of the projects; delays in contract awards and/or as a result of the acts or omissions of third parties; material and/or labor shortages; unforeseen site conditions; adverse weather conditions, earthquakes or other casualty events; contractor or other counterparty defaults; labor disputes; unanticipated levels of inflation; inability of concessionaires, airlines, developers or other transaction participants to obtain or maintain financing; environmental issues; pandemics or epidemics, including the COVID-19 pandemic; governmental orders or acts; bidding conditions through the Department's procurement process; and litigation. In addition, recent federal policies concerning tariffs and immigration could result in increased costs and/or impact construction schedules.

For example, from time to time contractors have asserted claims under their construction contracts that have resulted in delays and material additional costs. There are a number of claims currently pending, and additional claims may be made in the future. See "AIRPORT CAPITAL PLANNING—Completion of the Automated People Mover System." As of the date of this Official Statement, the Department is unable to predict the overall impact of any such claims. Particularly in light of the very large scope of the Department's capital plans, no assurance can be given that the existing or future projects will not cost more than the current budget or future budgets for such projects, and such cost overages may be material. Schedule delays or cost increases could result in the need to issue Additional Senior Bonds and/or Additional Subordinate Bonds, the expenditure of additional Department funds and the diversion of financial and other resources to such projects, and may result in increased costs to the airlines and others operating at the Airport. As a result, actual results could differ and have differed materially from forecasts.

In addition, certain funding sources are assumed to be available for the Department's projects, including the Capital Program. For example, the Report of the Airport Consultant includes assumptions that concessionaires, airlines, developers or other terminal participants will develop for the Department's eventual acquisition certain elements of the Capital Program and that the Department will receive additional PFC collection authority, AIP grant funding, TSA funding and CFCs for various projects referenced under "AIRPORT CAPITAL PLANNING—Financing the Capital Program" and described in greater detail in APPENDIX A—"REPORT OF THE AIRPORT CONSULTANT." See also "—Considerations Regarding Passenger Facility Charges." The Report of the Airport Consultant also contains assumptions as to the projected amount of Senior Bonds, Subordinate Obligations and other funding sources for the Existing Capital Program and the Next Airport Capital Program. The relative amount of these funding sources directly affects the projected debt service and projected debt service coverage ratios set forth in the Report of the Airport Consultant. No assurance can be given that such development or funding will, in fact, be available, or that the Department will not change its plan of finance described in the Report of the Airport Consultant. If such development or funding sources or other funding sources referred to in the Report of the Airport Consultant are not available or the Department changes its plan of finance as described in the Report of the Airport Consultant, the Department may need to expend additional Department funds, eliminate or scale down projects, divert financial and other resources to such projects or incur additional indebtedness, including through the issuance of Additional Senior Bonds and/or Additional Subordinate Bonds, to finance all or a portion of the costs of such projects. Such changes could result in actual results, including but not limited to debt service coverage, differing materially from the projections in the Report of the Airport Consultant.

As described in this Official Statement and in the Report of the Airport Consultant, private developers have significant roles in the design, construction, financing, maintenance and operation of the APM System and the ConRAC. While the Department has required customary assurances of performance by the APM Developer and the ConRAC Developer, such customary assurances of performance may not protect the Department from significant adverse financial consequences in the event of nonperformance or default by the APM Developer or the ConRAC Developer. See "LOS ANGELES INTERNATIONAL AIRPORT - ConRAC" and "AIRPORT CAPITAL PLANNING—Completion of the Automated People Mover System."

The Department may pursue capital projects and acquisitions beyond the Capital Program, the cost of which may be material. Certain of those future projects may also involve private developers, with associated, unique risks.

The Department intends, where practical, to implement certain capital projects using a modular and phased approach, so that future projects (or project phases) can be deferred if unanticipated events occur (such as lower than anticipated growth or declines in aviation activity at LAX). The Department has decided and may in the future decide not to proceed with certain capital projects and/or proceed with them on a different schedule and/or may need to make alternative arrangements in cases of contractor delays, defaults or inability to perform, in each case resulting in different results than those included in financial forecasts, which differences may be material.

The Department's ability to finance its Capital Program also depends upon the orderly function of the capital markets, which have in the past experienced substantial disruptions. Another market disruption may negatively impact the timing and ability of issuers of municipal debt, such as the Department, to access short or long term funding. No assurance can be given that this source of funding will actually be available in the amounts, at the borrowing rates or at the times desired by the Department.

Seismic Risks; Other Force Majeure Events

The City is located in a seismically active region of the State. During the past 150 years, the Los Angeles area has experienced several major and minor earthquakes. The most recent major earthquake that occurred in the Los Angeles area occurred on January 17, 1994. That earthquake measured 6.7 on the Richter Scale. LAX experienced no disruption of service following that earthquake. Damage in excess of \$11 million was sustained at VNY and LAX. The Department received funds from FEMA and from its insurance carrier as a result of the earthquake damage at VNY.

The Department's ability to generate revenues is also at risk from other force majeure events, such as extreme storm or weather events, flooding, tsunamis, droughts and other natural occurrences, fires, explosions, spills of hazardous substances, strikes and lockouts, terrorist or other attacks, sabotage, or wars, blockades or riots. No assurance can be given that such events will not occur while the Series 2025ABC Subordinate Bonds are outstanding. The Department has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and limited earthquake insurance as described under "FINANCIAL AND OPERATING INFORMATION CONCERNING LAX—Risk Management and Insurance." Any damage to the Department's facilities or other properties could adversely affect its revenues or require substantial new capital spending by the Department or others to replace or improve facilities and surrounding infrastructure. The proceeds available under such property and casualty insurance may not be sufficient to replace all of LAX after the occurrence of such an event. Moreover, no assurance can be given that such insurance will always be available in sufficient amounts at a reasonable cost or available at all or that insurers will pay claims in a timely manner or at all. The Department is unable to predict when another earthquake or other force majeure event may occur and what impact, if any, it may have on the Department's operations or finances or whether the Department or others will have sufficient resources to rebuild or repair damaged facilities and surrounding infrastructure following a major earthquake or other force majeure event.

Capacity of the National Air Traffic Control System; Capacity of LAX

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. In addition, federal policies concerning government employment levels may impact the national air traffic control system. Flight delays and restrictions may be expected in the future. In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at LAX will depend on the capacity at LAX itself.

The projections of the Airport Consultant are conditioned on the assumption that during the Forecast Period, neither available airfield or terminal capacity, nor demand management initiatives, will constrain traffic growth at LAX.

Changes in Law and Application Thereof

The airline industry is heavily regulated, especially by the federal government, and there are a significant number of governmental agencies and legislative bodies, including the U.S. DOT, FAA, TSA, EPA and others that have the ability to directly or indirectly affect the Department and the airline industry financially and operationally.

From time to time, governmental agencies, executives and legislative bodies, have proposed, issued or enacted and may continue to propose, issue and enact, legislation, rules, orders and other laws and guidance that have the effect of law, particularly in with respect to Federal aviation regulation, funding, security, immigration, tariffs and trade. The proposal, issuance or enactment of such legislation, rules, orders and other laws and guidance that have the effect of law may have a material effect on the airline industry and the Department. In particular, as noted under “—Federal Funding,” the Department receives, and the Capital Program is designed with the expectation of receipt of, federal AIP capital grants to support airport infrastructure, including entitlement grants and discretionary grants. As of the date of this Official Statement, there is insufficient information available about the potential governmental action to estimate the impacts, if any, on direct or indirect Federal funding that may impact the aviation industry, airports or local governments or their respective operations, including law enforcement, transportation or other activities. If there is a reduction in the amount of AIP grants awarded to the Department for LAX, such reduction or delay could: (i) increase by a corresponding amount the capital expenditures that the Department would need to fund from other sources (including operating revenues, proceeds of Additional Senior Bonds or proceeds of Additional Subordinate Bonds); (ii) result in decreases to the Department’s Capital Program; or (iii) extend the timing for completion of certain projects. Moreover, while enforcement of potential executive orders, laws or regulations could impose additional financial burdens upon the aviation industry, the Department or the City, as of the date of this Official Statement, insufficient information available regarding potential governmental action to estimate the magnitude, if any, of such potential impacts.

Loss of Federal Tax Exemption

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2025ABC Subordinate Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended (the “Code”), or court decisions may also cause interest on the Series 2025ABC Subordinate Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2025ABC Subordinate Bonds, or could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. Prospective purchasers of the Series 2025ABC Subordinate Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. Interest on the Series 2025ABC Subordinate Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2025ABC Subordinate Bonds that violate the requirements and limitations prescribed by the Code. Although the Department has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Series 2025ABC Subordinate Bonds may be deemed to be taxable retroactive to their date of issuance. The Series 2025ABC Subordinate Bonds are not subject to mandatory redemption or to mandatory acceleration in the event of such an occurrence. No premium or additional interest will be paid to the bondholders or former

bondholders to compensate the bondholders for any losses they may incur as a result of the interest on the Series 2025ABC Subordinate Bonds becoming subject to federal income taxation. See “TAX MATTERS—Changes in Federal and State Tax Law.”

Risk of Tax Audit

The Internal Revenue Service (the “IRS”) includes a subdivision that is specifically devoted to tax-exempt bond compliance. If the IRS undertook an examination of the Series 2025ABC Subordinate Bonds or other bonds issued by the Department as tax-exempt bonds, it could have a material adverse effect on the marketability or the market value of the Series 2025ABC Subordinate Bonds.

Enforceability of Remedies; Limitation on Remedies; Effect of City Bankruptcy

The Senior Trustee is authorized to take certain actions upon the occurrence of a Senior Event of Default, including proceedings to enforce the obligations of the Department under the Senior Indenture. The occurrence of a Senior Event of Default under the Senior Indenture as described in Appendix C-2, does not grant any right to accelerate payment of the Senior Bonds to any of the Senior Trustee or the Holders of the Senior Bonds. Similarly, the Subordinate Trustee is authorized to take certain actions upon the occurrence of a Subordinate Event of Default, including proceedings to enforce the obligations of the Department under the Subordinate Indenture. The occurrence of a Subordinate Event of Default under the Subordinate Indenture as described in Appendix C-3, does not grant any right to accelerate payment of the Subordinate Obligations to any of the Subordinate Trustee or the Holders of the Subordinate Obligations.

The Department, being a department of the City, likely cannot itself file for bankruptcy protection. Pursuant to State law, the City is authorized to file for bankruptcy protection under certain circumstances. Should the City file for bankruptcy protection, the Department and the assets of the Department would in all likelihood be included initially in the bankruptcy proceedings and, therefore, there could be adverse effects on the holders of the Senior Bonds and the Subordinate Obligations. An involuntary bankruptcy petition cannot be filed against the City.

The rights and remedies available to the Senior Trustee, the Subordinate Trustee and the owners of the Senior Bonds and the Subordinate Obligations, and the obligations incurred by the Department, may become subject to, including through a City bankruptcy, among other things: (i) the United States Bankruptcy Code (the “Bankruptcy Code”), (ii) other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally, now or hereinafter in effect; (iii) equity principles; (iv) limitations on the specific enforcement of certain remedies; (v) the exercise by the United States of America of the powers delegated to it by the U.S. Constitution; (vi) the reasonable and necessary exercise, in certain circumstances, of the police powers inherent in the sovereignty of the State and its governmental bodies having an interest in serving a significant and legitimate public purpose; and (vii) regulatory and judicial actions that are subject to discretion and delay.

To the extent that Net Pledged Revenues and Subordinate Pledged Revenues are determined to be “special revenues” under the Bankruptcy Code, the Net Pledged Revenues and Subordinate Pledged Revenues collected after the date of a bankruptcy filing should continue to be subject to the lien of the Senior Indenture and the Subordinate Indenture, respectively. However, if any or all of the Net Pledged Revenues and Subordinate Pledged Revenues were determined not to be “special revenues,” then any such amounts collected after the commencement of the bankruptcy case will likely not be subject to the lien of the Senior Indenture or the Subordinate Indenture, respectively. “Special revenues” are defined to include revenues derived from the ownership or operation of projects or systems that are primarily used to provide transportation or utility services. No assurance can be given that a court would hold that any or all Net Pledged Revenues and Subordinate Pledged Revenues are special revenues.

In a case arising from the insolvency proceedings of Commonwealth of Puerto Rico, the United States Court of Appeals for the First Circuit concluded that while a debtor has the right to voluntarily apply special revenues to the payment of debt service during the pendency of a bankruptcy case, the debtor is not obligated to do so, even though the special revenues are subject to the lien of the bond documents. The holders of the Senior Bonds and the Subordinate Obligations may not be able to assert a claim against any property of the City other than the Net Pledged Revenues and Subordinate Pledged Revenues, and if any or all of the Net Pledged Revenues and Subordinate Pledged Revenues are no longer subject to the lien of the Senior Indenture or the Subordinate Indenture, respectively, then there may be limited, if any, funds from which the holders of the Senior Bonds and the Subordinate Obligations are entitled to be paid.

Furthermore, although Section 922(d) of the Bankruptcy Code provides that the automatic stay arising upon the filing of a bankruptcy petition under Chapter 9 does not apply to the collection and application of pledged special revenues to payment of bonds secured by such special revenues (which was confirmed by the United States Court of Appeals for the First Circuit in the insolvency proceedings of Commonwealth of Puerto Rico referred to above), if the City were to become a debtor in a proceeding under Chapter 9, the bankruptcy court could find that the automatic stay exception for pledged special revenues does not apply, and the parties to the proceeding may thus be prohibited from taking any action to collect Net Pledged Revenues and Subordinate Pledged Revenues, or to enforce any related obligation connected with the Senior Bonds and the Subordinate Obligations (including, but not limited, using amounts on deposit in the Senior Reserve Fund and the Subordinate Reserve Fund to pay principal of and interest on the Senior Bonds and the Subordinate Obligations, respectively) without the bankruptcy court's permission.

The Bankruptcy Code provides that “special revenues” can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. It is not clear precisely which expenses would constitute necessary operating expenses, and any definition in the transaction documents may not be applicable.

In addition, if the City has possession of Net Pledged Revenues and Subordinate Pledged Revenues (whether collected before or after commencement of the bankruptcy) and if the City does not voluntarily turn over such Net Pledged Revenues and Subordinate Pledged Revenues to the Senior Trustee and the Subordinate Trustee, respectively, it is not entirely clear what procedures the Senior Trustee or the Subordinate Trustee, as applicable, and the holders of the Senior Bonds or the Subordinate Obligations would have to follow to attempt to obtain possession of such Net Pledged Revenues and Subordinate Pledged Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. The United States Court of Appeals for the First Circuit, in another case involving the insolvency proceedings of Commonwealth of Puerto Rico, concluded that a bankruptcy court does not have the power to order a debtor to comply with state law.

Any bankruptcy proceedings involving the Department would also likely be subject to the rules and regulations of the FAA. Section 943 of the Bankruptcy Code generally provides that a plan for the adjustments of the debts of the municipality cannot be confirmed if the debtor is prohibited by law from carrying out the plan. As part of its agreement to accept FAA grants, the Department is subject to the FAA rules and regulations regarding use of airport revenues and revenue diversion. Generally, FAA rules and regulations state that any revenues generated at an airport must be used at the airport. Use of airport revenues for non-airport uses would violate federal law. Any plan of adjustment for a City bankruptcy proceeding would likely need to comply with the FAA rules and regulations applicable to airport revenues, including the use of the Net Pledged Revenues and the Subordinate Pledged Revenues.

The results of the foregoing, including but not limited to matters that may arise in proceedings under the Bankruptcy Code, are difficult to predict. The foregoing could subject the owners of the Senior Bonds and the Subordinate Obligations to, among other things: (i) judicial discretion and interpretation of rights; (ii) the automatic stay provisions of the Bankruptcy Code, which among other things, could operate to cause a delay or prohibition in debt service payments to the owners of Senior Bonds and Subordinate Obligations;

(iii) rejection of significant agreements; (iv) avoidance of certain payments to the owners of the Senior Bonds and Subordinate Obligations as preferential payments; (v) assignments of certain obligations, including those in favor of the owners of the Senior Bonds and the Subordinate Obligations; (vi) significant delays, reductions in payments and other losses to the owners of the Senior Bonds and the Subordinate Obligations; (vii) an adverse effect on the liquidity and/or market values of the Senior Bonds and the Subordinate Obligations; (viii) additional borrowing, which borrowing may have priority over the lien of the Master Senior Indenture and the Master Subordinate Indenture, as the case may be; (ix) alterations to the priority, interest rate, payment terms, collateral, maturity dates, payment sources and terms, covenants (including tax-related covenants) and other terms or provisions of the Master Senior Indenture, the Master Subordinate Indenture, the Senior Bonds or the Subordinate Obligations, and other obligations, including treating the owners of the Senior Bonds and the Subordinate Obligations as general unsecured creditors of the City; and (x) the release of all or a portion of Net Pledged Revenues or Subordinate Pledged Revenues, free and clear of lien of the Master Senior Indenture or the Master Subordinate Indenture, as the case may be.

Regardless of any specific adverse determinations in a City bankruptcy proceeding, a City bankruptcy proceeding could have an adverse effect on the liquidity and value of the Senior Bonds and the Subordinate Obligations.

As described under “FINANCIAL AND OPERATING INFORMATION CONCERNING LAX—Investment Practices of the City Treasurer,” all moneys held in the Airport Revenue Fund, including Subordinate Pledged Revenues which are pledged to the payment of the Series 2025ABC Subordinate Obligations, are currently held and invested by the City Treasurer. Should the City initiate a bankruptcy proceeding, the Bankruptcy Court could hold that holders of the Subordinate Obligations do not have a valid lien on the portion of the Subordinate Pledged Revenues which are invested as part of the City’s investment program. In the event of such a holding, holders of the Subordinate Obligations could be treated as unsecured creditors of the City with respect to such portion of the Subordinate Pledged Revenues.

Legal opinions to be delivered concurrently with the delivery of the Series 2025ABC Subordinate Obligations will be qualified to the extent that the enforceability of certain legal rights related to the Series 2025ABC Subordinate Obligations may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, as well as limitations on legal remedies against cities in the State.

See APPENDIX C-2—“SUMMARY OF THE MASTER SENIOR INDENTURE—Senior Events of Default and Remedies—Application of Moneys” and APPENDIX C-4—“SUMMARY OF THE MASTER SUBORDINATE INDENTURE.”

Rate Covenant Limitations

As described in APPENDIX C-2—“SUMMARY OF THE MASTER SENIOR INDENTURE—Senior Rate Covenant,” the Senior Indenture includes covenants with respect to the establishment of rates and charges. However, the Senior Indenture provides that so long as the Department is taking specified steps to meet the applicable rate covenant, an event of default will not be triggered until the end of the second subsequent Fiscal Year. The ability of the Department to increase rates and charges and to reduce expenses is limited by, among other things, federal law (including the provisions thereof described under “—Regulations and Restrictions Affecting LAX; Climate Change”) and certain agreements with airlines and other users of LAX facilities. See “USE OF AIRPORT FACILITIES.”

Assumptions in the Report of the Airport Consultant

The Report of the Airport Consultant included in APPENDIX A to this Official Statement incorporates numerous assumptions and states that the projections in the Report of the Airport Consultant are

subject to uncertainties. The range of projected key financial metrics relied upon in the Report of the Airport Consultant was prepared based on a number of assumptions as described therein. The key financial metrics also were based, in part, on comments related to the expected return to travel from, but not limited to, a major airplane manufacturer, certain of the busiest airlines serving LAX, credit rating agencies and organizations representing the airlines and aviation industry. The amount and length of any reduction in economic activity and its effect on passenger travel at LAX is not within the scope of the Report of the Airport Consultant.

The Report of the Airport Consultant is an integral part of this Official Statement and should be read in its entirety for an understanding of all of the assumptions used to prepare the projections made therein. No assurance can be given that the projections discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, actual results achieved during the Forecast Period may vary from those set forth in APPENDIX A and the variations may be material and adverse. Additionally, the debt service projections in the Report of the Airport Consultant are not expected to be updated to reflect the sale, issuance or final terms of the Series 2025ABC Subordinate Bonds. Further, the Report of the Airport Consultant does not cover the entire period through maturity of the Series 2025ABC Subordinate Bonds. See “INTRODUCTION—Forward-Looking Statements,” APPENDIX A—“REPORT OF THE AIRPORT CONSULTANT.” See also “—Delays and Cost Increases; Future Capital Projects; Additional Indebtedness” above.

Retirement Plan Funding

As described in more detail under “THE DEPARTMENT OF AIRPORTS—Retirement Plan,” Department employees, including Airport Police, currently participate in LACERS. Under requirements of the Charter, the Department makes contributions to LACERS with respect to its employees in amounts determined by LACERS and its actuaries. See “THE DEPARTMENT OF AIRPORTS—Retirement Plan,” regarding changes to the Charter to permit Airport Police to participate in LAFPP. The Department’s pension cost varies from year to year depending on, among other things, the annual contribution rate determined by LACERS and by LAFPP and their respective actuaries, the total salaries paid to the Department’s covered employees and the retirement benefits accruing to those employees.

Contributions by the Department to LACERS and to LAFPP are expected to increase significantly in the coming Fiscal Years, as contribution rates are subject to change due to changes in market conditions, assumptions and funding methodologies. Factors beyond the Department’s control, including but not limited to, returns on LACERS plan assets, and, if any Airport Police participate in LAFPP in the future, on LAFPP plan assets, may affect the Department’s retirement and health subsidy benefit expenses and may increase the Department’s related funding obligations. These increases may adversely affect the Department’s financial condition.

Investors are cautioned that information about the City’s Net Pension Liability, the City’s Net OPEB Liability, LACERS and LAFPP, including UAALs, funded ratios and calculations of required contributions, included or referenced in this Official Statement, are “forward-looking” information. Such “forward-looking” information reflects the judgment of LACERS and LAFPP and their respective actuaries as to the amount of assets that LACERS and LAFPP will be required to accumulate to fund future benefits over the lives of the currently active employees, vested terminated employees and existing retired employees and beneficiaries. These judgments are based upon a variety of assumptions, one or more of which may prove to be inaccurate and/or be changed in the future.

As noted in APPENDIX B and APPENDIX H, the City has unfunded pension plan actuarial liabilities. In a bankruptcy of the City, the amounts of current and, if any, accrued (unpaid) contributions owed to LACERS or LAFPP, as well as future material increases in required contributions could create additional uncertainty as to the City’s ability to pay debt services with respect to Senior Bonds and Subordinate Bonds (including the Series 2025ABC Subordinate Bonds). Although the issues of pension underfunding claim

priority, pension contribution enforcement, and related bankruptcy plan treatment of such claims (among other pension-related matters) have been the subject of litigation in cases under the Bankruptcy Code of several California municipalities, including Stockton and San Bernardino, the relevant disputes have not been litigated to decision in the Federal circuit appellate courts, and thus there are no rulings from which definitive guidance can be taken in such cases.

AIRLINE INDUSTRY INFORMATION

Many of the major scheduled domestic airlines serving LAX, or their respective parent corporations, and many of the foreign airlines serving LAX with American Depository Receipts (“**ADRs**”) registered on a national exchange, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports and other information with the SEC. Certain information, including financial information, concerning such domestic airlines, or their respective parent corporations, and such foreign airlines is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected and copied at the public reference facilities maintained by the SEC, which can be located by calling the SEC at 1-800-SEC-0330. The SEC maintains a website containing reports, proxy statements and other information regarding registrants that file electronically with the SEC. In addition, each airline is required to file periodic reports of financial aid and operating statistics with the U.S. DOT. Such reports can be inspected at the U.S. DOT’s Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590, and copies of such reports can be obtained from U.S. DOT at prescribed rates.

Foreign airlines serving LAX, or foreign corporations operating airlines serving LAX (unless such foreign airlines have ADRs registered on a national exchange), are not required to file information with the SEC. Such foreign airlines, or foreign corporations operating airlines serving LAX, file limited information only with the U.S. DOT.

See “CERTAIN INVESTMENT CONSIDERATIONS—Demand for Air Travel; Aviation Activity and Related Matters,” “—Financial Condition of the Airlines; Effect of Airline Industry Consolidation; Effect of Airline and Counterparty Bankruptcies” and “—Aviation Safety; Security Concerns; Cyber Security.”

The Department undertakes no responsibility for and makes no representation as to the accuracy or completeness of: (i) any reports and statements filed with the SEC or U.S. DOT; or (ii) any material contained on the SEC’s website, including, but not limited to, updated information on the SEC website or links to other Internet sites accessed through the SEC’s website. Any such information is not part of this Official Statement, nor has such information been incorporated by reference herein, and such information should not be relied upon in deciding whether to invest in the Series 2025ABC Subordinate Bonds.

LITIGATION REGARDING THE AIRPORT SYSTEM AND THE DEPARTMENT

From time to time, the Department is a party to litigation and is subject to claims arising out of its normal course of business and operations. At this time, there is no pending litigation relating to the Airport System or the Department’s operations or business pertaining thereto that would reasonably be expected to have a material impact on Subordinate Pledged Revenues or the operation of LAX, except as described under “AIRPORT SYSTEM ENVIRONMENTAL MATTERS.”

NO LITIGATION REGARDING THE SERIES 2025ABC SUBORDINATE BONDS

There is no litigation now pending or, to the best of the Department’s knowledge, threatened which seeks to restrain or enjoin the sale, execution, issuance or delivery of the Series 2025ABC Subordinate Bonds or in any way contests the validity of the Series 2025ABC Subordinate Bonds or any proceedings of the Board

taken with respect to the authorization, sale or issuance of the Series 2025ABC Subordinate Bonds, or the pledge or application of any moneys provided for the payment of or security for the Series 2025ABC Subordinate Bonds.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to the Department, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2025ABC Subordinate Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2025A Subordinate Bond or any Series 2025B Subordinate Bond for any period during which such Series 2025A Subordinate Bond or such Series 2025B Subordinate Bond, as applicable, is held by a “substantial user” of the facilities financed or refinanced by the Series 2025A Subordinate Bonds or the Series 2025B Subordinate Bonds, as applicable, or a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (a) interest on the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals, and (b) interest on the Series 2025C Subordinate Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions described above assume the accuracy of certain representations and compliance by the Department with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2025ABC Subordinate Bonds. Failure to comply with such requirements could cause interest on the Series 2025ABC Subordinate Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025ABC Subordinate Bonds. The Department has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2025ABC Subordinate Bonds. Interest on the Series 2025ABC Subordinate Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 2025ABC Subordinate Bonds may otherwise affect the federal income tax liability of the owners of the Series 2025ABC Subordinate Bonds. The extent of these other tax consequences will depend on such owners’ particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Series 2025ABC Subordinate Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2025ABC Subordinate Bonds.

Bond Counsel is further of the opinion that interest on the Series 2025ABC Subordinate Bonds is exempt from present State of California personal income taxes.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix E.

Tax Treatment of Original Issue Premium

The Series 2025ABC Subordinate Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “**Premium Series 2025ABC Subordinate Bonds**”), are being sold at a premium. An amount equal to the excess of the issue price of a

Premium Series 2025ABC Subordinate Bond over its stated redemption price at maturity constitutes premium on such Premium Series 2025ABC Subordinate Bond. A purchaser of a Premium Series 2025ABC Subordinate Bond must amortize any premium over such Premium Series 2025ABC Subordinate Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Series 2025ABC Subordinate Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Series 2025ABC Subordinate Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Series 2025ABC Subordinate Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Series 2025ABC Subordinate Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Series 2025ABC Subordinate Bond.

Tax Treatment of Original Issue Discount

The Series 2025ABC Subordinate Bonds that have an original yield above their respective interest rates as shown on the inside cover of this Official Statement (collectively, the "***Discount Series 2025ABC Subordinate Bonds***") are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Series 2025ABC Subordinate Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Series 2025ABC Subordinate Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Series 2025ABC Subordinate Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Series 2025ABC Subordinate Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Series 2025ABC Subordinate Bond, on days that are determined by reference to the maturity date of such Discount Series 2025ABC Subordinate Bond. The amount treated as original issue discount on such Discount Series 2025ABC Subordinate Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Series 2025ABC Subordinate Bond (determined by compounding at the close of each accrual period); and (ii) the amount that would have been the tax basis of such Discount Series 2025ABC Subordinate Bond at the beginning of the particular accrual period if held by the original purchaser; less (b) the amount of any interest payable for such Discount Series 2025ABC Subordinate Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Series 2025ABC Subordinate Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Series 2025ABC Subordinate Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Series 2025ABC Subordinate Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Series 2025ABC Subordinate Bond. Subsequent purchasers of Discount Series 2025ABC Subordinate Bonds that purchase such bonds for a price that is higher

or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Backup Withholding

An owner of a Series 2025ABC Subordinate Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2025ABC Subordinate Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2025ABC Subordinate Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025ABC Subordinate Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025ABC Subordinate Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025ABC Subordinate Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025ABC Subordinate Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 2025ABC Subordinate Bonds are advised to consult their own tax advisors prior to any purchase of the Series 2025ABC Subordinate Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Series 2025ABC Subordinate Bonds.

RATINGS

Moody’s Investor Service Inc. (“**Moody’s**”) and Fitch Ratings (“**Fitch**”) have assigned ratings of “Aa3” and “AA-”, respectively, to the Series 2025ABC Subordinate 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. The Department furnished the rating agencies with certain information and materials concerning the Series 2025ABC Subordinate Bonds and the Department, some of which is not included in this Official Statement. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by 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 prices of the Series 2025ABC Subordinate Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and there is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such

change in or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025ABC Subordinate Bonds.

The Department has covenanted in a Continuing Disclosure Certificate to file notices of any rating changes on the Series 2025ABC Subordinate Bonds with EMMA. See the caption “CONTINUING DISCLOSURE” and APPENDIX G. Notwithstanding such covenant, information relating to rating changes on the Series 2025ABC Subordinate Bonds may be publicly available from the rating agencies prior to such information being provided to the City or the Department and prior to the date by which the Department is obligated to file a notice of rating change. Purchasers of the Series 2025ABC Subordinate Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the Series 2025ABC Subordinate Bonds after the initial issuance of the Series 2025ABC Subordinate Bonds.

In providing a rating on the Series 2025ABC Subordinate Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the Subordinate Indenture. The Department makes no representations as to any such calculations, and such calculations should not be construed as a representation by the City or the Department as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

LEGAL MATTERS

The validity of the Series 2025ABC Subordinate Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to the Department. A complete copy of the proposed form of Bond Counsel’s opinion is contained in APPENDIX E to this Official Statement. Stradling Yocca Carlson & Rauth LLP serves as Disclosure Counsel to the Department. Bond Counsel and Disclosure Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Department and the City by Hyde Feldstein Soto, Esq., City Attorney. Certain matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP. All or a portion of the compensation of Bond Counsel, Disclosure Counsel, and counsel to the Underwriters is contingent on the issuance of the Series 2025ABC Bonds.

CO-MUNICIPAL ADVISORS

The Department has retained the services of Public Resources Advisory Group and Frasca & Associates, LLC, as Co-Municipal Advisors in connection with the authorization and delivery of the Series 2025ABC Subordinate Bonds. The Co-Municipal Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Co-Municipal Advisors perform other services for the Department.

AIRPORT CONSULTANT

The Report of the Airport Consultant, dated March 18, 2025, was prepared by WJ Advisors LLC and has been included as APPENDIX A to this Official Statement with the consent of such consultant. The Report of the Airport Consultant was prepared in conjunction with the issuance of the Series 2025ABC Subordinate Bonds. The Department has relied upon the analyses and conclusions contained in the Report of the Airport Consultant, as of its date, in preparing this Official Statement. The financial projections in the Report of the Airport Consultant are based upon certain information and assumptions that were provided by, or reviewed and agreed to by the Department. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the financial projections set forth in the Report of the Airport Consultant. WJ Advisors LLC performs other services for the Department, including with respect to the calculation of rates and charges.

FINANCIAL STATEMENTS

The audited financial statements of the Department for Fiscal Years 2024 and 2023 are included as part of APPENDIX B attached hereto. The financial statements have been audited by Moss Adams LLP, independent auditors, as stated in its Los Angeles World Airports (Los Angeles International Airport) Annual Financial Report for the Fiscal Years ended June 30, 2024 and June 30, 2023 included in APPENDIX B. Moss Adams LLP was not requested to consent to the inclusion of its report on the financial statements or any of its reports included in APPENDIX B and it has not undertaken to update any of these reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement (including the Report of the Airport Consultant), and no opinion is expressed by Moss Adams LLP with respect to any event subsequent to the date of its reports.

CONTINUING DISCLOSURE

In connection with the issuance of the Series 2025ABC Subordinate Bonds, the Department will covenant to provide, or cause to be provided, to the MSRB certain annual financial information and operating data relating to the Department and, in a timely manner, notice of certain listed events for purposes of Rule 15c2-12 adopted by the SEC. See APPENDIX G—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The Department has agreed to provide the foregoing information to MSRB through the EMMA website.

UNDERWRITING

The Series 2025ABC Subordinate Bonds are being purchased from the Department by Barclays Capital Inc., on its own behalf and on behalf of Academy Securities Inc., Bancroft Capital, LLC, and PNC Capital Markets LLC, the underwriters of the Series 2025ABC Subordinate Bonds (collectively, the “**Underwriters**”). The Underwriters will purchase the Series 2025ABC Subordinate Bonds at a price of \$1,664,190,593.08 (consisting of the aggregate principal amount of \$1,599,325,000, plus a net original issue premium of \$68,330,054.80, less an Underwriters’ discount of \$3,464,461.72) all subject to the terms of the Bond Purchase Agreement between the Department and the Underwriters (the “**Series 2025ABC Bond Purchase Agreement**”).

The Series 2025ABC Bond Purchase Agreement provides that the Underwriters shall purchase all of the Series 2025ABC Subordinate Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Series 2025ABC Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The Underwriters may change the initial public offering yields set forth on the inside front cover pages of this Official Statement. The Underwriters may offer and sell the Series 2025ABC Subordinate Bonds to certain dealers (including dealers depositing the applicable Series 2025ABC Subordinate Bonds into investment trusts) at prices lower than the public offering prices or at yields higher than the yields stated on the inside front cover pages of this Official Statement.

The following two paragraphs have been provided by the Underwriters for inclusion in this Official Statement and the Department does not make any representation as to their accuracy or completeness.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Department. The market activities of the Underwriters and other market participants may impact the value of the Series 2025ABC Subordinate Bonds. The Underwriters have indicated that 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.

DISCLOSURE OF MULTIPLE ROLES

The Department intends to use a portion of the proceeds from the issuance of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds to refund and pay a portion of the outstanding Subordinate Commercial Paper Notes.

Barclays Capital Inc. is acting as an underwriter in connection with the offering of the Series 2025ABC Subordinate Bonds, and Barclays Bank PLC, which is an affiliate of Barclays Capital Inc., provides the Department a letter of credit that supports a portion of the Department's Subordinate Commercial Paper Notes, and, as such, Barclays Bank PLC will receive a portion of the proceeds from the issuance of the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Bonds in connection with the refunding and payment of a portion of the outstanding Subordinate Commercial Paper Notes.

Conflicts of interest could arise by reason of the different capacities in which Barclays Capital Inc. and Barclays Bank PLC are acting in connection with the Series 2025ABC Subordinate Bonds and the refunding and payment of a portion of the outstanding Subordinate Commercial Paper Notes.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Samuel Klein and Company, Certified Public Accountants, will verify from the information provided to it the mathematical accuracy of the computations contained in the provided schedules to determine that: (i) the amounts to be deposited to the Series 2015 Senior Escrow Funds, together with the interest earnings thereon, will be sufficient to pay, on May 15, 2025 (A) the principal of the Refunded Series 2015 Senior Bonds maturing on May 15, 2025, (B) the redemption price of the Refunded Series 2015 Senior Bonds maturing on and after May 15, 2026, and (C) the accrued interest on all of the Refunded Series 2015 Senior Bonds; and (ii) the amounts to be deposited to the Series 2015 Subordinate Escrow Fund, together with the interest earnings thereon, will be sufficient to pay, on May 15, 2025 to pay (A) the principal of the Refunded Series 2015 Subordinate Bonds maturing on May 15, 2025, (B) the redemption price of the Refunded Series 2015 Subordinate Bonds maturing on and after May 15, 2026, and (C) the accrued interest on all of the Refunded Series 2015 Subordinate Bonds.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representations of fact. No representation is made that any of such opinions or estimates will be realized.

All references to the Charter, the Senior Indenture, the Subordinate Indenture, the agreements with any other parties and laws and regulations herein and in the appendices hereto are made subject to the detailed provisions of such documents, and reference is made to such documents and agreements for full and complete statements of the contents thereof. Copies of such documents are available for review at the offices of the Department which are located at One World Way, Los Angeles, California. This Official Statement is not to be construed as a contract or agreement between the City or the Department and the owners of any of the Series 2025ABC Subordinate Bonds.

AUTHORIZATION

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the Chief Executive Officer on behalf of the Department.

DEPARTMENT OF AIRPORTS OF THE CITY OF
LOS ANGELES

By: /s/John Ackerman
Chief Executive Officer

APPENDIX A
REPORT OF THE AIRPORT CONSULTANT

APPENDIX B

**ANNUAL FINANCIAL REPORT OF
LOS ANGELES WORLD AIRPORTS
(DEPARTMENT OF AIRPORTS OF
THE CITY OF LOS ANGELES, CALIFORNIA)
LOS ANGELES INTERNATIONAL AIRPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

APPENDIX C-1

CERTAIN DEFINITIONS

[TO COME FROM BOND COUNSEL].

APPENDIX C-2

SUMMARY OF THE MASTER SENIOR INDENTURE

[TO COME FROM BOND COUNSEL]

APPENDIX C-3

SUMMARY OF THE MASTER SUBORDINATE INDENTURE

[TO COME FROM BOND COUNSEL]

APPENDIX C-4

SUMMARY OF THE TWENTY-SIXTH SUPPLEMENTAL SUBORDINATE INDENTURE

[TO COME FROM BOND COUNSEL]

APPENDIX D-1

AMENDMENTS TO THE MASTER SENIOR INDENTURE

The following is a description of certain amendments that are being made to the Master Senior Indenture. This description is for informational purposes only. These amendments do not require the consent of any of the Bondholders of the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds), and the Department is not requesting consent from any of the Bondholders of the Subordinate Obligations (including the Series 2025ABC Subordinate Bonds).

Master Senior Indenture Amendments

The Master Senior Indenture Amendments are set forth below. Additions to the Master Senior Indenture are shown in **bold and double underline** and deletions are shown in ~~in strikethrough~~.

ARTICLE I - Definitions

- (a) The definition of “Debt Service Reserve Fund Surety Policy”

“Debt Service Reserve Fund Surety Policy” shall mean an insurance policy or surety bond, or a letter of credit (other than a Reserve Fund Surety Policy) deposited with the Trustee for the credit of a Debt Service Reserve Fund created for one or more series of Outstanding Bonds in lieu of or partial substitution for cash or securities on deposit therein. Except as otherwise provided in a Supplemental Indenture, the entity providing such Debt Service Reserve Fund Surety Policy shall be rated, at the time such instrument is provided, in one of the ~~two~~ **three** highest long-term Rating Categories by ~~both Moody’s if Moody’s is then maintaining a rating on the Bonds and S&P if S&P is then maintaining a rating on the Bonds~~ **one or more Rating Agencies, provided that such entity shall not be rated by any Rating Agency in a long-term Rating Category that is lower than the three highest long-term Rating Categories.**

- (b) The definition of “Qualified Swap”

“Qualified Swap” shall mean any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is **currently** a Qualified Swap Provider or ~~has been was~~ a Qualified Swap Provider ~~within the 60 day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made~~ **at the time the Swap was originally entered into by the Board;** (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; **and** (d) which has been designated in writing to the Trustee by the ~~Department~~ **Board** as a Qualified Swap with respect to such Bonds; and (e) ~~which has been approved by S&P, if S&P has an outstanding rating on any Bonds, and Moody’s, if Moody’s has an outstanding rating on the Bonds.~~

- (c) The definition of “Qualified Swap Provider”

“Qualified Swap Provider” shall mean a financial institution (a) whose senior long-term debt obligations, ~~or whose~~ **financial program rating, counterparty rating or claims paying ability, or whose payment** obligations under any Qualified Swap are guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, **financial program rating, counterparty rating or claims paying ability,** are rated at least “Aa,” in the case of Moody’s and “AA,” in the case of S&P, ~~or the equivalent thereto in the case of any successor thereto~~ **in one of the top three Rating Categories by each of the Rating Agencies then rating such financial institution,** or (b) whose obligations under any Qualified Swap are fully secured by obligations

described in items (1) or (2) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

(d) The definition of “Released LAX Revenues”

“Released LAX Revenues” shall mean LAX Revenues in respect of which the following have been filed with the Trustee:

(a) a resolution of the Board describing a specific identifiable portion of LAX Revenues and approving that such LAX Revenues be excluded from the term Pledged Revenues;

(b) either (i) a certificate prepared by an Authorized Board Representative showing that Net Pledged Revenues for each of the two most recent completed Fiscal Years, after the specific identifiable portion of LAX Revenues covered by the Board’s resolution described in (a) above are excluded, were at least equal to the larger of (A) the amounts needed for making the required deposits and payments pursuant to paragraphs SECOND through EIGHTH of Section 4.04 hereof, or (B) an amount not less than 150% of average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of LAX Revenues; or (ii) a certificate prepared by a Consultant showing that the estimated Net Pledged Revenues (excluding the specific identifiable portion of LAX Revenues covered in the resolution adopted by the Board described in (a) above) for each of the first three complete Fiscal Years immediately following the Fiscal Year in which the resolution described in (a) above is adopted by the Board, will not be less than the larger of (A) the amounts needed for making the required deposits and payments pursuant to paragraphs SECOND through EIGHTH of Section 4.04 hereof, or (B) an amount not less than 150% of the average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of LAX Revenues; **and**

(c) an opinion of Bond Counsel to the effect that the exclusion of such specific identifiable portion of revenues from the definition of LAX Revenues and from the pledge and lien of this Indenture will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; ~~and (d) — written confirmation from each of Fitch and Moody’s (provided such Rating Agencies have been requested by the Department to maintain a rating on the Bonds and such Rating Agencies are then maintaining a rating on any of the Bonds) to the effect that the exclusion of such specific identifiable portion of revenues from the pledge and lien of this Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.~~

For purposes of subparagraph (b) above, no Transfer shall be taken into account in the computation of Net Pledged Revenues.

Additionally, the Department shall give written notice to ~~S&P (provided S&P has~~ **each of the Rating Agencies that have** been requested by the Department to maintain a rating on the Bonds and ~~S&P is~~ **that are** then maintaining a rating on ~~any of the Bonds~~ at least 15 days prior to any specific identifiable portion of LAX Revenues being excluded from the pledge and lien of this Indenture as proved in this definition of “Released LAX Revenues.”

Upon filing of such documents, the specific identifiable portion of LAX Revenues described in the resolution of the Board shall no longer be included in Pledged Revenues and shall be excluded from the pledge and lien of this Indenture, unless otherwise included in Pledged Revenues and in the pledge and lien of this Indenture pursuant to a Supplemental Indenture.

(e) The definition of “Reserve Fund Surety Policy”

“Reserve Fund Surety Policy” shall mean an insurance policy or surety bond, or a letter of credit, deposited with the Trustee for the credit of the Reserve Fund in lieu of or partial substitution for cash or securities on deposit therein. The entity providing such Reserve Fund Surety Policy shall be rated, at the time such instrument is provided, in one of the ~~two~~ **three** highest **long-term** Rating Categories by ~~both Moody’s if Moody’s is then maintaining a rating on the Bonds and S&P if S&P is then maintaining a rating on the Bonds~~ **one or more Rating Agencies, provided that such entity shall not be rated by any Rating Agency in a long-term Rating Category that is lower than the three highest long-term Rating Categories.**

Section 10.03(g)

Section 10.03(g) is amended to read as follows:

(g) For the purposes of this Section 10.03, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Board, may consent to a modification or amendment permitted by this Section 10.03 in the manner provided herein and with the same effect as a consent given by the Bondholder of such Bonds, except that no proof of ownership shall be required; provided, that this provision of Section 10.03 shall be disclosed prominently in the offering document, if any, for each Series of Bonds issued pursuant to this Indenture, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Bonds of such Series by the Board.

APPENDIX D-2

AMENDMENTS TO THE MASTER SUBORDINATE INDENTURE

The following is a description of certain amendments that are being made to the Master Subordinate Indenture. The Master Subordinate Indenture Amendments do not require the consent of the purchasers of the Series 2025ABC Subordinate Bonds in order to become effective. Any purchaser of the Series 2025ABC Subordinate Bonds will be purchasing the Series 2025ABC Subordinate Bonds subject to the Master Subordinate Indenture Amendments. The Department will not be requesting a separate written consent from the purchasers of the Series 2025ABC Subordinate Bonds for the Master Subordinate Indenture Amendments.

Master Subordinate Indenture Amendments

The Master Subordinate Indenture Amendments are set forth below. Additions to the Master Subordinate Indenture are shown in **bold and double underline** and deletions are shown in ~~strike through~~.

ARTICLE I - Definitions

- (a) The definition of “Debt Service Reserve Fund Surety Policy”

“Debt Service Reserve Fund Surety Policy” shall mean an insurance policy or surety bond, or a letter of credit, deposited with the Trustee for the credit of the Debt Service Reserve Fund created for one or more Series or Subseries of Outstanding Subordinate Obligations in lieu of or partial substitution for cash or securities on deposit therein. Except as otherwise provided in a Supplemental Subordinate Indenture, the entity providing such Debt Service Reserve Fund Surety Policy shall be rated, at the time such instrument is provided, in one of the ~~two~~ **three** highest long-term Rating Categories by one or more of the Rating Agencies, **provided that such entity shall not be rated by any Rating Agency in a long-term Rating Category that is lower than the three highest long-term Rating Categories.**

- (b) The definition of “Qualified Swap”

“Qualified Swap” shall mean any Swap (a) whose Designated Debt is all or part of a particular Series or Subseries of Subordinate Obligations; (b) whose Swap Provider is **currently** a Qualified Swap Provider or ~~has been~~ **was** a Qualified Swap Provider **at the time the Swap was originally entered into by the Department** within the 60 day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; **and** (d) which has been designated in writing to the Trustee by the Department as a Qualified Swap with respect to such Subordinate Obligations; ~~and (e) which has been approved by S&P, if S&P has an outstanding rating on any Subordinate Obligations, and Moody’s, if Moody’s has an outstanding rating on the Subordinate Obligations.~~

- (c) The definition of “Qualified Swap Provider”

“Qualified Swap Provider” shall mean a financial institution (a) whose senior long-term debt obligations, **financial program rating, counterparty rating or claims paying ability, or whose payment** obligations under any Qualified Swap are guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, **financial program rating, counterparty rating or claims paying ability,** are rated **in one of the top three Rating Categories by each of the Rating Agencies then rating such financial institution** at least “Aa,” in the case of Moody’s and “AA,” in the case of S&P, or the equivalent thereto in the case of any successor thereto,

or (b) whose obligations under a any Qualified Swap are fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

Section 10.03(g)

Section 10.03(g) is amended to read as follows:

(g) For the purposes of this Section 10.03 the purchasers of the Subordinate Obligations of a Series or Subseries, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Department, may consent to a modification or amendment permitted by this Section 10.03 in the manner provided herein and with the same effect as a consent given by the Holders of such Subordinate Obligations, except that no proof of ownership shall be required; provided, that this provision of Section 10.03 shall be disclosed prominently in the offering document, if any, for each Series or Subseries of Subordinate Obligations issued pursuant to this Indenture, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Subordinate Obligations of such Series or Subseries by the Department.

APPENDIX E

PROPOSED FORM OF BOND COUNSEL'S OPINION

Upon issuance of the Series 2025ABC Subordinate Bonds, Kutak Rock LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “—General” below has been provided by DTC. Neither the City nor the Department makes any representations as to the accuracy or the completeness of such information. The beneficial owners of the Series 2025ABC Subordinate Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NONE OF THE CITY, THE DEPARTMENT, OR THE SUBORDINATE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2025ABC SUBORDINATE BONDS UNDER THE SUBORDINATE INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2025ABC SUBORDINATE BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE SERIES 2025ABC SUBORDINATE BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2025ABC SUBORDINATE BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2025ABC Subordinate Bonds. The Series 2025ABC Subordinate Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Series 2025ABC Subordinate Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Subordinate Trustee.

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 Series 2025ABC Subordinate Bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable

to its Participants are on file with the Securities and Exchange Commission. More information about DTC may be found www.dtcc.com. The Department undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Series 2025ABC Subordinate Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025ABC Subordinate Bonds, as applicable, on DTC's records. The ownership interest of each actual purchaser of each Series 2025ABC Subordinate Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025ABC Subordinate Bonds, are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025ABC Subordinate Bonds, except in the event that use of the book-entry system for the Series 2025ABC Subordinate Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025ABC Subordinate Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025ABC Subordinate Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025ABC Subordinate Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025ABC Subordinate 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.

While the Series 2025ABC Subordinate Bonds are in the book-entry-only system, redemption notices shall be sent to DTC. If less than all of the Series 2025ABC Subordinate Bonds within an issue 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 Series 2025ABC Subordinate 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 Department 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 Series 2025ABC Subordinate Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2025ABC Subordinate Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Subordinate 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 Series 2025ABC Subordinate Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the

responsibility of such Direct and Indirect Participant and not of DTC, the Department and the Subordinate Trustee subject to any statutory, or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2025ABC Subordinate Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department and the Subordinate Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025ABC Subordinate Bonds at any time by giving reasonable notice to the Department and the Subordinate Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. To the extent permitted by law, the Department may decide to discontinue use of the system of book-entry transfers through DTC (or to the extent permitted by law, a successor Security Bonds depository). In that event, bond certificates will be printed and delivered to DTC.

No Assurance Regarding DTC Practices

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

AS LONG AS CEDE & CO. OR ITS SUCCESSOR IS THE REGISTERED HOLDER OF THE SERIES 2025ABC SUBORDINATE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE REGISTERED HOLDERS OF THE SERIES 2025ABC SUBORDINATE BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2025ABC SUBORDINATE BONDS.

In the event that the Department determines not to continue the book-entry system or DTC determines to discontinue its services with respect to the Series 2025ABC Subordinate Bonds and the Department does not select another qualified depository, the Department shall deliver one or more Series 2025ABC Subordinate Bonds in such principal amount or amounts, in authorized denominations, and registered in whatever name or names, as DTC shall designate. In such event, transfers and exchanges of Series 2025ABC Subordinate Bonds, as applicable, will be governed by the provisions of the Subordinate Indenture.

Risks of Book-Entry System

The Department makes no assurance, and the Department shall incur no liability, regarding the fulfillment by DTC of its obligations under the book-entry system with respect to the Series 2025ABC Subordinate Bonds.

In addition, Beneficial Owners of the Series 2025ABC Subordinate Bonds may experience some delay in their receipt of distributions of principal of, premium, if any, and interest on, the Series 2025ABC Subordinate Bonds, as applicable, since such distributions will be forwarded by the Department to DTC and DTC will credit such distributions to the accounts of the Direct Participants which will thereafter credit them to the accounts of the Beneficial Owners either directly or through Indirect Participants.

Since transactions in the Series 2025ABC Subordinate Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge Series 2025ABC Subordinate Bonds, to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Series 2025ABC Subordinate Bonds, as applicable, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Department as registered owners of the Series 2025ABC Subordinate Bonds, and Beneficial Owners will only be permitted to exercise the rights of registered owners indirectly through DTC and its Participants.

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the Series 2025ABC Subordinate Bonds, the Department proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series A (Private Activity/AMT) (Green Bonds) (the “Series 2025A Subordinate Bonds”), the Los Angeles International Airport Subordinate Revenue and Refunding Revenue Bonds, 2025 Series B (Private Activity/AMT) (the “Series 2025B Subordinate Bonds”) and the Los Angeles International Airport Subordinate Refunding Revenue Bonds, 2025 Series C (Governmental Purpose/Non-AMT) (the “Series 2025C Subordinate Bonds” and, collectively with the Series 2025A Subordinate Bonds and the Series 2025B Subordinate Revenue Bonds, the “Series 2025ABC Subordinate Bonds”). The Series 2025ABC Subordinate Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of December 1, 2002, as amended (the “Master Subordinate Indenture”), by and between the Department and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (the “Subordinate Trustee”), and the Twenty-Sixth Supplemental Subordinate Trust Indenture dated as of April 1, 2025 (the “Twenty-Sixth Supplemental Subordinate Indenture,” and together with the Master Subordinate Indenture, the “Subordinate Indenture”), by and between the Department and the Subordinate Trustee. The Department hereby covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Subordinate Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Department pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person that: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025ABC Subordinate Bonds (including persons holding Series 2025ABC Subordinate Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2025ABC Subordinate Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Department, acting in its capacity as Dissemination Agent hereunder, or any other successor Dissemination Agent designated in writing by the Department, and which has filed with the Department a written acceptance of such designation.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“Financial Obligation” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the one-year period ending on June 30 of each year or such other period of 12 months designated by the Department as its Fiscal Year.

“GASB” shall mean the Governmental Accounting Standards Board.

“Listed Events” shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final official statement of the Department dated March 27, 2025 relating to the Series 2025ABC Subordinate Bonds.

“Owner” shall mean a registered owner of the Series 2025ABC Subordinate Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2025ABC Subordinate Bonds required to comply with the Rule in connection with offering of the Series 2025ABC Subordinate Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of California.

Section 2. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Department for the benefit of the Owners and Beneficial Owners of the Series 2025ABC Subordinate Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The Department shall, or shall cause the Dissemination Agent, if the Dissemination Agent is other than the Department, to, not later than 180 days following the end of each Fiscal Year of the Department (which Fiscal Year currently ends on June 30), commencing with the report for Fiscal Year ending June 30, 2025, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB and/or the Rule, an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that any audited financial statements 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 Fiscal Year for the Department changes, the Department shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If in any year, if the Department does not provide the Annual Report to the MSRB by the time specified above, the Department shall file a notice with the MSRB through the EMMA System in substantially the form attached as Exhibit A hereto.

(c) If the Dissemination Agent is not the Department, the Dissemination Agent shall: (i) file a report with the Department certifying that the Annual Report has been filed pursuant to this Disclosure Certificate and listing the date(s) of the filing(s); and (ii) take any other actions mutually agreed to between the Dissemination Agent and the Department.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The Department's audited financial statements for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by 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 Department 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. 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 Department's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain comparable information derived from unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Information in form and substance similar to the following tables set forth in the Official Statement for the most recently completed Fiscal Year:

1. Table 1 – “Existing Senior Bonds”;
2. Table 2 – “Existing Subordinate Bonds, Subordinate Commercial Paper Notes and Subordinate Revolving Obligations”;
3. Table 3 – “Senior Bonds and Subordinate Bonds Debt Service Requirements” (only if such information changes);
4. Table 5 – “Air Carriers Serving LAX” (as of the first day of the current Fiscal Year);
5. Table 7 – “Air Traffic Data”;
6. Table 8 – “Historical Total Enplanements by Airline”;
7. Table 9 – “Total Revenue Landed Weight”;
8. Table 10 – “Enplaned and Deplaned Cargo”;
9. Table 11 – “Historical Operating Statements”;
10. Table 12 – “Top Ten Revenue Providers”;
11. Table 13 – “Top Ten Revenue Sources”;
12. Table 15 – “Historical Debt Service Coverage”; and
13. The columns entitled “Department Market Value” and “LAX Market Value” in Table 16 – “City of Los Angeles Pooled Investment Fund”; and
14. Unless otherwise provided in “Historical Operating Statements,” the total amount of PFC revenues received by the Department with respect to Los Angeles International Airport.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Department or related public entities that have been submitted to the MSRB through the EMMA System. In the event that information necessary to prepare the tables listed above becomes unavailable due to changes in accounting practices, legislative changes or organizational changes, the Department shall state in its Annual Report that such table will no longer be included in the Annual Report and

the reason therefore and the Department will provide comparable information if available.

Section 5. Reporting of Significant Events.

(a) The Department shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025ABC Subordinate Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Department; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Department, if any such event reflects financial difficulties.

Note: for the purposes of the event identified in Section 5(a)(9) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Department in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Department, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Department.

(b) The Department shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025ABC Subordinate Bonds, if material, not later than ten business days after the occurrence of the event:

1. Non-payment related defaults;
2. Unless described in paragraph 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2025ABC Subordinate Bonds or other events affecting the tax status of the Series 2025ABC Subordinate Bonds;

3. Modifications to rights of the Owners of the Series 2025ABC Subordinate Bonds;
4. Series 2025ABC Subordinate Bond calls;
5. Release, substitution or sale of property securing repayment of the Series 2025ABC Subordinate Bonds;
6. The consummation of a merger, consolidation, or acquisition involving the Department or the sale of all or substantially all of the assets of the Department, 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee;
or
8. Incurrence of a Financial Obligation of the Department or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Department, any of which affect security holders.

(c) The Department shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3.

(d) If the Department learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Department shall within ten business days of such occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(4) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Series 2025ABC Subordinate Bonds pursuant to the Subordinate Indenture.

(e) As used in this Disclosure Certificate, the term “Financial Obligation” will be interpreted so as to comply with applicable federal securities laws guidance as of the date of this Disclosure Certificate, including that provided by the Securities and Exchange Commission in its Release No. 34-83885, dated August 20, 2018.

Section 6. Termination of Obligation. The Department’s obligations under this Disclosure Certificate with respect to the Series 2025ABC Subordinate Bonds shall terminate upon the maturity, legal defeasance, prior redemption or payment in full of all of the Series 2025ABC Subordinate Bonds. In addition, in the event that the Rule shall be amended, modified or repealed such that compliance by the Department with its obligations under this Disclosure Certificate no longer shall be required in any or all respects, then the Department’s obligations hereunder shall terminate to a like extent.

Section 7. Dissemination Agent. The Department may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not any other designated dissemination agent, the Department shall be the dissemination agent. The initial dissemination agent shall be the Department.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, without the consent of the Owners of the Series 2025ABC Subordinate Bonds, the Department may amend this

Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is not prohibited by the Rule. The Department shall give notice of any amendment in the same manner as for a Listed Event under Section 5(e).

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Department from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Department chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Department shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Department to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Series 2025ABC Subordinate Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Department to comply with its obligations under this Disclosure Certificate; provided that any such Owner or Beneficial Owner may not take any enforcement action without the consent of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2025ABC Subordinate Bonds that at the time are Outstanding. A default under this Disclosure Certificate shall not be deemed a default under the Subordinate Indenture and the sole remedy under this Disclosure Certificate in the event of any failure of the Department to comply with this Disclosure Certificate shall be an action to compel performance. Under no circumstances shall any person or entity be entitled to recover monetary damages hereunder in the event of any failure of the Department to comply with this Disclosure Certificate. No Owner or Beneficial Owner of the Series 2025ABC Subordinate Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Department satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Department shall have refused to comply therewith within a reasonable time.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Any Dissemination Agent appointed hereunder shall have only such duties as are specifically set forth in this Disclosure Certificate, and shall have such rights, immunities and liabilities as shall be set forth in the written agreement between the Department and such Dissemination Agent pursuant to which such Dissemination Agent agrees to perform the duties and obligations of Dissemination Agent under this Disclosure Certificate.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Department, the Dissemination Agent, if any, and the Owners and Beneficial Owners from time to time of the Series 2025ABC Subordinate Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

Section 13. Notices. Any notices or communications to the Department may be given as follows:

Los Angeles World Airports
One World Way
Los Angeles, California 90045
Attention: Tatiana Starostina, Chief Financial Officer
Fax: (310) 646-9223
Telephone: (424) 646-5251

Section 14. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Department shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way

affect the validity hereof, and the Beneficial Owners of the Series 2025ABC Subordinate Bonds shall retain all the benefits afforded to them hereunder. The Department hereby declares that it would have executed and delivered this Disclosure Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 15. Governing Law. This Disclosure Certificate was made in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles. Any litigation, action or proceeding to enforce or interpret any provision of this Disclosure Certificate or otherwise arising out of, or relating to this Disclosure Certificate, shall be brought, commenced or prosecuted in a State or Federal court in the County of Los Angeles in the State of California. By its acceptance of the benefits hereof, any person or entity bringing any such litigation, action or proceeding submits to the exclusive jurisdiction of the State of California and waives any defense of forum non conveniens.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Certificate this 3rd day of April, 2025.

DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES

By: _____
Chief Executive Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Department of Airports of the City of Los Angeles, California

Name of Bond Issue: Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue and Revenue Refunding Bonds, 2025 Series A (Private Activity/AMT) (Green Bonds)

Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Revenue and Revenue Refunding Bonds, 2025 Series B (Private Activity/AMT)

Department of Airports of the City of Los Angeles, California, Los Angeles International Airport, Subordinate Refunding Revenue Bonds, 2025 Series C (Governmental Purpose/Non-AMT)

Date of Issuance: April 3, 2025

CUSIP: 544445 _____

NOTICE IS HEREBY GIVEN that the Department of Airports of the City of Los Angeles, California (the “Department”) has not provided an Annual Report with respect to the above referenced Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated April 3, 2025, executed by the Department for the benefit of the Owners and Beneficial Owners of the above referenced Bonds. The Department anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____

DEPARTMENT OF AIRPORTS OF THE CITY OF LOS ANGELES

By: _____
Authorized Representative

APPENDIX H

CERTAIN INFORMATION REGARDING THE RETIREMENT PLAN AND PENSION SYSTEMS OF THE CITY OF LOS ANGELES

The information in this Appendix H has been provided by the City. The Department is relying upon, and has not independently confirmed or verified the accuracy or the completeness of, the information in Appendix H or the LACERS Reports, LAFPP Reports or other information incorporated by reference therein.

INTRODUCTION

GENERALLY, THE INFORMATION IN THIS SECTION HAS BEEN TRUNCATED FROM MATERIALS PROVIDED BY THE CITY TO ONLY INCLUDE THOSE PORTIONS OF THIS SECTION THAT REFERENCE THE LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ("LACERS") OR THE CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN ("LAFPP").

Retirement and Pension Systems

General. The City has three single-employer defined-benefit pension plans created by the Charter: the Los Angeles City Employees' Retirement System ("**LACERS**"), the City of Los Angeles Fire and Police Pension Plan ("**LAFPP**") and, for employees of the Department of Water and Power of the City of Los Angeles, the Water and Power Employees' Retirement, Disability and Death Benefit Insurance Plan (the "**Water and Power Plan**"). Both LACERS and LAFPP (collectively, the "**Pension Systems**") are funded primarily from the City's General Fund, while the Water and Power Plan is funded by that department's proprietary revenues.

The Pension Systems provide retirement, disability, death benefits, post-employment healthcare and annual cost-of-living adjustments to plan members and beneficiaries. Both Pension Systems are funded pursuant to the Entry Age Cost Method, which is designed to produce stable employer contributions in amounts that increase at the same rate as the employer's payroll (i.e., level percent of payroll). Retired members and surviving spouses and domestic partners of LACERS and LAFPP members are eligible for certain subsidies toward their costs of medical and other benefits. These benefits are paid by the respective retirement system. These retiree health benefits are accounted for as "Other Post-Employment Benefits" ("**OPEB**"). The City began making payments to its Pension Systems to pre-fund OPEB obligations in the late 1980s. The calculations of OPEB funding requirements are made by the same actuaries that perform the analysis of the Pension Systems' retirement benefits, and generally rely on the same actuarial assumptions, other than those assumptions such as medical cost inflation specific to OPEB.

The actuarial valuations for both Pension Systems are prepared on an annual basis and the applicable actuary recommends contribution rates for the fiscal year beginning after the completion of that actuarial valuation. The Pension Systems' annual valuations determine the contribution rate, as a percentage of covered payroll, needed to fund the normal retirement costs accrued for current employment and to amortize any unfunded actuarial accrued liability ("**UAAL**"). The UAAL represents the difference between the present value of estimated future benefits accrued as of the valuation date and the actuarial value of assets currently available to pay these liabilities. The valuation for each plan is an estimate based on relevant economic and demographic assumptions, with the goal of determining the contributions necessary to sufficiently fund over time the benefits for currently active, vested former members and retired employees and their beneficiaries.

Various actuarial assumptions are used in the valuation process, including the assumed rate of earnings on the assets of the plan in the future, the assumed rates of general inflation, salary increases, inflation in health care costs, assumed rates of disability, the assumed retirement ages of active employees, the assumed marital status at retirement, and the post-employment life expectancies of retirees and beneficiaries. As plan experience differs from adopted assumptions, the actual liabilities will be more or less than the liabilities calculated based on these assumptions. The contribution rates in the following year's valuations are adjusted to take into account actual plan experience in the current and prior years.

Each plan also generally performs an experience study every three years, comparing the plan's actual experience to the demographic assumptions previously adopted by its board. Based on the plan's experience, the board may adopt the actuary's recommendations to adjust various assumptions such as retirement rates, termination rates, and disability incidence rates in calculating its liabilities. Additionally, the experience study will review each plan's economic assumptions and the actuary may recommend adjustments based on future expectations for items such as general inflation, participant salary increases, and the plan's future expected rate of investment return. These economic assumptions are also adopted by each plan's board.

The valuations incorporate a variety of actuarial methods, some of which are designed to reduce the volatility of contributions from year to year. When measuring the value of assets for determining the UAAL, many pension plans, including the Pension Systems, "smooth" market value gains and losses over a period of years to reduce contribution volatility. These smoothing methodologies result in an actuarial value of assets that are lower or higher than the market value of assets at a given point in time.

The Actuarial Standards Board, the organization that sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice, approved the new Actuarial Standard of Practice No. 51 ("**ASOP 51**"), effective as of the June 30, 2019 actuarial valuations. ASOP 51 requires actuaries to identify and assess risks that "may reasonably be anticipated to significantly affect the plan's future financial condition," (referred to as a "**Risk Report.**")

Examples of key risks that are particularly relevant to the Pension Systems are investment risk and longevity and other demographic risks. Among other things, the reports consider the cost to the City of alternative earning scenarios from variances in investment experience in past valuations, the Pension Systems' actuary has examined the risk associated with earning either higher or lower than the assumed investment rate in future valuations.

ASOP 51 also requires an actuary to consider if there is any ongoing contribution risk to the plan by evaluating the potential for and impact of actual contributions deviating from expected contributions in the future. The Risk Reports for both Pension Systems noted that the City has a well-established practice of making the Actuarially Determined Contribution. As a result, in practice both Pension Systems have been found to have essentially no contribution risk.

In the Risk Reports, the actuary noted that each Pension System had strengthened their respective actuarial assumptions over time in part by lowering the expected investment rate of return, utilizing generational mortality assumptions and adopting a funding policy that controls future negative amortization. These changes may result in higher contributions in the short term, but in the medium to longer term avoid both deferring contributions and allowing unmanaged growth in the UAAL.

The Risk Reports also note that both of the Pension Systems have become more mature, as evidenced by an increase in the ratio of members in pay status (retirees and beneficiaries) to active members employed by the City and by an increase in the ratios of plan assets and liabilities to active member payroll. The actuary expects these trends to continue going forward. Any increase in UAAL due to unfavorable investment and non-investment experience for the relatively larger group of non-active members would have to be amortized and funded over the payroll of the relatively smaller group of only active members; as a plan grows more mature, its contribution rate becomes more sensitive to investment volatility and liability changes.

In addition, in December 2021 the Actuarial Standards Board finalized and adopted changes to Actuarial Standard of Practice No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions* (“ASOP 4”). ASOP 4 adds significant disclosure requirements for all actuarial valuations issued on or after February 15, 2023, including a requirement to calculate and disclose a new market-based liability measurement called the Low-Default-Risk Obligation Measure (“LDROM”). Under the revised ASOP, the LDROM may be determined in a manner similar to the Actuarial Accrued Liability (“AAL”) that is commonly used in public sector plan funding, but with a key difference: instead of basing the discount rate on the plan’s expected rate of return (as is done in determining the AAL), the LDROM must use discount rates derived from “low-default-risk fixed income securities.” Examples of these rates include U.S. Treasury yields and yields on high-rated corporate or tax-exempt general obligation municipal bonds. Public pension plans, including LACERS and LAFPP, typically invest in a diversified portfolio including stocks, bonds, real estate, and private equity, and funding calculations are based on the expected return of that portfolio. The new disclosure requirement, which is incorporated with LACERS’ and LAFPP’s June 30, 2023 valuations, does not change this approach for funding the plans but provides additional information on what the liability measurement would be if the plans were to adopt an all-bond investment strategy.

Each of the Pension Systems has adopted its own asset allocation plan to guide their respective investments in stocks, bonds, real estate, alternatives, and cash equivalents. Each Pension System reviews its asset allocation plan periodically and any adjustments are approved by the respective boards.

The City has never issued pension obligation bonds to fund either of its Pension Systems but may consider it in the future. The City typically pays all of its annual contributions to its Pension Systems in July at a discount, out of the proceeds of its annual issuance of tax and revenue anticipation notes.

The information under this caption is primarily derived from information produced by LACERS and LAFPP and their independent actuaries. The City has not independently verified the information provided by LACERS and LAFPP. The comprehensive annual financial reports of the individual Pension Systems, actuarial valuations for retirement and health benefits, and other information concerning LACERS and LAFPP are available on their websites, at www.lacers.org/financial-reports-and-statistics and lafpp.lacity.gov/financial-reports, respectively. Information set forth on such websites is not incorporated by reference herein. For additional information regarding the Pension Systems, see also Note 5 in the “Notes to the City’s Basic Financial Statements” in the City’s Annual Financial Report for the Fiscal Year Ended June 30, 2024.

Investors are cautioned that, in considering information on the Pension Systems, including the amount of the UAAL for retirement and other benefits, the funded ratio, the calculations of normal cost, and the resulting amounts of required contributions by the City, this is “forward-looking” information. Such “forward-looking” information reflects the judgment of the boards of the respective Pension Systems and their respective actuaries as to the value of future benefits over the lives of the currently active employees, vested terminated employees, and existing retired employees and beneficiaries. These judgments are based upon a variety of assumptions, one or more of which may prove to be inaccurate and/or be changed in the future.

Los Angeles City Employees’ Retirement System (“LACERS”). LACERS, established in 1937 under the Charter, is a contributory plan covering civilian employees other than employees of DWP and those Public Safety Officers not participating in LAFPP. As of June 30, 2024, the date of its most recent actuarial valuation, LACERS had 26,782 active members, 22,763 retired members and beneficiaries, and 11,839 inactive members (members with a vested right to a deferred or immediate benefit or entitled to a return of their member contributions).

Over the past several years, LACERS has adopted various changes to its actuarial assumptions, including reducing the assumed investment return from 7.75% to 7.50 % in 2014, to 7.25% in 2017 and to 7.0% in 2020.

In June 2023, the LACERS Board considered a new experience study and adopted a number of changes to actuarial assumptions, including reducing the assumed inflation from 2.75 percent to 2.50 percent while maintaining the assumed rate of return at 7.00 percent. The City’s actuarial consultant calculated the City pension contribution rate to increase by 0.26 percent of payroll as a result of these changes. The new assumptions were used in the June 30, 2023 actuarial valuations, which determine the City’s contribution rate for Fiscal Year 2024-25.

LACERS amortizes components that contribute to its UAAL over various periods of time, depending on how the unfunded liability arose, layering separate fixed amortization periods. Under current funding policy, market losses and gains are recognized over a seven-year asset smoothing period, where only 1/7th of annual market gains or losses are recognized in the actuarial value of assets each year. The remaining gains or losses are spread equally over the next six years. Other factors that affect the calculation of unfunded liability, including early retirement incentives, plan amendments, changes in assumptions and other actuarial gains and losses will be amortized over terms that range from 5 to 30 years.

LACERS Board uses a market value “corridor” of 40%. A corridor is used in conjunction with asset smoothing, in order to keep the actuarial value of assets within a certain percentage of the market value of assets. For example, if a system has a 40% corridor, the actuarial value of assets must be between 60% and 140% of the market value of assets. If the actuarial value falls below 60% or rises above 140% of market value, the system must recognize the excess returns or losses, respectively, in that year without smoothing.

In 2012, the City Council adopted a new civilian retirement tier (“**Tier 2**”), which applied to all employees hired on or after July 1, 2013. Subsequently, as part of an agreement with the Coalition of LA City Unions, both the City and the Coalition agreed to transfer all Tier 2 employees into Tier 1 effective February 21, 2016. Any new employee hired into a position eligible for LACERS membership on or after February 21, 2016, unless eligible for Tier 1 membership under specific exemptions, is enrolled in a new “Tier 3.” Based on the actuarial valuation as of June 30, 2024, approximately 57% of the system’s active membership was Tier 1 members and 43% was comprised of Tier 3 members.

The following table includes a summary of the major plan design changes from Tier 1 to Tier 3.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
COMPARISON OF TIER 1 AND TIER 3 PLAN DESIGNS**

<i>Plan Feature</i>	<i>Tier 1⁽¹⁾</i>	<i>Tier 3</i>
Normal Retirement (Age / Years of Service)	55 / 30 60 / 10 70 / Any	60 / 30 60 / 10
Early Retirement (Reduced)	55 / 10 Under 55 / 30	Under 60 / 30
Benefit Factors	Normal Retirement 2.16% per year of service	Normal Retirement 1.5% @ 60 / 10 2.0% @ 60 / 30
	Early Retirement Reduced by 3% per year before age 55; and 1.5% per year from ages 55-59	Early Retirement Reduced by 10.5% at age 54, plus an additional 3% reduction for every year below the age of 54; unreduced from ages 55 to 59
Compensation Used to Determine Retirement Allowance	Highest consecutive 12 months, including pensionable bonuses	Highest consecutive 36 months, including pensionable bonuses
Maximum Benefit	100%	80%
Employee Contribution Base	6%	7%
Early Retirement Incentive Program (ERIP) Employee Contribution	1% until 2026 or when ERIP debt is paid, whichever is sooner	N/A
Other Post-Employment Benefits (OPEB), e.g., retiree healthcare Employee Contribution	4%	4%
Maximum Annual COLA	3%	2%
COLA Bank	Yes	No
Government Service Buyback	Member pays employee contributions	Member pays employee and employer contributions, except for limited military or maternity leave time. Service purchase may not cause member's service retirement allowance to exceed eighty percent of final compensation.

⁽¹⁾ Does not reflect Tier 1 Enhanced Benefits for approximately 500 Public Safety Officers. Note: Measure FF passed in November 2024 and grants these Public Safety Officers the opportunity to transfer to LAFPP by January 2026. The estimated number of those eligible to transfer is 420.

Source: LACERS and City of Los Angeles, Office of the City Administrative Officer.

The table below shows the actuarial value of the City’s liability for retirement benefits (excluding retiree health care and OPEB), the actuarial value of assets available for retirement benefits and two indicators of funding progress for LACERS: (i) the funded ratio; and (ii) the ratio of UAAL to annual payroll.

**LOS ANGELES CITY EMPLOYEES’ RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS FOR RETIREMENT BENEFITS
ACTUARIAL VALUE BASIS
(\$ in thousands)⁽¹⁾**

<i>Actuarial Valuation As of June 30</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>UAAL⁽²⁾</i>	<i>Funded Ratio⁽³⁾</i>	<i>Covered Payroll⁽⁴⁾</i>	<i>UAAL as a Percentage Of Covered Payroll⁽⁵⁾</i>
2015	\$11,727,161	\$16,909,996	\$5,182,835	69.4%	\$1,907,665	271.7%
2016	12,439,250	17,424,996	4,985,746	71.4	1,968,703	253.3
2017	13,178,334	18,458,188	5,279,854	71.4	2,062,316	256.0
2018	13,982,435	19,944,579	5,962,144	70.1	2,177,687	273.8
2019	14,818,564	20,793,421	5,974,857	71.3	2,225,413	268.5
2020	15,630,103	22,527,195	6,897,093	69.4	2,445,017	282.1
2021	16,660,585	23,281,893	6,621,308	71.6	2,254,165	293.7
2022	17,649,268	24,078,751	6,429,483	73.3	2,258,725	284.7
2023	18,493,821	25,299,537	6,805,716	73.1	2,512,179	270.9
2024	19,445,577	26,492,518	7,046,942	73.4	2,730,282	258.1

(1) Table includes funding for retirement benefits only. Other Post-Employment Benefits (“OPEB”) are not included.

(2) Actuarial Accrued Liability minus Actuarial Value of Assets, commonly referred to as UAAL. Positive numbers represent a funded ratio less than 100%.

(3) Actuarial value of assets divided by Actuarial Accrued Liability.

(4) Projected annual pensionable payroll for members of LACERS.

(5) UAAL divided by covered payroll.

Source: Los Angeles City Employees’ Retirement System Actuarial Valuation reports.

For the Retirement Plan, the rate generally increased between the June 30, 2014 and the June 30, 2024 valuations, from 21.3% to 29.01%, primarily due to the amortization of UAAL increases from unfavorable investment experience and changes in actuarial assumptions. The introduction of Tier 3 has helped to mitigate costs as new members have been enrolled in the lower cost benefit tier since February 21, 2016. Furthermore, an additional employee contribution (4 percent for all affected employees effective January 1, 2013) was implemented by the City for certain bargaining groups and for all non-represented employees. For the Health Plan, the non-investment experience (primarily lower than projected medical premiums and subsidies) has had the most impact on declining contribution rates, from 5.8% in 2014 to 3.4% in 2024.

The actuarial value of assets is different from the market value of assets, as the actuarial value smooths asset gains and losses over a number of years. The following table shows the funding progress of LACERS based on the market value of the portion of system assets allocated to retirement benefits.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS FOR RETIREMENT BENEFITS
MARKET VALUE BASIS
(\$ in thousands)⁽¹⁾**

<i>Actuarial Valuation As of June 30</i>	<i>Market Value Of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded Liability⁽²⁾</i>	<i>Funded Ratio (Market Value)⁽³⁾</i>	<i>Covered Payroll⁽⁴⁾</i>	<i>Unfunded Liability As a Percentage of Covered Payroll (Market Value)⁽⁵⁾</i>
2014	\$11,791,079	\$16,248,853	\$4,457,774	72.6%	\$1,898,064	234.9%
2015	11,920,570	16,909,996	4,989,426	70.5	1,907,665	261.5
2016	11,809,329	17,424,996	5,615,667	67.8	1,968,703	285.2
2017	13,180,516	18,458,188	5,277,672	71.4	2,062,316	255.9
2018	14,235,231	19,944,579	5,709,348	71.4	2,177,687	262.2
2019	14,815,593	20,793,421	5,977,828	71.3	2,225,413	268.6
2020	14,932,404	22,527,195	7,594,791	66.3	2,445,017	310.6
2021	18,918,136	23,281,893	4,363,757	81.3	2,254,165	193.6
2022	17,013,091	24,078,751	7,065,660	70.7	2,258,725	312.8
2023	17,953,293	25,299,537	7,346,244	71.0	2,512,179	292.4
2024	19,144,037	26,492,518	7,348,481	72.3	2,730,282	269.1

- (1) Table includes funding for retirement benefits only. Other Post-Employment Benefits (OPEB) are not included.
(2) Actuarial Accrued Liability minus Market Value of Assets. Positive numbers represent a funded ratio less than 100 percent.
(3) Market Value of Assets divided by Actuarial Accrued Liability.
(4) Projected annual pensionable payroll for members of LACERS.
(5) Unfunded liability divided by covered payroll.

Source: Calculated based on data from Los Angeles City Employees' Retirement System Actuarial Valuation reports.

The table below shows the actuarial funding progress of LACERS' liability for healthcare post-employment benefits:

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
(\$ in thousands)**

<i>Actuarial Valuation As of June 30</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>UAAL⁽¹⁾</i>	<i>Funded Ratio⁽²⁾</i>	<i>Covered Payroll⁽³⁾</i>	<i>UAAL As a Percentage of Covered Payroll⁽⁴⁾</i>
2015	\$2,108,925	\$2,646,989	\$538,065	79.7%	\$1,907,665	28.2%
2016	2,248,753	2,793,689	544,935	80.5	1,968,703	27.7
2017	2,438,458	3,005,806	567,348	81.1	2,062,316	27.5
2018	2,628,844	3,256,828	627,984	80.7	2,177,687	28.8
2019	2,812,662	3,334,299	521,637	84.4	2,225,413	23.4
2020	2,984,424	3,486,531	502,107	85.6	2,445,017	20.5
2021	3,330,377	3,520,078	189,701	94.6	2,254,165	8.4
2022	3,472,956	3,580,696	107,741	97.0	2,258,725	4.8
2023	3,646,978	3,405,089	(241,890)	107.1	2,512,179	-9.7
2024	3,855,959	3,570,148	(285,811)	108.0	2,730,282	-10.5

⁽¹⁾ Actuarial Accrued Liability minus Actuarial Value of Assets, commonly referred to as UAAL. Positive numbers represent an actuarial deficit.

⁽²⁾ Actuarial value of assets divided by Actuarial Accrued Liability.

⁽³⁾ Annual pensionable payroll against which UAAL amortized.

⁽⁴⁾ UAAL divided by Covered Payroll.

Source: The City of Los Angeles City Employees' Retirement System Actuarial Valuations.

The table below summarizes the City’s payments to LACERS over the past four years and payments included in the Fiscal Year 2024-25 Adopted Budget. This table includes costs for contributions for both pensions and retiree health care.

**LOS ANGELES CITY EMPLOYEES’ RETIREMENT SYSTEM
SOURCES AND USES OF CONTRIBUTIONS**

(\$ in thousands)⁽¹⁾

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<i>Adopted Budget</i> <u>2024-25</u>
Sources of Contributions					
Contributions for Council-controlled Departments ⁽²⁾	\$ 532,833	\$ 601,450	\$ 636,523	\$ 675,824	\$ 706,034
Airport, Harbor Departments, LACERS, LAFPP	<u>114,828</u>	<u>124,074</u>	<u>131,166</u>	<u>138,617</u>	<u>148,263</u>
Total	<u>\$ 647,661</u>	<u>\$ 725,524</u>	<u>\$ 767,689</u>	<u>\$ 814,441</u>	<u>\$ 854,297</u>
Percent of payroll – Tier 1	29.43%	32.81%	33.93%	34.07%	34.34%
Percent of payroll – Tier 3	27.45%	30.16%	31.35%	31.45%	31.06%
Uses of Contributions					
Current Service Liability (Normal cost)	\$ 229,795	\$ 265,096	\$ 285,162	\$ 298,345	\$ 322,980
UAAL	462,604	492,955	556,287	596,007	612,849
Adjustments ⁽³⁾	<u>(44,738)</u>	<u>(32,527)</u>	<u>(73,760)</u>	<u>(79,911)</u>	<u>(81,532)</u>
Total	<u>\$ 647,661</u>	<u>\$ 725,524</u>	<u>\$ 767,689</u>	<u>\$ 814,441</u>	<u>\$ 854,297</u>

(1) Includes funding for OPEB.

(2) Includes employees funded by certain special funds in addition to the General Fund.

(3) Adjustments include a “true-up” reconciling projected payroll against actual payroll, the family death benefit plan, the limited term retirement plan, excess benefits, and the enhanced benefit for the Public Safety Officers who remain in LACERS.

Source: City of Los Angeles, Office of the City Administrative Officer.

The table below illustrates the City’s projected contributions to LACERS for the next four fiscal years from Council-controlled City departments (excluding the proprietary departments) based on projected rates from the City’s consulting actuary applied against projected payroll by the Office of the City Administrative Officer (the “CAO”). These projected contributions illustrate the projected cost of both pension and OPEB. The CAO’s projected payroll assumes that there will be no negotiated employee compensation increases after the expiration in December 2027 or December 2028 of current labor agreements.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
PROJECTED CONTRIBUTIONS
(\$ in thousands)**

	<i>Adopted Budget 2024-25</i>	<i>Projection 2025-26</i>	<i>Projection 2026-27</i>	<i>Projection 2027-28</i>	<i>Projection 2028-29</i>
Contributions for Council-controlled Departments ⁽¹⁾⁽²⁾	\$ 706,034	\$ 778,946	\$ 846,443	\$ 902,265	\$ 916,278
Percentage of Payroll ⁽³⁾	33.29%	31.66%	32.37%	32.50%	32.21%
Incremental Change	\$ 30,230	\$ 72,911	\$ 67,498	\$ 55,822	\$ 14,013
% Change	4.47%	10.33%	8.67%	6.59%	1.55%

⁽¹⁾ Includes the General Fund and various special funds.

⁽²⁾ Assumes 7 percent return on investment.

⁽³⁾ Reflects combined rates for July 15 payment.

Source: City of Los Angeles, Office of the City Administrative Officer (CAO), based on information commissioned by the CAO.

In addition, the LACERS Board has recently requested that the City Council review and consider a discretionary cost-of-living adjustment of 2.85 percent for Tier 1 participants. The recommendation is pending consideration by the City Council and Mayor.

Los Angeles Fire and Police Pension Plan (“LAFPP”). The LAFPP, established in 1899 and incorporated into the Charter in 1923, represents contributory plans covering uniformed fire, police, and some Department of Harbor and some Department of Airports police. As of June 30, 2024, the date of its most recent actuarial valuation, the LAFPP had 12,369 active members (including 127 in Harbor and 102 in Airports), 14,423 retired members and beneficiaries, and 828 vested former members.

Six tiers of benefits are provided, depending on the date of the member’s hiring. No active members are in Tier 1, while Tier 2 had only 3 active members as of June 30, 2024, although both tiers have beneficiaries. 53% of active members are in Tier 5, and 43% are in Tier 6.

Amortization of UAAL may be calculated differently for different tiers. A Charter amendment adopted by City voters on March 8, 2011 provided the LAFPP Board with the authority to establish amortization and plan funding policies. Under the LAFPP Board’s current actuarial funding policy, actuarial gains or losses are amortized over 20 years; changes in actuarial assumptions and cost methods are amortized over 20 years; plan amendments are amortized over 15 years; and actuarial funding surpluses are amortized over 30 years.

Similar to LACERS, LAFPP has adopted various asset smoothing methods. Generally, market gains or losses are recognized over seven years, so that approximately 1/7th of market losses or gains are recognized each year in the actuarial valuation. LAFPP uses a 40% market corridor, so that the actuarial value of assets must be between 60% and 140% of the market value of assets. If the actuarial value falls below 60% or rises above 140% of market value, the system must recognize the excess returns or losses, respectively, in that year without smoothing.

Based on the advice of its actuary, the LAFPP Board reduced its assumed rate of investment return from 7.50% to 7.25% in 2017, lowering it again to 7.00% in May 2020 (lowering its inflation assumption from 3.00% to 2.75% as well). In May 2023, the LAFPP Board adopted the actuary’s recommendations to maintain the 7.00% assumed rate of investment return, but reduced the inflation assumption from 2.75% to 2.50%. In addition to the economic assumptions, the LAFPP Board adjusted various other demographic assumptions such as mortality, retirement, termination, and disability incidence rates. Adoption of the economic and demographic assumption changes in May 2023 was estimated to decrease City contributions by 0.45% of

payroll. The new assumptions were used in the June 30, 2023 actuarial valuation, which determine the City's contribution rate for Fiscal Year 2024-25.

The table below shows the actuarial value of the City's liability for retirement benefits (excluding retiree health care and OPEB), the actuarial value of assets available for retirement benefits, and two indicators of funding progress for LAFPP, the funded ratio and the ratio of UAAL to annual payroll.

**LOS ANGELES FIRE AND POLICE PENSION PLAN
SCHEDULE OF FUNDING PROGRESS FOR RETIREMENT BENEFITS
ACTUARIAL VALUE BASIS
(\$ in thousands)⁽¹⁾**

<i>Actuarial Valuation As of June 30</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>UAAL⁽²⁾</i>	<i>Funded Ratio⁽³⁾</i>	<i>Covered Payroll⁽⁴⁾</i>	<i>UAAL As a percentage of Covered Payroll⁽⁵⁾</i>
2015	\$16,770,060	\$18,337,507	\$1,567,447	91.5%	\$1,405,171	111.5%
2016	17,645,338	18,798,510	1,153,172	93.9	1,400,808	82.3
2017	18,679,221	20,411,024	1,731,803	91.5	1,475,539	117.4
2018	19,840,070	21,364,804	1,524,734	92.9	1,546,043	98.6
2019	21,037,711	22,474,125	1,436,414	93.6	1,583,808	90.7
2020	22,106,722	23,727,315	1,620,593	93.2	1,670,245	97.0
2021	23,689,349	24,461,267	771,918	96.8	1,684,785	45.8
2022	25,146,787	25,670,766	523,979	98.0	1,664,318	31.5
2023	26,430,735	26,556,702	125,967	99.5	1,698,778	7.4
2024	27,527,602	27,595,631	68,029	99.8	1,771,168	3.8

(1) Table includes funding for retirement benefits only. OPEB are not included.

(2) Actuarial Accrued Liability minus Actuarial Value of Assets, commonly referred to as UAAL. Positive numbers represent an actuarial deficit.

(3) Actuarial Value of Assets divided by Actuarial Accrued Liability.

(4) Projected annual payroll against which UAAL amortized.

(5) UAAL divided by covered payroll.

Source: LAFPP Actuarial Valuations and Review of Retirement and Other Post-Employment Benefits as of June 30, 2024.

The actuarial value of assets is different from the market value of assets, as the actuarial value smooths asset gains and losses over a number of years. The following table shows the funding progress of LAFPP based on the market value of the portion of system assets allocated to retirement benefits.

**LOS ANGELES FIRE AND POLICE PENSION PLAN
SCHEDULE OF FUNDING PROGRESS FOR RETIREMENT BENEFITS
MARKET VALUE BASIS
(\$ in thousands)⁽¹⁾**

<i>Actuarial Valuation As of June 30</i>	<i>Market Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded (Overfunded) Liability⁽²⁾</i>	<i>Funded Ratio (Market Value)⁽³⁾</i>	<i>Covered Payroll⁽⁴⁾</i>	<i>Unfunded Liability As a Percentage of Covered Payroll (Market Value)⁽⁵⁾</i>
2015	17,346,554	18,337,507	990,953	94.6	1,405,171	70.5%
2016	17,104,276	18,798,510	1,694,234	91.0	1,400,808	120.9
2017	18,996,721	20,411,024	1,414,303	93.1	1,475,593	95.8
2018	20,482,133	21,364,804	882,671	95.9	1,546,043	57.1
2019	21,262,200	22,474,125	1,211,925	94.6	1,583,808	76.5
2020	21,396,933	23,727,315	2,330,382	90.2	1,670,245	139.5
2021	27,862,307	24,461,267	(3,401,040)	113.9	1,684,785	(201.9)
2022	25,258,536	25,670,766	412,230	98.4	1,664,318	24.8
2023	26,437,300	26,556,702	119,402	99.6	1,698,778	7.0
2024	28,148,046	27,595,631	(552,415)	102.0	1,771,168	(31.2)

(1) Table includes funding for retirement benefits only. OPEB not included.

(2) Actuarial Accrued Liability minus Market Value of Assets. Positive numbers represent a deficit.

(3) Market Value of Assets divided by Actuarial Accrued Liability.

(4) Projected annual payroll against which liability is amortized.

(5) UAAL divided by covered payroll.

Source: Calculated by CAO based on data from LAFPP Actuarial Valuations.

The table below provides a ten-year history of the funding progress for healthcare benefit liabilities of the LAFPP.

**OTHER POST-EMPLOYMENT BENEFITS
FIRE AND POLICE PENSION PLAN
(\$ in thousands)**

<i>Actuarial Valuation As of June 30</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded AAL⁽¹⁾</i>	<i>Funded Ratio⁽²⁾</i>	<i>Covered Payroll⁽³⁾</i>	<i>Unfunded AAL As a Percentage of Covered Payroll⁽⁴⁾</i>
2015	\$1,344,333	\$2,962,703	\$1,618,370	45.4%	\$1,405,171	115.2%
2016	1,480,810	3,079,670	1,598,860	48.1	1,400,808	114.1
2017	1,637,846	3,322,746	1,684,900	49.3	1,475,539	114.2
2018	1,819,359	3,547,777	1,728,417	51.3	1,546,043	111.8
2019	2,016,202	3,590,023	1,573,821	56.2	1,583,808	99.4
2020	2,214,552	3,709,858	1,495,307	59.7	1,670,245	89.5
2021	2,455,726	3,793,174	1,337,448	64.7	1,684,785	79.4
2022	2,710,079	3,649,332	939,253	74.3	1,664,318	56.4
2023	2,966,078	3,815,027	848,948	77.75	1,698,778	50.0
2024	3,180,164	4,066,716	886,552	78.20	1,771,168	50.0

(1) Actuarial Accrued Liability minus Actuarial Value of Assets, commonly referred to as UAAL. Positive numbers represent an actuarial deficit.

(2) Actuarial Value of Assets divided by Actuarial Accrued Liability.

(3) Projected annual payroll against which UAAL amortized.

(4) UAAL divided by covered payroll.

Source: The Fire and Police Pension Plan Actuarial Valuations.

The table below summarizes the General Fund's payments to LAFPP over the past four years and payments included in the 2024-25 Adopted Budget. This table includes costs for both pensions and retiree health care, as well as the plan's administrative expenses.

**LOS ANGELES FIRE AND POLICE PENSION PLAN
SOURCES AND USES OF CONTRIBUTIONS
(\$ in thousands)**

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<i>Adopted Budget</i> <u>2024-25</u>
General Fund ⁽¹⁾	\$ 738,908	\$ 721,998	\$ 660,945	\$ 637,297	\$ 660,048
Percent of Payroll	46.79%	45.89%	41.84%	40.63%	38.72%
Current Service Liability	\$ 382,639	\$ 393,940	\$ 394,525	\$ 390,133	\$ 410,951
UAAL/(Surplus)	337,154	306,679	244,958	225,835	225,057
Administrative Costs	<u>19,115</u>	<u>21,379</u>	<u>21,462</u>	<u>21,329</u>	<u>24,040</u>
Total	<u>\$ 738,908</u>	<u>\$ 721,998</u>	<u>\$ 660,945</u>	<u>\$ 637,297</u>	<u>\$ 660,048</u>

⁽¹⁾ The City funds an Excess Benefit Plan outside LAFPP to provide for any benefit payments to retirees that exceed IRS limits. Amounts deposited in that account are credited against the City's annual contribution to LAFPP.
Source: CAO.

Historically, plan members did not contribute to offset the City's costs of retiree healthcare subsidy benefits, as all such costs were funded from the employer's contribution and investment returns thereon. In 2011, the City negotiated with the sworn bargaining units the option of a 2% active employee contribution to offset the cost of retiree healthcare for its sworn workforce hired before July 1, 2011. Sworn employees hired on and after July 1, 2011 are members of Tier 6, which requires an additional 2% contribution to offset the cost of retiree healthcare. Employees who contribute to retiree healthcare benefits are vested in future subsidy increases authorized by the LAFPP board. For those sworn employees that opted not to make an additional contribution to offset the cost of retiree healthcare, their retiree health subsidy has been frozen and cannot surpass the maximum subsidy level in effect as of July 1, 2011.

A consolidated lawsuit challenged the LAFPP Board's exercise of its discretion to annually increase the subsidy for sworn employees. On May 2, 2022, the court ruled that LAFPP was not required to automatically grant the unions the maximum possible increase in the retiree medical subsidy each year to employees who contribute the additional 2%. Rather, LAFPP retained the discretion on the amount of any increase. The union filed a notice of appeal. See "LITIGATION."

The table below illustrates the City's projected contributions to LAFPP for the next four fiscal years based on projected rates from the LAFPP's consulting actuary applied against projected payroll by the CAO. The CAO's projected payroll does not include compensation increases after the expiration of current labor agreements, with the exception of placeholder amounts related to a pending successor contract with the United Firefighters of Los Angeles City.

**LOS ANGELES FIRE AND POLICE PENSION PLAN
PROJECTED CONTRIBUTIONS⁽¹⁾
(\$ in thousands)**

	<i>Adopted Budget 2024-25</i>	<i>Projection 2025-26</i>	<i>Projection 2026-27</i>	<i>Projection 2027-28</i>	<i>Projection 2028-29</i>
General Fund	\$ 660,048	\$ 593,566	\$ 624,901	\$ 639,460	\$ 646,017
Percentage of Payroll	38.72%	31.51%	31.03%	30.97%	30.89%
Incremental Change	\$ 22,751	(\$ 66,482)	\$ 31,335	\$ 14,559	\$ 6,557
% Change	3.57%	(10.07%)	5.28%	2.33%	1.03%

⁽¹⁾ Assumes 7.00 percent return on investment.

Source: CAO, based on information commissioned by the CAO.

The City's required contributions to its retirement systems are expected to stabilize in, then decline by the end of the projection period, due in part to the high investment returns experienced in Fiscal Year 2020-21. The above table assumes a 7% return for Fiscal Year 2023-24 and a 7% assumed rate of return through the projection period. Actual contributions will depend on a variety of factors, including actual investment returns. The actual rate of return for Fiscal Year 2023-24 was 9.73% for LAFPP.

LITIGATION

The City is routinely a party to a variety of pending and threatened lawsuits and administrative proceedings that may affect the General Fund of the City. The following list of certain newly completed, pending or threatened litigation matters involving the City was prepared by the Office of the City Attorney, and includes matters with a potential exposure of \$10 million or more. For all pending or threatened litigation matters and administrative proceedings not listed below, the City believes, based on current facts and circumstances, that a final determination of such matters, either individually or in the aggregate, should not materially affect the General Fund's financial position. Certain litigation or administrative proceedings discussed below, if determined in a final and conclusive manner adverse to the City, may, individually or in the aggregate, materially affect the General Fund's financial position.

THE FOLLOWING LIST HAS BEEN TRUNCATED FROM MATERIALS PROVIDED BY THE CITY TO ONLY INCLUDE LITIGATION ADDRESSED IN AND RELATING TO LACERS OR LAFPP.

1. *Los Angeles Police Protective League and United Firefighters of Los Angeles City v. Board of Fire and Police Pension Commissioners v. City of Los Angeles.*

In this case plaintiffs seek a judgment declaring that their letter of agreement with the City requires the Board of Fire and Police Pension Commissioners (the “**Board**”) to increase the retirees’ medical subsidy by the maximum amount allowable per year under the Administrative Code. The City prevailed on a demurrer, but the Court of Appeal reversed and issued a remittitur, sending the case back to the trial court to resolve disputed factual issues. A bench trial occurred from September 26 to September 28, 2016. Following the bench trial, the court issued a tentative decision in favor of the plaintiffs. In November 2016, the trial court ruled in favor of the plaintiffs’ claim with respect to the medical subsidy. The City appealed the trial court ruling. On October 30, 2018, the appellate court reversed the trial court and ordered that the case be remanded for a new trial.

On August 10, 2017, the Los Angeles Police Protective League (the “**LAPPL**”) filed an additional lawsuit against the LAFPP Board and the City in Los Angeles County Superior Court. The complaint, as supplemented, alleges that the Board should have raised the retiree subsidy to the maximum amount of 7% for the fiscal year beginning July 1, 2017 rather than the 6% then awarded and for the fiscal years thereafter. This case has been consolidated with the case discussed above. In October 2021, the court conducted a three-day trial. On May 2, 2022, the court ruled that the letter of agreement did not require the City (through the LAFPP Board) to grant the unions the maximum possible increase in the retiree medical subsidy. Rather, the LAFPP Board retained the discretion on the amount of any increase. LAPPL filed a notice of appeal. The appeal is expected to be heard in 2025. Notwithstanding the appeal, the case is proceeding on the issue of whether the LAFPP Board abused its discretion in the years in which it did not grant the maximum possible increase. The timeframe in which the discretion issue will be adjudged will be dependent upon the outcome of the appeal. If LAPPL is successful in its appeal, a new trial may result and render the discretion issue moot.

APPENDIX I

SECOND PARTY OPINION REGARDING GREEN BONDS