

Revised 6/17/21

Special Board and Executive-Finance Committee Meeting Agenda

**Monday, June 21, 2021
9:00 A.M.**

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Johanna Schiavoni (Chair)
Paul Robinson (Vice Chair)
Catherine Blakespear
Gil Cabrera
Mary Casillas Salas
Robert T. Lloyd
Paul McNamara
Nora E. Vargas
Marni von Wilpert

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President/CEO

Kimberly J. Becker

This meeting of the Executive-Finance Committee of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-08-21 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record; each of these comments will be read for up to three minutes or for the time determined by the Chair. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Comment on Agenda Items

Public comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

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If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

- **Step 1:** Fill out the online [**Request to Speak Form**](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13960>
- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

How to Watch the Meeting

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13960>

Requests for Accessibility Modifications or Accommodations

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or clerk@san.org. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility.

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

Note: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

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CALL TO ORDER:

ROLL CALL:

Board

Board Members: Blakespear, Cabrera, Casillas Salas, Dallarda (Ex-Officio), Dockery (Ex-Officio), Lloyd, McNamara, Miller (Ex-Officio), Robinson, Schiavoni (Chair), Vargas, von Wilpert

Executive Committee

Committee Members: Lloyd, Robinson, Schiavoni (Chair)

Finance Committee

Committee Members: Cabrera, Casillas Salas, Lloyd (Chair), von Wilpert

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Committee.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 24, 2021 regular meeting.

FINANCE COMMITTEE NEW BUSINESS:

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS ENDED MAY 31, 2021:

Presented by: Scott Brickner, Vice President/CFO

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MAY 31, 2021:

Presented by: Geoff Bryant, Manager, Airport Finance

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4. APPROVE A SHORT-TERM BORROWING PROGRAM AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A REVOLVING CREDIT AGREEMENT WITH BANK OF AMERICA, N.A.:

RECOMMENDATION: Forward to Board with Recommendation to (1) approve a Short-Term Borrowing Program in an aggregate principal amount not to exceed \$200,000,000 outstanding at any one time to provide an interim funding source for the New T1 and other capital projects; (2) authorize the President/CEO (or such other Designated Officer) to negotiate and execute a Revolving Credit Agreement with Bank of America, N.A.; and (3) approve the forms of an Eighth Supplemental Subordinate Trust Indenture, an AMT Note, a Non-AMT Note and a Taxable Note.

Presented by: John Dillon, Director, Financial Management

EXECUTIVE COMMITTEE NEW BUSINESS:

5. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

Presented by: Tony R. Russell, Director, Board Services/Authority Clerk

REVIEW OF FUTURE AGENDAS:

6. REVIEW OF THE DRAFT AGENDA FOR THE JULY 1, 2021 BOARD MEETING:

Presented by: Kimberly J. Becker, President/CEO

7. REVIEW OF THE DRAFT AGENDA FOR THE JULY 1, 2021 AIRPORT LAND USE COMMISSION MEETING:

Presented by: Kimberly J. Becker, President/CEO

BOARD CLOSED SESSION:

8. CONFERENCE WITH LABOR NEGOTIATORS:

Cal. Gov. Code section 54957.6

Agency designated representatives: Angela Shafer-Payne, Monty Bell, Lola Barnes, Greg Halsey, Rod Betts

Employee Organization: California Teamsters Local 911

REPORT ON BOARD CLOSED SESSION:

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

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Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit an email to the Clerk at clerk@san.org prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to submit an email shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.

After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third-floor receptionist for validation.

You may also reach the SDCRAA Building by using public transit via the San Diego MTS System, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD
AND EXECUTIVE-FINANCE COMMITTEE MEETING MINUTES
MONDAY, MAY 24, 2021
BOARD ROOM

CALL TO ORDER: Vice Chair Robinson called the special Executive and Finance Committee meeting to order at 10:06 a.m., on Monday, May 24, 2021, electronically and via teleconference pursuant to Executive Order N-29-20, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Executive Committee

Present: Committee Members: Lloyd, Robinson, Schiavoni (Chair)

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Cabrera, Casillas Salas, Lloyd (Chair)

Absent: Committee Members: von Wilpert

Also Present: Kim Becker, President/CEO; Lee Kaminetz, Director, Counsel Services; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

Board

Present: Cabrera, Casillas Salas, Lloyd, Robinson, Schiavoni (Chair)

Absent: Blakespear, Dallarda (Ex Officio), Dockery (Ex Officio), McNamara, Miller (Ex Officio), Vargas, von Wilpert

NON-AGENDA PUBLIC COMMENT: Tony R. Russell, Director, Board Services/Authority Clerk, read into record the public comment submitted by Ray Bender regarding the charging of fees for updating Airport Land Use Compatibility Plans.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the April 26, 2021 regular meeting.

ACTION: Moved by Board Member Lloyd and seconded by Vice Chair Robinson to approve staff's recommendation. Motion carried unanimously noting Chair Schiavoni as ABSENT.

FINANCE COMMITTEE NEW BUSINESS:

Chair Schiavoni arrived to the meeting at 10:12 a.m.

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TEN MONTHS ENDED APRIL 30, 2021:

Scott Brickner, Vice President/CFO, provided a presentation on the Review of the Unaudited Financial Statements for the Ten Months Ended April 30, 2021 that included Enplanements, Gross Landing Weight Units, Operating Revenues, Operating Expenses, Net Operating Income Summary, Nonoperating Revenues & Expenses and Statements of Net Position.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF APRIL 30, 2021:

Geoff Bryant, Manager, Airport Finance, provided a presentation on the Investment Report that included Portfolio Characteristics, Sector Distribution, Quality and Maturity Distribution, Investment Performance and Bond Proceeds.

4. ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:

John Dillon, Director, Financial Management, provided an overview of the proposed policy amendments to Authority Policy 4.40 – Debt Issuance and Management.

RECOMMENDATION: Forward this item to the Board with a recommendation to approve amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.

ACTION: Moved by Board Member Cabrera and seconded by Board Member Casillas Salas to approve staff's recommendation. Motion carried unanimously noting Board Member von Wilpert as ABSENT.

5. ANNUAL REVIEW OF AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER/TREASURER:

Geoff Bryant, Manager, Airport Finance, provided an overview of the proposed amendments to Authority Policy 4.20 – Guidelines for Prudent Investments, and Delegation of Authority to Invest and Manage Authority Funds to the Vice President, Chief Financial Officer/Treasurer.

RECOMMENDATION: Forward this item to the Board with a recommendation to approve amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer/Treasurer.

ACTION: Moved by Board Member Casillas Salas and seconded by Board Member Cabrera to approve staff's recommendation. Motion carried unanimously noting Board Member von Wilpert as ABSENT.

EXECUTIVE COMMITTEE NEW BUSINESS:

6. SAN DIEGO COMMUNITY POWER PROGRAM:

Brendan Reed, Director, Airport Planning & Environmental; Cogan Semler, Manager, Energy & Water Management, provided an overview of the San Diego Community Power (SDCP) Program.

In response to Board Member Cabrera's inquiry on why the main SDG&E account is not transitioning or when it will be transitioned to the SDCP Power100 program, Mr. Semler stated that he believes it is being held up because it is a conjunctively billed account, but he will provide an update to the Board via Board Memo.

7. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

Tony R. Russell, Director, Board Services/Authority Clerk, reported that there were no requests submitted for approval.

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: No action taken.

REVIEW OF FUTURE AGENDAS:

8. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 3, 2021 BOARD MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the June 3, 2021 draft Board meeting agenda.

At Board Member Cabrera's request, Tony Russell, Director, Board Services/ Authority Clerk, confirmed that the Diversity, Equity, and Inclusion Ad Hoc committee will be added to the Reports section of the agenda.

9. REVIEW OF THE DRAFT AGENDA FOR THE JUNE 3, 2021 AIRPORT LAND USE COMMISSION MEETING:

Kimberly J. Becker, President/CEO, provided an overview of the June 3, 2021 draft Airport Land Use Commission meeting agenda.

BOARD CLOSED SESSION: The Board did not meet in Closed Session.

10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority

San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL

REPORT ON CLOSED SESSION: None.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 10:58 a.m.

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APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 21ST DAY OF JUNE, 2021.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of May 31, 2021
(Unaudited)

ASSETS

	May	
	2021	2020
Current assets:		
Cash and investments ⁽¹⁾	\$ 78,033,311	\$ 105,229,934
Tenant lease receivable, net of allowance of 2021: (160,012) and 2020: (\$211,156)	19,326,991	19,629,776
Grants receivable	20,952,127	4,688,789
Notes receivable-current portion	2,123,843	2,006,052
Prepaid expenses and other current assets	8,190,824	9,017,858
Total current assets	128,627,096	140,572,409
 Cash designated for capital projects and other ⁽¹⁾	110,646,188	75,396,124
 Restricted assets:		
Cash and investments:		
Bonds reserve ⁽¹⁾	63,145,006	62,911,770
Passenger facility charges and interest unapplied ⁽¹⁾	45,765,663	67,141,325
Customer facility charges and interest unapplied ⁽¹⁾	28,183,288	46,484,454
SBD Bond Guarantee ⁽¹⁾	2,222,300	4,000,000
Bond proceeds held by trustee ⁽¹⁾	421,571,536	452,474,939
Passenger facility charges receivable	4,522,812	(190,032)
Customer facility charges receivable	2,009,413	947,507
Customer facility charges held by trustee	780,120	99
OCIP insurance reserve	5,075,108	5,519,913
Total restricted assets	573,275,246	639,289,975
 Noncurrent assets:		
Capital assets:		
Land and land improvements	136,757,115	136,757,115
Runways, roads and parking lots	709,054,024	698,701,559
Buildings and structures	1,736,183,497	1,695,520,194
Machinery and equipment	65,386,059	62,121,856
Vehicles	25,836,842	25,655,403
Office furniture and equipment	45,032,462	44,356,461
Works of art	13,980,641	13,980,641
Construction-in-progress	432,651,176	322,281,357
 Less accumulated depreciation	3,164,881,816	2,999,374,586
Total capital assets, net	(1,345,783,305)	(1,210,514,168)
	1,819,098,511	1,788,860,418
 Other assets:		
Notes receivable - long-term portion	28,024,643	27,500,316
Investments-long-term portion ⁽¹⁾	176,034,781	258,212,553
Net OPEB Asset	2,136,494	2,136,494
Security deposit	414,833	304,985
Total other assets	206,610,751	288,154,348
 Deferred outflows of resources:		
Deferred pension outflows	19,570,470	21,754,416
Deferred OPEB outflows	1,101,223	1,053,951
Deferred POB outflows	547,072	556,018
Total assets and deferred outflows of resources	\$ 2,859,476,557	\$ 2,955,637,659

⁽¹⁾ Total cash and investments, \$925,602,073 for 2021 and \$1,071,851,099 for 2020

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of May 31, 2021
(Unaudited)

LIABILITIES AND NET POSITION

	May	
	2021	2020
Current liabilities:		
Accounts payable and accrued liabilities	\$ 59,988,975	\$ 81,548,094
Deposits and other current liabilities	4,048,704	8,790,283
Total current liabilities	64,037,679	90,338,377
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	36,520,000	31,560,000
Accrued interest on bonds and variable debt	34,039,747	35,031,701
Total liabilities payable from restricted assets	70,559,747	66,591,701
Long-term liabilities:		
Variable debt	-	13,719,000
Other long-term liabilities	13,403,917	9,161,816
Long term debt - bonds net of amortized premium	1,800,231,149	1,850,878,416
Net pension liability	15,961,502	15,961,502
Total long-term liabilities	1,829,596,568	1,889,720,734
Total liabilities	1,964,193,994	2,046,650,812
Deferred inflows of resources:		
Deferred pension inflows	6,190,685	6,190,685
Deferred OPEB inflows	1,400,369	1,400,369
Deferred POB inflows	218,627	217,937
Deferred Inflows Bond Refunding	3,885,111	4,088,698
Total liabilities and deferred inflows of resources	\$ 1,975,888,786	\$ 2,058,548,501
Net Position:		
Invested in capital assets, net of related debt	393,888,044	338,599,359
Other restricted	155,997,830	186,814,939
Unrestricted:		
Designated	138,818,069	52,951,691
Undesignated	194,883,828	318,723,169
Total Net Position	\$ 883,587,771	\$ 897,089,158

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended May 31, 2021
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 4,017,999	\$ 3,882,537	\$ (135,462)	(3)%	\$ 70,257
Aircraft parking Fees	1,202,559	930,158	(272,401)	(23)%	152,751
Building rentals	10,433,763	10,454,308	20,545	-	(3,985,789)
CUPPS Support Charges	1,058,877	1,221,339	162,462	15%	171,064
Other aviation revenue	10,796	14,673	3,877	36%	3,701
Terminal rent non-airline	208,515	220,783	12,268	6%	208,909
Terminal concessions	2,225,870	2,301,686	75,816	3%	4,383,358
Terminal Concessions-Revenue Waived	-	(970,068)	(970,068)	-	(3,988,451)
Rental car license fees	2,206,469	2,245,380	38,911	2%	4,972,355
Rental car center cost recovery	174,259	160,368	(13,891)	(8)%	329,146
Rental Car-Revnue Waived	-	98,233	98,233	-	(4,741,285)
License fees other	478,019	340,054	(137,965)	(29)%	326,147
Parking revenue	2,952,977	2,814,249	(138,728)	(5)%	571,225
Ground transportation permits and citations	1,316,741	657,060	(659,681)	(50)%	44,893
Ground rentals	1,593,242	1,771,021	177,779	11%	1,405,124
Grant reimbursements	24,800	23,421	(1,379)	(6)%	24,800
Other operating revenue	97,899	123,048	25,149	26%	57,033
Total operating revenues	28,002,785	26,288,250	(1,714,535)	(6)%	5,239
Operating expenses:					
Salaries and benefits	4,096,806	3,735,946	360,860	9%	3,008,621
Contractual services	2,594,674	2,173,828	420,846	16%	1,371,784
Safety and security	2,771,752	2,722,226	49,526	-	2,155,372
Space rental	848,063	857,616	(9,553)	(1)%	850,448
Utilities	1,184,349	1,074,318	110,031	9%	984,208
Maintenance	1,116,460	861,332	255,128	23%	665,387
Equipment and systems	26,779	29,087	(2,308)	(9)%	27,283
Materials and supplies	65,553	26,563	38,990	59%	39,091
Insurance	118,835	115,505	3,330	3%	99,065
Employee development and support	44,273	21,788	22,485	51%	21,950
Business development	144,688	45,590	99,098	68%	56,334
Equipment rentals and repairs	438,520	359,446	79,074	18%	337,892
Total operating expenses	13,450,752	12,023,245	1,427,507	11%	9,617,435
Depreciation	10,473,124	10,473,124	-	-	10,145,778
Operating income (loss)	4,078,909	3,791,881	(287,028)	(7)%	(19,757,974)
Nonoperating revenue (expenses):					
Passenger facility charges	3,006,128	2,879,339	(126,789)	(4)%	226,085
Customer facility charges (Rental Car Center)	2,632,954	2,080,405	(552,549)	(21)%	174,853
Federal Relief Grants	2,539,047	12,362,269	9,823,222	387%	14,396,680
Quieter Home Program	(245,820)	(617,879)	(372,059)	(151)%	(372,572)
Interest income	421,279	1,143,782	722,503	172%	1,755,225
BAB interest rebate	-	-	-	-	-
Interest expense	(7,255,755)	(6,841,150)	414,605	6%	(8,231,194)
Bond amortization costs	808,112	1,160,475	352,363	44%	1,229,947
Other nonoperating income (expenses)	(833)	44,495	45,328	-	362,420
Nonoperating revenue, net	1,905,112	12,211,736	10,306,624	541%	9,541,444
Change in net position before capital grant contributions	5,984,021	16,003,617	10,019,596	167%	(10,216,530)
Capital grant contributions	375,000	4,258,950	3,883,950	(1036)%	(354,739)
Change in net position	\$ 6,359,021	\$ 20,262,567	\$ 13,903,546	(219)%	\$ (10,571,269)

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Eleven Months Ended May 31, 2021 and 2020
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	\$ 32,103,041	\$ 28,784,309	\$ (3,318,732)	(10)%	\$ 36,730,966
Aircraft parking fees	10,115,215	9,498,625	(616,590)	(6)%	9,182,364
Building rentals	80,548,105	71,035,509	(9,512,596)	(12)%	84,576,321
CUPPS Support Charges	6,842,297	6,718,159	(124,138)	(2)%	7,833,154
Other aviation revenue	78,173	143,960	65,787	84%	146,272
Terminal rent non-airline	2,306,406	2,368,280	61,874	3%	2,251,979
Terminal concessions	19,017,902	24,798,994	5,781,092	30%	28,413,387
Terminal Concessions-Revenue Waived	-	(15,856,640)	(15,856,640)	-	(3,988,451)
Rental car license fees	18,942,903	23,073,482	4,130,579	22%	28,077,859
Rental car center cost recovery	1,394,070	1,764,050	369,980	27%	1,844,130
Rental Car-Revnue Waived	-	(11,105,245)	(11,105,245)	-	(4,741,285)
License fees other	3,055,454	2,897,539	(157,915)	(5)%	5,889,653
Parking revenue	19,568,321	18,899,012	(669,309)	(3)%	35,346,455
Ground transportation permits and citations	8,466,097	4,403,118	(4,062,979)	(48)%	14,030,813
Ground rentals	16,756,516	17,447,520	691,004	4%	17,598,983
Grant reimbursements	271,200	319,877	48,677	18%	277,076
Other operating revenue	973,387	1,197,770	224,383	23%	1,406,208
Total operating revenues	220,439,087	186,388,319	(34,050,768)	(15)%	264,875,884
Operating expenses:					
Salaries and benefits	46,605,702	44,127,903	2,477,799	5%	46,427,421
Contractual services	26,335,348	21,869,982	4,465,366	17%	35,216,276
Safety and security	30,804,836	30,961,137	(156,301)	(1)%	26,909,523
Space rental	9,352,988	9,382,546	(29,558)	-	9,355,672
Utilities	12,975,335	10,602,582	2,372,753	18%	11,879,385
Maintenance	11,121,731	8,345,598	2,776,133	25%	10,749,871
Equipment and systems	295,110	379,307	(84,197)	(29)%	314,148
Materials and supplies	576,894	389,506	187,388	32%	593,455
Insurance	1,439,652	1,403,914	35,738	2%	1,209,407
Employee development and support	708,075	375,516	332,559	47%	928,723
Business development	1,074,214	164,761	909,453	85%	1,563,495
Equipment rentals and repairs	3,401,152	3,071,716	329,436	10%	3,341,312
Total operating expenses	144,691,037	131,074,468	13,616,569	9%	148,488,688
Depreciation	116,990,953	116,990,953	-	-	113,308,853
Operating income (loss)	(41,242,903)	(61,677,102)	(20,434,199)	(50)%	3,078,343
Nonoperating revenue (expenses):					
Passenger facility charges	21,256,711	16,821,979	(4,434,732)	(21)%	33,746,898
Customer facility charges (Rental Car Center)	18,022,431	13,318,922	(4,703,509)	(26)%	29,364,641
Federal Relief Grants	49,584,947	77,218,785	27,633,838	56%	14,396,680
Quieter Home Program	(2,902,673)	(2,952,210)	(49,537)	(2)%	(2,886,085)
Interest income	7,178,887	12,556,185	5,377,298	75%	18,273,410
BAB interest rebate	-	-	-	-	2,089,397
Interest expense	(77,587,876)	(75,129,009)	2,458,867	3%	(80,521,697)
Bond amortization costs	8,959,876	12,897,320	3,937,444	44%	8,394,034
Other nonoperating income (expenses)	(19,167)	(8,310,152)	(8,290,985)	-	13,846,036
Nonoperating revenue, net	24,493,136	46,421,820	21,928,684	90%	36,703,314
Change in net position before capital grant contributions	(16,749,767)	(15,255,282)	1,494,485	9%	39,781,657
Capital grant contributions	10,537,499	13,777,385	3,239,886	31%	4,005,146
Change in net position	\$ (6,212,268)	(1,477,897)	\$ 4,734,371	76%	\$ 43,786,803



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	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Landing Fees										
41112 - Landing Fees	\$4,017,999	\$3,890,997	\$(127,003)	(3)	\$61,212	\$32,103,041	\$28,879,232	\$(3,223,809)	(10)	\$36,877,763
41113 - Landing Fee Rebate	0	(8,460)	(8,460)	0	9,045	0	(94,923)	(94,923)	0	(146,797)
Total Landing Fees	4,017,999	3,882,537	(135,463)	(3)	70,257	32,103,041	28,784,309	(3,318,732)	(10)	36,730,965
Aircraft Parking Fees										
41160 - Aircraft Parking Position Rent	460,246	460,247	0	0	595,373	5,062,710	5,167,286	104,576	2	6,707,916
41162 - Parking Position Turn Fee	274,808	72,143	(202,665)	(74)	(604,862)	1,871,035	576,070	(1,294,965)	(69)	746,513
41165 - Overnight Parking Fee	467,505	397,768	(69,737)	(15)	162,240	3,181,470	3,755,269	573,799	18	1,727,935
Total Aircraft Parking Fees	1,202,559	930,158	(272,401)	(23)	152,751	10,115,214	9,498,625	(616,590)	(6)	9,182,364
Building and Other Rents										
41210 - Terminal Rent	10,224,555	10,383,813	159,258	2	(4,013,990)	79,024,587	70,599,456	(8,425,130)	(11)	81,380,601
41211 - Terminal Rent-Waived	0	(21,234)	(21,234)	0	0	0	(430,947)	(430,947)	0	0
41215 - Federal Inspection Services	209,209	91,730	(117,479)	(56)	28,200	1,523,518	867,000	(656,518)	(43)	3,195,720
Total Building and Other Rents	10,433,764	10,454,308	20,544	0	(3,985,790)	80,548,104	71,035,509	(9,512,595)	(12)	84,576,321
Security Surcharge										
41310 - Airside Security Charges	0	0	0	0	0	0	0	0	0	0
41320 - Terminal Security Charge	0	0	0	0	0	0	0	0	0	0
Total Security Surcharge	0	0	0	0	0	0	0	0	0	0
CUPPS Support Charges										
41400 - Common Use Fees	1,058,877	1,221,339	162,462	15	171,064	6,842,297	6,718,159	(124,138)	(2)	7,833,154
Total CUPPS Support Charges	1,058,877	1,221,339	162,462	15	171,064	6,842,297	6,718,159	(124,138)	(2)	7,833,154
Other Aviation										
43100 - Fuel Franchise Fees	10,796	19,653	8,857	82	3,701	78,173	157,780	79,607	102	146,272
43140 - Air Service Incentive Rebates	0	(4,980)	(4,980)	0	0	0	(13,820)	(13,820)	0	0
Total Other Aviation	10,796	14,673	3,877	36	3,701	78,173	143,960	65,787	84	146,272
Non-Airline Terminal Rents										
45010 - Terminal Rent - Non-Airline	208,515	220,783	12,268	6	208,909	2,306,406	2,368,280	61,874	3	2,251,979
Total Non-Airline Terminal Rents	208,515	220,783	12,268	6	208,909	2,306,406	2,368,280	61,874	3	2,251,979

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			Favorable	(Unfavorable)				Favorable	(Unfavorable)	
Concession Revenue										
45111 - Term Concessions-Food & Bev	\$1,042,837	\$1,086,780	\$43,943	4	\$2,131,878	\$8,873,394	\$11,713,482	\$2,840,088	32	\$12,718,536
45112 - Terminal Concessions - Retail	633,345	640,744	7,399	1	1,348,055	5,376,729	6,850,609	1,473,880	27	7,433,316
45113 - Term Concessions - Other	194,653	293,947	99,294	51	373,007	1,793,568	3,308,587	1,515,019	84	3,848,485
45114 - Term Concessions Space Rents	85,551	80,663	(4,888)	(6)	82,696	938,384	889,860	(48,524)	(5)	924,098
45115 - Term Concessions Cost Recovery	110,808	66,732	(44,076)	(40)	155,725	886,464	833,157	(53,307)	(6)	1,477,729
45116 - Rec Distr Center Cost Recovery	107,034	97,449	(9,585)	(9)	255,551	856,272	992,089	135,817	16	1,472,389
45117 - Concessions Marketing Program	51,642	35,371	(16,271)	(32)	36,446	293,089	211,208	(81,881)	(28)	538,835
45119 - Term Concessions-Revnue Waived	0	(970,068)	(970,068)	0	(3,988,451)	0	(15,856,640)	(15,856,640)	0	(3,988,451)
45120 - Rental car license fees	2,206,469	2,245,380	38,911	2	4,972,355	18,942,903	23,073,482	4,130,579	22	28,077,859
45121 - Rental Car Center Cost Recover	174,259	160,368	(13,891)	(8)	329,146	1,394,070	1,764,050	369,980	27	1,844,130
45122 - Rental Car - Revenue Waived	0	98,233	98,233	0	(4,741,285)	0	(11,105,245)	(11,105,245)	0	(4,741,285)
45130 - License Fees - Other	478,019	366,740	(111,279)	(23)	326,147	3,055,454	3,533,760	478,306	16	5,889,653
45131 - License Fees Other Waiver	0	(26,686)	(26,686)	0	0	0	(636,222)	(636,222)	0	0
Total Concession Revenue	5,084,617	4,175,654	(908,963)	(18)	1,281,270	42,410,327	25,572,178	(16,838,149)	(40)	55,495,293
Parking and Ground Transportat										
45210 - Parking	2,952,977	2,814,249	(138,729)	(5)	571,225	19,568,321	18,899,012	(669,309)	(3)	35,346,455
45220 - AVI fees	1,312,037	640,962	(671,075)	(51)	42,683	8,256,224	4,164,268	(4,091,956)	(50)	13,610,532
45240 - Ground Transportation Pe	0	9,073	9,073	0	210	160,742	154,757	(5,985)	(4)	224,505
45250 - Citations	4,704	7,025	2,321	49	2,000	49,131	84,093	34,962	71	195,776
Total Parking and Ground Transportat	4,269,718	3,471,308	(798,410)	(19)	616,118	28,034,418	23,302,129	(4,732,289)	(17)	49,377,269
Ground Rentals										
45310 - Ground Rental Fixed - N	1,593,242	1,609,274	16,032	1	1,909,459	16,756,516	17,629,556	873,040	5	18,103,318
45311 - Ground Rental Fixed Waived	0	0	0	0	(504,335)	0	(769,148)	(769,148)	0	(504,335)
45325 - Fuel Lease Revenue	0	161,747	161,747	0	0	0	587,112	587,112	0	0
Total Ground Rentals	1,593,242	1,771,021	177,779	11	1,405,124	16,756,516	17,447,520	691,004	4	17,598,983
Grant Reimbursements										
45410 - TSA Reimbursements	24,800	23,421	(1,379)	(6)	24,800	271,200	319,877	48,677	18	268,800
45420 - Planning Grants	0	0	0	0	0	0	0	0	0	8,276
Total Grant Reimbursements	24,800	23,421	(1,379)	(6)	24,800	271,200	319,877	48,677	18	277,076

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			Favorable					Favorable		
Other Operating Revenue										
45510 - Finger Printing Fee	\$15,354	\$13,317	\$(2,037)	(13)	\$5,020	\$102,751	\$101,351	\$(1,400)	(1)	\$173,261
45520 - Utilities Reimbursements	17,176	17,391	215	1	16,676	184,436	184,868	432	0	183,525
45530 - Miscellaneous Other Reve	4,274	6,001	1,727	40	315	47,014	29,689	(17,325)	(37)	144,245
45535 - Innovation Lab Revenue	0	0	0	0	0	0	0	0	0	600
45540 - Service Charges	7,314	5,374	(1,940)	(27)	(7,600)	80,453	246,421	165,968	206	231,644
45550 - Telecom Services	40,825	37,250	(3,575)	(9)	39,942	449,075	395,022	(54,053)	(12)	455,687
45570 - FBO Landing Fees	12,956	43,715	30,759	237	3,839	105,018	240,419	135,401	129	213,766
45580 - Equipment Rental	0	0	0	0	0	4,640	4,640	0	0	4,640
45599 - Other Operating Rev Waived	0	0	0	0	(1,160)	0	(4,640)	(4,640)	0	(1,160)
Total Other Operating Revenue	97,899	123,046	25,147	26	57,032	973,387	1,197,770	224,383	23	1,406,209
Total Operating Revenue	28,002,787	26,288,248	(1,714,539)	(6)	5,236	220,439,083	186,388,315	(34,050,768)	(15)	264,875,883
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,833,063	2,370,577	462,486	16	2,579,823	32,813,353	27,550,296	5,263,057	16	28,392,139
51210 - Paid Time Off	29,167	183,435	(154,269)	(529)	114,667	320,833	2,707,089	(2,386,256)	(744)	3,065,608
51220 - Holiday Pay	0	0	0	0	0	0	653,542	(653,542)	0	699,340
51240 - Other Leave With Pay	0	26,244	(26,244)	0	36,437	0	370,106	(370,106)	0	207,480
51250 - Special Pay	0	392	(392)	0	6,720	0	117,799	(117,799)	0	206,961
Total Salaries	2,862,229	2,580,649	281,581	10	2,737,648	33,134,186	31,398,832	1,735,354	5	32,571,527
52110 - Overtime	57,233	35,008	22,225	39	20,140	608,506	380,317	228,188	37	711,967

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			Favorable	(Unfavorable)				Favorable	(Unfavorable)	
Benefits										
54110 - FICA Tax	\$221,108	\$193,234	\$27,873	13	\$201,148	\$2,479,802	\$2,283,163	\$196,639	8	\$2,373,117
54120 - Unemployment Insurance-S	0	4,280	(4,280)	0	0	0	43,546	(43,546)	0	11,385
54130 - Workers Compensation Ins	23,110	12,703	10,406	45	13,267	254,039	141,586	112,454	44	164,680
54135 - Workers Comp Incident Expense	0	1,938	(1,938)	0	0	0	62,815	(62,815)	0	102,394
54210 - Medical Insurance	440,612	326,602	114,010	26	131,606	4,693,423	4,031,551	661,871	14	3,970,692
54220 - Dental Insurance	29,152	20,945	8,206	28	25,139	313,942	262,265	51,677	16	294,658
54230 - Vision Insurance	3,400	3,069	331	10	3,255	37,400	34,772	2,628	7	36,319
54240 - Life Insurance	7,713	5,259	2,455	32	7,454	84,656	70,344	14,312	17	81,312
54250 - Short Term Disability	13,694	12,452	1,242	9	13,182	150,245	140,643	9,602	6	138,871
54310 - Retirement	808,397	801,994	6,403	1	107,563	9,087,161	8,994,796	92,365	1	7,951,361
54312 - Pension - GASB 68	0	0	0	0	0	0	0	0	0	2,057,058
54314 - OPEB - GASB 75	0	0	0	0	(703,371)	0	0	0	0	(703,371)
54315 - Retiree Health Benefits	63,850	78,241	(14,391)	(23)	717,794	702,350	856,330	(153,980)	(22)	845,559
54410 - Taxable Benefits	0	0	0	0	0	0	21,923	(21,923)	0	16,558
54430 - Accrued Vacation	0	85,043	(85,043)	0	138,454	0	661,833	(661,833)	0	415,450
Total Benefits	1,611,035	1,545,761	65,275	4	655,492	17,803,018	17,605,568	197,450	1	17,756,043
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recha	(391,881)	(216,665)	(175,217)	(45)	(245,896)	(4,462,373)	(2,857,209)	(1,605,164)	(36)	(2,821,616)
54515 - Capitalized Burden Rech	0	(158,669)	158,669	0	(108,156)	0	(1,868,833)	1,868,833	0	(1,237,238)
Total Cap Labor/Burden/OH Recharge	(391,881)	(375,334)	(16,548)	(4)	(354,052)	(4,462,373)	(4,726,042)	263,670	6	(4,058,854)
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(41,812)	(20,871)	(20,941)	(50)	(21,229)	(477,635)	(265,815)	(211,820)	(44)	(263,855)
54525 - QHP Burden Recharge	0	(9,059)	9,059	0	(10,481)	0	(114,955)	114,955	0	(126,005)
54526 - QHP OH Contra Acct	0	(20,206)	20,206	0	(14,156)	0	(149,665)	149,665	0	(144,932)
Total QHP Labor/Burden/OH Recharge	(41,812)	(50,136)	8,324	20	(45,867)	(477,635)	(530,435)	52,800	11	(534,791)
MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	0	0	0	0	(4,740)	0	(336)	336	0	(18,471)
Total MM&JS Labor/Burden/OH Recharge	0	0	0	0	(4,740)	0	(336)	336	0	(18,471)
Total Personnel Expenses	4,096,804	3,735,947	360,856	9	3,008,622	46,605,702	44,127,903	2,477,799	5	46,427,421
Non-Personnel Expenses										

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			Favorable					Favorable		
	Budget	Actual	(Unfavorable)	Percent	Prior Year	Budget	Actual	(Unfavorable)	Percent	Prior Year
Contract Services										
61100 - Temporary Staffing	\$12,765	\$3,104	\$9,661	76	\$4,372	\$124,190	\$238,366	\$(114,176)	(92)	\$446,458
61110 - Auditing Services	6,000	7,000	(1,000)	(17)	10,000	127,800	118,981	8,819	7	152,610
61120 - Legal Services	34,000	4,726	29,274	86	123,934	564,000	467,478	96,522	17	322,521
61130 - Services - Professional	528,620	234,754	293,866	56	181,454	6,126,992	5,091,012	1,035,980	17	7,012,912
61150 - Outside Sv - Other	314,707	256,542	58,165	18	171,225	3,173,140	2,163,060	1,010,080	32	3,571,196
61160 - Services - Custodial	1,585,052	1,567,107	17,945	1	756,223	14,992,396	12,759,773	2,232,623	15	22,176,731
61190 - Receiving & Dist Cntr Services	113,530	100,594	12,935	11	124,575	1,226,830	1,031,312	195,518	16	1,533,848
Total Contract Services	2,594,675	2,173,827	420,847	16	1,371,783	26,335,347	21,869,981	4,465,367	17	35,216,276
Safety and Security										
61170 - Services - Fire, Police,	629,972	694,973	(65,001)	(10)	458,287	6,911,149	6,461,866	449,283	7	6,267,433
61180 - Services - SDUPD-Harbor	1,617,478	1,586,484	30,994	2	1,194,786	18,525,306	19,451,534	(926,228)	(5)	14,913,382
61185 - Guard Services	364,564	322,359	42,205	12	345,667	3,776,804	3,479,253	297,551	8	4,168,109
61188 - Other Safety & Security Serv	159,739	118,409	41,330	26	156,630	1,591,577	1,568,484	23,093	1	1,560,599
Total Safety and Security	2,771,753	2,722,224	49,528	2	2,155,370	30,804,836	30,961,137	(156,301)	(1)	26,909,523
Space Rental										
62100 - Rent	848,063	857,616	(9,554)	(1)	850,448	9,352,988	9,382,546	(29,559)	0	9,355,672
Total Space Rental	848,063	857,616	(9,554)	(1)	850,448	9,352,988	9,382,546	(29,559)	0	9,355,672
Utilities										
63100 - Telephone & Other Commun	54,775	26,635	28,140	51	47,638	602,685	479,379	123,306	20	475,205
63110 - Utilities - Gas & Electr	1,029,379	998,645	30,734	3	835,702	11,232,501	9,596,480	1,636,021	15	10,370,580
63120 - Utilities - Water	100,196	49,038	51,158	51	100,867	1,140,149	526,723	613,426	54	1,033,600
Total Utilities	1,184,350	1,074,318	110,032	9	984,208	12,975,335	10,602,581	2,372,754	18	11,879,385
Maintenance										
64100 - Facilities Supplies	62,900	63,456	(556)	(1)	45,357	660,600	518,951	141,649	21	635,873
64110 - Maintenance - Annual R	979,894	758,868	221,025	23	603,205	9,209,298	6,957,465	2,251,834	24	8,435,366
64125 - Major Maintenance - Mat	32,000	8,835	23,165	72	9,501	793,500	402,950	390,550	49	1,257,007
64140 - Refuse & Hazardous Waste	41,667	30,172	11,495	28	7,323	458,333	466,232	(7,898)	(2)	421,625
Total Maintenance	1,116,460	861,331	255,130	23	665,387	11,121,732	8,345,597	2,776,134	25	10,749,871
Equipment and Systems										
65100 - Equipment & Systems	26,779	29,087	(2,308)	(9)	27,283	295,110	379,307	(84,197)	(29)	314,148
Total Equipment and Systems	26,779	29,087	(2,308)	(9)	27,283	295,110	379,307	(84,197)	(29)	314,148

San Diego County Regional Airport Authority
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	Month to Date					Year to Date				
			Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual			Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
	Budget	Actual			Budget	Actual				
Materials and Supplies										
65110 - Office & Operating Suppl	\$48,638	\$23,889	\$24,750	51	\$15,990	\$432,237	\$246,720	\$185,517	43	\$407,379
65120 - Safety Equipment & Suppl	10,915	2,674	8,241	76	21,705	101,657	128,368	(26,711)	(26)	160,374
65130 - Tools - Small	6,000	0	6,000	100	1,396	43,000	14,418	28,582	66	25,702
Total Materials and Supplies	65,553	26,563	38,991	59	39,090	576,893	389,506	187,387	32	593,455
Insurance										
67170 - Insurance - Property	74,133	72,917	1,216	2	58,335	815,458	802,083	13,375	2	641,682
67171 - Insurance - Liability	15,639	14,958	680	4	13,599	172,024	164,542	7,483	4	149,586
67172 - Insurance - Public Offic	16,269	15,691	578	4	15,494	180,158	160,604	19,554	11	171,636
67173 - Insurance Miscellaneous	12,795	11,939	856	7	11,636	272,012	276,684	(4,672)	(2)	246,503
Total Insurance	118,835	115,505	3,329	3	99,063	1,439,652	1,403,912	35,740	2	1,209,408
Employee Development and Suppo										
66120 - Awards - Service	1,168	(15,089)	16,257	1,392	(4,000)	55,399	49,361	6,038	11	67,703
66130 - Book & Periodicals	5,066	259	4,807	95	3,819	46,901	17,715	29,185	62	51,044
66220 - Permits/Certificates/Lic	1,762	12,798	(11,036)	(626)	11,883	122,882	78,096	44,787	36	92,299
66260 - Recruiting	0	135	(135)	0	0	5,500	7,730	(2,230)	(41)	24,605
66280 - Seminars & Training	11,796	7,564	4,232	36	(9,630)	163,306	39,965	123,341	76	250,898
66290 - Transportation	11,835	9,876	1,959	17	9,947	129,318	107,041	22,277	17	122,535
66305 - Travel-Employee Developm	3,498	1,152	2,346	67	939	49,046	(2,225)	51,271	105	214,238
66310 - Tuition	4,333	998	3,335	77	3,201	47,667	18,164	29,503	62	31,790
66320 - Uniforms	4,815	4,095	720	15	5,791	88,056	59,669	28,387	32	73,611
Total Employee Development and Suppo	44,273	21,787	22,486	51	21,950	708,074	375,515	332,558	47	928,722
Business Development										
66100 - Advertising	1,033	374	659	64	(3,330)	18,787	6,518	12,269	65	276,235
66110 - Allowance for Bad Debts	0	0	0	0	0	7,500	(279,981)	287,481	3,833	(888)
66200 - Memberships & Dues	55,836	43,560	12,276	22	49,380	398,027	334,540	63,487	16	386,468
66230 - Postage & Shipping	1,748	745	1,003	57	2,268	15,350	13,801	1,549	10	22,475
66240 - Promotional Activities	72,171	481	71,690	99	13,484	535,621	83,233	452,387	84	735,154
66250 - Promotional Materials	7,612	430	7,182	94	(6,591)	29,993	8,950	21,043	70	24,573
66300 - Travel-Business Developm	6,289	0	6,289	100	1,123	68,936	(2,300)	71,236	103	119,478
Total Business Development	144,688	45,590	99,098	68	56,334	1,074,214	164,761	909,453	85	1,563,495

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	Budget	Actual	Variance	Variance	Prior Year	Budget	Actual	Variance	Variance	Prior Year
			Favorable	(Unfavorable)				Favorable	(Unfavorable)	
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agre	\$79,413	\$92,919	\$13,505	(17)	\$130,204	\$744,900	\$804,713	(\$59,814)	(8)	\$506,468
66150 - Equipment Rental/Leasing	10,600	5,183	5,418	51	4,706	198,404	54,889	143,515	72	214,578
66160 - Tenant Improvements	20,400	19,003	1,397	7	48,975	319,600	241,967	77,633	24	655,106
66270 - Repairs - Office Equipme	328,108	242,340	85,768	26	154,006	2,138,248	1,970,147	168,100	8	1,965,160
Total Equipment Rentals and Repairs	438,522	359,445	79,077	18	337,892	3,401,151	3,071,716	329,434	10	3,341,312
Total Non-Personnel Expenses	9,353,951	8,287,294	1,066,657	11	6,608,808	98,085,332	86,946,561	11,138,770	11	102,061,266
Total Departmental Expenses before Depreciation and Amortization	13,450,755	12,023,241	1,427,514	11	9,617,430	144,691,034	131,074,464	13,616,570	9	148,488,688
Depreciation and Amortization										
69110 - Depreciation Expense	10,473,124	10,473,124	0	0	10,145,778	116,990,953	116,990,953	0	0	113,308,853
Total Depreciation and Amortization	10,473,124	10,473,124	0	0	10,145,778	116,990,953	116,990,953	0	0	113,308,853
Non-Operating Revenue/(Expense)										
Passenger Facility Charges										
71110 - Passenger Facility Charg	3,006,128	2,879,339	(126,789)	(4)	226,085	21,256,711	16,821,979	(4,434,732)	(21)	33,746,898
Total Passenger Facility Charges	3,006,128	2,879,339	(126,789)	(4)	226,085	21,256,711	16,821,979	(4,434,732)	(21)	33,746,898
Customer Facility Charges										
71120 - Customer facility charges (Con	2,632,954	2,080,405	(552,549)	(21)	174,853	18,022,431	13,318,922	(4,703,509)	(26)	29,364,641
Total Customer Facility Charges	2,632,954	2,080,405	(552,549)	(21)	174,853	18,022,431	13,318,922	(4,703,509)	(26)	29,364,641
Federal Relief Grants										
71130 - Federal Relief Grants	2,539,047	12,362,269	9,823,222	387	14,396,680	49,584,947	77,218,785	27,633,838	56	14,396,680
Total Federal Relief Grants	2,539,047	12,362,269	9,823,222	387	14,396,680	49,584,947	77,218,785	27,633,838	56	14,396,680
Quieter Home Program										
71212 - Quieter Home - Labor	(45,800)	(20,871)	24,929	54	(21,734)	(504,200)	(266,637)	237,563	47	(264,813)
71213 - Quieter Home - Burden	0	(9,059)	(9,059)	0	(10,481)	0	(114,955)	(114,955)	0	(126,005)
71214 - Quieter Home - Overhead	0	(20,206)	(20,206)	0	(14,156)	0	(149,665)	(149,665)	0	(143,014)
71215 - Quieter Home - Material	(1,141,633)	(2,089,968)	(948,336)	(83)	(1,669,397)	(13,550,830)	(12,457,698)	1,093,132	8	(13,652,345)
71216 - Quieter Home Program	949,946	1,522,225	572,279	60	1,343,197	11,244,024	10,036,745	(1,207,279)	(11)	11,300,092
71225 - Joint Studies - Material	(8,333)	0	8,333	100	0	(91,667)	0	91,667	100	0
Total Quieter Home Program	(245,820)	(617,879)	(372,059)	(151)	(372,572)	(2,902,672)	(2,952,210)	(49,538)	(2)	(2,886,085)

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	Budget	Actual	Variance	Variance	Prior Year	Budget	Actual	Variance	Variance	Prior Year
			Favorable	(Unfavorable)				Favorable	(Unfavorable)	
Interest Income										
71310 - Interest - Investments	\$292,492	\$711,066	\$418,574	143	\$891,050	\$5,742,032	\$8,207,317	\$2,465,285	43	\$10,949,418
71330 - Interest - Variable Debt	0	0	0	0	0	0	104,203	104,203	0	0
71340 - Interest - Note Receivable	128,787	128,787	0	0	138,618	1,436,855	1,436,855	0	0	1,545,088
71350 - Interest - Other	0	(345)	(345)	0	(410)	0	120,002	120,002	0	(3,279)
71361 - Interest Income - 2010 Bonds	0	0	0	0	28,381	0	(140,938)	(140,938)	0	851,886
71363 - Interest Income - 2013 Bonds	0	43,191	43,191	0	47,793	0	329,855	329,855	0	721,596
71364 - Interest Income - 2017 Bond A	0	19,040	19,040	0	(667,709)	0	152,489	152,489	0	885,091
71365 - Interest Income - 2014 Bond A	0	51,661	51,661	0	54,348	0	335,332	335,332	0	759,055
71366 - Interest Income - 2019A Bond	0	171,271	171,271	0	1,263,154	0	1,754,590	1,754,590	0	2,564,555
71367 - Interest Income - 2020A Bond	0	19,111	19,111	0	0	0	256,480	256,480	0	0
Total Interest Income	421,279	1,143,782	722,503	172	1,755,225	7,178,887	12,556,185	5,377,298	75	18,273,409
Interest income BAB's rebate										
71362 - BAB interest rebate	0	0	0	0	0	0	0	0	0	2,089,397
Total Interest income BAB's rebate	0	0	0	0	0	0	0	0	0	2,089,397
Interest Expense										
71411 - Interest Expense- 2010 Bonds	0	0	0	0	(1,250,395)	0	0	0	0	(20,098,370)
71412 - Interest Expense 2013 Bonds	(1,473,758)	(1,473,758)	0	0	(1,506,779)	(16,211,342)	(16,211,342)	0	0	(16,574,571)
71413 - Interest Expense 2014 Bond A	(1,318,995)	(1,318,995)	0	0	(1,335,732)	(14,508,945)	(14,508,945)	0	0	(14,693,057)
71414 - Interest Expense 2017 Bond A	(1,154,104)	(1,154,104)	0	0	(1,174,208)	(12,695,146)	(12,695,146)	0	0	(12,916,292)
71415 - Interest Exp 2019A Bond	(1,857,675)	(1,857,675)	0	0	(1,864,870)	(20,434,424)	(20,434,425)	(1)	0	(10,553,936)
71416 - Interest Expense 2020A Bond	(1,003,417)	(1,003,417)	0	0	(1,028,009)	(11,037,583)	(11,037,583)	0	0	(1,757,563)
71420 - Interest Expense-Variable Debt	(367,482)	0	367,482	100	(9,536)	(1,482,026)	0	1,482,026	100	(523,098)
71430 - LOC Fees - C/P	(32,241)	0	32,241	100	(28,748)	(161,203)	0	161,203	100	(468,542)
71450 - Trustee Fee Bonds	0	0	0	0	0	(17,933)	(6,520)	11,413	64	(3,270)
71451 - Program Fees - Variable Debt	(417)	0	417	100	0	(4,583)	0	4,583	100	0
71460 - Interest Expense - Other	0	14,466	14,466	0	16,966	(500,000)	299,643	799,643	160	(2,374,834)
71461 - Interest Expense - Cap Leases	(47,667)	(47,667)	0	0	(49,883)	(534,691)	(534,691)	0	0	(558,164)
Total Interest Expense	(7,255,756)	(6,841,151)	414,605	6	(8,231,195)	(77,587,877)	(75,129,008)	2,458,868	3	(80,521,696)
Amortization										
69210 - Amortization - Premium	808,112	1,160,475	352,362	44	1,229,947	8,959,876	12,897,320	3,937,444	44	8,394,034
Total Amortization	808,112	1,160,475	352,362	44	1,229,947	8,959,876	12,897,320	3,937,444	44	8,394,034

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			Favorable					Favorable		
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Other Non-Operating Income (Expense)										
71510 - Legal Settlement Income	\$(833)	\$0	\$833	100	\$0	\$(9,167)	\$127	\$9,294	101	\$1,082,508
71520 - Fixed Asset Disposal-Gain	0	0	0	0	0	0	0	0	0	4,000
71530 - Gain/Loss On Investments	0	44,334	44,334	0	386,754	0	(8,372,218)	(8,372,218)	0	12,407,462
71540 - Discounts Earned	0	161	161	0	0	0	5,521	5,521	0	6,093
71610 - Legal Settlement Expense	0	0	0	0	0	(10,000)	(60,814)	(50,814)	(508)	(10,000)
71620 - Other non-operating revenue (e	0	0	0	0	0	0	117,232	117,232	0	355,975
71630 - Other Non-Operating Expe	0	0	0	0	0	0	0	0	0	(2)
73300 - DMJM and Auth OH Clearin	0	0	0	0	(24,334)	0	0	0	0	0
Total Other Non-Operating Income (Expense)	(833)	44,494	45,328	5,439	362,420	(19,167)	(8,310,153)	(8,290,986)	(43,257)	13,846,036
Total Non-Operating Revenue/(Expense)	1,905,112	12,211,734	10,306,622	541	(9,541,442)	24,493,137	46,421,820	21,928,683	90	(36,703,315)
Capital Grant Contribution										
72100 - AIP Grants	375,000	4,258,950	3,883,950	1,036	(354,739)	10,537,499	13,777,385	3,239,886	31	4,005,146
Total Capital Grant Contribution	375,000	4,258,950	3,883,950	1,036	(354,739)	10,537,499	13,777,385	3,239,886	31	4,005,146
Total Expenses Net of Non-Operating Revenue/ (Expense)	21,643,766	6,025,680	15,618,086	72	10,576,505	226,651,351	187,866,212	38,785,139	17	221,089,080
Net Income/(Loss)	6,359,021	20,262,567	13,903,547	219	(10,571,269)	(6,212,268)	(1,477,897)	4,734,371	76	43,786,803
Equipment Outlay										
73200 - Equipment Outlay Expendi	(17,575)	0	17,575	100	(217,105)	(190,515)	(287,078)	(96,563)	(51)	(586,771)
73299 - Capitalized Equipment Co	0	0	0	0	217,105	0	287,078	287,078	0	586,771
Total Equipment Outlay	(17,575)	0	17,575	100	0	(190,515)	0	190,515	100	0

Review of the Unaudited Financial Statements for the Eleven Months Ended May 31, 2021 and 2020

Presented by:
Scott Brickner
Chief Financial Officer

June 21, 2021

Market Commentary

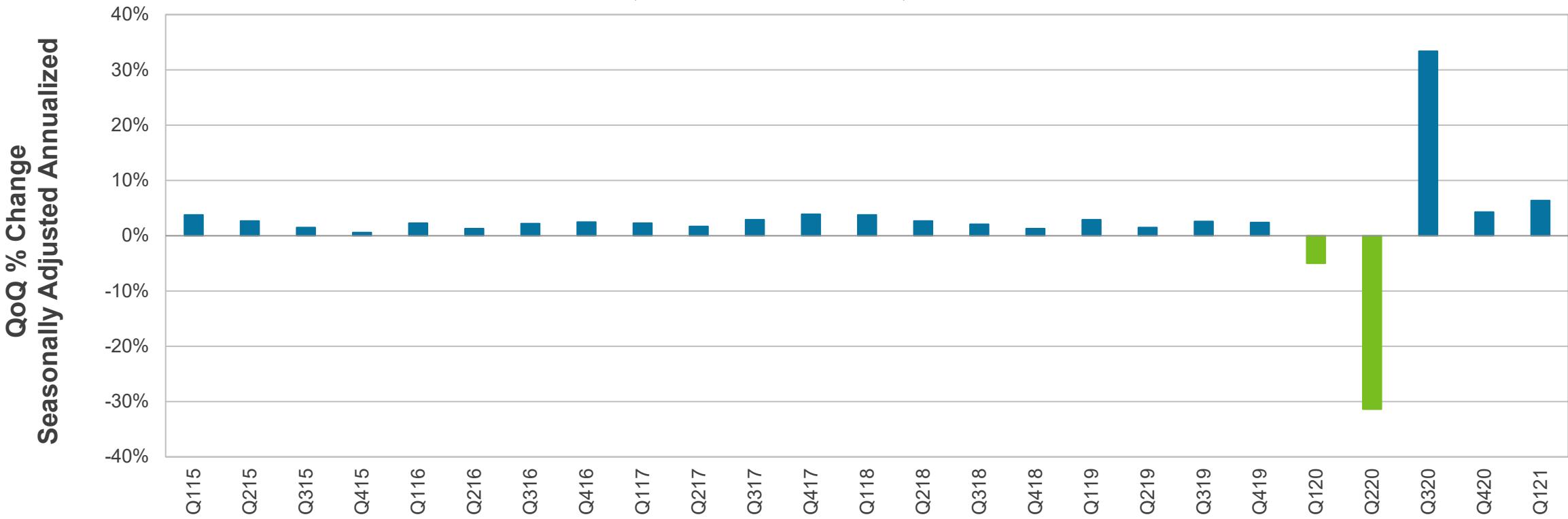
The US economy continues to recover and while some pockets of the economy remain dislocated, real gross domestic product (GDP) is now approaching pre-pandemic levels. The recovery has been fueled by robust fiscal spending, accommodative monetary policy, and a swift vaccine rollout. These factors are beginning to moderate but should continue to provide tailwinds for the economy in the coming quarters. Recently, vaccinations have slowed down, but infection rates continue to improve. Some pandemic-related fiscal relief is starting to phase out, but the Biden administration is advocating for large-scale infrastructure spending. We expect some version of an infrastructure spending bill (albeit smaller than the initial White House proposal) to come to fruition later this year. Meanwhile, the Federal Reserve continues to signal that it will look past any near-term uptick in inflation to facilitate continued improvement in the labor market. Estimates for US GDP growth remain strong. The current Bloomberg consensus estimate for 2021 and 2022 US GDP growth are 6.6% and 4.1%, respectively.

The Federal Open Market Committee (FOMC) kept monetary policy unchanged at its June meeting. The fed funds target rate remains in the range of 0.0% to 0.25%, and the Fed continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. The Fed has started to discuss the idea of reducing its asset purchases at some point, but that decision remains uncertain. FOMC members' updated economic projections also suggest that the Fed may start to raise interest rates in 2023, versus the previous estimate of 2024, as the economy may be on track to reach their employment and inflation goals at a faster than expected pace. Overall, monetary policy remains highly accommodative for now, but the Fed seems to be inching toward a path of policy normalization. We anticipate the Fed will remain on the sidelines over the near-term, but we believe the probability that the Fed will begin tapering its asset purchases during the first half of next year has increased.

First Quarter GDP

US economic growth accelerated in the first quarter. According to the second estimate, real US gross domestic product (GDP) grew at an annualized rate of 6.4% in the first quarter, following 4.3% growth in the fourth quarter of 2020. Economic growth is expected to accelerate even further in the current quarter to an annualized rate of 10.0%. The consensus forecast for full year 2021 US gross domestic product growth is 6.6%, following a 3.5% decline in 2020.

U.S. Gross Domestic Product (QoQ)
First Quarter 2015 – First Quarter 2021

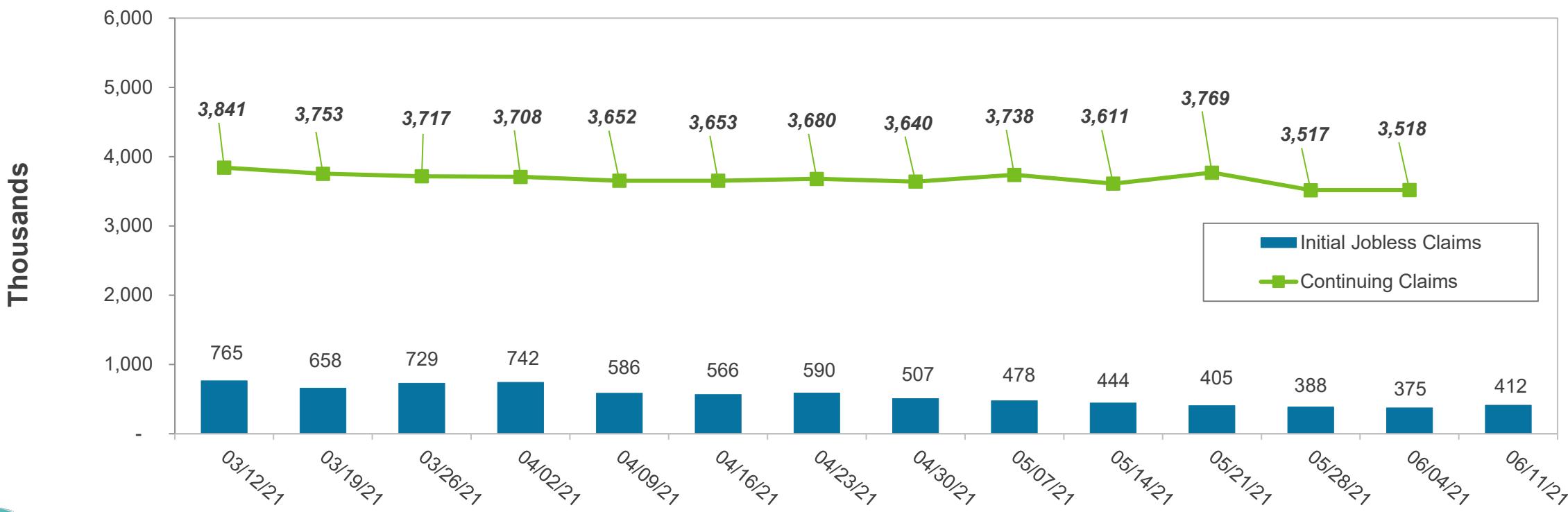


Initial Claims For Unemployment

In the most recent week, the number of initial jobless claims increased to 412,000 versus 375,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) was little changed at 3.518 million versus 3.517 million in the prior week. Although continuing jobless claims have declined significantly from the peak of nearly 25 million last May, they remained above the 2019 (pre-pandemic) average of 1.7 million.

Initial Jobless Claims and 4-Week Moving Average

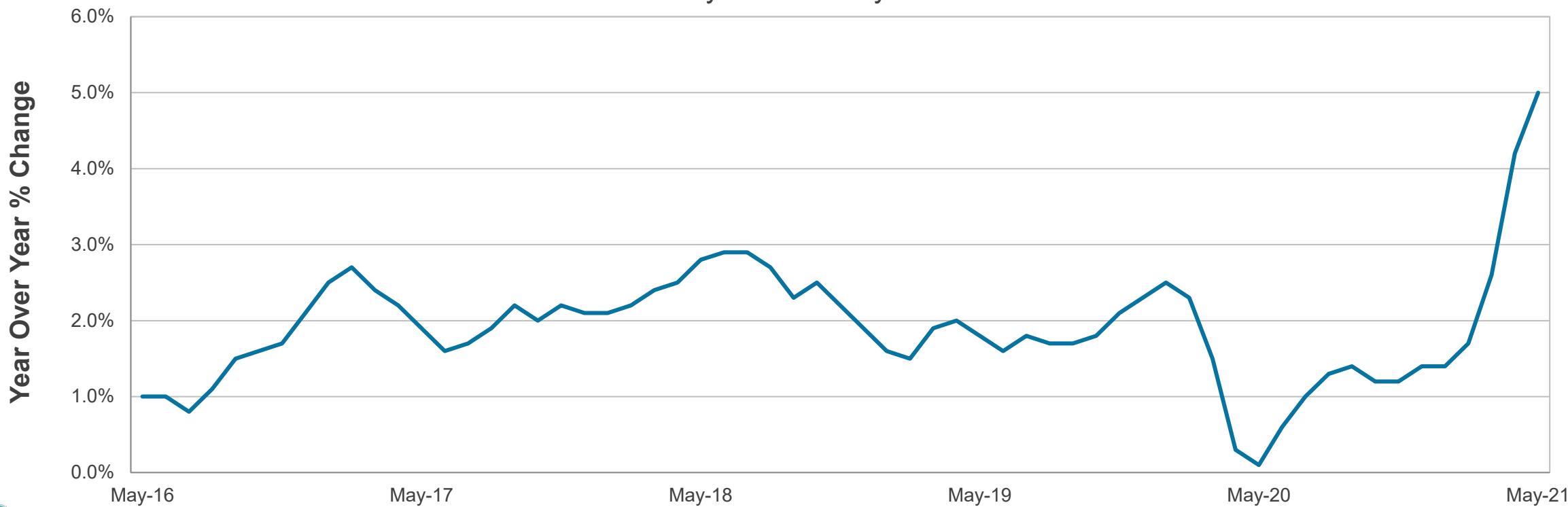
March 12, 2021 – June 11, 2021



Consumer Price Index

The Consumer Price Index (CPI) was up 5.0% year-over-year in May versus up 4.2% in April. Core CPI (CPI less food and energy) was up 3.8% year-over-year in May, versus up 3.0% in April. The Fed expects “base effects” (i.e., comparing current prices to prices at the early stage of the pandemic when prices were under pressure), bottlenecks, and ongoing supply chain disruptions to cause near-term pricing pressures, but the Fed still believes most of these factors will be temporary.

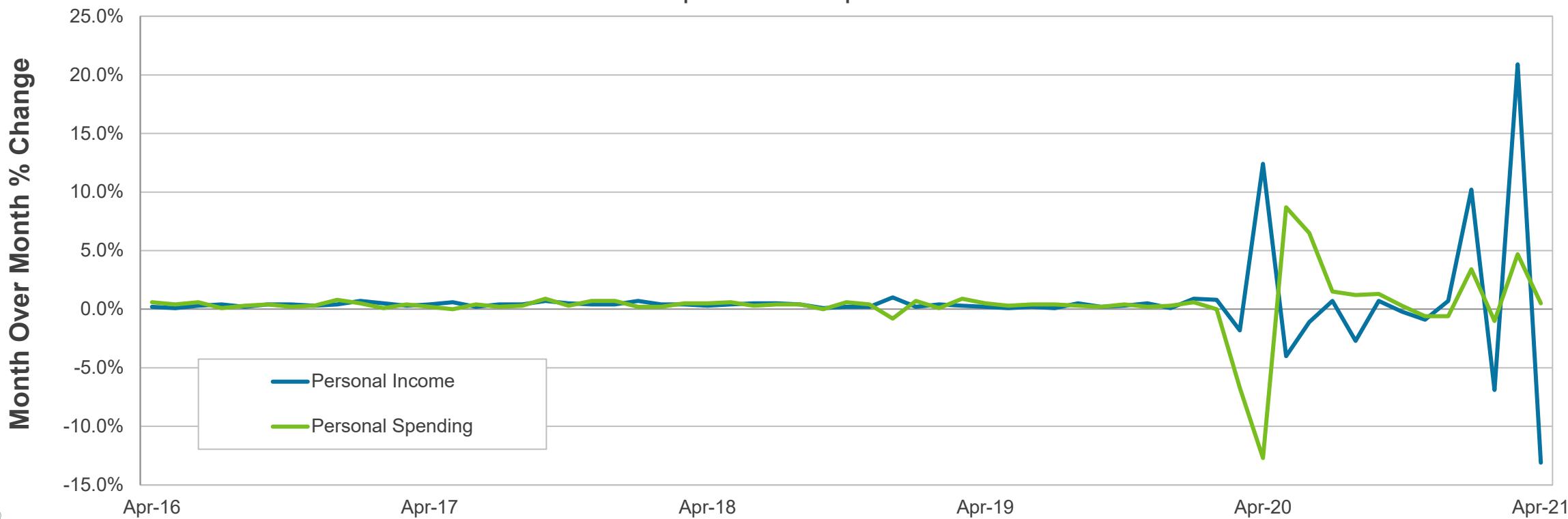
Consumer Price Index (YoY%)
May 2016 – May 2021



Personal Income and Spending

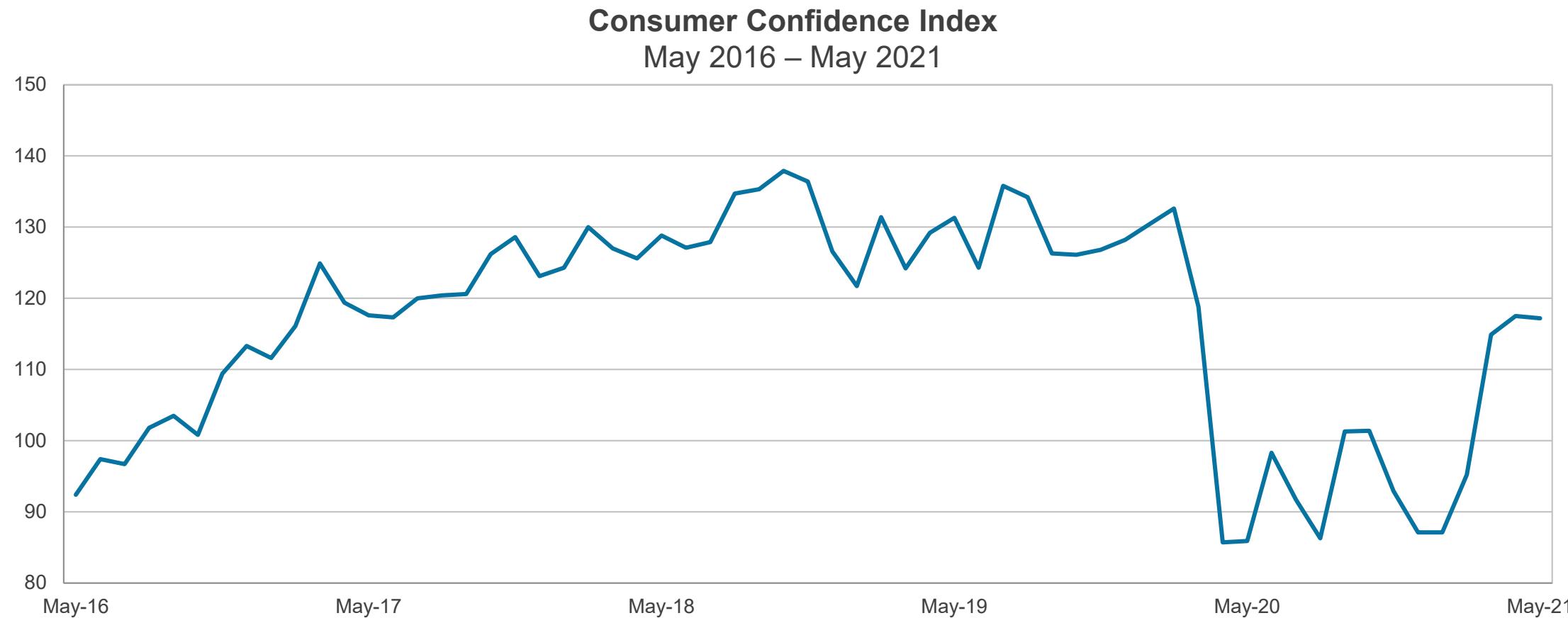
Personal income fell 13.1% in April, amid a decline in government stimulus which provided a big boost in March, but consumer spending still rose 0.5% in April following a 4.7% jump in March. Income and spending levels have been volatile due to the uneven timing of government stimulus and pandemic-related unemployment benefits. Notably, nearly half of US states have now decided to end the payment of enhanced \$300 per week jobless benefits in June or July, earlier than the previously slated date of September 6th, which may present a headwind to income and spending levels this summer.

Personal Income and Spending (MoM%)
April 2016 – April 2021



Consumer Confidence Index

The Consumer Confidence index declined slightly in May to 117.2 from 117.5 in April. Consumers' assessment of current conditions improved in May but they were less upbeat about the outlook.



Existing Home Sales

Existing home sales declined 2.7% in April to a seasonally adjusted rate of 5.850 million units. On a year-over-year basis, sales of existing homes were up 33.9% in April. Existing home sales hit a peak in October and have since begun easing. We believe tight inventory and firm pricing has been a headwind for home sales in recent months.

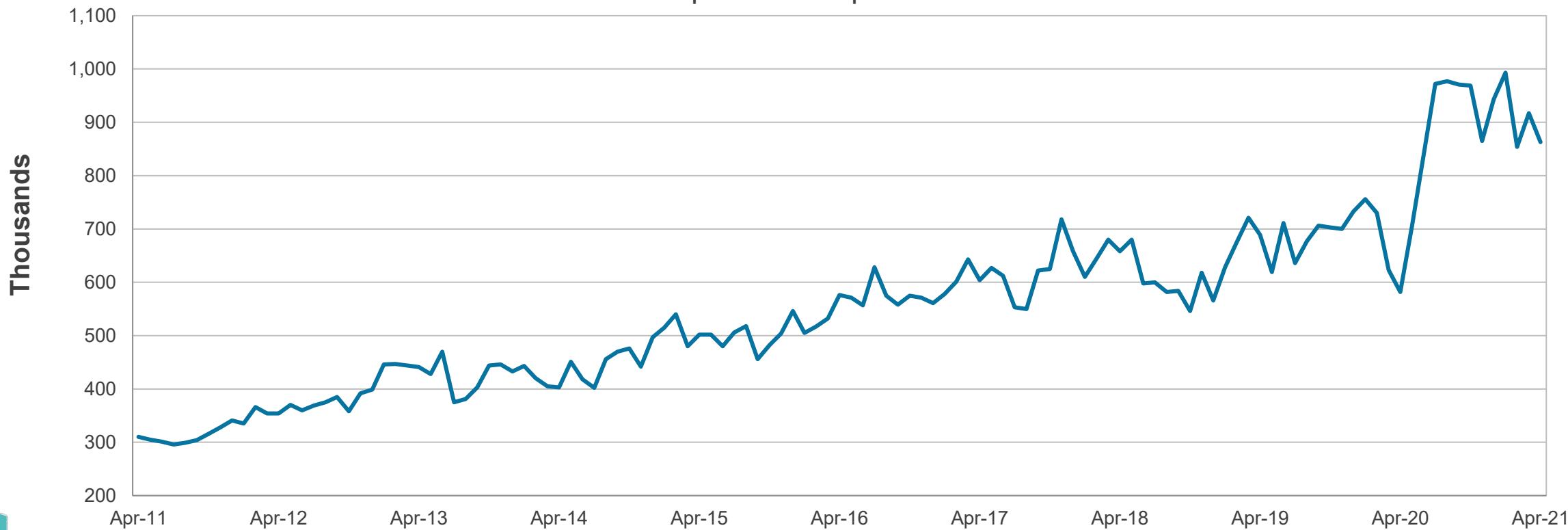
U.S. Existing Home Sales (MoM)
April 2011 – April 2021



New Home Sales

New home sales declined 5.9% in April to an annualized rate of 863,000 units. Compared with the same month last year, which is arguably an easy comparison due to pandemic-related lockdowns, the pace of new home sales was up 48% in April. Overall, new home sales remain strong.

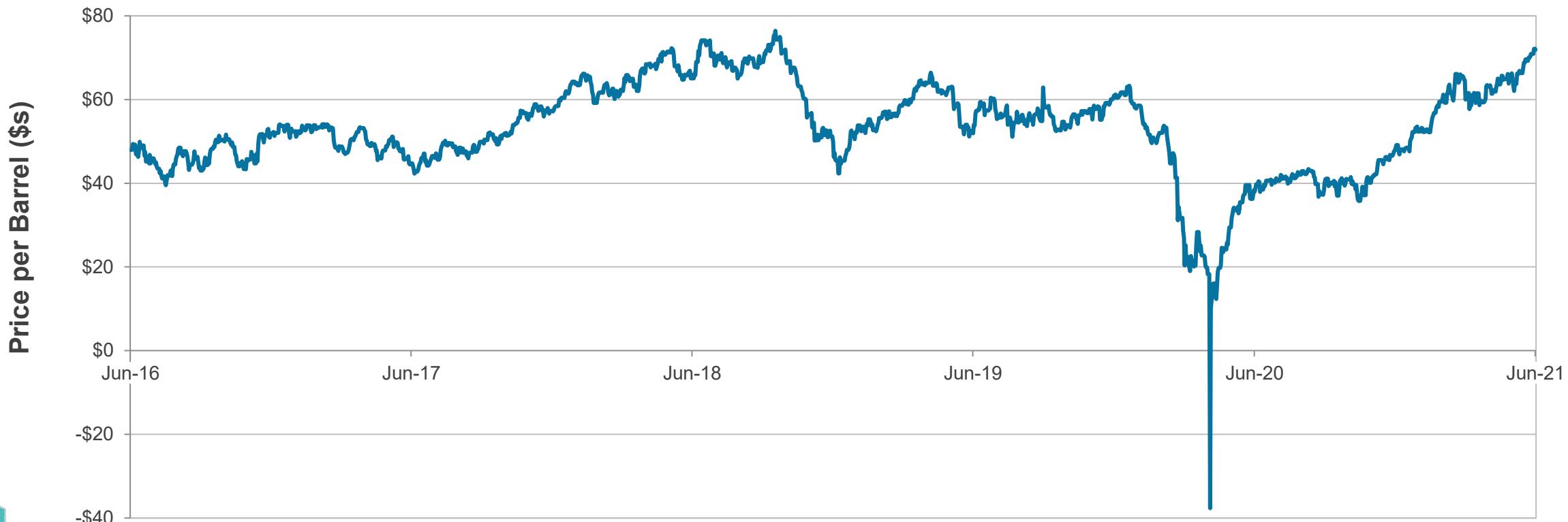
U.S. New Home Sales
April 2011 – April 2021



Crude Oil Prices

U.S. West Texas Intermediate (WTI) crude settled at \$72.15 per barrel on June 16. It is above its one month average of \$68.20 and its one year average of \$50.47. OPEC and its allies began gradually curbing production cuts last month. OPEC and its allies agreed in early April to gradually boost their collective production by more than 2 million barrels per day over May, June and July. We believe the decision to curb production cuts, along with rising prices, signals confidence in the strength of demand.

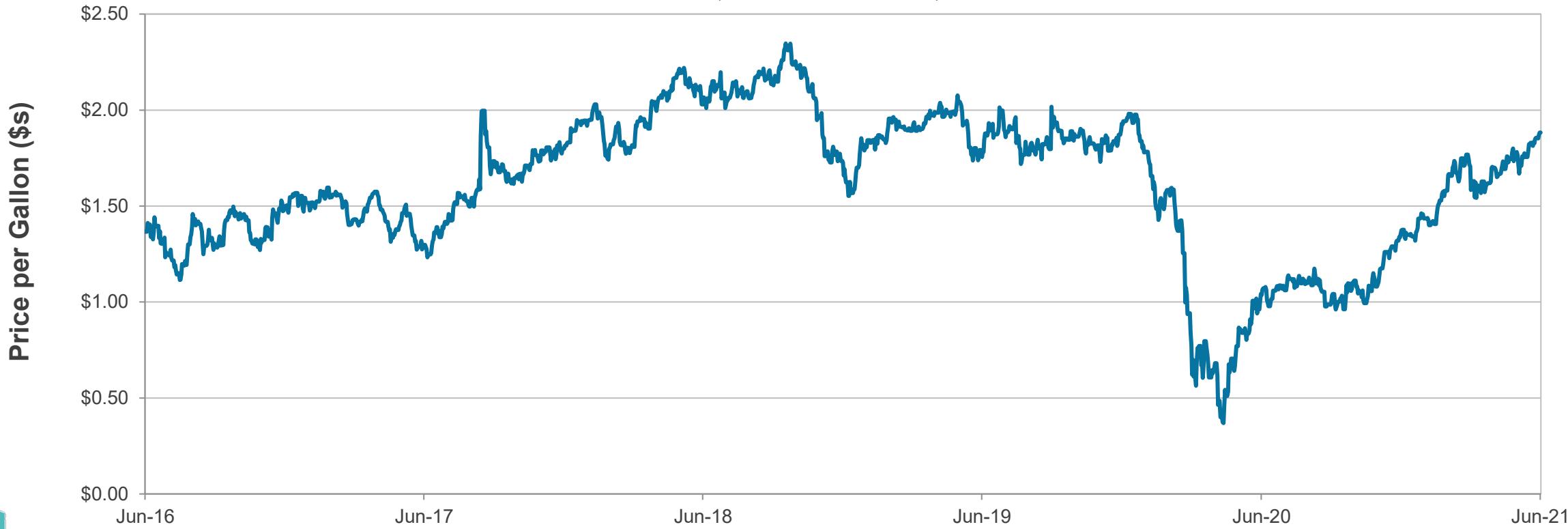
West Texas Intermediate Oil Price Per Barrel (WTI Spot)
June 16, 2016 – June 16, 2021



Jet Fuel Prices

Jet fuel (U.S. Gulf Coast Spot) closed at \$1.883 per gallon on June 16, above its one month average of \$1.796 and its one year average of \$1.353. A decline in global demand for jet fuel due to the coronavirus and ongoing travel restrictions put significant downward pressure on prices in 2020. However, the US economic reopening and rising travel demand has supported a recovery in jet fuel prices.

U.S. Gulf Coast 54 Grade Jet Fuel Spot Price
June 16, 2016 – June 16, 2021



U.S. Equity Markets

Year-to-date, the DJIA and S&P 500 are up 11.2% and 12.5%, respectively. We believe accommodative monetary policy, robust fiscal spending, and continued progress on vaccinations should be supportive of the economy and risk assets in 2021.

Dow Jones Industrial Average (DJIA) and S&P 500 Indices
June 16, 2016 – June 16, 2021

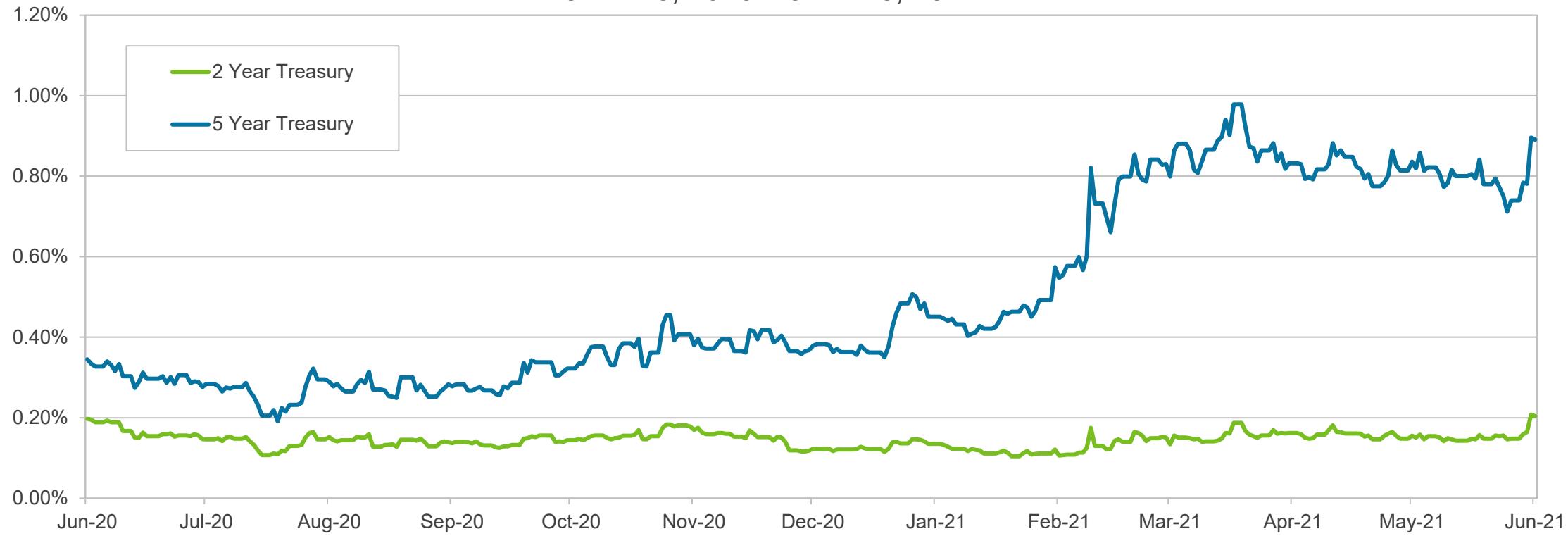
Dow Jones Industrial Index



Treasury Yield History

Year-to-date, the yield on 5-year Treasuries is roughly 54 basis points higher, while the yield on 2-year Treasuries is about eight basis points higher.

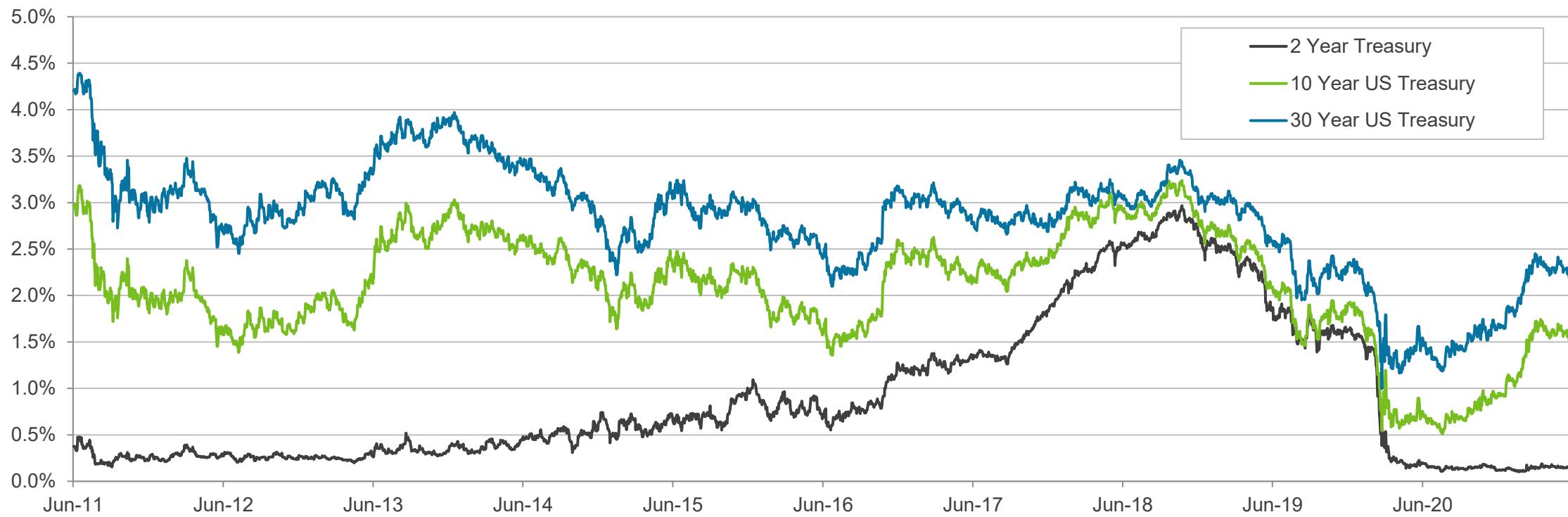
2- and 5-year U.S. Treasury Yields
June 16, 2020 – June 16, 2021



Treasury Yield History

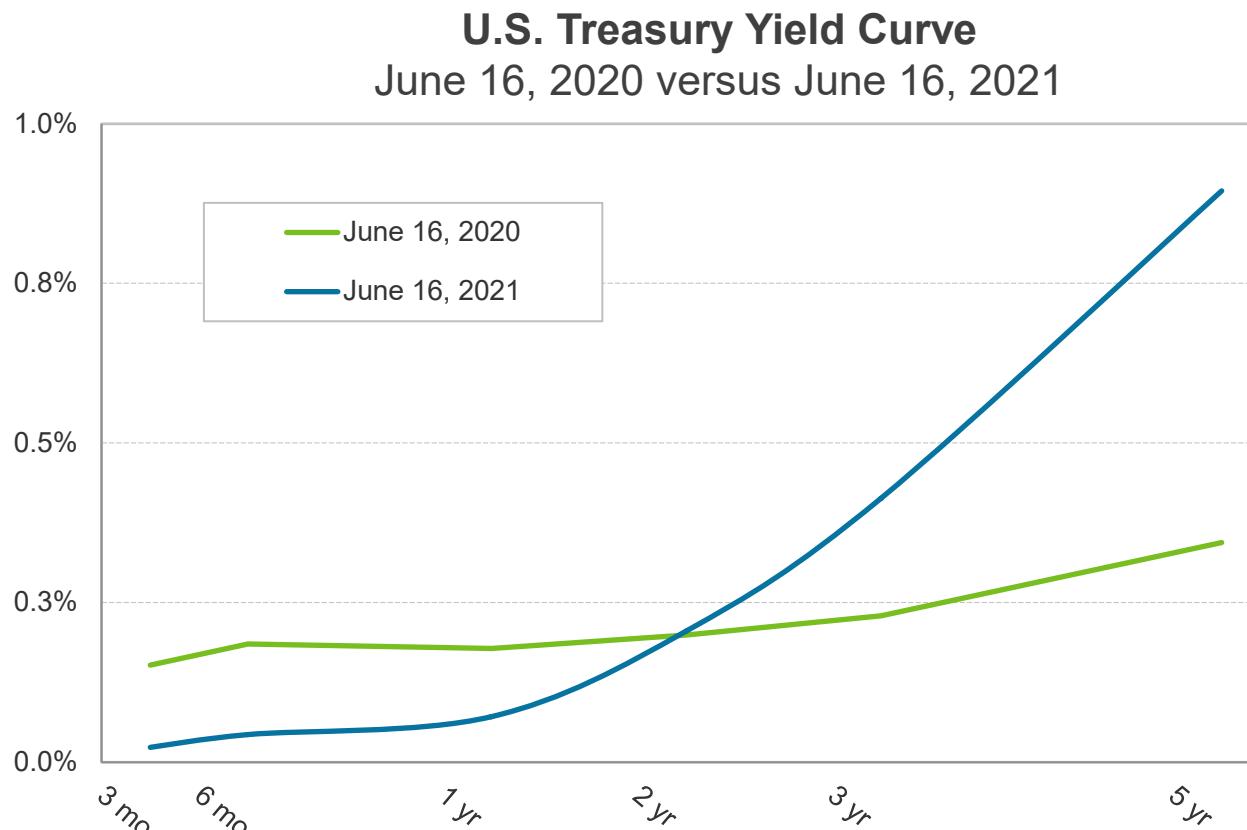
The spread between the 2-year Treasury yield and the 10-year Treasury yield is roughly 137 basis points, versus a spread of about 55 basis points at this time last year. The current spread between the 2-year Treasury yield and 10-year Treasury yield is more in line with longer-term trends, as the average spread since 2002 has been about 135 basis points.

2-, 10- and 30-year U.S. Treasury Yields
June 16, 2011 – June 16, 2021



U.S. Treasury Yield Curve

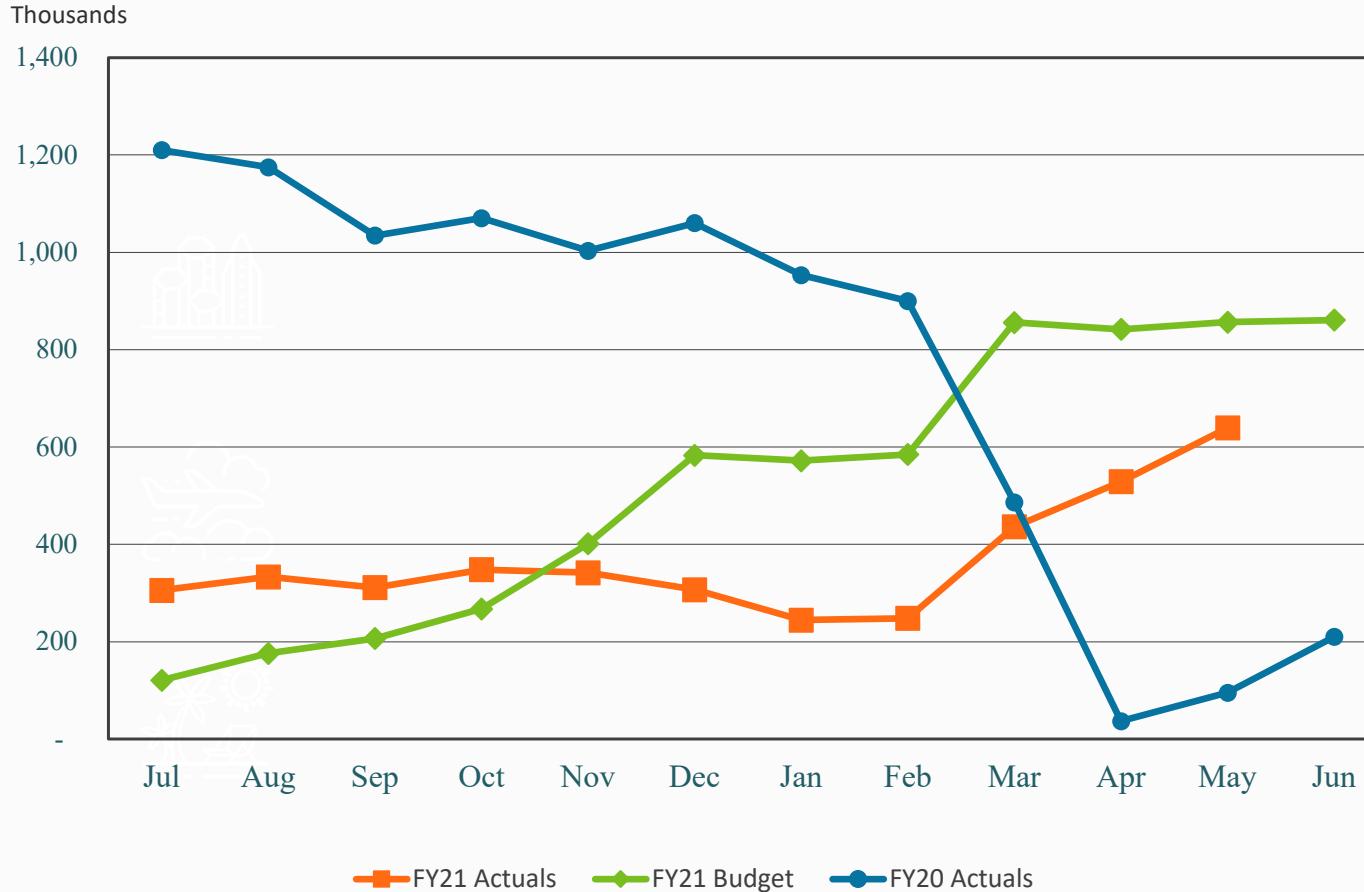
The Treasury yield curve is much steeper on a year-over-year basis. The 3-month T-bill yield is down about 13 basis points, and the 2-Year Treasury yield is essentially unchanged, but the 10-Year Treasury yield is higher by 82 basis points, on a year-over-year basis.



	6/16/2020	6/16/2021	Change
3-Mo.	0.15%	0.02%	(0.13%)
6-Mo.	0.19%	0.04%	(0.15%)
1-Yr.	0.18%	0.07%	0.11%)
2-Yr.	0.20%	0.21%	0.01%
3-Yr.	0.23%	0.41%	0.18%
5-Yr.	0.34%	0.90%	0.54%
10-Yr.	0.75%	1.58%	0.83%
20-Yr.	1.32%	2.14%	0.82%
30-Yr.	1.54%	2.21%	0.67%

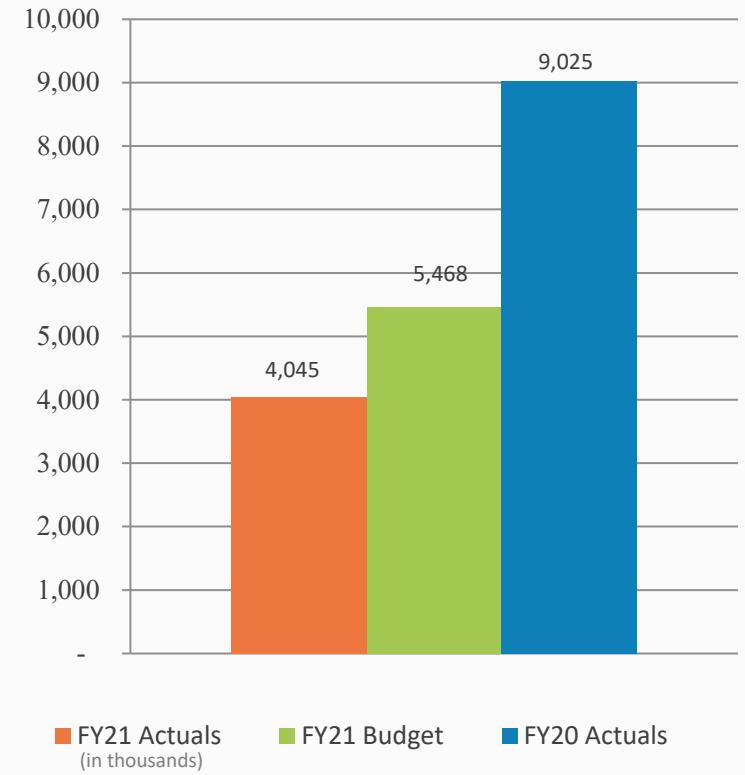
Financial Overview For the Eleven Months Ended May 31, 2021 and 2020 (Unaudited)

Enplanements

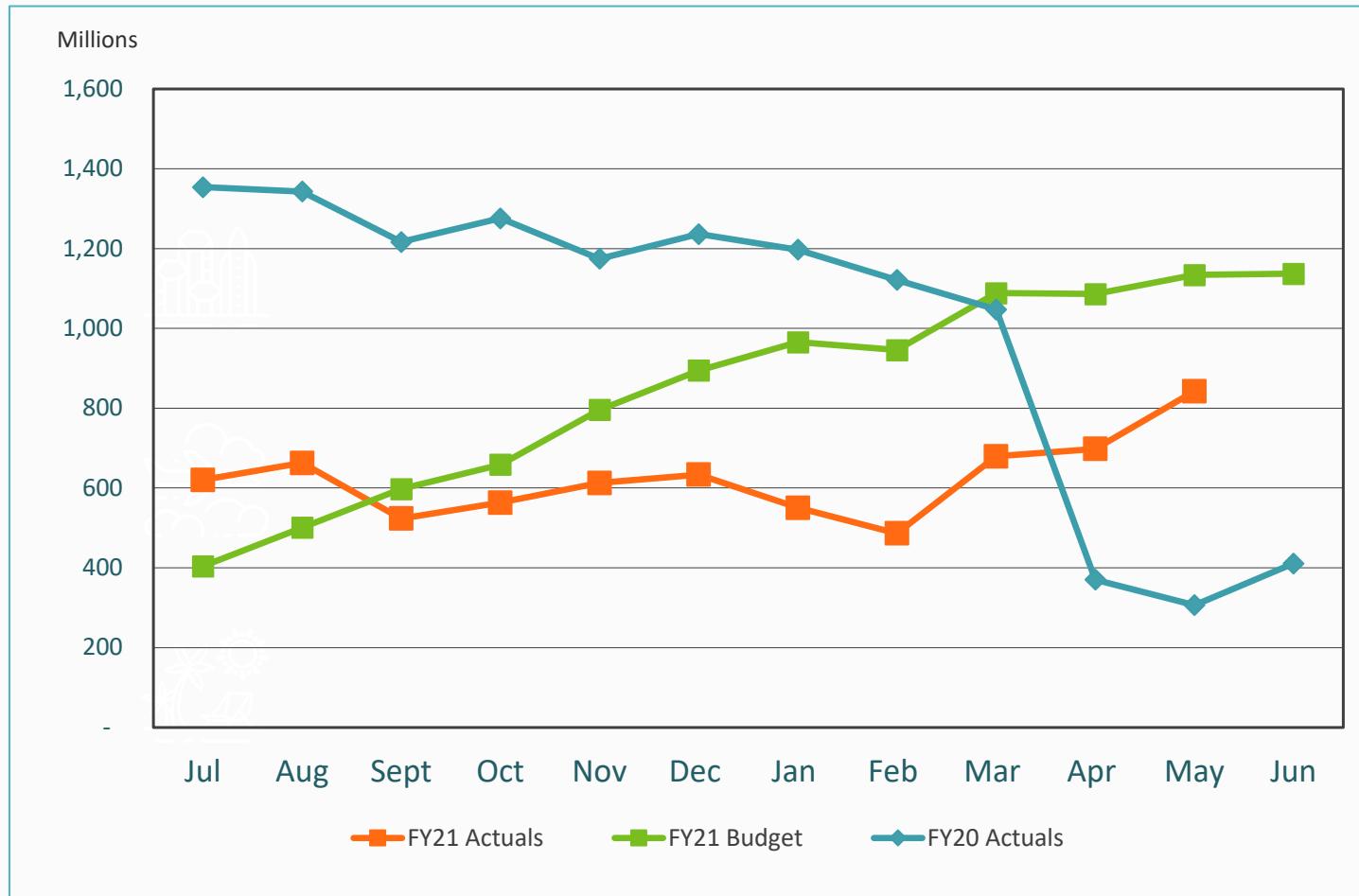


FY21 YTD Act Vs.
FY20 YTD Act
-55.2%

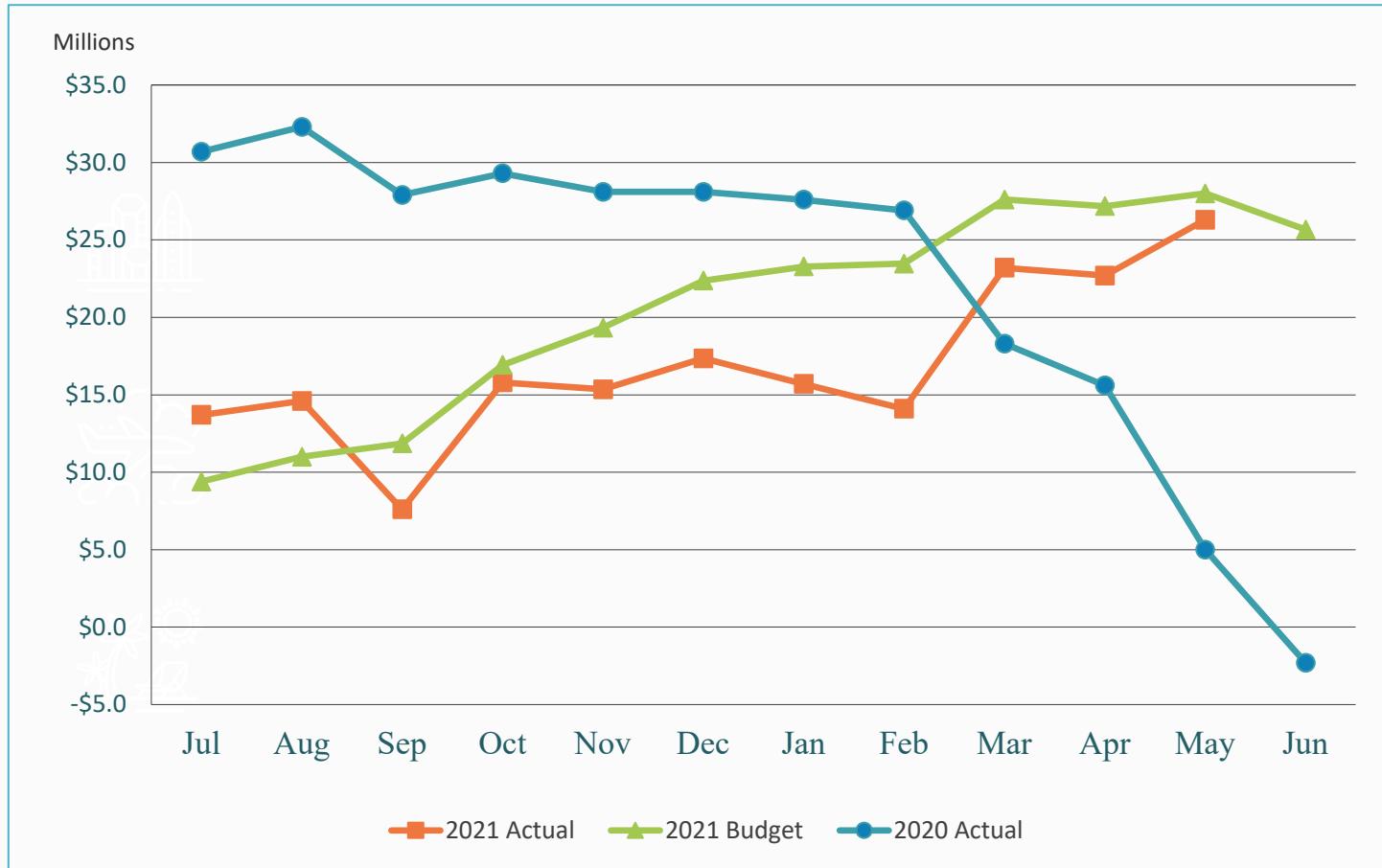
FY21 YTD Act Vs.
FY21 YTD Budget
-26.0%



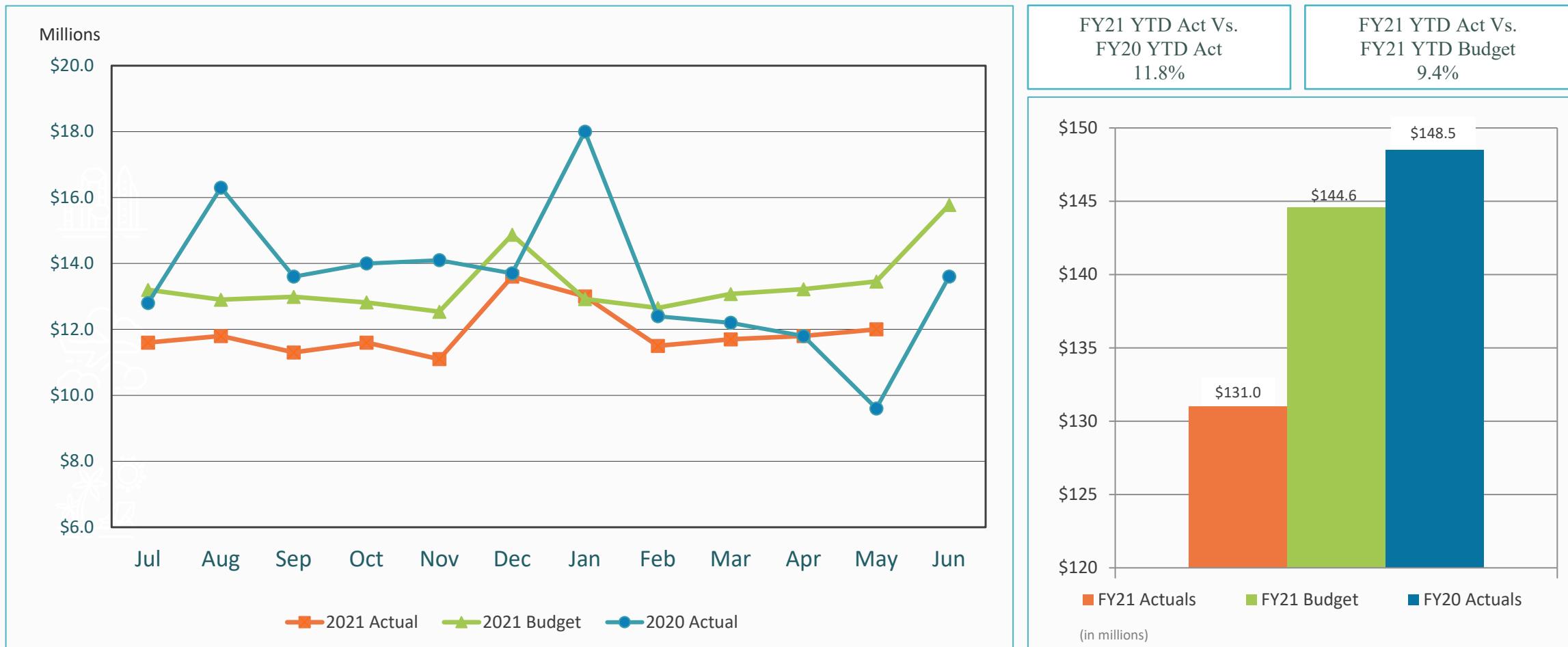
Landed Weights



Total Operating Revenue (Unaudited)



Total Operating Expenses (Unaudited)



Revenue & Expense (Unaudited) For the Eleven Months Ended May 31, 2021 and 2020

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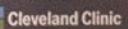


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Operating Revenues for the Eleven Months Ended May 31, 2021 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation	\$ 129,687	\$ 116,181	\$ (13,506)	(10)%	\$ 138,469
Terminal concessions	19,018	8,942	(10,076)	(53)%	24,425
Rental car	20,337	13,732	(6,605)	(32)%	25,181
Parking	19,568	18,899	(669)	(3)%	35,346
Other operating	31,829	28,634	(3,195)	(10)%	41,455
Total operating revenues	\$ 220,439	\$ 186,388	\$ (34,051)	(15)%	\$ 264,876

Operating Expenses for the Eleven Months Ended May 31, 2021 (Unaudited)

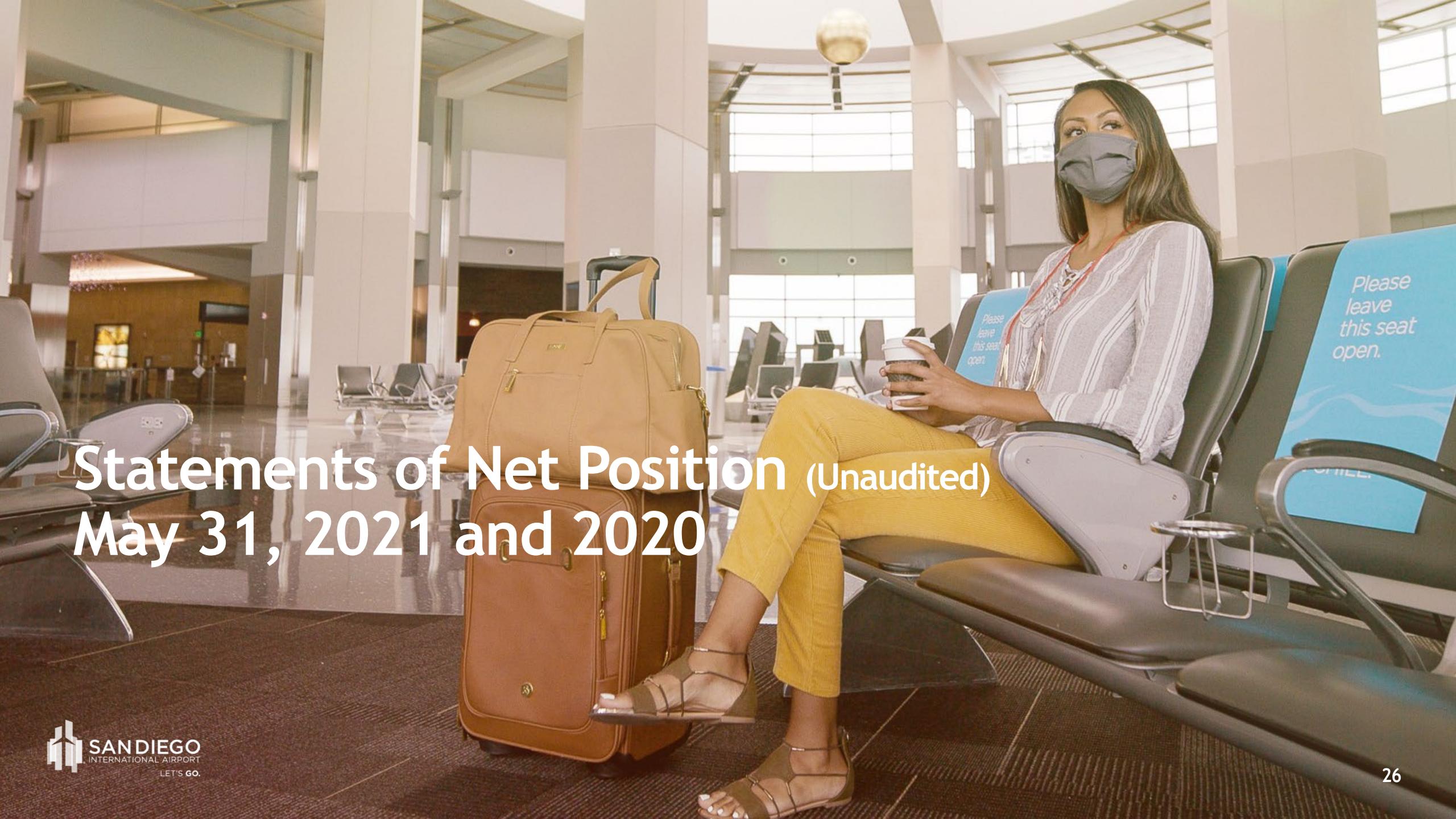
(In thousands)	Budget	Actual	Variance	% Change	Prior Year
			Favorable (Unfavorable)		
Salaries and benefits	\$ 46,606	\$ 44,128	\$ 2,478	5%	\$ 46,427
Contractual services	26,335	21,870	4,465	17%	35,216
Safety and security	30,805	30,961	(156)	(1)%	26,910
Space rental	9,353	9,383	(30)	-	9,356
Utilities	12,975	10,603	2,372	18%	11,879
Maintenance	11,122	8,346	2,776	25%	10,750
Equipment and systems	295	379	(84)	(28)%	314
Materials and supplies	577	390	187	32%	593
Insurance	1,440	1,404	36	3%	1,209
Employee development and support	708	376	332	47%	929
Business development	1,074	165	909	85%	1,563
Equipment rental and repairs	3,401	3,072	329	10%	3,341
Total operating expenses	\$ 144,691	\$ 131,077	\$ 13,614	9%	\$ 148,487

Net Operating Income (Loss) Summary for the Eleven Months Ended May 31, 2021 (Unaudited)

(In thousands)	Budget	Actual	Variance	% Change	Prior Year
			Favorable		
Total operating revenues	\$ 220,439	\$ 186,388	\$ (34,051)	(15)%	\$ 264,876
Total operating expenses	144,691	131,077	13,614	9%	148,487
Income from operations	75,748	55,311	(20,437)	(27)%	116,389
Depreciation	116,991	116,991	-	-	113,309
Operating income (loss)	\$ (41,243)	\$ (61,680)	\$ (20,437)	(50)%	\$ 3,080

Nonoperating Revenues & Expenses for the Eleven Months Ended May 31, 2021 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Passenger facility charges	\$ 21,257	\$ 16,822	\$ (4,435)	(21)%	\$ 33,747
Customer facility charges (Rental Car Center)	18,022	13,319	(4,703)	(26)%	29,365
Federal Relief Grants	49,585	77,219	27,634	56%	14,397
Quieter Home Program, net	(2,903)	(2,952)	(49)	(2)%	(2,886)
Interest income	7,179	12,556	5,377	75%	18,273
Interest expense (net)	(68,628)	(62,232)	6,396	9%	(70,038)
Other nonoperating revenue (expense)	(19)	(8,310)	(8,291)	-	13,846
Nonoperating revenue, net	24,493	46,422	21,929	90%	36,704
Change in net position before grant contributions	(16,750)	(15,258)	1,492	9%	39,784
Capital grant contributions	10,537	13,777	3,240	31%	4,005
Change in net position	\$ (6,213)	(1,481)	\$ 4,732	76%	\$ 43,789



Statements of Net Position (Unaudited) May 31, 2021 and 2020

Statements of Net Position (Unaudited)

As of May 31, 2021 and 2020 (In Thousands)

	2021	2020
Assets and Deferred Outflows of Resources		
Current assets	\$ 128,627	\$ 140,572
Cash designated for capital projects and other	110,646	75,396
Restricted assets	573,275	639,290
Capital assets, net	1,819,099	1,788,860
Other assets	206,611	288,154
Deferred outflows of resources	21,220	23,366
Total assets and deferred outflows of resources	\$ 2,859,477	\$ 2,955,638

Statements of Net Position (Unaudited)

As of May 31, 2021 and 2020 (In Thousands)

	2021	2020
Liabilities and Deferred Inflows of Resources		
Current liabilities	\$ 64,038	\$ 90,338
Liabilities payable from restricted assets	70,560	66,592
Long term liabilities	1,829,597	1,889,721
Deferred inflows of resources	11,694	11,898
Total liabilities and deferred inflows of resources	\$ 1,975,889	\$ 2,058,549
 Total net position	 \$ 883,588	 \$ 897,089



Questions?



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Item 3

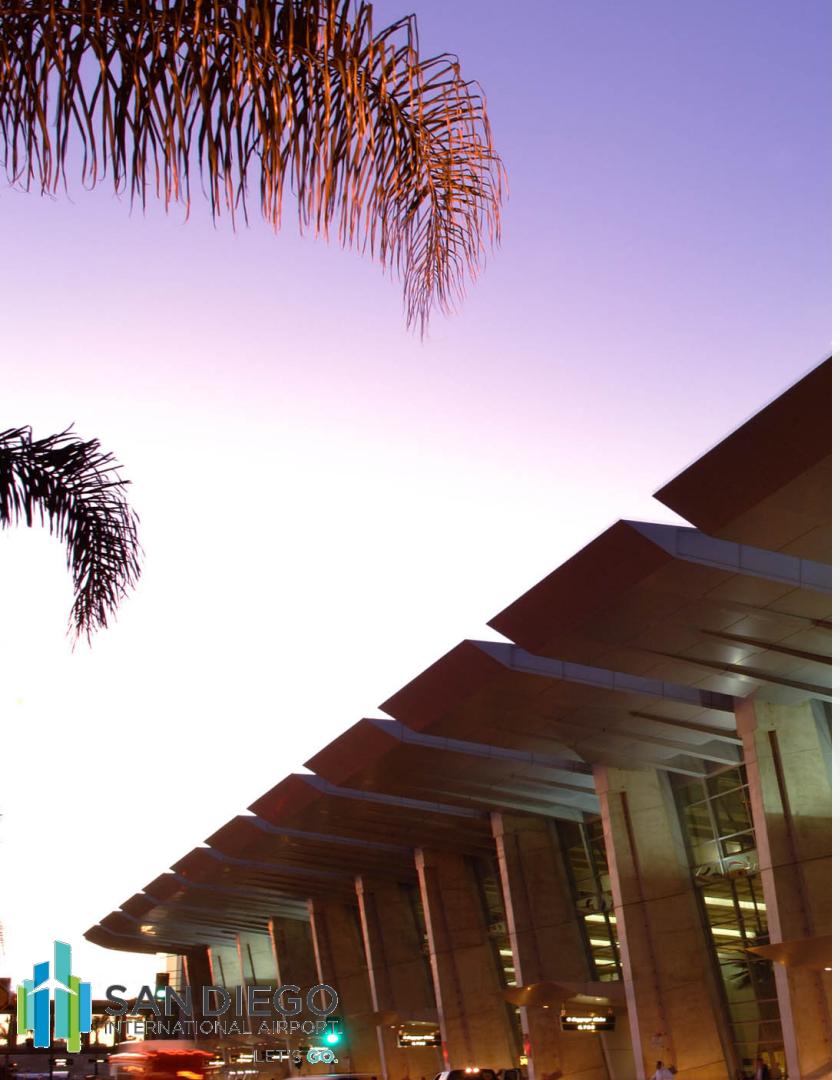


Investment Report

Period Ending
May 31, 2021

Presented by: Geoff Bryant
Manager Airport Finance

June 21, 2021



Section 1

Account Profile

Certification Page

This report is prepared for the San Diego County Regional Airport Authority (the “Authority”) in accordance with California Government Code Section 53646, which states that “the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report.”

The investment report was compiled in compliance with California Government Code 53646 and the Authority’s approved Investment Policy. All investment transactions made in the Authority’s portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



Scott Brickner, C.P.A.
Vice President, Chief Financial Officer
San Diego County Regional Airport Authority

Objectives

Investment Objectives

The San Diego County Regional Airport Authority's investment objectives, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Portfolio Characteristics

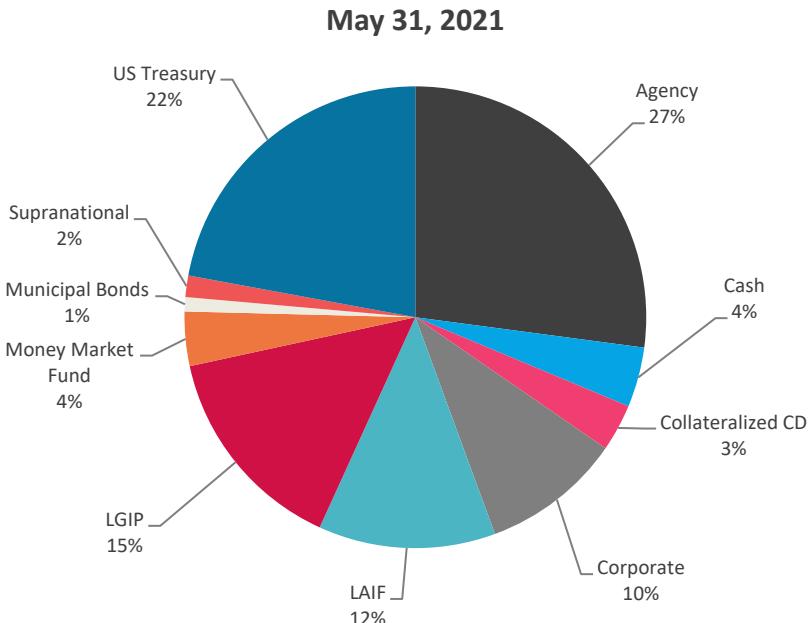
SDCRAA Consolidated

	5/31/2021	4/30/2021	Change
	Portfolio	Portfolio	Portfolio
Average Maturity (yrs)	0.94	0.99	(0.05)
Average Purchase Yield	1.48%	1.49%	(0.01%)
Average Market Yield	0.31%	0.34%	(0.03%)
Average Quality*	AA+/Aa1	AA+/Aa1	
Unrealized Gains/Losses	8,627,725	8,995,131	(367,406)
Total Market Value	508,321,112	512,182,503	(3,861,391)

*Portfolio is S&P and Moody's, respectively.

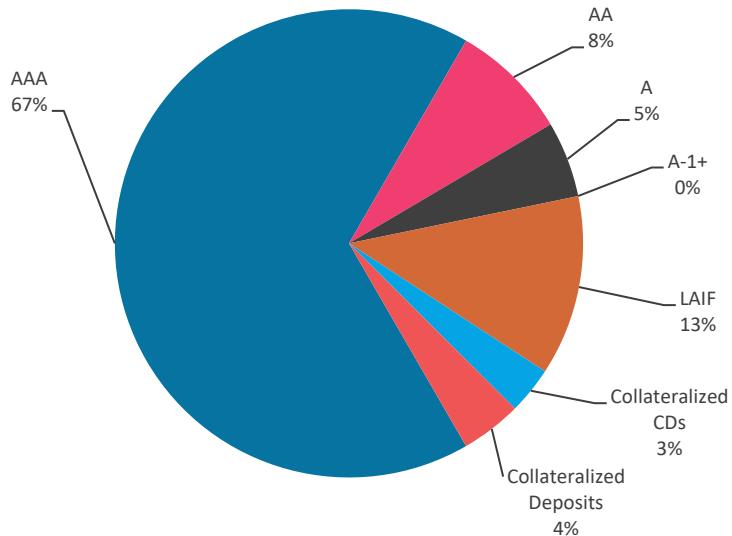
Sector Distribution

	May 31, 2021		April 30, 2021	
	Total Market Value	% of Portfolio	Total Market Value	% of Portfolio
Agency	138,159,387	27.1%	138,057,194	27.0%
Cash	21,378,379	4.2%	25,704,125	5.0%
Collateralized CD	16,534,018	3.3%	16,504,239	3.2%
Corporate	49,587,900	9.8%	49,674,685	9.7%
LAIF	63,264,574	12.4%	63,247,579	12.3%
LGIP	75,075,908	14.8%	74,842,538	14.6%
Money Market Fund	19,307,674	3.8%	18,893,122	3.7%
Municipal Bonds	5,244,692	1.0%	5,244,967	1.0%
Supranational	7,605,183	1.5%	7,602,428	1.5%
US Treasury	112,163,399	22.1%	112,411,627	22.0%
TOTAL	508,321,112	100.0%	512,182,503	100.0%



Quality & Maturity Distribution

May 31, 2021

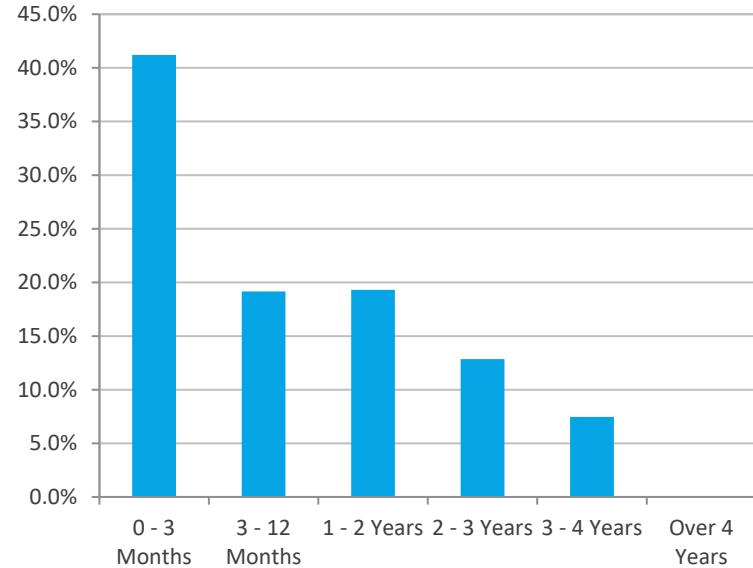


Notes:

Security ratings are based on the highest rating provided by Moody's, S&P and Fitch and is presented using the S&P ratings scale.

(1) Includes investments that have split ratings between S&P, Moody's and Fitch.

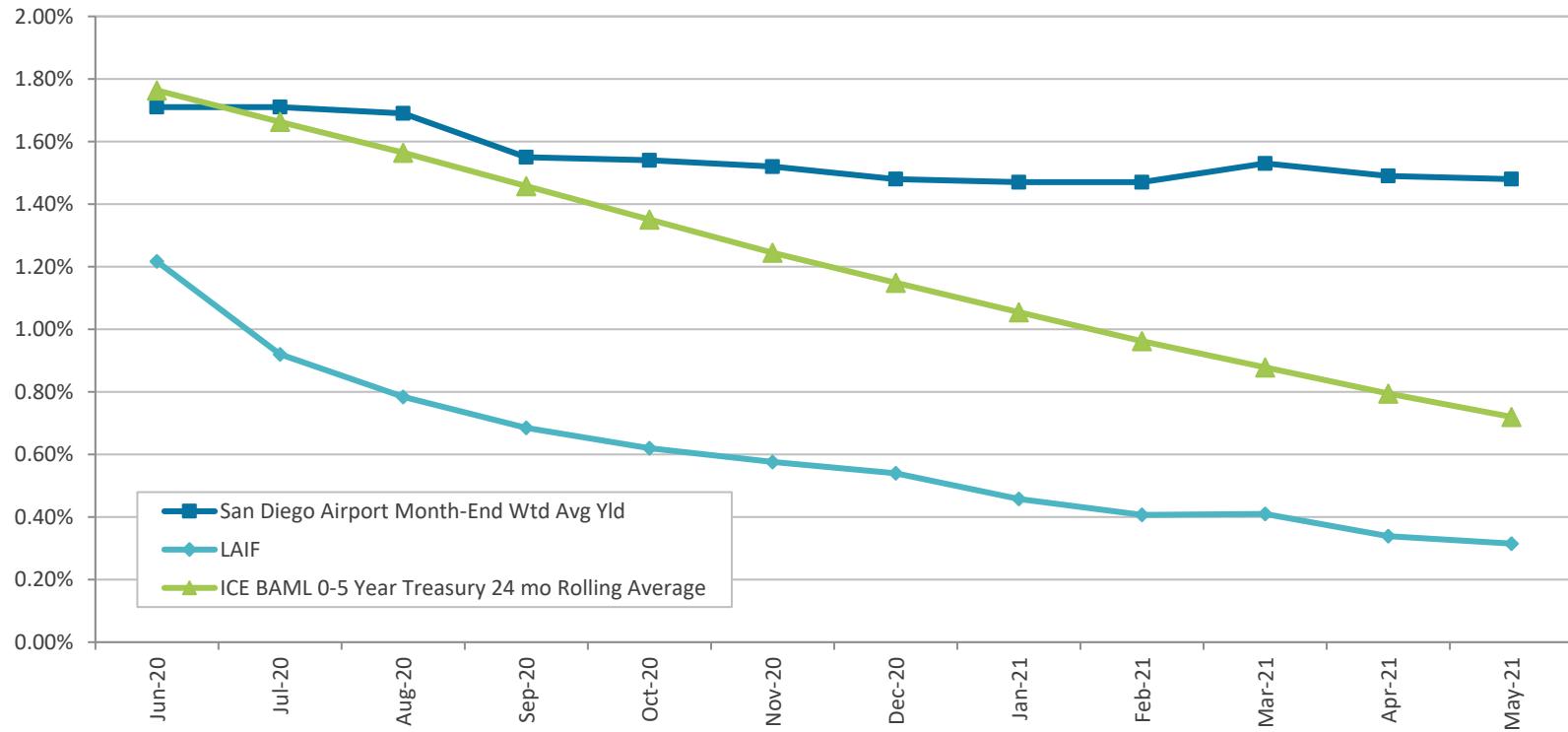
May 31, 2021

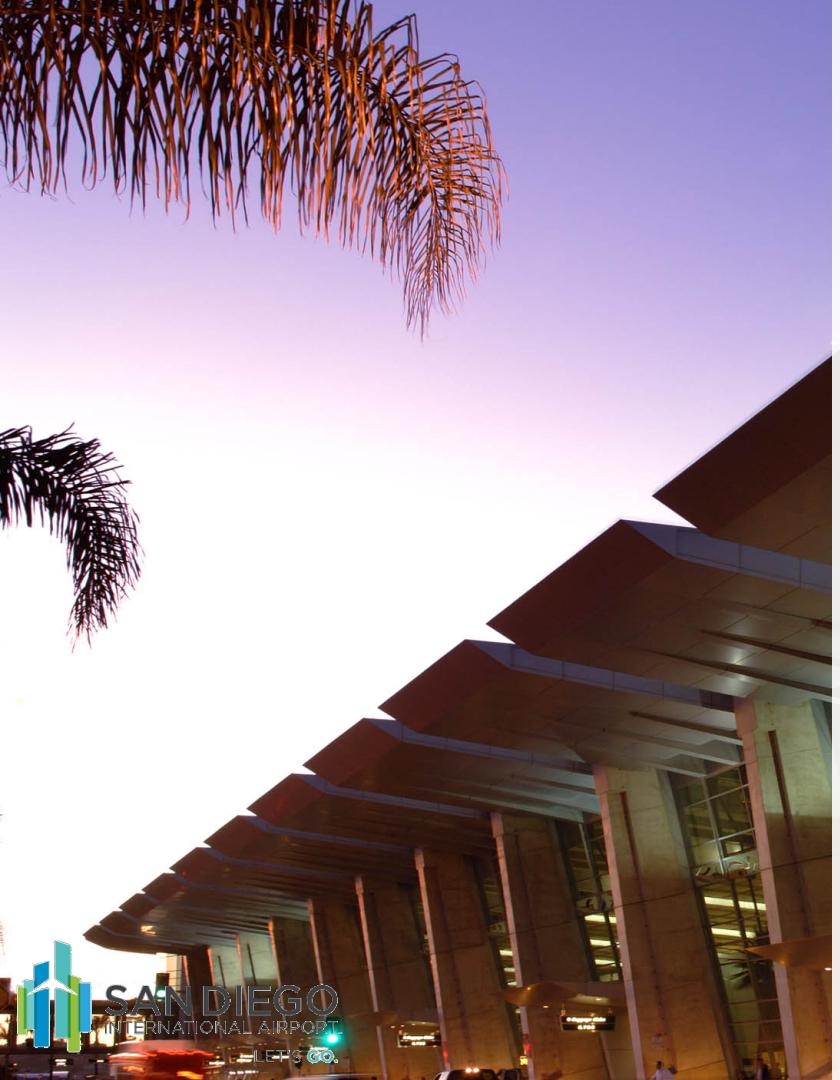


Notes:

(1) The 0-3 category includes investments held in LAIF, CalTrust, and the San Diego County Investment Pool.

Investment Performance





Section 2

Bond Proceeds

Bond Proceeds

Summary of 2013, 2014, 2017, 2019 & 2020 Bond Proceeds ⁽¹⁾

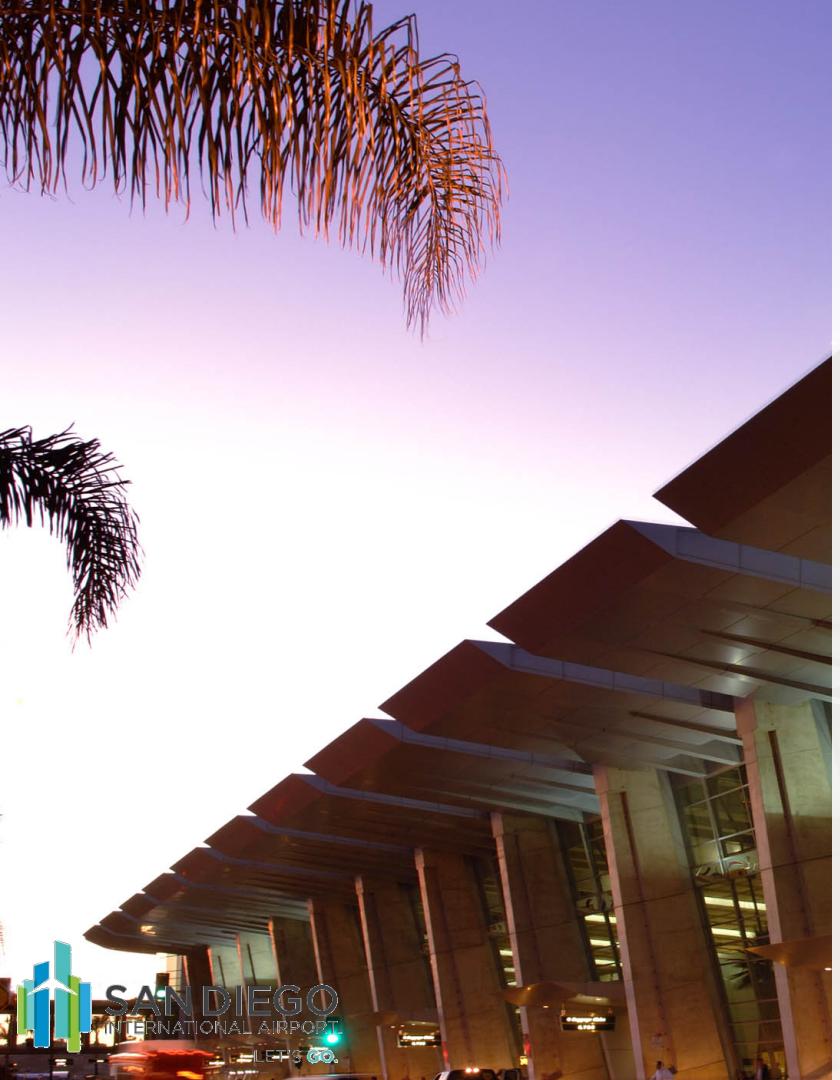
As of May 31, 2021
(in thousands)

	2014 Special Facility Revenue Bond	2013, 2017, 2019 & 2020 General Airport Revenue Bonds	Total Bond Proceeds	Yield	Rating
Project Fund					
LAIF	-	95,987	95,987	0.30%	N/R
SDCIP	-	88,925	88,925	0.72%	AAAf
Money Market Fund	-	16,741	16,741	0.03%	AAAm
	-	201,653	201,653	0.46%	
Debt Service Reserve & Coverage Funds					
SDCIP	29,578	82,779	112,357	0.72%	AAAf
LAIF	-	11,078	11,078	0.30%	N/R
Money Market Fund	-	15,317	15,317	0.03%	AAAm
	29,578	109,174	138,752	0.61%	
Capitalized Interest Funds					
SDCIP	-	6,878	6,878	0.72%	AAAf
	-	6,878	6,878	0.72%	
Cost of Issuance					
Money Market Fund	-	24	24	0.03%	AAAm
	-	24	24	0.03%	
TOTAL	29,578	317,729	347,307	0.53%	

(1) Bond Proceeds are not included in deposit limits as applied to operating funds. SDCIP Yield as of April 30, 2021.



Questions?



Section 3

Appendix

Compliance

May 31, 2021

This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by SDCRAA.
Chandler relies on SDCRAA to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
Treasury Issues	No Limit	Complies
Agency Issues	No Limit	Complies
Supranationals	"AA" rated or better by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% maximum; 10% max per issuer; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Municipal Issues	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated or equivalent or highest category by a NRSRO; 40% maximum; 5% max per bank; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; or "A" rated issuer or equivalent by a NRSRO, if any long-term debt; 25% maximum; 5% max per issuer (combined with any other securities from that issuer); 270 days max maturity; Entity organized and operating in the U.S. as a general corporation and has total assets >\$500 million; or Entity is organized within the U.S. as a special purpose corporation, trust, or limited liability company and has credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.	Complies
Negotiable Certificates of Deposit ("NCD")	"A" rated issuer or better by a NRSRO; 30% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by nationally or state-chartered bank, a state or federal savings institution or by a federally licensed or state licensed branch of a foreign bank.	Complies
Time Deposits/Certificates of Deposit/ Bank Deposit	Bank Deposits, including, demand deposit accounts, savings accounts, market rate accounts, and time certificates of deposits ("TCD") in financial institutions located in California. 20% maximum; 5% max per TCD issuer in excess of FDIC limit (combined with other securities from that issuer); 3 years max maturity; Financial institutions with net worth of \$10 million and total assets of \$50 million; Deposits in each bank limited to 5% max of the total assets of bank; To be eligible to receive Authority deposits, financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities; Bank Deposits are required to be collateralized as specified by Cal. Gov. Code §53630 et seq.; Collateralization may be waived for any portion that is covered by FDIC	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 20% maximum; 5% max per issuer (combined with any other securities from that issuer); Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Money Market Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered investment adviser with assets under management in excess of \$500 million and experience greater than 5 years; 20% maximum; 10% per fund; 5% max of total fund balance	Complies
Repurchase Agreements	"A" rated or better by a NRSRO; 1 year max maturity; U.S. Treasury or Federal Agency collateral only	Complies
Local Agency Investment Fund (LAIF)	Max program limit for LAIF; Pursuant to California Gov. Code Section 16429.1	Complies
San Diego County Investment Pool (SDCIP)	Max program limit for LAIF	Complies
Local Government Investment Pool (LGIP)	Max program limit for LAIF	Complies
Prohibited	Inverse floaters, Range notes, Interest-only strips from mortgaged backed securities; Common stocks; Zero interest accrual securities	Complies
Average Maturity	3 years	Complies
Maximum maturity	5 years	Complies

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3130A1W95	FHLB Note 2.250% Due 06/11/2021	7,500,000.00	07/19/2019 1.87%	7,552,725.00	100.06 0.07%	7,504,537.50 79,687.50	1.49% (48,187.50)	Aaa / AA+ AAA	0.03 0.03
313378JP7	FHLB Note 2.375% Due 09/10/2021	7,500,000.00	08/27/2019 1.57%	7,620,375.00	100.63 0.08%	7,547,385.00 40,078.13	1.49% (72,990.00)	Aaa / AA+ AAA	0.28 0.27
3130AF5B9	FHLB Note 3.000% Due 10/12/2021	4,500,000.00	10/22/2018 3.05%	4,493,385.00	101.07 0.05%	4,548,280.50 18,375.00	0.90% 54,895.50	Aaa / AA+ NR	0.37 0.36
313376C94	FHLB Note 2.625% Due 12/10/2021	5,000,000.00	01/28/2020 1.52%	5,101,350.00	101.35 0.06%	5,067,365.00 62,343.75	1.01% (33,985.00)	Aaa / AA+ AAA	0.53 0.52
3133ELHR8	FFCB Note 1.600% Due 01/21/2022	7,500,000.00	02/03/2020 1.41%	7,527,300.00	100.97 0.08%	7,572,967.50 43,333.33	1.50% 45,667.50	Aaa / AA+ AAA	0.64 0.63
3130AEBM1	FHLB Note 2.750% Due 06/10/2022	7,150,000.00	Various 2.82%	7,131,662.00	102.74 0.07%	7,346,002.95 93,396.88	1.46% 214,340.95	Aaa / AA+ NR	1.03 1.00
3135G0W33	FNMA Note 1.375% Due 09/06/2022	5,000,000.00	09/06/2019 1.55%	4,974,800.00	101.59 0.12%	5,079,450.00 16,232.64	1.00% 104,650.00	Aaa / AA+ AAA	1.27 1.25
313383WD9	FHLB Note 3.125% Due 09/09/2022	4,000,000.00	09/27/2018 3.00%	4,019,040.00	103.84 0.11%	4,153,496.00 28,472.22	0.82% 134,456.00	Aaa / AA+ AAA	1.28 1.25
3135G0T78	FNMA Note 2.000% Due 10/05/2022	7,500,000.00	03/02/2020 0.86%	7,717,875.00	102.51 0.13%	7,688,467.50 23,333.33	1.52% (29,407.50)	Aaa / AA+ AAA	1.35 1.33
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	6,000,000.00	08/16/2018 2.81%	5,924,640.00	103.59 0.14%	6,215,592.00 71,666.67	1.24% 290,952.00	Aaa / AA+ NR	1.53 1.49
313383QR5	FHLB Note 3.250% Due 06/09/2023	4,900,000.00	09/11/2018 2.97%	4,959,045.00	106.17 0.19%	5,202,315.30 76,086.11	1.04% 243,270.30	Aaa / AA+ NR	2.02 1.95

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133EJUS6	FFCB Note 2.875% Due 07/17/2023	6,000,000.00	02/07/2019 2.56%	6,078,480.00	105.65 0.21%	6,338,856.00 64,208.33	1.26% 260,376.00	Aaa / AA+ AAA	2.13 2.06
3133EKZK5	FFCB Note 1.600% Due 08/14/2023	7,000,000.00	08/19/2019 1.55%	7,012,460.00	103.02 0.23%	7,211,274.00 33,288.89	1.43% 198,814.00	Aaa / AA+ AAA	2.21 2.16
313383YJ4	FHLB Note 3.375% Due 09/08/2023	7,000,000.00	Various 2.65%	7,219,535.00	107.05 0.26%	7,493,829.00 54,468.75	1.48% 274,294.00	Aaa / AA+ NR	2.27 2.19
3130A0F70	FHLB Note 3.375% Due 12/08/2023	6,850,000.00	Various 2.75%	7,045,064.00	107.86 0.24%	7,388,601.80 111,098.44	1.48% 343,537.80	Aaa / AA+ AAA	2.52 2.40
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	6,800,000.00	Various 2.36%	6,805,744.00	105.95 0.22%	7,204,498.00 37,234.72	1.42% 398,754.00	Aaa / AA+ NR	2.77 2.68
3133EKNX0	FFCB Note 2.160% Due 06/03/2024	5,000,000.00	07/19/2019 1.89%	5,062,250.00	105.35 0.37%	5,267,480.00 53,400.00	1.05% 205,230.00	Aaa / AA+ AAA	3.01 2.89
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	8,000,000.00	06/12/2019 2.00%	8,331,920.00	107.64 0.34%	8,611,416.00 106,694.44	1.72% 279,496.00	Aaa / AA+ NR	3.04 2.89
3135G0V75	FNMA Note 1.750% Due 07/02/2024	7,350,000.00	07/19/2019 1.87%	7,310,236.50	104.30 0.35%	7,666,072.05 53,236.46	1.52% 355,835.55	Aaa / AA+ AAA	3.09 2.99
3135G0W66	FNMA Note 1.625% Due 10/15/2024	5,000,000.00	12/03/2019 1.64%	4,997,100.00	104.11 0.40%	5,205,580.00 10,381.94	1.03% 208,480.00	Aaa / AA+ AAA	3.38 3.28
3137EAEP0	FHLMC Note 1.500% Due 02/12/2025	6,500,000.00	03/04/2020 0.85%	6,703,710.00	103.68 0.49%	6,739,382.00 29,520.83	1.33% 35,672.00	Aaa / AA+ AAA	3.71 3.59
TOTAL Agency		132,050,000.00	2.03%	133,588,696.50	0.20%	137,052,848.10	27.18%	Aaa / AA+	1.86
						1,106,538.36	3,464,151.60	Aaa	1.80

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Cash									
PP2118\$00	U.S. Bank Checking Account	108,093.31	Various 0.00%	108,093.31	1.00 0.00%	108,093.31 0.00	0.02% 0.00	NR / NR NR	0.00 0.00
PP2118\$12	U.S. Bank Checking Account	69,002.76	Various 0.00%	69,002.76	1.00 0.00%	69,002.76 0.00	0.01% 0.00	NR / NR NR	0.00 0.00
PP2118V\$7	EastWest Bank Deposit Account	12,910,798.13	Various 0.18%	12,910,798.13	1.00 0.18%	12,910,798.13 0.00	2.54% 0.00	NR / NR NR	0.00 0.00
PP2118V\$8	EastWest Bank Deposit Account	108,998.86	Various 0.20%	108,998.86	1.00 0.20%	108,998.86 0.00	0.02% 0.00	NR / NR NR	0.00 0.00
PP2118V\$9	U.S. Bank Checking Account	8,181,485.50	Various 0.00%	8,181,485.50	1.00 0.00%	8,181,485.50 0.00	1.61% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		21,378,378.56	0.11%	21,378,378.56	0.11%	21,378,378.56	4.21%	NR / NR	0.00
Collateralized CD									
PP2118\$10	EastWest Bank Collateralized CD 2.200% Due 07/07/2021	11,168,225.83	Various 2.26%	11,128,212.70	92.08 2.26%	11,128,212.70 673.15	2.19% 0.00	NR / NR NR	0.10 0.09
PP2118\$04	EastWest Bank Collateralized CD 1.800% Due 10/24/2021	5,419,060.17	Various 1.82%	5,402,964.51	90.57 1.82%	5,402,964.51 2,167.60	1.06% 0.00	NR / NR NR	0.40 0.39
TOTAL Collateralized CD		16,587,286.00	2.12%	16,531,177.21	2.12%	16,531,177.21	3.25%	NR / NR	0.20
						2,840.75	0.00	NR	0.19

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Corporate									
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.550% Due 08/08/2021	3,000,000.00	09/15/2017 1.96%	2,954,280.00	100.14 0.18%	3,004,215.00 14,595.83	0.59% 49,935.00	Aaa / AAA AAA	0.19 0.11
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	3,000,000.00	08/16/2018 3.09%	3,005,220.00	100.56 0.20%	3,016,710.00 29,400.00	0.60% 11,490.00	A1 / A+ NR	0.19
69353REY0	PNC Bank Callable Note Cont 11/09/2021 2.550% Due 12/09/2021	2,000,000.00	07/13/2018 3.28%	1,953,160.00	101.04 0.18%	2,020,746.00 24,366.67	0.40% 67,586.00	A2 / A A+	0.53 0.44
459200JQ5	IBM Corp Note 2.500% Due 01/27/2022	2,000,000.00	08/16/2018 3.12%	1,960,160.20	101.53 0.17%	2,030,582.01 17,222.22	0.40% 70,421.81	A2 / A- NR	0.66 0.65
037833AY6	Apple Inc Note 2.150% Due 02/09/2022	4,000,000.00	09/15/2017 2.10%	4,008,680.00	101.36 0.17%	4,054,452.00 26,755.56	0.80% 45,772.00	Aa1 / AA+ NR	0.70 0.68
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.450% Due 02/15/2022	1,000,000.00	06/11/2018 3.18%	974,800.00	101.02 0.21%	1,010,174.00 7,213.89	0.20% 35,374.00	A2 / A NR	0.71 0.45
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	2,000,000.00	06/11/2018 3.35%	1,950,240.00	101.57 0.12%	2,031,480.00 15,166.67	0.40% 81,240.00	A2 / A A+	0.72 0.62
00440EAU1	Chubb INA Holdings Inc Callable Note Cont 9/3/2022 2.875% Due 11/03/2022	2,000,000.00	09/27/2018 3.47%	1,955,180.00	103.39 0.17%	2,067,836.00 4,472.22	0.41% 112,656.00	A3 / A A	1.43 1.24
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	3,500,000.00	Various 3.22%	3,422,355.00	103.92 0.24%	3,637,326.00 38,062.50	0.72% 214,971.00	A2 / A A	1.60 1.56
89236TEL5	Toyota Motor Credit Corp Note 2.700% Due 01/11/2023	2,000,000.00	07/13/2018 3.34%	1,946,860.00	103.96 0.24%	2,079,190.00 21,000.00	0.41% 132,330.00	A1 / A+ A+	1.62 1.57
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	2,000,000.00	07/13/2018 3.20%	1,961,020.00	104.01 0.27%	2,080,164.00 11,611.11	0.41% 119,144.00	Aa2 / AA A+	1.79 1.59

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	2,000,000.00	07/19/2019 2.13%	2,019,760.00	103.99 0.31%	2,079,860.00 3,733.33	0.41% 60,100.00	Aa1 / AA+ NR	1.92 1.88
58933YAF2	Merck & Co Note 2.800% Due 05/18/2023	3,000,000.00	07/22/2019 2.11%	3,075,480.00	104.92 0.29%	3,147,465.00 3,033.33	0.62% 71,985.00	A1 / AA- A+	1.96 1.92
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	2,000,000.00	09/27/2018 3.31%	2,008,020.00	106.15 0.29%	2,123,000.00 29,277.78	0.42% 114,980.00	Aa2 / AA AA	2.07 1.91
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	4,000,000.00	Various 2.22%	3,996,200.00	103.85 0.31%	4,153,840.00 25,666.66	0.82% 157,640.00	A1 / A AA-	2.21 2.00
857477AM5	State Street Bank Note 3.700% Due 11/20/2023	2,000,000.00	08/19/2019 2.06%	2,132,940.00	108.54 0.23%	2,170,708.00 2,261.11	0.43% 37,768.00	A1 / A AA-	2.47 2.38
89236TFS9	Toyota Motor Credit Corp Note 3.350% Due 01/08/2024	2,000,000.00	02/07/2019 3.07%	2,025,380.00	107.66 0.39%	2,153,296.00 26,613.89	0.43% 127,916.00	A1 / A+ A+	2.61 2.48
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 02/05/2024	2,000,000.00	02/07/2019 3.19%	2,017,220.00	107.63 0.41%	2,152,588.00 21,750.00	0.43% 135,368.00	A1 / A+ A+	2.68 2.48
438516BW5	Honeywell Intl Callable Note Cont 7/15/2024 2.300% Due 08/15/2024	4,000,000.00	12/03/2019 1.96%	4,059,840.00	105.62 0.48%	4,224,976.00 27,088.89	0.84% 165,136.00	A2 / A A	3.21 3.01
TOTAL Corporate		47,500,000.00	2.69%	47,426,795.20	0.26%	49,238,608.01	9.76%	A1 / A+	1.59
						349,291.66	1,811,812.81	A+	1.49

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	63,232,518.45	Various 0.30%	63,232,518.45	1.00 0.30%	63,232,518.45 32,055.05	12.45% 0.00	NR / NR NR	0.00 0.00
						63,232,518.45	12.45%	NR / NR	0.00
	TOTAL LAIF	63,232,518.45	0.30%	63,232,518.45	0.30%	32,055.05	0.00	NR	0.00
Local Gov Investment Pool									
90SDCP\$00	County of San Diego Pooled Investment Pool	58,668,666.64	Various 0.72%	58,668,666.64	1.00 0.72%	58,668,666.64 0.00	11.54% 0.00	NR / NR AAA	0.00 0.00
09CATR\$04	CalTrust Short Term Fund	1,626,089.35	Various 0.21%	16,271,215.41	10.09 0.21%	16,407,241.52 0.00	3.23% 136,026.11	NR / AA NR	0.00 0.00
						75,075,908.16	14.77%	NR / AA	0.00
	TOTAL Local Gov Investment Pool	60,294,755.99	0.61%	74,939,882.05	0.61%	0.00	136,026.11	Aaa	0.00
Money Market Fund FI									
262006307	Dreyfus Gov't Cash Management Money Market Fund	19,307,674.30	Various 0.03%	19,307,674.30	1.00 0.03%	19,307,674.30 0.00	3.80% 0.00	Aaa / AAA NR	0.00 0.00
						19,307,674.30	3.80%	Aaa / AAA	0.00
	TOTAL Money Market Fund	19,307,674.30	0.03%	19,307,674.30	0.03%	0.00	0.00	NR	0.00

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Municipal Bonds									
649791PP9	New York St Taxable-GO 2.010% Due 02/15/2024	5,000,000.00	10/29/2019 2.01%	5,000,000.00	104.30 0.41%	5,215,100.00 29,591.67	1.03% 215,100.00	Aa2 / AA+ AA+	2.71 2.63
						5,215,100.00	1.03%	Aa2 / AA+	2.71
	TOTAL Municipal Bonds	5,000,000.00	2.01%	5,000,000.00	0.41%	29,591.67	215,100.00	AA+	2.63
Supranational									
4581X0CV8	Inter-American Dev Bank Note 1.250% Due 09/14/2021	2,500,000.00	04/03/2018 2.66%	2,385,100.00	100.32 0.13%	2,508,010.00 6,684.03	0.49% 122,910.00	Aaa / NR NR	0.29 0.29
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	3,000,000.00	03/16/2018 2.73%	2,920,650.00	101.22 0.12%	3,036,720.00 20,833.33	0.60% 116,070.00	Aaa / NR AAA	0.66 0.65
4581X0CN6	Inter-American Dev Bank Note 1.750% Due 04/14/2022	2,000,000.00	09/27/2018 3.03%	1,914,620.00	101.42 0.12%	2,028,366.00 4,569.44	0.40% 113,746.00	Aaa / AAA AAA	0.87 0.86
	TOTAL Supranational	7,500,000.00	2.78%	7,220,370.00	0.12%	7,573,096.00	1.50%	Aaa / AAA	0.59
						32,086.80	352,726.00	Aaa	0.59
US Treasury									
912828S76	US Treasury Note 1.125% Due 07/31/2021	5,600,000.00	09/26/2019 1.72%	5,540,281.25	100.18 0.04%	5,610,225.60 21,058.01	1.11% 69,944.35	Aaa / AA+ AAA	0.17 0.17
912828D72	US Treasury Note 2.000% Due 08/31/2021	8,500,000.00	10/13/2017 1.81%	8,560,761.72	100.49 0.04%	8,541,548.00 42,961.96	1.69% (19,213.72)	Aaa / AA+ AAA	0.25 0.25

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828T67	US Treasury Note 1.250% Due 10/31/2021	7,700,000.00	11/20/2017 1.96%	7,492,761.72	100.50 0.05%	7,738,500.00 8,369.57	1.52% 245,738.28	Aaa / AA+ AAA	0.42 0.42
912828U65	US Treasury Note 1.750% Due 11/30/2021	7,500,000.00	09/06/2019 1.55%	7,533,105.47	100.84 0.06%	7,563,285.00 358.61	1.49% 30,179.53	Aaa / AA+ AAA	0.50 0.50
912828U81	US Treasury Note 2.000% Due 12/31/2021	5,000,000.00	12/16/2019 1.66%	5,034,375.00	101.13 0.07%	5,056,250.00 41,988.95	1.00% 21,875.00	Aaa / AA+ AAA	0.59 0.58
912828W89	US Treasury Note 1.875% Due 03/31/2022	8,000,000.00	12/23/2019 1.67%	8,035,937.50	101.50 0.07%	8,120,000.00 25,409.84	1.60% 84,062.50	Aaa / AA+ AAA	0.83 0.83
912828WZ9	US Treasury Note 1.750% Due 04/30/2022	2,750,000.00	11/17/2017 2.00%	2,720,781.25	101.54 0.07%	2,792,218.00 4,207.65	0.55% 71,436.75	Aaa / AA+ AAA	0.92 0.91
912828SV3	US Treasury Note 1.750% Due 05/15/2022	8,200,000.00	12/05/2017 2.09%	8,080,843.75	101.60 0.07%	8,331,331.20 6,629.08	1.64% 250,487.45	Aaa / AA+ AAA	0.96 0.95
912828XW5	US Treasury Note 1.750% Due 06/30/2022	8,200,000.00	12/05/2017 2.13%	8,063,546.88	101.79 0.10%	8,346,386.40 60,254.14	1.65% 282,839.52	Aaa / AA+ AAA	1.08 1.07
912828P4	US Treasury Note 1.875% Due 07/31/2022	8,000,000.00	12/23/2019 1.68%	8,039,375.00	102.08 0.09%	8,166,560.00 50,138.12	1.62% 127,185.00	Aaa / AA+ AAA	1.17 1.15
912828L24	US Treasury Note 1.875% Due 08/31/2022	8,200,000.00	12/05/2017 2.14%	8,101,984.38	102.21 0.11%	8,380,974.00 38,855.30	1.66% 278,989.62	Aaa / AA+ AAA	1.25 1.24
912828L57	US Treasury Note 1.750% Due 09/30/2022	10,500,000.00	01/19/2018 2.39%	10,204,277.34	102.19 0.11%	10,729,687.50 31,127.05	2.12% 525,410.16	Aaa / AA+ AAA	1.33 1.32
912828M80	US Treasury Note 2.000% Due 11/30/2022	8,000,000.00	12/16/2019 1.66%	8,079,062.50	102.82 0.12%	8,225,624.00 437.16	1.62% 146,561.50	Aaa / AA+ AAA	1.50 1.48
912828R69	US Treasury Note 1.625% Due 05/31/2023	8,000,000.00	12/23/2019 1.70%	7,978,750.00	102.93 0.16%	8,234,688.00 355.19	1.62% 255,938.00	Aaa / AA+ AAA	2.00 1.97

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending May 31, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828V80	US Treasury Note 2.250% Due 01/31/2024	5,650,000.00	Various 2.14%	5,675,003.91	105.34 0.24%	5,951,478.35 42,492.06	1.18% 276,474.44	Aaa / AA+ AAA	2.67 2.59
TOTAL US Treasury		109,800,000.00	1.90%	109,140,847.67	0.09%	111,788,756.05 374,642.69	22.07% 2,647,908.38	Aaa / AA+ Aaa	1.06 1.05
TOTAL PORTFOLIO		482,650,613.30	1.48%	497,766,339.94	0.31%	506,394,064.84 1,927,046.98	100.00% 8,627,724.90	Aa1 / AA+ Aaa	0.94 0.91
TOTAL MARKET VALUE PLUS ACCRUALS						508,321,111.82			

Important Disclosures

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Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Disclosures

ICE BAML 0-5 Yr US Treasury Index

The ICE BAML 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: GVQA. Please visit www.mlindex.ml.com for more information)

Item No. 4

Finance Committee Staff Report

Meeting Date: June 21, 2021

Subject:

Approve A Short-Term Borrowing Program and Authorize the President/CEO to Negotiate and Execute a Revolving Credit Agreement with Bank Of America, N.A.

Recommendation:

Forward to Board with Recommendation to (1) approve a Short-Term Borrowing Program in an aggregate principal amount not to exceed \$200,000,000 outstanding at any one time to provide an interim funding source for the New T1 and other capital projects; (2) authorize the President/CEO (or such other Designated Officer) to negotiate and execute a Revolving Credit Agreement with Bank of America, N.A.; and (3) approve the forms of an Eighth Supplemental Subordinate Trust Indenture, an AMT Note, a Non-AMT Note and a Taxable Note.

Background/Justification:

The Authority previously maintained a \$225,000,000 short-term borrowing program, provided by US Bank and RBC Bank, that terminated in 2020. The purpose of that program was to provide a variable rate component to the Authority's debt portfolio and, when required, to provide an interim capital funding source.

The Authority has determined that it is necessary to maintain a short-term borrowing program to provide an interim capital funding source during the development and construction of the New T1. Staff estimates that the required short-term borrowing capacity needed during the development and construction of the New T1 will be \$200,000,000. This includes consideration of:

- Interim funding of the New T1 prior to the first long-term bond issuance.
- Interim funding of the New T1 between bond issuance or if the Authority could not access the Financial Markets on a timely basis.
- Potential interim funding of other projects included in the FY22-FY26 Capital Improvement Plan.
- Preservation of Authority Liquidity metrics.

Finance Committee Staff Report

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Meeting Date: June 21, 2021

A Request for Proposal (“RFP”) for a short-term borrowing facility was issued in March 2021. Twenty-seven firms viewed the RFP, and 8 proposals were received on April 5, 2021. One proposal was found non-responsive. The evaluation panel’s shortlisted rankings of the remaining seven proposals are presented below:

Rankings	Panelist	Panelist	Panelist	Panelist	Total	Rank
	1	2	3	4		
Bank of America	1	1	1	1	4	1
Barclays	5	5	5	5	20	5
City National	2	2	2	2	8	2
JP Morgan	6	6	6	6	24	6
UBS	7	7	7	7	28	7
US Bank	3	3	3	3	12	3
Wells Fargo	4	4	4	4	16	4

Combined Scores	SB	Local	Vet.	Cost	Credit Quality	Termination Fee	Standard Agreement	Additional Provisions	Total
Bank of America	0	0	0	2200	100	600	640	100	3640
Barclays	0	0	0	1100	100	0	640	100	1940
City National	0	0	0	1760	100	600	800	100	3360
JP Morgan	0	0	0	1100	100	0	240	100	1540
UBS	0	0	0	660	100	0	400	100	1260
US Bank	0	0	0	1760	100	600	320	100	2880
Wells Fargo	0	0	0	1760	100	600	80	100	2640

The four highest-ranked firms were invited to interview on May 7, 2021. The Respondents who were interviewed were asked to respond to a specific list of questions prepared by the evaluation panel, which targeted the evaluation criteria presented in the RFP. The panelists' final rankings are presented below:

Rankings	Panelist	Panelist	Panelist	Panelist	Total	Rank
	1	2	3	4		
Bank of America	1	1	1	1	4	1
City National	2	2	2	2	8	2
US Bank	3	3	3	3	12	3
Wells Fargo	4	4	3	4	15	4

Combined Scores	SB	Local	Vet.	Cost	Credit Quality	Termination Fee	Standard Agreement	Additional Provisions	Total
Bank of America	0	0	0	2200	175	600	620	175	3770
City National	0	0	0	1760	175	600	720	175	3430
US Bank	0	0	0	1760	175	600	260	175	2970
Wells Fargo	0	0	0	1760	175	600	140	175	2850

The Authority and Bank of America, N.A., the highest-ranked respondent, have agreed to final terms of a Revolving Credit Agreement (Revolver). The Revolver will be a Subordinate Obligation (as defined in the Master Subordinate Indenture) of the Authority.

Finance Committee Staff Report

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Meeting Date: June 21, 2021

Principal Agreed Terms:

- Capacity: \$200,000,000
- Tax Exempt pricing: SIFMA+ 50 basis points (BPS) spread.
- Taxable pricing: BSBY Daily floating rate + 62 BPS spread
- Unutilized Pricing: up to 40% utilization 30 BPS. Greater than 40% utilization zero (0) BPS
- Three-year term

(**SIFMA** is an Index maintained by Municipal Market Data and is a measure of short-term tax-exempt variable rate issues

BSBY is an index maintained by Bloomberg and measures the average yields that banks access overnight funding)

Documents Provided to the Board for its approval:

Revolving Credit Agreement (Exhibit A)- The Short-Term Borrowing Program will initially be established pursuant to the Revolving Credit Agreement to be entered into by the Authority and Bank of America, N.A. The Revolving Credit Agreement sets forth the key terms including the three-year term, \$200 million commitment, the Authority's payment obligations, the security and pledge of subordinate net revenues with respect to the payment of the Non-AMT Note and the AMT Note and the other obligations of the Authority under the Revolver, the covenants and representations of the Authority and the events of default and remedies with respect to the Revolver.

Eighth Supplemental Subordinate Indenture (Exhibit B)- The Eighth Supplemental Subordinate Trust Indenture, which will be entered into by and between the Authority and the Subordinate Trustee (US Bank), is the financing document that will set forth the general terms of the AMT Note and the Non-AMT Note, the pledge of subordinate net revenues to repay any obligations arising under the Revolver, the redemption and repayment provisions and the establishment of certain funds and accounts.

AMT Note/Non-AMT Note/Taxable Note -(Exhibit C/D/E) The AMT Note, the Non-AMT Note and the Taxable Note are promissory notes to be executed by the Authority which will evidence the Authority's payment obligations to Bank of America, N.A., under the Revolving Credit Agreement and the Eighth Supplemental Subordinate Indenture.

Upon adoption of the attached Resolution No. 2021 XXXX, the Board will be approving the following:

1. Short-Term Borrowing Program

The establishment of a Short-Term Borrowing Program, in an aggregate principal amount not to exceed \$200,000,000 outstanding at any one time, to provide an interim funding source for the New T1 and other future capital projects.

Finance Committee Staff Report

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Meeting Date: June 21, 2021

2.Revolving Credit Agreement

Authorization for the President/CEO (or such other Designated Officer named in the Resolution) to execute the Revolving Credit Agreement with Bank of America, N.A.,

3.AMT Note, Non-AMT Note and Taxable Note

Authorization for the President/CEO (or such other Designated Officer named in the Resolution) to execute the AMT Note, Non-AMT Note and Taxable Note.

Fiscal Impact:

The Short-Term Debt Borrowing Program will provide short-term debt financing for the New T1 and future capital projects. The cost of issuance for the program is included in the FY 2021 Approved Budget as part of the Interest expense line item. Fees and Interest expenses of the Revolver will be capitalized as Financing costs of the projects the Revolver funds and are included in Authority's Plan of Finance. These financing costs will be expensed as Debt Service costs over the life of the projects and form part of the interest expense line item in future budget requests.

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Finance Committee Staff Report

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Meeting Date: June 21, 2021

Application of Inclusionary Policies:

The Authority has the following inclusionary programs and policy: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and Policy 5.12. These programs and policy are intended to promote the inclusion of small, local, service disabled/veteran owned small businesses, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs or policy named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for subcontractor participation; therefore, at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses, service disabled/veteran owned small businesses, and local businesses. Policy 5.12 provides a preference of up to seven percent (7%) in the award of selected Authority contracts.

In accordance to Policy 5.12, the recommended firm Bank of America did not receive small business, local business, and service disabled/veteran owned small business preference.

Prepared by:

SCOTT BRICKNER
VICE PRESIDENT, CHIEF FINANCIAL OFFICER

EXHIBIT A

REVOLVING CREDIT AGREEMENT

dated as of July [__], 2021

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

BANK OF AMERICA, N.A.

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of July [__], 2021 (this “*Agreement*”), is entered into by and between the SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, a local government entity of regional government with jurisdiction extending throughout the County of San Diego, organized and existing under the laws of the State of California (the “*Authority*”) and Bank of America, N.A. and its successors and permitted assigns (the “*Lender*”).

R E C I T A L S

WHEREAS, the Authority wishes to obtain revolving lines of credit (the “*Lines of Credit*”) from the Lender hereunder and the Lender is willing, upon the terms and subject to the conditions set forth below, to provide the Lines of Credit to the Authority to pay Costs of a Project (as defined herein), costs of issuance in connection with this Agreement or for any other purpose permitted under the Act (as defined herein) and/or the Subordinate Trust Indenture (as defined herein); and

WHEREAS, all obligations of the Authority to repay the Lender for extensions of credit made by the Lender under the Lines of Credit and to pay all other amounts payable to the Lender arising under or pursuant to this Agreement or the promissory notes to be issued to the Lender hereunder are created under and will be evidenced by this Agreement and such promissory notes and will be secured by a pledge of and lien on Subordinate Net Revenues (as defined herein), all in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Lender to extend to the Authority the Lines of Credit, the Authority and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the recitals and elsewhere in this Agreement and the Subordinate Trust Indenture, the following terms shall have the following meanings:

“*Act*” means § 170000 *et seq.* of the California Public Utilities Code, as amended from time to time.

“*Advance*” means a Revolving Loan requested by the Authority under the AMT Loan Commitment, the Non-AMT Loan Commitment or the Taxable Loan Commitment, as applicable, and the terms hereof for the payment of Costs of a Project, costs of issuance in connection with this Agreement or for any other purpose permitted under the Act and/or the Subordinate Trust Indenture.

“Advance Date” means the date on which the Lender honors a Request for Advance and makes the funds requested available to the Authority.

“Affiliate” means, as to any Person, a corporation, partnership, association, agency, authority, instrumentality, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

“Agreement” means this Revolving Credit Agreement, as the same may be amended from time to time.

“Airport System” has the meaning set forth in the Master Subordinate Trust Indenture.

“Amortization End Date” means the earliest to occur of (A) the first (1st) anniversary of the Conversion Date; (B) the seventh (7th) day immediately succeeding an Event of Default specified in Section 10.1(a)(i), 10.1(a)(ii), 10.1(d)(i), 10.1(d)(ii), 10.1(e)(i), 10.1(e)(ii), 10.1(g) or 10.1(j) hereof; (C) the one hundred eightieth (180th) day immediately succeeding the date on which the Lender has notified the Authority of an acceleration of the Obligations following any Event of Default specified in Section 10.1(a)(iii), 10.1(b), 10.1(c), 10.1(d)(iii), 10.1(e)(iii), 10.1(f), 10.1(h), 10.1(i), 10.1(k) and 10.1(l) hereof; and (D) the day any other holder or credit enhancer of Debt secured by a lien or charge on Subordinate Net Revenues or any counterparty under any Swap Contract related thereto causes any such Debt or obligations under such Swap Contract or any other obligations of the Authority to become immediately due and payable.

“Amortization Payment” has the meaning set forth in Section 4.5 hereof.

“Amortization Payment Date” means (a) the Initial Amortization Payment Date and each three-month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“Amortization Period” has the meaning set forth in Section 4.5 hereof.

“AMT Loan” and *“AMT Loans”* means individually and collectively, AMT Revolving Loans and AMT Term Loans.

“AMT Loan Commitment” means, on any date, an initial amount equal to \$200,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or 10.2(a)(i) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that,

after giving effect to any of the foregoing adjustments the AMT Loan Commitment shall never exceed \$200,000,000 at any one time.

“*AMT Note*” has the meaning set forth in Section 3.2(b) hereof.

“*AMT Revolving Loan*” means any Revolving Loan identified by the Authority in a Request for Advance as an “AMT Revolving Loan.”

“*AMT Term Loan*” means an AMT Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“*Anti-Terrorism Laws*” has the meaning set forth in Section 7.25 hereof.

“*Applicable Law*” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all governmental and non-governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity) and arbitrators.

“*Approving Opinion*” means, with respect to any action or matter that may affect a Tax-Exempt Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Related Documents and (ii) will not adversely affect the exclusion of interest on any Tax-Exempt Loan from gross income of the Lender or any Participant for purposes of federal income taxation.

“*Authority*” means San Diego County Regional Airport Authority, a local government entity of regional government, created pursuant to and existing under the laws of the State.

“*Authority Rating*” means the long-term unenhanced rating (without regard to any bond insurance policy or credit enhancement) assigned by Moody’s, Fitch or S&P to the Subordinate Obligations.

“*Authorized Authority Representative*” has the meaning set forth in the Master Subordinate Trust Indenture.

“*Available Commitment*” means, on any date, an initial amount equal to \$200,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or Section 10.2(a)(i) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided, that,* after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$200,000,000 at any one time.

“Bank Agreement” means any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplemental or modification thereto) entered into by the Authority with any Person, directly or indirectly, or otherwise consented to by the Authority, under which any Person or Persons undertakes to make loans, extend credit or liquidity to the Authority in connection with, or purchase on a private placement basis, any Debt secured by or payable from Net Revenues or Subordinate Net Revenues.

“Bankruptcy Code” means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one percent (1.00%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%), and (iii) seven percent (7.00%).

“Bloomberg” means [_____].

“Board” has the meaning set forth in the Master Subordinate Trust Indenture.

“Bond Counsel” means Kutak Rock LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds and the exemption from federal income taxation of interest thereon, appointed and paid by the Authority.

“BSBY” means the Bloomberg Short-Term Bank Yield Index rate.

“BSBY Computation Date” means the second Business Day immediately preceding each Rate Reset Date.

“BSBY Daily Floating Rate” means, for any day, a fluctuating rate of interest per annum equal to the BSBY Screen Rate two (2) Business Days prior to such day for a term of one (1) month; *provided* that if such rate is not published on such determination date then the rate will be the BSBY Screen Rate on the first Business Day immediately prior thereto. If at any time the BSBY Daily Floating Rate or any Successor Rate is less than zero, such rate shall be deemed to be zero.

[***“BSBY Replacement Date”* has the meaning set forth in Section 2.11(b) hereof.]**

“BSBY Screen Rate” means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Lender from time to time).

“BSBY Term Rate” means, for any applicable Interest Period, the rate per annum equal to the BSBY Screen Rate two (2) Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; *provided* that if such rate is not published on such determination date then the rate will be the BSBY Screen Rate on the first Business Day

immediately prior thereto. If at any time the BSBY Term Rate is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Business Day” means any day other than (a) a Saturday, Sunday, or other day on which commercial banks located in the States of New York or California are authorized or required by law or executive order to close; or (b) a day on which the New York Stock Exchange is closed.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Chief Financial Officer” means the person at a given time who is the Chief Financial Officer of the Authority (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer or officers succeeding to such position as certified by the Board.

“Code” means the Internal Revenue Code of 1986, as amended, and, where appropriate any statutory predecessor or any successor thereto.

“Commitment” means the agreement of the Lender pursuant to Section 2.1 hereof to make Advances under the terms hereof for the account of the Authority for the purpose of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or for any other purpose permitted under the Act and/or the Subordinate Trust Indenture.

“Commitment Expiration Date” means July [__], 2024, unless extended as provided herein.

“Commitment Fee” has the meaning set forth in Section 2.6(a) hereof.

“Commitment Fee Rate” means, initially 30 basis points (0.30%), which is subject to maintenance of the current Authority Rating. In the event of a change in the Authority Rating, the Commitment Fee Rate shall equal the number of basis points set forth in the Level associated with the lowest Authority Rating as set forth in the schedule below:

	AUTHORITY RATING			COMMITMENT FEE RATE IF AVAILABLE COMMITMENT < 40% UTILIZED (%)	COMMITMENT FEE RATE IF AVAILABLE COMMITMENT > 40% UTILIZED (%)
	MOODY'S	S&P	FITCH		
Level I	A3 or higher	A- or higher	A- or higher	0.30%	0.00%
Level II	Baa1	BBB+	BBB+	0.50%	0.00%
Level III	Baa2	BBB	BBB	0.70%	0.00%
Level IV	Baa3 and below	BBB- and below	BBB- and below	2.20%	0.00%

Any change in the Commitment Fee Rate resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a "global" rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Commitment Fee Rate is that specified above for Level I. In the event that any Rating is withdrawn or otherwise unavailable from any Rating Agency for credit-related reasons, the Commitment Fee Rate then in effect shall be increased by an additional one hundred fifty (150) basis points (1.50%) from the Commitment Fee Rate otherwise in effect until such rating is restored.

"*Conforming Changes*" means, with respect to the use, administration of or any conventions associated with BSBY or any proposed Successor Rate, as applicable, any conforming changes to the definition of BSBY Term Rate, BSBY Daily Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Lender, to reflect the adoption and implementation of such applicable rate, and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Lender determines is reasonably necessary in connection with the administration of this Agreement and any other Related Document).

“Conversion Date” means the date on which a Revolving Loan is converted to a Term Loan pursuant to Article IV hereof.

“Costs of a Project” has the meaning set forth in the Master Subordinate Trust Indenture.

“Daily Simple SOFR” with respect to any applicable determination date means the secured overnight financing rate (“SOFR”) published on such date by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source).

“Debt” means, with respect to any Person, without duplication: (a) all indebtedness of such Person for borrowed money (including, but not limited to, amounts drawn under a letter of credit, line of credit or other credit or liquidity facilities or amounts loaned pursuant to a Bank Agreement); (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable in the ordinary course of business; (c) all obligations of such Person evidenced by notes, certificates, debentures or similar instruments; (d) all Guarantees by such Person of Debt of other Persons (each such Guarantee to constitute Debt in an amount equal to the amount of such other Person’s Debt guaranteed thereby); (e) all obligations of other Persons secured by a lien on, or security interest in, any asset of such Person whether or not such obligation is assumed by such Person; (f) all obligations under leases that constitute capital leases for which such Person is liable; and (g) all obligations of such Person under any Swap Contract, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

“Default” means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Rate” means, for any day, a fluctuating rate per annum equal to the sum of the Base Rate in effect on such day *plus* four percent (4.00%).

“Designated Representative” has the meaning set forth in the Eighth Supplemental Subordinate Trust Indenture.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Lender or any Lender Transferee notifies the Authority that it has received a written opinion by a nationally recognized firm of attorneys with substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Authority of such notification from the Lender or Lender Transferee, the Authority shall deliver to the Lender or such Lender Transferee, as applicable, a ruling or

determination letter issued to or on behalf of the Authority by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Authority shall receive notice from a Lender or any Lender Transferee that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender or such Lender Transferee the interest on the Tax-Exempt Loans due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Authority has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further,* however, that upon demand from a Lender or a Lender Transferee, the Authority shall promptly reimburse the Lender or such Lender Transferee for any payments, including any taxes, interest, penalties or other charges, the Lender (or Lender Transferee) shall be obligated to make as a result of the Determination of Taxability.

“*Dollar*” and “\$” mean lawful money of the United States.

“*Effective Date*” means July [], 2021, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Section 2.4(a) hereof.

“*Eighth Supplemental Subordinate Trust Indenture*” means that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July 1, 2021, by and between the Authority and the Trustee, as the same may be amended or otherwise modified in accordance with the terms thereof and hereof.

“*EMMA*” means the Electronic Municipal Market Access system and any successor thereto.

“*Environmental Laws*” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, or rules, and all judgments, orders, decrees, permits, concessions, grants, franchises, licenses, permits, agreements or governmental restrictions relating to air, water or land

pollution, wetlands, or the protection of the environment or the release of any materials into the environment, including air, water or land and those related to Hazardous Materials, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Authority directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“Event of Default” with respect to this Agreement has the meaning set forth in Section 10.1 hereof and, with respect to any other Related Document, has the meaning assigned therein.

“Event of Taxability” means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with any Tax-Exempt Loans) which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or a Lender Transferee for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury (or any other government agency exercising the same or a substantially similar function from time to time), which decree, judgment or action shall be final under applicable procedural Law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or such Lender Transferee for federal income tax purposes, other than for a period during which the Lender or Lender Transferee is or was a “substantial user” of the projects financed or refinanced from proceeds of an AMT Loan or a “related person” for purposes of Section 147(a) of the Code. An Event of Taxability does not include any event, condition or circumstance which results in interest on any AMT Loan being an item of tax preference subject to the federal alternative minimum tax, or any other tax consequences which depend upon the Lender’s or a Lender Transferee’s particular tax status.

“Excess Interest Amount” has the meaning set forth in Section 6.5(c) hereof.

“Executive Director” has the meaning set forth in the Master Subordinate Trust Indenture.

“Executive Order” has the meaning set forth in Section 7.25 hereof.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) (1/100 of 1%) charged to the Lender on such day on such transactions as determined by the Lender.

“Fiscal Year” means the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other period designated by the Board as the Authority’s fiscal year.

“Fitch” means Fitch Ratings, Inc., and any successor rating agency.

“FRB” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“Generally Accepted Accounting Principles” or *“GAAP”* means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Authority.

“Governmental Approval” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means the government of the United States or any state or political subdivision thereof or any other nation or political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“Guarantee” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

“Hazardous Materials” means (a) any petroleum or petroleum products, flammable substance, explosives, radioactive materials, hazardous waste or contaminants, toxic wastes, substances or contaminants, or any other wastes, contaminants, or pollutants; (b) asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers, or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls or radon gas; (c) any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “contaminants” or “pollutants,” or words of similar import, under any applicable Environmental Law; (d) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any governmental authority; and (e) any other chemical, material or substance which may or could pose a hazard to the environment.

“Indemnitee” has the meaning set forth in Section 6.2 hereof.

“Initial Amortization Payment Date” means the ninetieth (90th) calendar day following the Conversion Date.

“Initial Commitment Amount” means \$[200,000,000].

“Interest Payment Date” means (a) with respect to any AMT Revolving Loan, Non-AMT Revolving Loan or Taxable Revolving Loan, the first Business Day of every calendar month and on the Revolving Loan Maturity Date, (b) as to any Term Loan, the first Business Day of every calendar month and on the Amortization End Date and (c) as to any Loan, the date such Loan is paid or prepaid.

“Interest Period” means (a) with respect to a Tax-Exempt Loan that bears interest at the SIFMA Rate, the SIFMA Index Interest Period, and (b) with respect to any Loan (other than a Tax-Exempt Loan that bears interest at the SIFMA Rate), the period from (and including) the date such Loan is made to (but excluding) the next succeeding Rate Reset Date, and thereafter shall mean the period from (and including) such Rate Reset Date to (but excluding) the next succeeding Rate Reset Date (or, if sooner, to but excluding the Revolving Loan Maturity Date).

“Law” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” means Bank of America, N.A. and its successors and assigns.

“Lender Affiliate” means the Lender and any Affiliate of the Lender.

“Lender Rate” means, for each day of determination on and after the Conversion Date, a fluctuating rate per annum, with respect to any Term Loan, equal to the Base Rate from time to time in effect plus one percent (1.00%); *provided* that from and after the occurrence of an Event of Default, *“Lender Rate”* shall mean the Default Rate.

“Lender’s Office” means the Lender’s address and, as appropriate, the account as set forth in Section 11.3 hereof, or such other address or account of which the Lender may from time to time notify the Authority.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” and *“Loans”* means individually, each Revolving Loan and each Term Loan under this Agreement, and collectively the Revolving Loans and the Term Loans under this Agreement.

“London Business Day” means any day on which dealings in United States dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Margin Stock” has the meaning ascribed to such term in Regulation U and/or Regulation X promulgated by the FRB, as now and hereafter from time to time in effect.

“Master Senior Trust Indenture” means that certain Master Trust Indenture dated as of November 1, 2005, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, as the same may be amended or otherwise modified in accordance with the terms thereof and hereof.

“Master Subordinate Trust Indenture” means that certain Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the Authority and the Trustee, as the same may be further amended or otherwise modified in accordance with the terms thereof and hereof.

“Material Adverse Change” means the occurrence of any event or change, including but not limited to a change revealed by a comparison of any financial statements delivered pursuant to Section 8.2 hereof to the financial statements for the most recent prior Fiscal Year, which separately or in the aggregate with the occurrence of other events, results or could reasonably be expected to result in a Material Adverse Effect.

“Material Adverse Effect” means any event or occurrence (including, without limitation, a change in Applicable Law) that causes a material adverse change in or a material adverse effect on (A) the validity or enforceability of this Agreement, the Notes or any of the other the Related Documents, (B) the validity, enforceability or perfection of the pledge of and lien on the Subordinate Net Revenues under the Subordinate Trust Indenture or hereunder, (C) the status of

the Authority as a public entity created and validly existing under the laws of the State, (D) the exemption of interest on any Tax-Exempt Loan from federal income tax, other than for a period during which the Lender or a Lender Transferee is or was a “substantial user” of the projects financed or refinanced from proceeds of an AMT Loan or a “related person” for purposes of Section 147(a) of the Code, or (E) the collection of the Revenues that could reasonably be expected to have a material adverse effect on the ability of the Authority to pay debt service on the Loans, the Senior Lien Revenue Bonds or the Subordinate Obligations or amounts due on any other Obligations hereunder or (F) the rights, remedies, security or interests of the Lender under the Related Documents.

“*Maximum Rate*” means the lesser of (a) the maximum non-usurious interest rate payable by the Authority under applicable law, and (b) 12% per annum.

“*Moody’s*” means Moody’s Investors Service, Inc. and any successor rating agency.

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Net Revenues*” has the meaning set forth in the Master Subordinate Trust Indenture.

“*New York Banking Day*” shall mean any date (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“*Non-AMT Loan*” and “*Non-AMT Loans*” means individually and collectively, Non-AMT Revolving Loans and Non-AMT Term Loans.

“*Non-AMT Loan Commitment*” means, on any date, an initial amount equal to \$200,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or 10.2(a)(i) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that, after giving effect to any of the foregoing adjustments the Non-AMT Loan Commitment shall never exceed \$200,000,000 at any one time.

“*Non-AMT Note*” has the meaning set forth in Section 3.2(a) hereof.

“*Non-AMT Revolving Loan*” means any Revolving Loan identified by the Authority in a Request for Advance as a “Non-AMT Revolving Loan.”

“*Non-AMT Term Loan*” means a Non-AMT Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“Noteholder” or “Holder” means the holder or owner of a Note.

“Notes” means the AMT Note, the Non-AMT Note and the Taxable Note, each evidencing the Revolving Obligations.

“OFAC” has the meaning set forth in Section 7.25 hereof.

“Obligations” means all Repayment Obligations, all fees, expenses and charges payable or reimbursable hereunder to the Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents) and all other payment obligations of the Authority to the Lender arising under or in relation to this Agreement or the other Related Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“Outstanding” has the meaning set forth in the Master Subordinate Trust Indenture.

“Participant” means any entity to which the Lender has granted a participation in the obligations of the Lender hereunder and of the Authority hereunder and under the Notes.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001), as amended.

“Person” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“Plan” means an employee benefit plan maintained for employees of the Authority that is covered by ERISA.

“Prime Rate” means on any day, the rate of interest per annum then most recently established by the Lender as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Lender to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Lender may make various business or other loans at rates of interest having no relationship to such rate. If the Lender ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“Qualified Transferee” means any of the following entities, acting for its own account or the accounts of other Qualified Transferees:

- (i) Any bank as defined in section 3(a)(2) of the 1933 Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the 1933 Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; any insurance company as defined in Section 2(a)(13) of the 1933 Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that 1933 Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (ii) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940; or
- (iii) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

“Quarterly Payment Date” means the first Business Day of each January, April, July and October, commencing on [_____], 2021.

“Rate Reset Date” means (a) with respect to a Tax-Exempt Loan that bears interest at the SIFMA Rate, each SIFMA Rate Reset Date, (b) with respect to a Taxable Loan that bears interest at the Taxable BSBY Daily Rate, each Business Day and (c) with respect to any Taxable Loan (other than a Taxable Loan that bears interest at the Taxable BSBY Daily Rate), the first Business Day of each calendar month¹.

“Rating Agency” means any of S&P, Moody’s and/or Fitch, as context may require.

“Rating Documentation” has the meaning set forth in Section 2.4(a)(viii) hereof.

¹ NTD: The Bank is willing to discuss adding 3 and 6 month BSBY if desired.

“Related Documents” means this Agreement, the Notes, the Tax Certificate, the Master Senior Trust Indenture, the Master Subordinate Trust Indenture, the Eighth Supplemental Subordinate Trust Indenture, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Repayment Obligations” means any and all obligations of the Authority under this Agreement to repay the principal of and interest on the Loans, the Advances and the Notes, pursuant to and in accordance with this Agreement.

“Request for Advance” means any request for an Advance made by the Authority to the Lender, in the form of Exhibit B hereto, executed and delivered on behalf of the Authority by the manual or facsimile signatures of any Designated Representative.

“Revenues” has the meaning set forth in the Master Subordinate Trust Indenture.

“Revolving Loan” has the meaning set forth in Section 3.1 hereof.

“Revolving Loan Maturity Date” means, with respect to any Revolving Loan, the Commitment Expiration Date or any earlier Termination Date.

“Revolving Obligations” has the meaning set forth in the Eighth Supplemental Subordinate Trust Indenture and includes all Loans, Advances and Notes.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and any successor rating agency.

“Scheduled Unavailability Date” has the meaning set forth in Section 2.11(b) hereof.

“Senior Lien Revenue Bonds” has the meaning set forth in the Master Subordinate Trust Indenture.

“Senior Lien Trustee” means The Bank of New York Mellon Trust Company, N.A. as trustee, or its permitted successor as trustee under the Master Senior Trust Indenture from time to time.

“SIFMA” means the Securities Industry and Financial Markets Association (formerly the Bond Market Association).

“SIFMA Computation Date” means Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day.

“SIFMA Index” means, for any SIFMA Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If the SIFMA Index is no longer published, then “SIFMA Index” shall mean the S&P Municipal Bond 7-Day High Grade Index. If the S&P Municipal Bond 7-Day High Grade Index is no longer published, “SIFMA Index” shall mean a comparable or successor index reasonably selected and approved by the Bank; *provided* that, to the extent a comparable or successor index is approved by the Lender, in connection herewith, the approved index shall be applied in a manner consistent with market practice; *provided, further* that, to the extent such market practice is not administratively feasible for the Lender, such approved index shall be applied in a manner as otherwise reasonably determined by Bank of America, N.A. If the SIFMA Index shall be less than zero basis points (0.0%), such rate shall be deemed zero basis points (0.0%) for purposes hereof.

“SIFMA Index Interest Period” means, while any Tax-Exempt Loan bears interest at the SIFMA Rate, the period from (and including) the Advance Date of such Tax-Exempt Loan to and including the day prior to the next succeeding SIFMA Rate Reset Date, and thereafter shall mean the period from (and including) the applicable SIFMA Rate Reset Date through and including the day prior to the next succeeding SIFMA Rate Reset Date.

“SIFMA Rate” means a fluctuating rate per annum, determined as of each applicable SIFMA Rate Reset Date, equal to the sum of (a) the Tax-Exempt Applicable Spread *plus* (b) the SIFMA Index, as established on each SIFMA Computation Date and as in effect on such SIFMA Rate Reset Date, rounded upward to the fifth decimal place.

“SIFMA Rate Reset Date” means Thursday of each week.

“SOFR Adjustment” with respect to Daily Simple SOFR means 0.11448% (11.448 basis points); and with respect to Term SOFR means 0.11448% (11.448 basis points) for an interest period of one-month’s duration.

“State” means the State of California.

“Subordinate Net Revenues” has the meaning set forth in the Master Subordinate Trust Indenture.

“Subordinate Obligations” has the meaning set forth in the Master Subordinate Trust Indenture.

“Subordinate Trust Indenture” means, the Master Subordinate Trust Indenture as supplemented by the Eighth Supplemental Subordinate Trust Indenture.

“Successor Rate” has the meaning specified in Section 2.11(b) hereof.

“Supplemental Subordinate Indenture” has the meaning set forth in the Master Subordinate Indenture.

“Swap Contract” means (a) any and all rate swap transactions, total return swaps, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Tax Certificate” means that certain Tax Compliance Certificate dated July [__], 2021, by the Authority, relating to the Tax-Exempt Loans, as the same may be amended or supplemented from time to time.

“Tax-Exempt Applicable Spread” means, initially 50 basis points (0.50%), which is subject to maintenance of the current Authority Rating. In the event of a change in the Authority Rating, the Tax-Exempt Applicable Spread shall equal the number of basis points set forth in the Level associated with the lowest Authority Rating as set forth in the schedule below:

	AUTHORITY RATING			APPLICABLE SPREAD BASIS POINTS (%)
	MOODY'S	S&P	FITCH	
Level I	A3 or higher	A- or higher	A- or higher	0.50%
Level II	Baa1	BBB+	BBB+	0.70%
Level III	Baa2	BBB	BBB	0.90%
Level IV	Baa3 and below	BBB- and below	BBB- and below	2.40%

Any change in the Tax-Exempt Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a *“global”* rating scale, each Authority Rating

from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Tax-Exempt Applicable Spread is that specified above for Level I. In the event that any Rating is withdrawn or otherwise unavailable from any Rating Agency for credit-related reasons, the Tax-Exempt Applicable Spread then in effect shall be increased by an additional one hundred fifty (150) basis points (1.50%) from the Tax-Exempt Applicable Spread otherwise in effect until such rating is restored.

“*Tax-Exempt Loan*” and “*Tax-Exempt Loans*” means individually and collectively, AMT Loans and Non-AMT Loans.

“*Tax-Exempt Term Loan*” means an AMT Revolving Loan or a Non-AMT Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“*Taxable Applicable Spread*” means, initially 62 basis points (0.62%), which is subject to maintenance of the current Authority Rating. In the event of a change in the Authority Rating, the Taxable Applicable Spread shall equal the number of basis points set forth in the Level associated with the lowest Authority Rating as set forth in the schedule below:

AUTHORITY RATING			APPLICABLE SPREAD BASIS POINTS (%)	
	MOODY'S	S&P	FITCH	
Level I	A3 or higher	A- or higher	A- or higher	0.62%
Level II	Baa1	BBB+	BBB+	0.82%
Level III	Baa2	BBB	BBB	1.02%
Level IV	Baa3 and below	BBB- and below	BBB- and below	2.52%

Any change in the Taxable Applicable Spread resulting from a change in the Authority Rating shall be and become effective as of and on the date of the announcement of the change in the Authority Rating. References to the Authority Rating above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Authority Rating in connection with the adoption of a “*global*” rating scale, each Authority Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Taxable Applicable Spread is that specified above for Level I. In the event that any Rating is withdrawn or otherwise unavailable from any Rating Agency for credit-related reasons, the Taxable Applicable Spread then in effect shall be increased by an additional one hundred fifty (150) basis points (1.50%) from the Taxable Applicable Spread otherwise in effect until such rating is restored.

“Taxable BSBY Daily Rate” means a fluctuating rate per annum, determined as of each applicable Rate Reset Date, equal to the sum of (i) the Taxable Applicable Spread *plus* (ii) BSBY Daily Floating Rate, as in effect on such Rate Reset Date, rounded upward to the fifth decimal place.

“Taxable BSBY Term Rate” means a fluctuating rate per annum, determined as of each applicable Rate Reset Date, equal to the sum of (i) the Taxable Applicable Spread *plus* (ii) BSBY Term Rate, as in effect on such Rate Reset Date, rounded upward to the fifth decimal place.

“Taxable Date” means the date on which interest on any Tax-Exempt Loan is first includable in gross income of any holder thereof (including the Lender) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Loan” and *“Taxable Loans”* means individually and collectively, Taxable Revolving Loans and Taxable Term Loans.

“Taxable Loan Commitment” means, on any date, an initial amount equal to \$200,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Advance or any Revolving Loan in respect of such Advance made to the Authority under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the AMT Loan Commitment and/or the Non-AMT Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.7 or 10.2(a)(i) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that, after giving effect to any of the foregoing adjustments the Taxable Loan Commitment shall never exceed \$200,000,000 at any one time.

“Taxable Note” has the meaning set forth in Section 3.2(c) hereof.

“Taxable Period” has the meaning set forth in Section 6.3(i) hereof.

“Taxable Rate” means the Taxable BSBY Daily Rate or Taxable BSBY Term Rate, as applicable.

“Taxable Revolving Loan” means any Revolving Loan identified by the Authority in a Request for Advance as a “Taxable Revolving Loan.”

“Taxable Term Loan” means a Taxable Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 4.1 hereof.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Termination Date” means the earliest of (i) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.8 hereof, (ii) the date on which the Commitment and Available Commitment are otherwise terminated or reduced to zero in accordance with Section 2.7 hereof and (iii) the date the Commitment terminates by its terms in accordance with Section 10.2 hereof.

“Term Loan” means an AMT Term Loan, a Non-AMT Term Loan and a Taxable Term Loan.

“Term SOFR” means, for the applicable corresponding Interest Period of SOFR (or if any Interest Period does not correspond to an interest period applicable to SOFR, the closest corresponding interest period of SOFR, and if such interest period of SOFR corresponds equally to two Interest Periods of SOFR, the corresponding interest period of the shorter duration shall be applied) the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Trustee” means U.S. Bank National Association as trustee or its permitted successor as trustee under the Trust Indenture.

“United States” means the United States of America.

Section 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Sections 8.2 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the Authority or the Lender may by notice to the other party hereto, require that the Lender and the Authority negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Authority shall be the same as if such change had not been made. No delay by the Authority or the Lender in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.2, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.3. Interpretation. The following rules shall apply to the construction of this Agreement unless the context requires otherwise: (i) the singular includes the plural, and the plural the singular; (ii) words importing any gender include the other gender; (iii) references to statutes are to be construed as including all statutory provisions consolidating and amending, and all regulations promulgated pursuant to, such statutes; (iv) references to “writing” include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible font; (v) the words “including,” “includes” and “include” shall be deemed to be followed by the words

“without limitation”; (vi) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (vii) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (viii) section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; (ix) references to Persons include their respective permitted successors and assigns; and (x) in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding.” All references to “funds” herein shall include all accounts and subaccounts therein unless the context clearly requires otherwise. Unless otherwise specified, all references herein to times of day shall be references to California time (daylight or standard, as applicable).

Section 1.4. Relation to Other Documents; Acknowledgment of Different Provisions of Related Documents; Incorporation by Reference. (a) Nothing in this Agreement shall be deemed to amend, or relieve the Authority of its obligations under, any Related Document to which it is a party. Conversely, to the extent that the provisions of any Related Document allow the Authority to take certain actions, or not to take certain actions, with regard for example to permitted liens, transfers of assets, maintenance of financial ratios and similar matters, the Authority nevertheless shall be fully bound by the provisions of this Agreement.

(b) Except as provided in subsection (c) of this Section 1.4, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific Sections of any Related Document shall be deemed to incorporate such Sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Related Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all Obligations are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such Sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

ARTICLE II

FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

Section 2.1. Revolving Credit Commitments. Subject to the terms and conditions hereof, the Lender, by its acceptance hereof, agrees to make a loan or loans in U.S. Dollars to the Authority from time to time on a revolving basis up to the amount of the Available Commitment, subject to

any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of AMT Loans, Non-AMT Loans and Taxable Loans at any time outstanding shall not exceed the Available Commitment in effect at such time. As provided in Section 2.3(c) hereof, the Authority may elect that any such Revolving Loan be an AMT Loan pursuant to the AMT Loan Commitment, a Non-AMT Loan pursuant to the Non-AMT Loan Commitment or a Taxable Loan pursuant to the Taxable Loan Commitment. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

Section 2.2. Application. The Authority hereby applies to the Lender for, and authorizes and instructs the Lender to issue for its account, the Commitment in an initial amount equal to the Initial Commitment Amount.

Section 2.3. Making of Advances; Use of Proceeds. (a) Subject to the terms and conditions of this Agreement, the Lender agrees to make Advances from time to time on any Business Day, commencing on the Effective Date and ending on the Termination Date, in amounts not to exceed at any time outstanding the Available Commitment; *provided*, that the Lender shall not be required to make more than three Advances during any calendar month. Each Advance requested shall be in a minimum principal amount of \$1,000,000 or any integral multiples of \$100,000 in excess thereof. Each Advance shall be made solely for the purpose of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or any other purpose permitted under the Act and/or the Subordinate Trust Indenture; *provided* that in no event shall any of the proceeds of a Non-AMT Loan be used to pay or prepay an AMT Loan or a Taxable Loan nor shall the proceeds of an AMT Loan be used to pay or prepay a Taxable Loan, unless the Authority receives an Approving Opinion of Bond Counsel, which shall also be addressed to the Lender or upon which the Lender is entitled to rely. The aggregate amount of all Advances made on any Advance Date shall not exceed the applicable Available Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date. The aggregate amount of all Advances bearing interest at a SIFMA Rate made on any Advance Date shall not exceed the applicable AMT Loan Commitment or the Non-AMT Loan Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date. The aggregate amount of all Advances bearing interest at a Taxable BSBY Daily Rate or Taxable BSBY Term Rate, as applicable, made on any Advance Date shall not exceed the applicable Taxable Loan Commitment (calculated without giving effect to any Advances made on such date) at 9:00 am (California time) on such date.

(b) *Reborrowing.* Within the limits of this Section 2.3, the Authority may borrow, repay pursuant to Section 3.4 hereof, prepay pursuant to Section 3.5 hereof and reborrow under this Section 2.3. Upon any prepayment of the related Revolving Loan, the related Available Commitment shall be reinstated as set forth in the definition thereof.

(c) *Method of Borrowing.* Upon receipt of a Request for Advance by the Lender not later than 9:00 a.m. California time on the Business Day which is three New York Banking Days' immediately prior to the day of the proposed borrowing, the Lender, subject to the terms and conditions of this Agreement, shall be required to make an Advance by 12:30 p.m. California time on such day of the proposed borrowing for the account of the Authority in an amount equal to the

amount of the requested borrowing. Notwithstanding the foregoing, in the event such Request for Advance is received by the Lender after 9:00 a.m. California time on the Business Day which is three New York Banking Days immediately prior to the day of the proposed borrowing, the Lender shall be required to make the related Advance by 12:30 p.m. California time on the fourth New York Banking Day after receipt of the related Request for Advance. Any Request for Advance shall be signed by a Designated Representative and shall specify whether the requested Advance shall be an AMT Loan, a Non-AMT Loan or a Taxable Loan. Pursuant to Section 3.3 hereof, the Lender shall determine the initial SIFMA Rate, Taxable BSBY Daily Rate, or Taxable BSBY Term Rate, as applicable, for the Advance two New York Banking Days prior to the related Advance Date. Each Advance shall be made by the Lender by wire transfer of immediately available funds to the Trustee (on behalf of the Authority) in accordance with written instructions provided by the Authority. If, after examination, the Lender shall have determined that a Request for Advance does not conform to the terms and conditions hereof, then the Lender shall use its best efforts to give notice to the Authority to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. The Authority may attempt to correct any such nonconforming Request for Advance, if, and to the extent that, the Authority is entitled (without regard to the provisions of this sentence) and able to do so.

Section 2.4. Conditions Precedent.

(a) *Conditions Precedent to Effective Date.* The obligations of the Lender to make the Commitment available hereunder shall be subject to the fulfillment of each of the following conditions precedent on or before the Effective Date in a manner satisfactory to the Lender:

(i) The Lender shall have received the following documents, each dated and in form and substance as is satisfactory to the Lender:

(1) copies of the resolution(s) of the Board approving the execution and delivery of this Agreement, the Notes and the Eighth Supplemental Subordinate Trust Indenture, certified by the Director, Board Services/Authority Clerk as being true and complete and in full force and effect on the Effective Date;

(2) certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the Authority or any Governmental Authority necessary for the Authority to enter into each of the Related Documents and the transactions contemplated herein and therein;

(3) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2020 and a copy of the most recent budget of the Authority (such requirement to be satisfied if such information is available on the Authority's website); and

(4) a certificate of the Authority dated the Effective Date certifying as to the authority, incumbency and specimen signatures of the Authorized Authority Representatives and the Designated Representatives authorized to sign this Agreement, the Eighth Supplemental Subordinate Trust Indenture and the Notes

and any other documents to be delivered by it hereunder and who will be authorized to represent the Authority in connection with this Agreement, upon which the Lender may rely until it receives a new such certificate;

- (5) an executed original or certified copy, as applicable, of each of the Related Documents;
- (6) the original executed Notes; and
- (7) an IRS Form W-9 duly completed by the Authority.

(ii) The Lender shall have received a written description of all actions, suits or proceedings pending or threatened against the Authority in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a material adverse effect on the Authority's ability to perform its obligation under this Agreement and the other Related Documents, if any, and such other statements, certificates, agreements, documents and information with respect thereto as the Lender may reasonably request. There shall not have occurred any change or any development involving a prospective change in the financial or operating condition of the Authority or its ability to pay the Obligations from that set forth in the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2020 provided to the Lender, that in the judgment of the Lender is material or adverse to the Lender. No law, regulation, ruling or other action of the United States, the State of California or the State of New York or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Authority or the Lender from fulfilling its respective obligations under this Agreement and the other Related Documents.

(iii) The Lender shall have received an opinion addressed to the Lender and dated the Effective Date from the General Counsel of the Authority, in form and substance reasonably satisfactory to the Lender and its counsel, which provides for, among other opinions, the following: (1) the Authority is a local government entity of regional government, duly organized and validly existing under the laws of the State, (2) the execution, delivery and performance by the Authority of this Agreement, the Notes and the other Related Documents are within the Authority's powers, have been duly authorized by all necessary action, and require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished, (3) this Agreement, the Notes and the other Related Documents have been duly authorized, executed and delivered and are valid, binding and enforceable against the Authority, and (4) such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(iv) The following statements shall be true and correct on the Effective Date, and the Lender shall have received a certificate signed by a Designated Representative, dated the Effective Date, certifying that: (A) the representations and warranties of the Authority contained in each of the Related Documents and each certificate, letter, other

writing or instrument delivered by the Authority to the Lender pursuant hereto or thereto are true and correct on and as of the Effective Date as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the Authority's execution and delivery of this Agreement, the Notes or the Eighth Supplemental Subordinate Trust Indenture or the acceptance of the Commitment by the Authority; (C) the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2020, including the balance sheet as of such date of said period, all examined and reported on by [BKD, LLP], as heretofore delivered to the Lender correctly and fairly present the financial condition of the Authority as of said date and the results of the operations of the Authority for such period, have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the audited annual financial statements of the Authority for the Fiscal Year ended June 30, 2020, no material adverse change has occurred in the financial condition of the Authority prior to the Effective Date, and on and prior to the Effective Date no material transactions or obligations (not in the ordinary course of business) shall have been entered into by the Authority, other than as previously advised in writing to the Lender; (E) the acceptance of the Commitment by the Authority pursuant to this Agreement is an arm's length commercial transaction between the Authority and the Lender; (F) the Authority has consulted with its own respective legal and financial advisors in connection with the acceptance of the Commitment by the Authority pursuant to this Agreement; (G) the Lender has not acted as a municipal advisor or fiduciary in favor of the Authority with respect to this Agreement, the Related Documents, the Notes or the acceptance of the Commitment by the Authority; and (H) to the best knowledge of the Authority, the underlying unenhanced long-term ratings assigned to the Subordinate Obligations by S&P and Fitch have not been reduced, withdrawn or suspended since the dated date of the Rating Documentation.

(v) The Lender shall have received an opinion addressed to the Lender and dated the Effective Date of Bond Counsel as to the due authorization, execution and delivery of this Agreement, the Notes, and the Eighth Supplemental Subordinate Trust Indenture, and as to the validity and enforceability with respect to the Authority of this Agreement, the Notes, the Master Subordinate Trust Indenture and the Eighth Supplemental Subordinate Trust Indenture, the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes of the Lender (subject to the inclusion of any exceptions with respect to interest payable to a Holder on an AMT Loan in the event a Holder is a "substantial user" or "related party" within the meaning of Section 147(a) of the Code), the pledge of Subordinate Net Revenues securing the Notes and the Obligations constituting a valid pledge, and such other matters as the Lender may reasonably request, in form and substance satisfactory to the Lender and its counsel.

(vi) All necessary action on the part of the Authority shall have been taken as required for the assignment and pledge of a lien on the Subordinate Net Revenues for the benefit of the Lender as described in Section 5.1 hereof.

(vii) All other legal matters pertaining to the execution and delivery of this Agreement, the Notes and the Eighth Supplemental Subordinate Trust Indenture shall be

satisfactory to the Lender and its counsel. The Lender shall have received evidence satisfactory to the Lender that all conditions precedent to the issuance of the Notes as Subordinate Obligations pursuant to Section 2.09 of the Master Subordinate Trust Indenture have been satisfied.

(viii) The Lender shall have received evidence from S&P and Fitch confirming that the underlying unenhanced long-term ratings assigned to the Subordinate Obligations are “A-” (or its equivalent) by S&P and “A+” (or its equivalent) by Fitch (referred to herein as the “*Rating Documentation*”).

(ix) On or prior to the Effective Date, (1) the Lender shall have received reimbursement of the Lender’s fees and expenses and any other fees incurred in connection with the transaction contemplated by this Agreement due on the Effective Date, and (2) Chapman and Cutler LLP , as counsel to the Lender, shall have received payment of its legal fees and expenses and disbursements incurred in connection with the preparation, review, negotiation, execution and delivery of the Related Documents.

(x) None of the AMT Note, the Non-AMT Note or the Taxable Note shall be (1) assigned a separate rating by any Rating Agency, (2) registered with The Depository Trust Company or any other securities depository or (3) assigned a CUSIP number by Standard & Poor’s CUSIP Service. No offering document or official statement shall be prepared with respect to the AMT Note, the Non-AMT Note or the Taxable Note.

(xiii) The Lender shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Notes and the other Related Documents as the Lender may reasonably request.

(b) *Conditions Precedent to Each Advance.* The obligation of the Lender to make an Advance on any date is subject to the conditions precedent that on the date of such Advance:

(i) The Lender shall have received a Request for Advance as provided in Section 2.3(c) hereof specifying whether such Advance will be an AMT Loan, a Non-AMT Loan or a Taxable Loan;

(ii) All representations and warranties of the Authority as set forth in Article VII hereof shall be true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing;

(iii) After giving effect to any Revolving Loan, the aggregate principal amount of all Loans outstanding hereunder shall not exceed the Initial Commitment Amount (or, following a reduction of the Available Commitment pursuant to Section 2.7 hereof, the Available Commitment as so reduced). The proposed amount of the Revolving Loan does not exceed the Available Commitment;

(iv) The Lender shall have received satisfactory evidence that all representations and certifications of the Authority that the Lender deems necessary to maintain the tax-exempt status of the interest on any Tax-Exempt Loan have been delivered and are true and correct;

(v) No Material Adverse Change shall have occurred;

(vi) The Lender shall be satisfied that the opinion of Bond Counsel delivered pursuant to Section 2.4(a)(v) hereof remains in full force and effect or the Lender shall have received an opinion from Bond Counsel dated the date of such Advance as to the exclusion of interest on the Tax-Exempt Loans from gross income for federal income tax purposes, in form and substance satisfactory to the Lender;

(vii) Neither the Authority nor the Lender shall have received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(a)(v) hereof may no longer be relied upon.

(viii) With respect to an Advance for an AMT Revolving Loan, the Lender shall have received evidence that an IRS Form 8038 has been duly completed by the Authority and signed by the Authority; and with respect to an Advance for Non-AMT Revolving Loan, the Lender shall have received evidence that an IRS Form 8038-G has been duly completed by the Authority and signed by the Authority; and

(ix) The Commitment and the obligation of the Lender to make an Advance hereunder shall not have terminated pursuant to Section 10.2 hereof or pursuant to Section 2.7 hereof. Unless the Authority shall have otherwise previously advised the Lender in writing, delivery to the Lender of a Request for Advance shall be deemed to constitute a representation and warranty by the Authority that on the date of such Request for Advance and on the date of the proposed Advance each of the foregoing conditions has been satisfied and that all representations and warranties of the Authority as set forth in Article VII hereof is true and correct as though made on the date of such Request for Advance and on the date of the proposed Advance and no Default or Event of Default shall have occurred and be continuing on the date of such Request for Advance or on the date of the proposed Advance and the Authority has not received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(a)(v) hereof may no longer be relied upon.

Section 2.5. Interest Rate Determinations. The Lender shall promptly notify the Authority and the Trustee of the interest rate applicable to any Loan upon determination of such interest rate; *provided, however,* that the failure by the Lender to provide notice of the applicable interest rate shall not relieve the Authority of its obligation to make payment of amounts as and when due hereunder. At any time that a Term Loan is outstanding, the Lender shall notify the Authority and the Trustee of any change in Lender's Prime Rate used in determining the Base Rate promptly following the establishment of such change; *provided, however,* that the failure by the Lender to provide notice of such change shall not relieve the Authority of its obligation to make payment of

amounts as and when due hereunder. Each determination by the Lender of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

Section 2.6. Fees.

(a) *Commitment Fees.* The Authority agrees to pay to the Lender a nonrefundable annual fee (the “*Commitment Fee*”) accruing at the Commitment Fee Rate multiplied by the daily Available Commitment in effect on each day during the preceding quarterly period, payable quarterly in arrears on each Quarterly Payment Date and on the Commitment Expiration Date. The Commitment Fee shall be calculated on the basis of a 360-day year and actual days elapsed.

(b) *Reserved.*

(c) *Reserved.*

(d) *Reserved.*

(e) *Costs, Expenses and Taxes.* The Authority will promptly pay on demand (i) the reasonable fees, costs and expenses of the Lender incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, the Notes and the other Related Documents, (ii) the fees and disbursements of Chapman and Cutler LLP counsel to the Lender, incurred in connection with the preparation, execution, filing and administration and delivery of this Agreement and the other Related Documents, (iii) the fees and disbursements of counsel or other reasonably required consultants to the Lender with respect to advising the Lender as to the rights and responsibilities under this Agreement and the other Related Documents after the occurrence of any Default or alleged Default hereunder, or an Event of Default, (iv) a fee for each amendment to this Agreement or any other Related Document or any consent or waiver by the Lender with respect to any Related Document, in each case, in a minimum amount of \$2,500 plus the reasonable fees and expenses of counsel to the Lender; (v) all costs and expenses, if any, in connection with any waiver or amendment of, or the giving of any approval or consent under, or any response thereto or the enforcement of this Agreement, the Related Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Lender or other reasonably required consultants, (vi) any amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Related Document, together with interest at the Default Rate, and (vii) any fee(s) payable to the California Debt and Investment Advisory Commission by the Lender with respect to an Advance. In addition, the Authority shall pay any and all stamp taxes, transfer taxes, documentary taxes, and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Related Documents (other than taxes based on the net income or share capital of the Lender) and agrees to indemnify and hold the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes and fees, including interest and penalties thereon; *provided, however,* that the Authority may reasonably contest any such taxes or fees with the prior written consent of the Lender, which consent, if an Event of Default does not then exist, shall not be unreasonably withheld. In addition, the Authority agrees to pay, after the occurrence of a Default,

or an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Lender in enforcing any obligations or in collecting any payments due from the Authority hereunder by reason of such Default, or Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any collection, insolvency, bankruptcy proceedings or other enforcement proceedings resulting therefrom.

(f) If the Authority shall fail to pay any amount payable under this Section 2.6 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the Authority under this Section 2.6 shall survive the termination of this Agreement.

Section 2.7. Reduction and Termination. (a) The Available Commitment shall be reduced from time to time as requested by the Authority within three (3) days of the Authority's written notice to the Lender requesting such reduction in the form of Exhibit E hereto; *provided*, that (i) each such reduction amount shall be in an amount equal to \$1,000,000 or an integral multiple thereof, and (ii) any reduction in the Available Commitment shall not be effective until the Lender delivers to the Authority a notice in the form attached hereto as Exhibit F reflecting such reduction.

(b) The Authority may at any time and at its sole option terminate the Commitment upon three (3) Business Days' prior written notice to the Lender. As a condition to any such termination, the Authority shall pay or cause to be paid all Obligations owed to the Lender (other than Term Loans which shall be payable pursuant to the terms of Section 4.5 hereof).

Section 2.8. Extension of Commitment Expiration Date. The Authority may request an extension of the Commitment Expiration Date in writing in the form of Exhibit C hereto not more than one (1) year prior to the then current Commitment Expiration Date and not less than 150 days prior to the then current Commitment Expiration Date. The Lender will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Lender's judgment, to permit the Lender to make an informed credit decision. If the Lender fails to definitively respond to such request within such 60-day period, the Lender shall be deemed to have refused to grant the extension requested. The Lender may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Lender shall have consented thereto in writing in the form of Exhibit G hereto or otherwise. The Lender's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Lender (which may include, but shall not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Lender with respect to the tax-exempt status of the Tax-Exempt Loans).

Section 2.9. Funding Indemnity. In the event the Lender shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Lender to make any Advance, Revolving Loan or Term Loan or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lender) as a result of any optional payment or prepayment of any Advance, Revolving Loan or Term Loan on a date other than a

Rate Reset Date for any reason, whether before or after default, then upon the demand of the Lender, the Authority shall pay to the Lender a payment or prepayment premium, as applicable in such amount as will reimburse the Lender for such loss, cost, or expense. If the Lender requests such payment or prepayment premium, as applicable, it shall provide to the Authority a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such payment or prepayment premium, as applicable in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 2.10. Payments. All payments to be made by the Authority shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Authority hereunder shall be made to the Lender at the Lender's Office in Dollars and in immediately available funds not later than 12:00 noon, California time, on the date specified herein. All payments received by the Lender after 12:00 noon, California time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Authority shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. Notwithstanding anything herein to the contrary, where this Agreement provides for payment by the Authority to the Lender for any amount, the Authority may satisfy such obligation by causing the Trustee to pay such amount directly to the Lender from Subordinate Net Revenues under the Subordinate Trust Indenture.

Section 2.11. Inability to Determine Rates.

(a) If in connection with any request for a Taxable Loan that bears interest at the Taxable Rate or a conversion to or continuation thereof, as applicable, (i) the Lender determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 2.11(b) hereof, and the circumstances under clause (i) of Section 2.11(b) hereof or the Scheduled Unavailability Date has occurred (as applicable), or (B) adequate and reasonable means do not otherwise exist for determining the BSBY Daily Rate or BSBY Term Rate for any requested Interest Period with respect to a proposed Taxable Loan that bears interest at the Taxable Rate, or (ii) the Lender determines that for any reason that the BSBY Daily Rate or BSBY Term Rate for any requested Interest Period with respect to a proposed Taxable Loan that bears interest at the Taxable Rate does not adequately and fairly reflect the cost to the Lender of funding such Taxable Loan that bears interest at the Taxable Rate, the Lender will promptly so notify the Authority. Thereafter, the obligation of the Lender to make or maintain Taxable Loans that bears interest at the Taxable Rate shall be suspended (to the extent of the affected Taxable Loan that bears interest at the Taxable Rate or Interest Periods). Upon receipt of such notice, (i) the Authority may revoke any pending request for a Request for Advance of, or conversion to or continuation of Taxable Loan that bears interest at the Taxable Rate (to the extent of the affected Taxable Loan that bears interest at the Taxable Rate or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Request for Advance of a Loan that bears interest at the Base Rate (without giving effect to clause (c) hereof) in the amount specified therein and (ii) any outstanding Taxable Loan that bears interest at the Taxable Rate shall be deemed to have been converted to a Loan that bears interest at the Base Rate (without giving effect to clause (c) hereof) immediately at the end of their respective applicable Interest Period.

(b) Notwithstanding anything to the contrary in this Agreement or any other Related Documents, if the Lender determines (which determination shall be conclusive absent manifest error), or the Authority notifies the Lender that the Authority has determined, that:

(i) adequate and reasonable means do not exist for ascertaining one month interest period of BSBY, including, without limitation, because the BSBY Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) Bloomberg or any successor administrator of the BSBY Screen Rate or a Governmental Authority having or purporting to have jurisdiction over the Lender or Bloomberg or such administrator has made a public statement identifying a specific date after which one month interest periods of BSBY or the BSBY Screen Rate shall or will no longer be representative or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Lender, that will continue to provide such representative interest periods of BSBY after such specific date (the latest date on which the BSBY Interest Period or the BSBY Screen Rate are no longer representative or available permanently or indefinitely, the “*Scheduled Unavailability Date*”);

then, on a date and time determined by the Lender (any such date, the “*BSBY Replacement Date*”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, BSBY will be replaced hereunder and under any Related Document with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the Lender, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Related Document (the “*Successor Rate*”):

(x) Term SOFR *plus* the SOFR Adjustment; and

(y) Daily Simple SOFR *plus* the SOFR Adjustment;

provided that, if initially BSBY is replaced with the rate contained in clause (y) above (Daily Simple SOFR plus the SOFR Adjustment) and subsequent to such replacement, the Lender determines that Term SOFR has become available and is administratively feasible for the Lender in its sole discretion, and the Lender notifies the Authority of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Successor Rate shall be Term SOFR *plus* the SOFR Adjustment.

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a [monthly] [quarterly] basis.

Notwithstanding anything to the contrary herein, (i) if the Lender determines that neither of the alternatives set forth in clauses (x) and (y) above are not available on or prior to the BSBY

Replacement Date or (ii) if the events or circumstances of the type described in Section 2.11(b)(i) hereof or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Lender and the Authority may amend this Agreement solely for the purpose of replacing BSBY or any then current Successor Rate in accordance with this Section 2.11 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Lender from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a Successor Rate.

The Lender will promptly (in one or more notices) notify the Authority of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; *provided* that to the extent such market practice is not administratively feasible for the Lender, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Lender.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0%, the Successor Rate will be deemed to be 0% for the purposes of this Agreement and the other Related Documents.

In connection with the implementation of a Successor Rate, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; *provided* that, with respect to any such amendment effected, the Lender shall provide each such amendment implementing such Conforming Changes to the Authority reasonably promptly after such amendment becomes effective.

ARTICLE III

REVOLVING LOANS

Section 3.1. Making of Revolving Loans. Each Advance shall constitute a loan made by the Lender to the Authority on the date of such Advance (individually, a “*Revolving Loan*” and collectively, the “*Revolving Loans*”). Each Revolving Loan shall constitute a Subordinate Obligation under the Master Subordinate Trust Indenture.

Section 3.2. Revolving Loans Evidenced by Notes. (a) The Non-AMT Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-1 hereto (as amended or supplemented from time to time, the “*Non-AMT*

Note") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Non-AMT Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Non-AMT Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the Non-AMT Note in respect of unpaid principal and interest on any Non-AMT Revolving Loan. Each entry on the Non-AMT Note with respect to a Non-AMT Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

(b) The AMT Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-2 hereto (as amended or supplemented from time to time, the "*AMT Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All AMT Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the AMT Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the AMT Note in respect of unpaid principal and interest on any AMT Revolving Loan. Each entry on the AMT Note with respect to a AMT Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

(c) The Taxable Revolving Loans shall be evidenced by a promissory note of the Authority to the Lender in substantially the form set forth in Exhibit A-3 hereto (as amended or supplemented from time to time, the "*Taxable Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Taxable Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Taxable Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Authority hereunder or under the Taxable Note in respect of unpaid principal and interest on any Taxable Revolving Loan. Each entry on the Taxable Note with respect to a Taxable Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

Section 3.3. Interest on Revolving Loans. Each Loan made or maintained by the Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof. Each AMT Loan and each Non-AMT Loan shall bear interest at a rate per annum equal to the applicable SIFMA Rate for such SIFMA Index Interest Period. Each Taxable Loan shall bear interest at a rate per annum equal to the applicable Taxable BSBY Daily Rate or Taxable BSBY Term Rate for such Interest Period. The SIFMA Rate for a particular Advance relating to an AMT Loan or a Non-AMT Loan shall be determined by the Lender on each SIFMA Computation Date prior to the related Advance, commencing on and including the first day of the applicable SIFMA Index Interest Period to and including the last day of such SIFMA Index Interest Period. The Taxable BSBY Daily Rate or Taxable BSBY Term Rate, as applicable, for a particular Advance relating to a Taxable Loan shall be determined by the Lender on each BSBY Computation Date prior to the related Advance Date,

commencing on and including the first day of the applicable Interest Period to and including the last day of such Interest Period. Following the determination of the initial rate, the applicable SIFMA Rate or applicable Taxable BSBY Daily Rate or Taxable BSBY Term Rate for the next succeeding Interest Period, as applicable, shall be determined by the Lender on the BSBY Computation Date or SIFMA Computation Date, as applicable, immediately succeeding the Advance Date, and such rate shall be effective on the immediately succeeding Rate Reset Date, as applicable. Thereafter, the applicable SIFMA Rate or applicable Taxable BSBY Daily Rate or Taxable BSBY Term Rate for the next succeeding Interest Period, as applicable, shall be determined by the Lender on the applicable BSBY Computation Date or SIFMA Computation Date, as applicable, and such rate shall be effective on the immediately succeeding Rate Reset Date or SIFMA Rate Reset Date, as applicable. Interest on each Loan shall be payable by the Authority on each Interest Payment Date and on the Revolving Loan Maturity Date.

Section 3.4. Repayment of Revolving Loans. The principal of each Revolving Loan shall be repaid in full on the Revolving Loan Maturity Date; *provided*, that if the conditions to the making of the Term Loan set forth in Section 4.2 hereof are satisfied on the Revolving Loan Maturity Date, the principal of all Revolving Loans shall be paid from the proceeds of the applicable Term Loan.

Section 3.5. Prepayment of Revolving Loans. The Authority may prepay any Loan, in whole or in part, on a Rate Reset Date, without cost, penalty or premium, provided at least three (3) days' written notice is provided by the Authority to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement.

ARTICLE IV

THE TERM LOAN

Section 4.1. Term Loan. The Authority shall have the option to convert (a) the unpaid principal amount of any Taxable Revolving Loan to a Taxable Term Loan, (b) the unpaid principal amount of any Non-AMT Revolving Loan to a Non-AMT Term Loan and (c) the unpaid principal amount of any AMT Revolving Loan to an AMT Term Loan, in each case on the Revolving Loan Maturity Date, if the conditions set forth in Section 4.2 hereof are satisfied on the Revolving Loan Maturity Date. Each Term Loan shall constitute a Subordinate Obligation under the Master Subordinate Trust Indenture.

Section 4.2. Conditions Precedent to Term Loan. The obligation of the Lender to convert the principal amount owed on a Revolving Loan to a Taxable Term Loan, a Non-AMT Term Loan or an AMT Term Loan, as applicable, shall be subject to the fulfillment of each of the following conditions precedent on or before the Revolving Loan Maturity Date in a manner satisfactory to the Lender:

(a) The following statements shall be true and correct on the Conversion Date, and the Lender shall have received a certificate incorporating by reference the definitions of the capitalized terms defined in this Agreement, signed by a Designated Representative and dated the Conversion Date, stating that:

(i) the representations and warranties of the Authority contained herein and in each of the other Related Documents and each certificate, letter, other writing or instrument delivered by the Authority to the Lender pursuant hereto or thereto are true and correct on and as of the Conversion Date as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing as of such Conversion Date or would result from converting the Revolving Loans to a Term Loan as requested; and

(b) In the case of the conversion to a Tax-Exempt Term Loan, (A)(i) the Lender shall be satisfied that the opinion of Bond Counsel delivered pursuant to Section 2.4(a)(v) hereof remains in full force and effect with respect to such Tax-Exempt Term Loan or (ii) the Lender shall have received an opinion from Bond Counsel dated the date of such Term Loan as to the exclusion of interest on the Tax-Exempt Term Loans from gross income for federal income tax purposes, in form and substance satisfactory to the Lender and (B) the Lender shall have received an opinion of Bond Counsel in form and substance satisfactory to the Lender that such conversion will not adversely affect the tax exempt status of the interest on any Tax-Exempt Loans.

Section 4.3. Term Loans Evidenced by Notes. (a) The principal amount of each Non-AMT Term Loan shall also be evidenced by the Non-AMT Note. Each Non-AMT Term Loan made by the Lender and all payments and prepayments on the account of the principal and interest of each Non-AMT Term Loan shall be recorded by the Lender on the schedule attached to the Non-AMT Note; *provided, however,* that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under the Non-AMT Note in respect of unpaid principal and interest on each Non-AMT Term Loan.

(b) The principal amount of each AMT Term Loan shall also be evidenced by the AMT Note. Each AMT Term Loan made by the Lender and all payments and prepayments on the account of the principal and interest of each AMT Term Loan shall be recorded by the Lender on the schedule attached to the AMT Note; *provided, however,* that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under the AMT Note in respect of unpaid principal and interest on each AMT Term Loan.

(c) The principal amount of each Taxable Term Loan shall also be evidenced by the Taxable Note. Each Taxable Term Loan made by the Lender and all payments and prepayments on the account of the principal and interest of each Taxable Term Loan shall be recorded by the Lender on the schedule attached to the Taxable Note; *provided, however,* that the failure of the

Lender to make any such endorsement or any error therein shall not affect the obligations of the Authority hereunder or under the Taxable Note in respect of unpaid principal and interest on each Taxable Term Loan.

Section 4.4. Interest on Term Loan. Each Term Loan shall bear interest from the Conversion Date to the date such Term Loan is paid in full at a rate per annum equal to the Lender Rate as determined by the Lender pursuant to Section 2.5 hereof. Interest on each Term Loan shall be paid to the Lender monthly in arrears on each Interest Payment Date. Interest on each Term Loan shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

Section 4.5. Repayment of Term Loan. The principal of each Term Loan shall be paid in installments payable on each Amortization Payment Date (each such payment, an “*Amortization Payment*”), with the final installment in an amount equal to the entire then-outstanding principal amount of such Term Loan to be paid in full on the Amortization End Date (the period commencing on the Conversion Date and ending on the Amortization End Date is herein referred to as the “*Amortization Period*”). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. The Authority acknowledges that the foregoing payment schedule may result in a final payment substantially higher than the preceding payments.

Section 4.6. Prepayment of Term Loan. The Authority may prepay each Term Loan, in whole or in part, on any Business Day, without cost, penalty or premium, provided at least three (3) days’ written notice is provided by the Authority to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Authority to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement.

ARTICLE V

SECURITY AND PLEDGE

Section 5.1. Security and Pledge. (a) The Authority hereby grants to the Lender a Lien on and pledge of Subordinate Net Revenues to secure the payment of all Repayment Obligations and the Notes. The pledge of the Subordinate Net Revenues for Repayment Obligations and the Notes pursuant to this Section 5.1(a) is a valid and binding obligation of the Authority, on a *pari passu* basis with the holders of all other Subordinate Obligations. No filing, registration, recording or publication of this Agreement or the Subordinate Trust Indenture or any other instrument nor any prior separation or physical delivery of the Subordinate Net Revenues is required to establish the pledge provided for hereunder or under the Subordinate Trust Indenture or to perfect, protect or maintain the Lien created thereby on the Subordinate Net Revenues to secure the payment of Repayment Obligations and the payment of principal of and interest on the Notes.

(b) The Authority hereby grants to the Lender a Lien on and pledge of the Subordinate Net Revenues to secure all Obligations of the Authority under this Agreement on a *pari passu*

basis with the holders of all other Subordinate Obligations. No filing, registration, recording or publication of this Agreement or the Subordinate Trust Indenture or any other instrument nor any prior separation or physical delivery of the Subordinate Net Revenues is required to establish the pledge provided for under this Agreement or the Subordinate Trust Indenture or to perfect, protect or maintain the Lien created thereby on the Subordinate Net Revenues to secure the Obligations hereunder.

ARTICLE VI

LIABILITY, INDEMNITY AND PAYMENT

Section 6.1. Liability of the Authority. The Authority and the Lender agree that the obligation of the Authority to pay the Obligations are contractual obligations of the Authority payable solely from the Subordinate Net Revenues and shall not be affected by, and the Lender shall not be responsible for, among other things, (i) the validity, genuineness or enforceability of this Agreement, the Notes or documents, notices or endorsements relating thereto (even if this Agreement or any documents, notices endorsements relating thereto should in fact prove to be in any and all respects invalid, fraudulent or forged), (ii) the use to which the amounts disbursed by the Lender may be put, or (iii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing.

Section 6.2. Indemnification by the Authority. (a) In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Authority hereby agrees (to the extent permitted by law) to indemnify and hold harmless the Lender and each Participant and their respective officers, directors and agents (each, an “*Indemnitee*”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an *Indemnitee* by any Person or entity whatsoever (collectively, the “*Liabilities*”) by reason of or in connection with (i) the execution and delivery or transfer of, or payment or failure to pay under, any Related Document; (ii) the making of any Advances or any Loans; (iii) the use of the proceeds of the Notes, Advances or Loans; (iv) any breach by the Authority of any warranty, covenant, term or condition in, or the occurrence of any default under any of the Related Documents, together with all reasonable expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default; (v) any action or proceeding relating to a court order, injunction or other process or decree restraining or seeking to restrain the Lender from paying any amount under this Agreement (other than actions or proceedings instituted by or on behalf of the Lender); or (vi) any investigation, litigation or other proceeding (whether or not the Lender or any Participant is a party thereto) related to the entering into and/or each performance of any of the Related Document or the use of the proceeds of any Advance or any Loan under this Agreement; *provided* that the Authority shall not be required to indemnify an *Indemnitee* for any (i) claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such *Indemnitee*, or (ii) with respect to disputes solely between the Authority and the Lender; *provided* that the Authority shall only be liable to the *Indemnitee* to the extent, and only to the extent of any direct, as opposed to special, indirect consequential or punitive damages (the right to receive

special, indirect, consequential or punitive damages being hereby waived). Nothing under this Section 6.2 is intended to limit the Authority's payment of the Obligations.

(b) Notwithstanding anything to the contrary contained in this Section 6.2, (i) the Authority shall have no obligation to indemnify an Indemnitee for damages that the Authority proves were caused solely out of the gross negligence or willful misconduct of such Indemnitee, as determined by a court of competent jurisdiction, and (ii) the Authority shall have a claim against the Lender, and the Lender shall be liable to the Authority, to the extent of any direct, as opposed to special, indirect, consequential, damages suffered by the Authority which the Authority proves were caused solely by such Indemnitee's gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

(c) The obligations of the Authority under this Section 6.2 shall survive the payment of the Notes, the Loans and all other Obligations and the termination of this Agreement.

Section 6.3. Taxable Gross-up. (i) In the event a Taxable Date occurs, the Authority hereby agrees to pay to the Lender, any Participant or the Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender, such Participant or the Noteholder, as applicable, on any Tax-Exempt Loans during the period for which interest on such Tax-Exempt Loans, as applicable, is includable in the gross income of the Lender, such Participant or the Noteholder, as applicable, if such Tax-Exempt Loans had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Lender, such Participant or the Noteholder, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Lender, any Participant or a Noteholder, as applicable, as a result of interest on the Tax-Exempt Loans becoming includable in the gross income of the Lender, such Participant or such Noteholder, as applicable, together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender, such Participant or such Noteholder, as applicable, in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, the Lender shall afford the Authority the opportunity, at the Authority's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on any Tax-Exempt Loan to be includable in the gross income of the Lender, any Participant or the Noteholder or (2) any challenge to the validity of the tax exemption with respect to the interest on any Tax-Exempt Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the Authority of its right to contest set forth in clause (ii) above, the Authority shall, on demand, immediately reimburse the Lender, such Participant or the Noteholder, as applicable, for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable) that may be incurred by the Lender, such Participant or the Noteholder, as applicable, in connection with any such contest, and shall, on demand, immediately reimburse the Lender, such Participant or the Noteholder, as applicable, for any and all penalties or other charges payable by the Lender, such Participant or the Noteholder, as applicable, for failure to include such interest in its gross income; and

(iv) The obligations of the Authority under this Section 6.3 shall survive the termination of the Commitment and this Agreement.

Section 6.4. Taxes. If any payments to the Lender under this Agreement are made from outside the United States, the Authority will not deduct any foreign taxes from any payments it makes to the Lender. If any such taxes are imposed on any payments made by the Authority (including payments under this paragraph), the Authority will pay the taxes and will also pay to the Lender, at the time interest is paid, any additional amount which such Lender specifies as necessary to preserve the after-tax yield such Lender would have received if such taxes had not been imposed. As soon as practicable after any payment of taxes by the Authority to a Governmental Authority, as provided in this Section 6.4, the Authority will deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

Section 6.5. Calculation of Interest and Fees; Maximum Interest Rate; Default Rate.
(a) Interest on Loans and fees payable hereunder shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

(b) Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. Any such amounts which constitute interest remaining unpaid when due shall be added to principal, and such interest shall, in turn, bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Loans and all other Obligations shall bear interest at the Default Rate, which shall be payable by the Authority to the Lender upon demand therefor and be calculated on the basis of a 360-day year and actual days elapsed.

(c) In the event that the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the “*Excess Interest Amount*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Authority shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Lender, to equal the Maximum Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest Amount is fully paid to the Lender. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Loans remains unpaid, the Authority shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

(d) All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

Section 6.6. Liability of the Lender. Neither the Lender nor any of its officers, directors, employees, representatives or agents shall be liable or responsible for (i) the use which may be made of any Advances, any Loans or this Agreement or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Lender in connection with this Agreement, any Advances, any Loans or the Notes, (ii) any action, inaction or omission which may be taken by the Lender in connection with this Agreement, any Advances, any Loans or the Notes, (iii) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iv) payment by the Lender against presentation of documents which do not comply with the terms of this Agreement or a Request for Advance, including failure of any documents to bear any reference or adequate reference to this Agreement, or (v) any other circumstances whatsoever in making or failing to make payment under this Agreement or pursuant to a Request for Advance, except for acts or events described in the immediately preceding clauses (i) through (v), to the extent, but only to the extent, of any direct, as opposed to special, indirect, consequential or punitive, damages (the right to receive special, indirect, consequential or punitive damages being hereby waived) suffered by it which the Authority proves were caused by (y) the Lender's willful misconduct or gross negligence in determining whether documents presented under this Agreement comply with the terms of this Agreement or (z) the Lender's failure to pay hereunder after the presentation to it of a Request for Advance strictly complying with the terms and conditions of this Agreement. The Authority further agrees that any action taken or omitted by the Lender under or in connection with this Agreement or the related draft or documents, if done without willful misconduct or gross negligence, shall be effective against the Authority as to the rights, duties and obligations of the Lender and shall not place the Lender under any liability to the Authority. In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 6.7. Obligations Unconditional. The Authority's obligation to repay the Revolving Loans and the Term Loans and all of its other Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Notes or any of the other Related Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (c) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Lender or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; and irrespective of any setoff, counterclaim or defense to payment which the Authority may have against the Lender, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of Advances hereunder, and irrespective of the legality, validity, regularity or enforceability of this Agreement, the Notes or any or all other Related Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Lender explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, this Agreement, the Notes or any or all other Related Documents or any exchange, release, or nonperfection of any collateral securing the obligations

of the Authority hereunder; *provided, however,* that nothing contained in this Section 6.7 shall abrogate or otherwise affect the rights of the Authority pursuant to Section 6.6 hereof.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement, the Authority makes the following representations and warranties to the Lender:

Section 7.1. Organization; Existence. The Authority is duly organized and validly existing as a local government entity of regional government organized and existing pursuant to the Act.

Section 7.2. Power and Authority. The Authority has (and had at the time of adoption, execution, delivery, issuance, sale or performance) full power, right and authority to (a) execute, deliver and perform its obligations under this Agreement and each of the Related Documents to which it is a party, and any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith; (b) borrow amounts hereunder and to execute, deliver and perform its obligations under the Notes and to repay the Obligations at the times and in the manner set forth herein; (c) possess, manage and operate the Airport System and carry on its business as now conducted; and (d) perform each and all of the matters and things herein and therein provided for and the Authority has complied in all material respects with the laws of the State in all matters relating to such execution, delivery and performance.

Section 7.3. Due Authorization. This Agreement, the Subordinate Trust Indenture and each of the Related Documents to which the Authority is a party have been duly authorized, executed, issued and delivered. This Agreement, the Subordinate Trust Indenture, the Notes and each of the Related Documents to which the Authority is a party constitute legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect. The Obligations are payable from and secured by Subordinate Net Revenues as set forth herein and in the Subordinate Trust Indenture. The Notes will be duly issued, executed and delivered in conformity with the Act and the Subordinate Trust Indenture, and constitute legal, valid and binding special obligations of the Authority, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and entitled to the benefit and security of the Subordinate Trust Indenture.

Section 7.4. Necessary Actions Taken. The Authority has taken all actions necessary to be taken by it (a) for the execution and delivery of the Notes as Subordinate Obligations; (b) for the execution, adoption and delivery by the Authority of any and all instruments and the taking of all such other actions on the part of the Authority as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Authority contemplated by this Agreement and the Related Documents or in connection herewith or therewith; and (c) to authorize or approve, as appropriate, the execution or adoption, issuance and delivery of, and the performance of its obligations under and the transactions contemplated by this Agreement and each of the Related Documents to which it is a party and the payment of the Obligations and the Notes at the times and in the manner set forth.

Section 7.5. No Contravention. The execution and delivery of this Agreement and each of the Related Documents to which the Authority is a party and compliance with the provisions hereof and thereof, will not conflict with or result in a violation of the Constitution or the laws of the State, including any debt limitations or other restrictions or conditions on the debt issuing power of the Authority, and will not conflict with or result in a violation of, or breach of, or constitute a default under, any law, judgment, order, decree or administrative regulation or any of the terms, conditions or provisions of the Act, the Master Senior Trust Indenture or the Subordinate Trust Indenture or any ordinance, judgment, decree, contract, loan agreement, note, bond, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party or by which it or any property of the Authority is bound and will not, except as expressly provided herein, result in the imposition or creation of any lien, charge, or encumbrance upon or invalidate or adversely affect in any way the Subordinate Net Revenues. The Authority has not received any notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond resolution or ordinance, trust indenture, guarantee or agreement or State law pertaining to bonds or notes secured by the Subordinate Net Revenues, of any default or event of default of the Authority which has not been cured, remedied or waived.

Section 7.6. Compliance. The current collection of Subordinate Net Revenues and the management of the Airport System and the accounting and recordkeeping therefor are in material compliance with all applicable state and federal laws and all applicable resolutions, ordinances and rules of the Authority. The Authority is in compliance with the terms and conditions of the Subordinate Trust Indenture and each of the Related Documents to which it is a party, and no breach of the terms hereof or thereof has occurred and is continuing, and no Default or Event of Default has occurred and is continuing.

Section 7.7. No Default. No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the Authority and secured by the Subordinate Net Revenues. No bankruptcy, insolvency or other similar proceedings pertaining to the Authority or any agency or instrumentality of the Authority are pending or presently contemplated.

Section 7.8. No Public Vote, Referendum or Legal Change. (a) To the best knowledge of the Authority, there is no proposed amendment to the Constitution of the State or any proposed public vote, referendum or other ballot initiative, the effect of which could reasonably be expected to have a Material Adverse Effect.

(b) There is no amendment to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any public vote or referendum or other ballot initiative or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to have a Material Adverse Effect.

Section 7.9. No Immunity. Under existing law, the Authority is not entitled to raise the defense of sovereign or governmental immunity in connection with any legal proceedings to enforce or collect upon this Agreement, the Related Documents or the transactions contemplated hereby or thereby, including the payment of the Obligations; *provided, however,* that a claimant shall be required to comply with the provisions of the Tort Claims Act set forth in California Government Code Section 810 *et seq.* in tort or contract suits, actions or proceedings brought against the Authority.

Section 7.10. Litigation. There is no action, investigation, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or the Airport System or any arbitration in which service of process has been completed against the Authority or the Airport System or, to the knowledge of the Authority, any other action, investigation, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Authority or the Airport System or any arbitration, in either case against the Authority or the Airport System or any of their respective properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the Authority would adversely affect (A) the legality, validity or enforceability of this Agreement, the Notes or the Related Documents to which it is a party, (B) the validity, enforceability or perfection of the pledge of and lien on the Subordinate Net Revenues or on the amounts held in funds, accounts and subaccounts under the Subordinate Trust Indenture, (C) the status of the Authority as a local government entity of regional government, organized and validly existing under the laws of the State, (D) the exemption of interest on the Tax-Exempt Loans from the gross income of the recipients thereof for Federal income tax purposes, or (E) the rights and remedies of the Lender under any of the Related Documents or which is reasonably likely to have a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Lender has received an opinion of counsel satisfactory to the Lender, in form and substance satisfactory to the Lender and its counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 7.11. Disclosure. All information, reports and other papers and data with respect to the Authority furnished to the Lender, at the time the same were so furnished, were accurate in all material respects. Any financial, budget and other projections furnished to the Lender were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections.

Section 7.12. Financial Information. The Authority has delivered to the Lender a copy of the audited financial statements for the Authority and the Airport System for the fiscal year ended June 30, 2020. These together with related notes, fairly present the financial position and results of operation of the Authority and the Airport System as of the date and for the periods therein set

forth. All such financial statements have been prepared in accordance with GAAP. There has been no material adverse change in the financial position, including the Net Revenues and Subordinate Net Revenues, results of operations or projections of revenues of the Airport System since June 30, 2020, except as disclosed in writing to the Lender prior to the Effective Date, which would be reasonably likely to result in a Material Adverse Effect. The Authority has no material contingent liabilities or other material contracts or commitments payable from Subordinate Net Revenues which are not reflected in such financial statements previously delivered to the Lender or in the notes thereto or otherwise as disclosed to the Lender.

Section 7.13. Official Signatures. The Authorized Authority Representative has and had full power and authority to execute, deliver and perform under this Agreement and each of the Related Documents to which the Authority is a party. Any agreement, certificate or request signed by or on behalf of any Authorized Authority Representative or Designated Representative and delivered to the Lender shall be deemed a representation and warranty by the Authority to the Lender as to the truth, accuracy and completeness of the statements made by the Authority therein.

Section 7.14. Incorporation of Representations and Warranties by Reference. The Authority hereby makes to the Lender the same representations and warranties made by the Authority in each Related Document to which the Authority is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Lender with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. Except as permitted by Section 8.15 hereof, no amendment to such representations and warranties or defined terms made pursuant to any Related Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Lender.

Section 7.15. Environmental Matters. To the best knowledge of the Authority, the operations of the Airport System (i) have not become subject to any Environmental Liability nor does the Authority know of any basis for any Environmental Liability and (ii) are in material compliance with all of the requirements of applicable federal, state and local environmental, health and safety statutes and regulations (including all Environmental Laws) and are not the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where a failure to comply with any such requirement or the need for any such remedial action would have a Material Adverse Effect. The Authority has obtained and maintains or complies with any permit, license or other approval required under any Environmental Law.

Section 7.16. Security; Pledge of Subordinate Net Revenues Securing Obligations. The Master Subordinate Trust Indenture creates, for the benefit of the Lender and the Noteholders, with respect to the payment of the principal of and interest on the Loans, the Notes and the Obligations, the legally valid, binding and irrevocable lien on and pledge of the Subordinate Net Revenues. There is no lien on the Subordinate Net Revenues other than the liens created by the Subordinate Trust Indenture. None of the Master Senior Trust Indenture, the Master Subordinate Trust Indenture or the Eighth Supplemental Subordinate Trust Indenture permit the issuance of any Debt secured by the Subordinate Net Revenues to rank senior to the payment of the principal of and

interest on the Subordinate Obligations, the Notes, the Loans, Advances or the Obligations. The payment of the Obligations ranks on a parity with the payment of the principal of and interest on the Subordinate Obligations and is not subordinate to any payment secured by a lien on the Subordinate Net Revenues or any other claim and is prior as against all other Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons have notice of such lien. No filing, registration, recording or publication of the Subordinate Trust Indenture or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Subordinate Net Revenues to secure the Notes, the Loans, Advances and the Obligations. As of the Effective Date, there is no indebtedness of the Authority payable from or secured by the Subordinate Net Revenues or amounts held in funds, accounts or subaccounts under the Subordinate Trust Indenture or any portion thereof on a basis that is on a parity with the Obligations (including the Repayment Obligations and the Notes) other than the Subordinate Obligations existing as of the Effective Date. The Obligations and the Notes constitute "Subordinate Obligations" for purposes of the Subordinate Trust Indenture.

Section 7.17. Tax Exempt Status of Tax-Exempt Loans. The Authority has not taken any action and knows of no action that any other Person has taken which would cause interest on any Tax-Exempt Loan to be included in the gross income of the recipients thereof for Federal income tax purposes.

Section 7.18. Margin Regulations. The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of the Advances, the Loans or the Notes or any amounts furnished by the Lender pursuant to a Request for Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

Section 7.19. The Notes. The Notes will be duly issued and the Notes and the Repayment Obligations shall constitute Subordinate Obligations under the Subordinate Trust Indenture and will be entitled to the benefits thereof.

Section 7.20. Pari Passu. Under the laws of the State, the obligation of the Authority under this Agreement to pay interest at the Taxable BSBY Daily Rate, the Taxable BSBY Term Rate, the SIFMA Rate, the Lender Rate, the Default Rate or the Taxable Rate as set forth herein constitutes a charge and lien on the Subordinate Net Revenues equal to and on a parity with the charge and lien upon the Subordinate Net Revenues for the payment of the Repayment Obligations and the principal of and interest on the Notes and all other Subordinate Obligations under the Subordinate Trust Indenture.

Section 7.21. Maximum Rate. The terms of the Related Documents (including the Notes) regarding the calculation of interest and fees do not violate any applicable usury laws.

Section 7.22. Valid Lien. The Authority's irrevocable pledge of the Subordinate Net Revenues and amounts hereunder and under the Subordinate Trust Indenture and in the funds, accounts and subaccounts established and maintained under the Subordinate Trust Indenture to and for the payment of the Obligations of the Authority under this Agreement and for the payment of the Repayment Obligations and the Notes is valid and binding and no further acts, instruments,

approvals or consents are necessary for the creation, validity or perfection thereof. The provisions of the Subordinate Trust Indenture constitute a contract between the Authority and the Lender subject to the provisions of the Subordinate Trust Indenture, and the Lender, may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Authority as a result of issuing the Notes.

Section 7.23. ERISA; Plans; Employee Benefit Plans. The Authority is not subject to ERISA and maintains no Plans.

Section 7.24. Solvency. After giving effect to the issuance of the Notes and the other obligations contemplated by this Agreement, the Authority is solvent, having assets of a fair value which exceeds the amount required to pay its debts (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute and matured, and the Authority is able to and anticipates that it will be able to meet its debts as they mature and has adequate capital to conduct its business in which it is engaged.

Section 7.25. Anti-Terrorism Laws. Neither the Authority nor any of Affiliates thereof is in violation of any Laws relating to terrorism or money laundering (“*Anti-Terrorism Laws*”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “*Executive Order*”), and the Patriot Act;

- (i) neither the Authority nor any Affiliate thereof is any of the following:
 - (A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
 - (B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
 - (C) a Person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
 - (D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or
 - (E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“*OFAC*”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list; and
- (ii) to the best of the Authority’s knowledge neither the Authority nor any Affiliate thereof (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (i) above, (B) deals in, or otherwise engages in any transaction relating to, any

property or interests in property blocked pursuant to the Executive Order or (C) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

ARTICLE VIII

COVENANTS OF THE AUTHORITY

The Authority will do the following so long as the Commitment is outstanding or any Obligations remain outstanding under this Agreement, unless the Lender shall otherwise consent in writing:

Section 8.1. Maintenance of Existence. To the extent permitted by law, the Authority shall maintain its existence pursuant to the Act and the laws of the State and at all times maintain its ownership of the Airport System.

Section 8.2. Reports, Certificates and Other Information. The Authority shall furnish or cause to be furnished to the Lender copies of:

(a) as soon as available, but in any event within two hundred and forty (240) days after the end of each Fiscal Year, the annual audited financial statements for the Authority together with the opinion of the Authority's independent accountants and a certificate from the Executive Director or the Chief Financial Officer addressed to the Lender demonstrating compliance with Section 8.7 hereof and stating that neither a Default nor an Event of Default has occurred which was continuing at the end of such Fiscal Year or on the date of his certification, or, if such an event has occurred and was continuing at the end of such Fiscal Year or on the date of his certification, indicating the nature of such event and the action which the Authority proposes to take with respect thereto;

(b) reserved;

(c) as soon as available, but in any event within ninety (90) days following the approval thereof, the Authority Budget and annual appropriation resolution for the Authority;

(d) as soon as available, all notices, certificates, instruments, letters and written commitments in connection with the Revolving Obligations provided to the Trustee other than those notices, certificates, instruments, letters and written commitments that relate solely to the routine issuance and payment of the Revolving Obligations;

(e) within twenty (20) days after the issuance by the Authority of any Senior Lien Revenue Bonds secured by Net Revenues or any Subordinate Obligations secured by Subordinate Net Revenues, with respect to which a final official statement or other offering circular has been prepared by the Authority, the Authority will provide to the Lender notice

of such issuance and a copy of such official statement or offering circular (or a link to EMMA with respect to such official statement or offering circular);

(f) (i) promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and within five (5) days thereafter, a certificate signed by a Designated Representative specifying in reasonable detail the nature and period of existence thereof and what action the Authority has taken or proposes to take with respect thereto; and (ii) promptly following a written request of the Lender, a certificate of a Designated Representative as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

(g) as promptly as practicable, written notice to the Lender of all litigation served against the Authority and all proceedings before any court or governmental authority which could reasonably be expected to have a Material Adverse Effect or of any other event which is likely to have a Material Adverse Effect; and

(h) such other information regarding the affairs and condition of the Authority and the Airport System as the Lender may from time to time reasonably request; *provided* that the Authority shall not be required to furnish such information if doing so violates applicable law as reasonably construed.

Section 8.3. Maintenance of Books and Records. The Authority will keep, and cause to be kept, proper books of record and account in which full, true and correct entries in accordance with the Authority's budget basis accounting principles and reporting practices will be made of all dealings or transactions in relation to its activities.

Section 8.4. Access to Books and Records. To the extent permitted by law, the Authority will permit any Person designated by the Lender (at the expense of the Lender) to visit any of the offices of the Authority to examine the books and financial records (except books and financial records the examination of which by the Lender is prohibited by law or subject to some privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Authority with their principal officials, all at such reasonable times and as often as the Lender may reasonably request.

Section 8.5. Compliance with Documents. The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Related Documents to which it is a party, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Authority. To the extent that any such incorporated provision permits the Authority or any other Person to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Authority or any Person, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be

acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. Except as permitted by Section 8.15 hereof, no termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to any of the Related Documents to which the Authority is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of any such Related Document to which the Authority is a party, the Authority shall, unless such Related Document has terminated in accordance with its terms and has been replaced by a new Related Document, continue to observe the covenants therein contained for the benefit of the Lender until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

Section 8.6. Compliance with Law. The Authority shall comply with and observe the obligations and requirements set forth in the Constitution of the State of California and in all statutes and regulations binding upon it relating to the Airport System and the Related Documents to which the Authority is a party.

Section 8.7. Rate Covenant. The Authority covenants and agrees that it shall take any and all action necessary such that Revenues and Subordinate Net Revenues in each Fiscal Year shall equal an amount at least sufficient to satisfy the provisions of Section 5.04 of the Master Subordinate Trust Indenture.

Section 8.8. Further Assurances. From time to time hereafter, the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Lender may reasonably request for the purposes of implementing or effectuating the provisions of the Related Documents to which the Authority is a party or for the purpose of more fully perfecting or renewing the rights of the Lender with respect to the rights, properties or assets subject to such documents (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by the Authority which may be deemed to be a part thereof). Upon the exercise by the Lender of any power, right, privilege or remedy pursuant to the Related Documents to which the Authority is a party which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Authority will, to the extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Lender may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

Section 8.9. No Impairment. The Authority will neither take any action, nor cause any Person to take any action, under any Related Document which would materially adversely affect the rights, remedies or security of the Lender under this Agreement or any other Related Document or which could result in a Material Adverse Effect.

Section 8.10. Application of Proceeds. The Authority will not take or omit to take any action, which action or omission will in any way result in the proceeds from any Loan being applied in a manner other than as provided in the Subordinate Trust Indenture, the Tax Certificate and this Agreement.

Section 8.11. Reserved.

Section 8.12. Reserved.

Section 8.13. Limitation on Additional Debt. The Authority will not issue any additional Subordinate Obligations payable from or secured by Subordinate Net Revenues (other than the Revolving Obligations issued in accordance with the provisions of the Eighth Supplemental Subordinate Trust Indenture and this Agreement) unless the Authority complies with the provisions of Section 2.11 of the Master Subordinate Trust Indenture. Within ten (10) days after the issuance by the Authority of any Subordinate Obligations secured by Subordinate Net Revenues, the Authority will provide the Lender copies of the certificates required to be delivered by the Authority pursuant to Section 2.09(d) and (e) of the Master Subordinate Trust Indenture.

Section 8.14. Maintenance of Tax Exempt Status. The Authority will not take any action or omit to take any action that, if taken or omitted, would adversely affect the exclusion of interest on any Tax-Exempt Loan from the gross income of any Holder for Federal income tax purposes; *provided, however*, that the Authority shall not be in violation of the provisions of this Section 8.14 as a result of a Holder being a “substantial user” of the projects financed or refinanced with proceeds of an AMT Loan or a “related person” for purposes of Section 147(a) of the Code.

Section 8.15. Amendments to Master Senior Trust Indenture, Master Subordinate Trust Indenture and Other Related Documents. The Authority will not amend or modify, or permit to be amended or modified in any manner whatsoever (i) Sections 2.11, 4.01, 4.02 (excluding clauses (vi) and (vii) of subparagraph (b) thereof), 5.03, 5.04, 5.06, 5.08, 5.09 or 5.12 of the Master Senior Trust Indenture and Sections 2.11, 4.01, 5.05, 5.07 and 5.08 of the Master Subordinate Trust Indenture, in each case without the prior written consent of the Lender nor shall it amend, modify or supplement any other provision of the Master Senior Trust Indenture or the Master Subordinate Trust Indenture (other than those set forth above) in a manner which would have a material adverse effect upon the Authority’s ability to perform its obligations under this Agreement or to repay indebtedness that is secured by the Subordinate Net Revenues or which adversely affects the security for the Notes or the Authority’s ability to repay when due the Obligations or the rights or remedies of the Lender under the Related Documents or hereunder; or (ii) any other Related Document without the prior written consent of the Lender.

Section 8.16. Maintenance of Insurance. The Authority covenants and agrees that it shall comply with Section 5.10 of the Master Senior Trust Indenture.

Section 8.17. Reserved.

Section 8.18. Taxes and Liabilities. The Authority shall pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid

and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, which default could have a Material Adverse Effect; *provided* that the Authority shall have the right to defer payment or performance of obligations to Persons other than the Lender so long as it is contesting in good faith the validity of such obligations by appropriate legal action and no final order or judgment has been entered with respect to such obligations.

Section 8.19. Trustee. Unless otherwise consented to in writing by the Lender, the Authority shall ensure that any replacement Trustee shall have capital of not less than \$500,000,000, and such Trustee or its respective parent organization shall have an underlying rating from Moody's and S&P of at least "A2" (or its equivalent) and "A" (or its equivalent), respectively.

Section 8.20. Waiver of Sovereign Immunity. The Authority hereby agrees not to assert the defense of any future right of sovereign or governmental immunity in any legal proceeding to enforce or collect upon the obligations of the Authority under this Agreement or any other Related Document or the transactions contemplated hereby or thereby.

Section 8.21. Credit Facilities. (i) In the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides such Person with additional or more restrictive covenants (including without limitation financial covenants) and/or additional or more restrictive events of default (collectively, the "*Additional Rights*") than are provided to the Lender in this Agreement, then, upon the occurrence of an event of default (without regard to a waiver of such event of default) under such agreement (or amendment thereto) caused by such Additional Rights, such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights; *provided, however,* that such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights only from and after the occurrence of an event of default under the related Bank Agreement caused by the Additional Rights or a failure by the Authority to comply with such Additional Rights. The Authority shall promptly, upon the occurrence of an event of default (without regard to a waiver of such event of default) under the related Bank Agreement caused by such Additional Rights or a failure by the Authority to comply with such Additional Rights, enter into an amendment to this Agreement to include such Additional Rights, *provided* that the Lender shall maintain the benefit of such Additional Rights even if the Authority fails to provide such amendment. If the Authority shall amend the related Bank Agreement such that it no longer provides for such Additional Rights, then, without the consent of the Lender, this Agreement shall automatically no longer contain the related Additional Rights and the Lender shall no longer have the benefits of any of the related Additional Rights.

(ii) In the event that the Authority shall enter into or otherwise consent to any Bank Agreement, which such Bank Agreement provides for any term or provision which permits any outstanding advance, loan or drawing to be amortized over a period shorter than the Amortization Period set forth in Section 4.5 hereof (such shorter amortization period, the "*Shorter Amortization Period*"), this Agreement shall automatically be deemed to be amended such that the Amortization

Period set forth in Section 4.5 hereof shall be such Shorter Amortization Period. Upon the occurrence of the conditions set forth in the immediately preceding sentence, the Authority shall promptly enter into an amendment to this Agreement such that the Amortization Period equals such Shorter Amortization Period, *provided* that the Amortization Period shall equal the Shorter Amortization Period regardless of whether this Agreement is amended. If the Authority shall amend the Bank Agreement such that it no longer provides for an amortization of the related advance, loan, drawing or other obligation for a period less than the Amortization Period as of the Effective Date, then, the Authority shall promptly enter into an amendment to this Agreement such that the Amortization Period equals the Amortization Period set forth in Section 4.5 hereof as of the Effective Date, *provided* that the Amortization Period shall equal the Amortization Period set forth in Section 4.5 hereof as of the Effective Date regardless of whether this Agreement is amended.

Section 8.22. Right to Accelerate. In the event the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which Bank Agreement includes the right to accelerate the payment of the principal of or interest on any series of Senior Lien Revenue Bonds or Subordinate Obligations issued or incurred pursuant to such Bank Agreement upon the occurrence and continuation of an event of default or event of termination under such Bank Agreement, or such Bank Agreement includes the right to accelerate the payment of the principal of or interest on any series of Senior Lien Revenue Bonds or Subordinate Obligations issued or incurred pursuant to such Bank Agreement upon the occurrence and continuation of an event of default or event of termination under such Bank Agreement within a shorter period than is available to the Lender under this Agreement (herein referred to as “*New Acceleration Provisions*”), then such New Acceleration Provisions shall automatically be deemed incorporated herein and the Lender shall automatically have the benefit of such New Acceleration Provisions. The Authority shall promptly, upon the occurrence of the Authority entering into any Bank Agreement (or amendment thereto) which provides for New Acceleration Provisions, enter into an amendment to this Agreement to include such New Acceleration Provisions; *provided* that the Lender shall maintain the benefit of such New Acceleration Provisions even if the Authority fails to provide such amendment. The release, termination or other discharge of such Bank Agreement that provides for such New Acceleration Provisions shall be effective to amend, release, terminate or discharge (as applicable) such provisions as incorporated by reference herein without the consent of the Lender.

Section 8.23. Maintenance of Ratings. The Authority shall at all times maintain long-term unenhanced ratings on Subordinate Obligations (other than this Agreement, the Note and the Repayment Obligations hereunder) by any two Nationally Recognized Statistical Rating Organizations (as defined under the Securities Exchange Act of 1934, as amended) approved by the Lender. As of the Effective Date, the Authority maintains long-term unenhanced ratings on the Subordinate Obligations from Fitch and S&P. Such Rating Agencies are approved by the Lender (unless and until the Lender notifies the Authority in writing that it no longer approves of Fitch or S&P).

Section 8.24. Liens, Etc. The Authority shall not create or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Subordinate Trust Indenture except those Liens specifically permitted under the Subordinate Trust Indenture; *provided, however,* that,

unless otherwise consented to in advance in writing by the Lender, in no event will the Authority permit any Lien upon the Net Revenues or the Subordinate Net Revenues securing any termination payment pursuant to any Swap Contract to be on parity with or senior to the Lien on Subordinate Net Revenues securing the Repayment Obligations and the Notes.

Section 8.25. Federal Reserve Board Regulations. The Authority shall not use any portion of the proceeds of any Advances, any Loans or the Notes for the purpose of carrying or purchasing any Margin Stock.

Section 8.26. Use of Lender's Name. Except as may be required by law (including, but not limited to, federal and state securities laws), the Authority shall not use the Lender's name in any published materials (other than the Authority's staff reports, annual statements, audited financial statements, and rating agency presentations) without the prior written consent of the Lender (which consent shall not be unreasonably withheld); *provided* that, without the prior written consent of the Lender, the Authority may identify the Lender as a party to this Agreement, the stated amount of the Commitment, the expiration date of the Commitment, that the interest rate on the Loans is based on SIFMA plus a spread (such spread shall not be identified), the BSBY Daily Floating Rate or the BSBY Term Rate plus a spread (such spread shall not be identified) or a benchmark other than BSBY Daily Floating Rate or BSBY Term Rate plus a spread (such spread shall not be identified), that the Authority's obligations under this Agreement are secured by Subordinate Net Revenues, the events of default and remedies set forth in this Agreement and refer to the posting of a redacted version of this Agreement on EMMA, in offering documents with respect to the Senior Lien Revenue Bonds and the Subordinate Obligations, so long as no other information relating to this Agreement or the Lender is disclosed in such offering documents without the prior written consent of the Lender.

Section 8.27. Consolidation, Merger, Etc. The Authority shall not dissolve or otherwise dispose of all or substantially all of the assets of the Authority or consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into the Authority; *provided, however*, that the Authority may consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into the Authority if each of the following conditions shall have been fulfilled:

(i) such merger or consolidation shall be with or into another governmental entity which shall assume in writing, reasonably satisfactory in form and substance to the Lender, or by operation of law the due and punctual performance and observance of all of the covenants, agreements and conditions of this Agreement and the other Related Documents;

(ii) such merger or consolidation shall not adversely affect or impair to any extent or in any manner (1) the Subordinate Net Revenues, (2) the availability of the Subordinate Net Revenues for the payment and security of the obligations of the Authority under this Agreement, or (3) the pledge or security afforded by the Master Senior Trust Indenture and the Master Subordinate Trust Indenture to the Senior Lien Revenue Bonds and the Subordinate Obligations, and the Authority shall have furnished to the Lender, for

the benefit of the Lender, an opinion of its Bond Counsel, satisfactory in form and substance to the Lender, to such effect; and

(iii) the Authority shall have given the Lender not less than 60 days' prior written notice of such merger or consolidation and furnished to the Lender all such information concerning such merger or consolidation as shall have been reasonably requested by the Lender.

Section 8.28. Incorporation of Waiver of Jury Trial and Judicial Reference from Bank Agreements. In the event that the Authority has or shall enter into, or otherwise consent to any Bank Agreement which (i) provides that the Authority waives any right to a trial by jury in any action, suit or proceeding arising under or relating to such Bank Agreement, or (ii) provides that the Authority consents to the adjudication of any action, suit or proceeding arising under or relating to such Bank Agreement pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, this Agreement shall be deemed to be amended to include a substantially similar provision for the benefit of the Lender (any such provision described in (i) or (ii) referred to herein as a "*Section 8.28 Bank Agreement Provision*"). The Authority shall promptly notify the Lender of any Bank Agreement which it enters into with any other Person which contains a Section 8.28 Bank Agreement Provision, and the Authority shall promptly, and in any event within thirty (30) Business Days after the effective date of such Bank Agreement provide the Lender with a copy of such Bank Agreement. To evidence the foregoing, upon the reasonable request of the Lender, the Authority shall enter into an amendment to this Agreement within sixty (60) days after a request by the Lender to document any Section 8.28 Bank Agreement Provision deemed to be added to this Agreement pursuant to this Section. Notwithstanding the foregoing, the Lender shall automatically maintain the benefit of any Section 8.28 Bank Agreement Provision, even if the Authority fails to provide the Lender with a copy of such Bank Agreement containing the Section 8.28 Bank Agreement Provision or fails to enter into any such amendment to this Agreement with the Lender.

ARTICLE IX

RESERVED

ARTICLE X

DEFAULTS AND REMEDIES

Section 10.1. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an "Event of Default":

- (a) the Authority fails to pay, or cause to be paid, when due (i) any principal of or interest on any Note, (ii) any Repayment Obligation or (iii) any other Obligation;
- (b) any representation, warranty or statement made by or on behalf of the Authority herein or in any Related Document to which the Authority is a party or in any

certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the Authority (including unaudited financial reports, budgets, projections and cash flows of the Authority and the Airport System) furnished to the Lender by or on behalf of the Authority in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made and as of the date on which they were made;

(c) (i) the Authority fails to perform or observe any term, covenant or agreement contained in Sections 8.1, 8.9, 8.13, 8.14, 8.15, 8.18, 8.24, and 8.25 inclusive; or (ii) the Authority fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Sections 10.1(a) and 10.1(c)(i)) and any such failure cannot be cured or, if curable, remains uncured for thirty (30) days after written notice thereof to the Authority;

(d) the Authority shall (i) default in the payment of the principal of or interest on the Senior Lien Revenue Bonds or the Subordinate Obligations (other than the Revolving Obligations, the Notes or the Loans), beyond the period of grace, if any, provided in the instrument or agreement under which such Senior Lien Revenue Bonds or the Subordinate Obligations was issued or incurred; (ii) default in the observance or performance of any agreement or condition relating to any Senior Lien Revenue Bonds or the Subordinate Obligations or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause the holder or holders of such Senior Lien Revenue Bonds or the Subordinate Obligations (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Senior Lien Revenue Bonds or the Subordinate Obligations to become due prior to its stated maturity; or (iii) default in the observance or performance of any agreement or condition relating to any Senior Lien Revenue Bonds or the Subordinate Obligations or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to permit the holder or holders of such Senior Lien Revenue Bonds or the Subordinate Obligations (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Senior Lien Revenue Bonds or the Subordinate Obligations to become due prior to its stated maturity;

(e) (i) any provision of this Agreement or any Related Document related to (A) payment of principal of or interest on the Notes, the Loans, the Advances or any other Subordinate Obligations or (B) the validity or enforceability of the pledge of the Subordinate Net Revenues or any other pledge or security interest created by the Subordinate Trust Indenture shall at any time for any reason cease to be valid and binding on the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of this Agreement or any Related Document related to (A) the payment of the principal of or interest on the Notes, the Loans, the Advances or any other Subordinate Obligations, or (B) the validity or enforceability of the pledge of the Subordinate Net Revenues or any other pledge or security interest created by the Subordinate Trust Indenture shall be publicly contested by the Authority; or

(iii) any other material provision of this Agreement or any other Related Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Authority;

(f) a final judgment or order for the payment of money in excess of \$35,000,000 (in excess of the coverage limits of any applicable insurance therefor) shall have been rendered against the Authority and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of one hundred twenty (120) days from the date on which it was first so rendered;

(g) (i) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of any obligation secured by a lien, charge or encumbrance upon the Net Revenues or Subordinate Net Revenues; (ii) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the Authority seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts; (iii) the Authority seeks appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of the Authority's property or a receiver, trustee, custodian or other similar official shall be appointed for the Authority or for any substantial part of the Authority's property, or the Authority shall make a general assignment for the benefit of its creditors; (iv) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (ii) above and the same shall remain undismissed; (v) there shall be commenced against the Authority any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distress or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) days from the entry thereof; (vi) the Authority takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii), (iv) or (v) above; or (vii) the Authority shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(h) in the event that any Authority Rating is suspended, withdrawn, or otherwise unavailable from any Rating Agency, or if any Authority Rating is reduced

below “Baa2” (or its equivalent), “BBB” (or its equivalent) or “BBB” (or its equivalent) by any of Moody’s, S&P or Fitch, respectively (but excluding any suspension or withdrawal of any such Authority Rating if the applicable Rating Agency has stipulated in writing that the rating action is being taken for non-credit related reasons); or

(i) any event of default under the Master Senior Trust Indenture or the Subordinate Trust Indenture shall occur; or

(j) except as otherwise permitted under Section 8.27 hereof, the dissolution or termination of the existence of the Authority shall occur; or

(k) any Governmental Authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to the Authority and shall appoint or designate, with respect to the Authority, an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to manage the affairs and operations of the Authority; or

(l) any Lien created by this Agreement or the Subordinate Trust Indenture or any other Related Document in favor of, or for the benefit of, the Lender or any Noteholder shall at any time or for any reason (except as expressly permitted to be released by the terms of such governing document) not constitute a valid Lien.

Section 10.2. Remedies. (a) Upon the occurrence and continuation of any Event of Default the Lender may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law *provided*:

(i) by written notice to the Authority, reduce the Available Commitment to zero and thereafter the Lender will have no further obligation to make Advances hereunder and/or terminate the Commitment;

(ii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Related Documents, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Lender in the Related Documents;

(iii) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however,* that the Lender shall have no obligation to effect such a cure; and

(iv) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents and as otherwise available at law and at equity.

Section 10.3. No Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Lender or to be acquiescence therein. No express or implied waiver by the Lender of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 10.4. Discontinuance of Proceedings. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Authority and the Lender shall be restored to their former positions with respect to the Obligations, the Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Evidence of Debt. The Lender shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each Advance, each Revolving Loan and each Term Loan made from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded.

Section 11.2. Amendments and Waivers. No amendment or waiver of any provision of this Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by such parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 11.3. Addresses for Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be mailed by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by telex, telegram, telecopy or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other parties.

The Authority:

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California 92101
Attention: Vice President, Chief Financial Officer
Telephone: (619) 400-2802

with a copy to:

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California 92101
Attention: General Counsel
Telephone: (619) 400-2802

The Lender:

Bank of America, N.A.

Attention: _____
Telephone: _____

The Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services
Telephone: 213.615.6023

Section 11.4. Survival of This Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the extension by the Lender of the Commitment and shall continue in full force and effect so long as the Commitment shall be unexpired or any sums drawn or due thereunder or any other obligations shall be outstanding and unpaid, regardless of any investigation made by any Person and so long as any amount payable hereunder remains unpaid. The agreement of the Authority to indemnify the Lender and each Indemnitee under Section 6.2 hereof shall continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. The obligations of the Authority under Sections 6.3 and 2.6(e) hereof shall also continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. Whenever in this Agreement the Lender is referred to, such reference shall be deemed to include the successors and assigns of the Lender and all covenants, promises and agreements by or on behalf of the Authority which are contained in

this Agreement shall inure to the benefit of the successors and assigns of the Lender. The rights and duties of the Authority may not be assigned or transferred without the prior written consent of the Lender, and all obligations of the Authority hereunder shall continue in full force and effect notwithstanding any assignment by the Authority of any of its rights or obligations under any of the Related Documents or any entering into, or consent by the Authority to, any supplement or amendment to, or termination of, any of the Related Documents.

Section 11.5. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 11.6. Governing Law; Jurisdiction and Venue. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS.

(b) EACH OF PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA AND ANY COURT IN THE STATE OF CALIFORNIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST OR BY IT IN CONNECTION WITH THIS AGREEMENT OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATED THERETO, AND THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD OR DETERMINED IN SUCH CALIFORNIA STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. THE PARTIES AGREE THAT A FINAL NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE AND AGREE NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THE RELATED DOCUMENTS OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS.

Section 11.7. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, Bank of America, N.A. may not assign its obligations to fund Advances and Loans pursuant to the terms of this Agreement without the prior written consent of the Authority (such consent not to be unreasonably withheld). Each Noteholder may, in its sole discretion and in accordance with applicable Law,

from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Note(s) and the other Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Noteholder to a Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees (each, a “*Lender Transferee*”). From and after the date of such sale or transfer, Bank of America, N.A. (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however,* that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Lender hereunder, (B) any such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall be in a minimum amount of \$250,000, (C) the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement and (D) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Lender shall be entitled to enforce the provisions of this Agreement against the Authority. Additionally, each Lender Transferee of all or a portion of the Note(s) shall be deemed to have acknowledged, represented, warranted and agreed with the Authority to all of the provisions set forth in the “Noteholder Representations” attached to the applicable Note. The Lender shall endeavor to provide written notice of such sale or transfer to the Authority and the Trustee for purposes of Section 2.04 of the Master Subordinate Trust Indenture. Upon the request of the Authority, the Lender shall provide the addresses and related information with respect to the Lender Transferee to the Authority.

(c) *Sales and Transfers by Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or any portion of the Note(s) to one or more transferees that the Lender reasonably believes is qualified to purchase or hold the Bonds which are not Lender Transferees but each of which constitutes a Qualified Transferee (each, a “*Non-Lender Transferee*”) if written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the Authority, the Trustee and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee; provided, however, that (x) in any such case the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement and (y) any such sale or transfer shall be in a minimum amount of \$250,000. Additionally, each Non-Lender Transferee of all or a portion of the Note(s) shall be deemed to have acknowledged, represented, warranted and agreed with the Authority to all of the provisions set forth in the “Noteholder Representations” attached to the Notes. The Lender shall endeavor to provide written notice of such sale or transfer to the Authority and the Trustee for purposes of Section 2.04 of the Master Subordinate Trust Indenture.

From and after the date the Authority, the Trustee and the selling Noteholder have received written notice, (A) the Non-Lender Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.7) hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Lender Transferee, and any reference to the assigning Noteholder hereunder and under the other Related Documents shall thereafter refer to such transferring Noteholder and to the Non-Lender Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents (other than its obligation to fund Advances and Loans, as more fully set forth in paragraph (a) of this Section 11.7); *provided, however*, that in any such case the Authority and the Trustee shall be required to deal only with the Lender with respect to any matters under this Agreement.

(d) *Participations.* The Lender shall have the right to grant participations in all or a portion of the Lender's interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of the Lender hereunder and (ii) the Authority and the Trustee shall be required to deal only with the Lender, with respect to any matters under this Agreement, the Bonds and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Authority.

(e) *Certain Pledges.* The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the Related Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

Section 11.8. No Setoff. Notwithstanding anything to the contrary contained herein, the Lender, any Participant and any Noteholder hereby agrees that it will not assert any of its statutory or common law rights of setoff as the depository bank of the Authority in connection with the collection or repayment of any of the Obligations or any other obligation of the Authority owing to the Lender, any Participant or any Noteholder under this Agreement or the other Related Documents.

Section 11.9. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 11.10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, taken together, shall constitute but one and the same Agreement. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or

“in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 11.11. Patriot Act. The Lender hereby notifies the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Lender to identify the Authority in accordance with the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Lender.

Section 11.12. Electronic Execution of Certain Documents. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a “Communication”), including Communications required to be in writing, may, if agreed by the Lender, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Authority agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Authority to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Lender. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Lender of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Lender may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“Electronic Copy”), which shall be deemed created in the ordinary course of the Lender’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Lender is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it; *provided, further*, without limiting the foregoing,

(a) to the extent the Lender has agreed to accept such Electronic Signature, the Lender shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Lender any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT A-1

[FORM OF NON-AMT NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*1933 ACT*”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A GOVERNMENTAL PURPOSE/NON-AMT NOTE

Dated: **[Closing Date]** \$ _____

For value received, the San Diego County Regional Airport Authority (the “*Authority*”) promises to pay to the order of Bank of America, N.A., and its successors and assigns (the “*Lender*”), located at _____, the aggregate unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is the Non-AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Non-AMT Revolving Loans and Non-AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; *provided, however,* that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007,

(the “*Master Subordinate Trust Indenture*”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “*Trustee*”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Subordinate Trust Indenture dated as of _____, 2021 (the “*Eighth Subordinate Trust Indenture*,” and together with the Master Subordinate Trust Indenture, the “*Subordinate Trust Indenture*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Subordinate Trust Indenture.

Date of Authentication: **[Closing Date]**

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; *provided, however,* that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

**TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A
NON-AMT NOTE**

DATE	NON-AMT LOAN COMMITMENT	INTEREST RATE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID	NOTATION MADE BY
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with
full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member or participant
of a signature guarantee program

NOTICE: The signature above must
correspond with the name of the Owner as it
appears upon the front of this Note in every
particular, without alteration or enlargement
or change whatsoever.

EXHIBIT A-2

[FORM OF AMT NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*1933 ACT*”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B PRIVATE ACTIVITY/AMT NOTE

Dated: **[Closing Date]** \$ _____

For value received, the San Diego County Regional Airport Authority (the “*Authority*”) promises to pay to the order of Bank of America, N.A., and its successors and assigns (the “*Lender*”), located at _____, the aggregate unpaid principal amount of all AMT Revolving Loans and AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all AMT Revolving Loans and AMT Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is the AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all AMT Revolving Loans and AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; *provided, however,* that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007, (the “*Master Subordinate Trust Indenture*”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “*Trustee*”), as heretofore amended, and as amended

from time to time in accordance with the terms thereof, and that certain Eighth Subordinate Trust Indenture dated as of _____ 1, 2021 (the “*Eighth Subordinate Trust Indenture*,” and together with the Master Subordinate Trust Indenture, the “*Subordinate Trust Indenture*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Subordinate Trust Indenture.

Date of Authentication: **[Closing Date]**

**U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

**TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B
AMT NOTE**

	DATE	TAXABLE LOAN COMMITMENT	INTEREST RATE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID	NOTATION MADE BY
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member or participant
of a signature guarantee program

NOTICE: The signature above must
correspond with the name of the Owner as it
appears upon the front of this Note in every
particular, without alteration or enlargement
or change whatsoever.

EXHIBIT A-3

[FORM OF TAXABLE NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*1933 ACT*”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C TAXABLE NOTE

Dated: **[Closing Date]** \$ _____

For value received, the San Diego County Regional Airport Authority (the “*Authority*”) promises to pay to the order of Bank of America, N.A., and its successors and assigns (the “*Lender*”), located at _____, the aggregate unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans on the dates and at the rates provided for in the Agreement. All payments of principal and interest shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

This Note is the Taxable Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Taxable Revolving Loans and Taxable Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; *provided, however,* that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007, (the “*Master Subordinate Trust Indenture*”), by and between the Authority and U.S. Bank

National Association, as successor trustee (the “*Trustee*”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Subordinate Trust Indenture dated as of _____ 1, 2021 (the “*Eighth Subordinate Trust Indenture*,” and together with the Master Subordinate Trust Indenture, the “*Subordinate Trust Indenture*”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Subordinate Trust Indenture.

Date of Authentication: **[Closing Date]**

**U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE**

By: _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

**TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C
TAXABLE NOTE**

DATE	TAXABLE LOAN COMMITMENT	INTEREST RATE	AMOUNT OF PRINCIPAL PAID	DATE TO WHICH INTEREST PAID	NOTATION MADE BY
------	----------------------------	------------------	--------------------------------	--------------------------------------	---------------------

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by a member or participant
of a signature guarantee program

NOTICE: The signature above must
correspond with the name of the Owner as it
appears upon the front of this Note in every
particular, without alteration or enlargement
or change whatsoever.

EXHIBIT B

[FORM OF REQUEST FOR ADVANCE]

REQUEST FOR ADVANCE AND REVOLVING LOAN

Bank of America, N.A.

Ladies and Gentlemen:

The undersigned, a Designated Representative, refers to the Revolving Credit Agreement, dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the "Agreement"), by and between the San Diego County Regional Airport Authority (the "Authority") and Bank of America, N.A. (the "Lender") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Lender make an Advance under the Agreement, and in that connection sets forth below the following information relating to such Advance (the "Proposed Advance"):

1. The Business Day of the Proposed Advance is _____, 20____ (the "Advance Date"), which is at least three New York Banking Days after the date hereof.

2. The principal amount of the Proposed Advance is \$_____, which is not greater than the Available Commitment as of the Advance Date set forth in 1 above.

3. The aggregate amount of the Proposed Advance shall be used solely for the payment of [Cost of a Project] or [costs of issuance in connection with this Agreement] or [any other purpose permitted under the Act].

4. The Proposed Advance is hereby identified as [an AMT Revolving Loan] [a Non-AMT Revolving Loan] [a Taxable Revolving Loan]². The Proposed Advance shall constitute [an AMT Loan bearing interest at the SIFMA Rate] [a Non-AMT Loan bearing interest at the SIFMA Rate] [a Taxable Loan bearing interest at the [Taxable BSBY Daily Rate] [Taxable BSBY Term Rate]].

5. [For a Proposed Advance that will be a Non-AMT Loan bearing interest at the SIFMA Rate:] The principal amount of the Proposed Advance set forth in

² With respect to an Advance for an AMT Revolving Loan, _____, as Lender, should confirm that it has received evidence that an IRS Form 8038 has been duly completed by the Authority and signed by the Authority; and with respect to an Advance for Non-AMT Revolving Loan, _____, as Lender, should confirm that it has received evidence that an IRS Form 8038-G has been duly completed by the Authority and signed by the Authority.

2 above does not exceed the Non-AMT Loan Commitment as of the Advance Date set forth in 1 above.

[For a Proposed Advance that will be an AMT Loan bearing interest at the SIFMA Rate:] The principal amount of the Proposed Advance set forth in 2 above does not exceed the AMT Loan Commitment as of the Advance Date set forth in 1 above.

[For a Proposed Advance that will be a Taxable Loan bearing interest at the [Taxable BSBY Daily Rate] [Taxable BSBY Term Rate]:] The principal amount of the Proposed Advance set forth in 2 above does not exceed the Taxable Loan Commitment as of the Advance Date set forth in 1 above.

6. After giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Available Commitment.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Advance Date, before and after giving effect thereto:

- (a) the undersigned is a Designated Representative;
- (b) the representations and warranties of the Authority set forth in Article VII of the Agreement and in each other Related Document are true and correct in all material respects as though made on the date hereof and on the date of Advance Date;
- (c) no Default or Event of Default has occurred and is continuing;
- (d) no Material Adverse Change has occurred;
- (e) after giving effect to the Proposed Advance, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed [the Initial Commitment Amount][(or, following a reduction of the Available Commitment pursuant to Section 2.7 of the Agreement) the Available Commitment]. The proposed amount of the Proposed Advance does not exceed the Available Commitment; and
- (f) the Authority has not received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 2.4(a)(v) of the Agreement may no longer be relied upon. The Lender shall have received satisfactory evidence that all representations and certifications of the Authority that the Lender deems necessary to maintain the tax-exempt status of the interest on any Tax-Exempt Loan have been delivered and are true and correct.

The Proposed Advance shall be made by the Lender by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

[Insert wire instructions]

Very truly yours,

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

REQUEST FOR EXTENSION

[Date]

Bank of America, N.A.

Ladies and Gentlemen:

Reference is made to the Revolving Credit Agreement dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”) by and between the undersigned, the San Diego County Regional Airport Authority (the “*Authority*”) and Bank of America, N.A. (the “*Lender*”). All terms defined in the Agreement are used herein as defined therein.

The Authority hereby requests, pursuant to Section 2.8 of the Agreement, that the Commitment Expiration Date with respect to the Available Commitment as of the date hereof be extended by one year to _____, _____. Pursuant to such Section 2.8, we have enclosed with this request the following information:

1. A reasonably detailed description of any and all Defaults that have occurred and are continuing;
2. Confirmation that all representations and warranties of the Authority as set forth in Article VII of the Agreement and each Related Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and
3. Any other pertinent information previously requested by the Lender.

The Lender is asked to notify the Authority of its decision with respect to this request within 60 days of the date of receipt hereof. If the Lender fails to notify the Authority of the Lender’s decision within such 60-day period, the Lender shall be deemed to have rejected such request.

Very truly yours,

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT D

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California 92101
Attention: Vice President, Chief Financial Officer

Ladies and Gentlemen:

We refer to the Revolving Credit Agreement dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”) by and between the San Diego County Regional Airport Authority (the “*Authority*”) and the undersigned, Bank of America, N.A. Any term below which is defined in the Agreement shall have the same meaning when used herein.

We hereby notify you that an Event of Default has occurred under Section 10.1____ of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Available Commitment **[has been automatically]/[is hereby]** reduced to \$0.00 and the Lender has no further obligation to make Advances under the Agreement; and
2. The Commitment **[has been automatically]/[is]** terminated and will no longer be reinstated.

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the ____ day of
_____, 20__.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____

Name: _____

Title: _____

EXHIBIT E

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

Bank of America, N.A.

Ladies and Gentlemen:

Re: Revolving Credit Agreement dated as of _____ 1, 2021

The San Diego County Regional Airport Authority (the “*Authority*”), through its undersigned, an Authorized Authority Representative, hereby certifies to Bank of America, N.A. (the “*Lender*”), with reference to the Revolving Credit Agreement dated as of _____ 1, 2021 (together with any amendments or supplements thereto, the “*Agreement*”) by and between the Authority and the Lender (the terms defined therein and not otherwise defined herein being used herein as therein defined):

[(1) The Authority hereby informs you that the Commitment is terminated in accordance with the Agreement.]

OR

[(1) The Authority hereby informs you that the Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____.]

IN WITNESS WHEREOF, the Authority has executed and delivered this Notice this _____ day of _____, _____.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT F

[FORM OF NOTICE OF REDUCTION]

NOTICE OF REDUCTION

[Date]

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California 92101
Attention: Vice President, Chief Financial Officer

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.7(a) of the Revolving Credit Agreement, dated as of _____ 1, 2021, by and between the undersigned, the San Diego County Regional Airport Authority (the “*Authority*”) and Bank of America, N.A. (the “*Lender*”), the Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT G

[FORM OF NOTICE OF EXTENSION]

NOTICE OF EXTENSION

[Date]

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California 92101
Attention: Vice President, Chief Financial Officer

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.8 of the Revolving Credit Agreement, dated as of _____ 1, 2021, by and between the San Diego County Regional Airport Authority (the “*Authority*”) and the undersigned, Bank of America, N.A. (the “*Lender*”), the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended _____ to _____, _____. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article VII of the Agreement and each other Related Document are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Very truly yours,

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

Acknowledged as of _____, ____ by

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By _____
Name: _____
Title: _____

EXHIBIT B

EIGHTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Relating to

Relating to

\$200,000,000
San Diego County Regional Airport Authority
Subordinate Airport Revenue Revolving Obligations

Dated as of July [●], 2021

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EIGHTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

THIS EIGHTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE (this “*Eighth Supplemental Subordinate Indenture*”), dated as of July [●], 2021, is made by and between the **SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**, a local government entity of regional government created pursuant to laws of the State of California (the “*Authority*”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”), and supplements the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the “*Master Subordinate Indenture*”), by and between the Authority and the Trustee.

WHEREAS, the Master Subordinate Indenture provides, in Section 2.09 thereof, for the issuance of Subordinate Obligations (as defined in the Master Subordinate Indenture) and, in Section 10.02 thereof, for the execution and delivery of Supplemental Subordinate Indentures (as defined in the Master Subordinate Indenture) setting forth the terms of such Subordinate Obligations; and

WHEREAS, the Authority desires to implement a short-term borrowing program pursuant to the provisions of the Master Subordinate Indenture; and

WHEREAS, the Authority now, for the purpose of providing money to finance and refinance certain capital improvements to the Airport System (as defined in the Master Subordinate Indenture), to finance certain costs of issuance related to the issuance and/or incurrence of the hereinafter defined Revolving Obligations, and for other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority), by execution and delivery of this Eighth Supplemental Subordinate Indenture and in compliance with the provisions of the Master Subordinate Indenture, sets forth the terms of its San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations (the “*Revolving Obligations*”), in an aggregate authorized principal amount of not to exceed \$200,000,000 at any one time outstanding, provides for the deposit and use of the proceeds of the Revolving Obligations and makes other provisions relating to the Revolving Obligations; and

WHEREAS, the Revolving Obligations are being issued as Subordinate Obligations as provided for in Section 2.09 of the Master Subordinate Indenture.

GRANTING CLAUSE

In order to secure the payment of the Revolving Obligations (including the Revolving Loans and the Term Loans), the Notes and the other Obligations, the Authority hereby pledges, assigns and grants to the Lender and the other holders of the Notes all of the liens, rights, interests and privileges set forth in the Granting Clause of, and elsewhere, in the Master Subordinate Indenture. To secure further the payment of the Revolving Obligations, the Revolving Loans, the Term Loans, the Notes and the other Obligations, the Authority in furtherance of the Master Subordinate Indenture hereby pledges and grants to the Lender and the other holders of the Notes a lien on and security interest in and assigns to the Lender and the other holders of the Notes all right, title and interest of the Authority, except as otherwise provided herein, in and to (a) the Revolving Obligation Construction Fund (as hereinafter defined) and all moneys and securities

held from time to time therein, (b) the AMT Revolving Obligation Debt Service Fund (as hereinafter defined) and all moneys and securities held from time to time therein, (c) the Non-AMT Revolving Obligation Debt Service Fund (as hereinafter defined) and all moneys and securities held from time to time therein, and (d) the Taxable Revolving Obligation Debt Service Fund (as hereinafter defined) and all moneys and securities held from time to time therein

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01. Definitions. The following definitions shall apply to terms used in this Eighth Supplemental Subordinate Indenture unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.01 or elsewhere in this Eighth Supplemental Subordinate Indenture shall have the same meanings as set forth in the Master Subordinate Indenture.

“*Account*” means an account established within a fund related to an Advance.

“*Advance*” has the meaning given to such term in the Credit Agreement.

“*Amortization End Date*” has the meaning given to such term in the Credit Agreement.

“*AMT Loan*” and “*AMT Loans*” has the meaning given to such term in the Credit Agreement.

“*AMT Note*” means the “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations Series B Private Activity/AMT Note”. The AMT Note constitutes a Subordinate Obligation under the Master Subordinate Indenture.

“*AMT Project*” means any undertaking, facility or item which is described in a Certificate provided by the Authority at the time of delivery of a Request for Advance and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of AMT Revolving Obligations and/or AMT Revolving Obligations and which project satisfies the requirements of an “exempt facility” under Section 142(a)(1) of the Code and of the Tax Certificate for an AMT Project.

“*AMT Revolving Obligation*” means (a) an AMT Loan, and/or (b) any other Revolving Obligation incurred as an “exempt facility bond” pursuant to Section 142(a)(1) of the Code, the interest on which is not included in the gross income of the Lender or any holder of such AMT Revolving Obligation for federal income tax purposes, but which is included as an item of tax preference in computing the federal alternative minimum tax for individual.

“*AMT Revolving Obligation Debt Service Fund*” means the Debt Service Fund of such designation established pursuant to Section 3.01 hereof and into which money is to be deposited to pay debt service on the AMT Revolving Obligations.

“*Authorized Amount*” means the aggregate principal amount of \$200,000,000.

“Authorizing Resolution” means Resolution No. 2021-[●] adopted by the Board on July 1, 2021.

“Available Commitment” has the meaning given to such term in the Credit Agreement.

“Board” means the board of directors of the Authority.

“Business Day” means any day other than (a) a Saturday, Sunday or other day on which commercial banks located in the States of New York or California are authorized or required by law or executive order to close, or (b) a day on which the New York Stock Exchange is closed.

“Certificate,” “Statement,” “Request,” “Requisition” and “Order” of the Authority means, respectively, a written certificate, statement, request, requisition or order signed by an Authorized Authority Representative or a Designated Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03 hereof, each such instrument shall include the statements provided for in Section 1.03 hereof.

“Code” means, collectively, the Internal Revenue Code of 1986 as amended, and the United States Treasury Regulations applicable with respect thereto.

“Commitment Expiration Date” has the meaning given to such term in the Credit Agreement.

“Credit Agreement” means the Revolving Credit Agreement, dated as of July [●], 2021, by and between the Authority and the Lender, and any and all modifications, alterations, amendments and supplements thereto.

“Credit Agreement Event of Default” means any event or circumstance specified in Section 10.1 of the Credit Agreement.

“Default” has the meaning given to such term in the Credit Agreement.

“Designated Representative” means those individuals appointed as Designated Representatives under the Authorizing Resolution and any other resolution of the Board to complete and deliver a Request for Advance and to perform other duties set forth in the Credit Agreement, the Master Subordinate Indenture and this Eighth Supplemental Subordinate Indenture with respect to the Revolving Obligations.

“Effective Date” has the meaning given to such term in the Credit Agreement.

“Eighth Supplemental Subordinate Indenture” means this Eighth Supplemental Subordinate Trust Indenture, dated as of July [●], 2021, by and between the Authority and the Trustee and which sets forth the terms of the Revolving Obligations.

“Interest Payment Date” has the meaning given to such term in the Credit Agreement.

“Lender” means Bank of America, N.A., and any successors thereto.

“Master Subordinate Indenture” means the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended from time to time, between the Authority and the Trustee under which the Revolving Obligations are authorized and secured.

“Maturity Date” means, (a) with respect to any Revolving Loan, the Revolving Loan Maturity Date, and (b) with respect to any Term Loan, the Amortization End Date.

“New Issue” means the issuance of a Revolving Obligation the proceeds of which are to be used to finance or refinance the Costs of a Project, to finance certain costs of issuance related to the issuance and/or incurrence of such Revolving Obligations, or are used for such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority).

“Non-AMT Loan” and *“Non-AMT Loans”* has the meaning given to such term in the Credit Agreement.

“Non-AMT Note” means the “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations Series A Governmental Purpose/Non-AMT Note”. The Non-AMT Note constitutes a Subordinate Obligation under the Master Subordinate Indenture.

“Non-AMT Project” means any undertaking, facility or item which is described in a Certificate provided by the Authority at the time of delivery of a Request for Advance and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of Non-AMT Revolving Obligations and which project generally satisfies the requirements of a “governmental project” under Section 141 of the Code and of the Tax Certificate for a Non-AMT Project.

“Non-AMT Revolving Obligation” means (a) a Non-AMT Loan, and/or (b) any other Revolving Obligation the interest on which is not included in the gross income of the holder of such Revolving Obligation for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax.

“Non-AMT Revolving Obligation Debt Service Fund” means the Debt Service Fund of such designation established pursuant to Section 3.01 hereof and into which money is to be deposited to pay debt service on the Non-AMT Revolving Obligations.

“Notes” means, collectively, the AMT Note, the Non-AMT Note and the Taxable Note.

“Obligations” has the meaning given to such term in the Credit Agreement.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Proceeds of an Advance” means proceeds of an Advance or any moneys, securities or other obligations that may be deemed to be proceeds of the Advance or collateral for the Advance within the meaning of the Code.

“Project” means an AMT Project, a Non-AMT Project or a Taxable Project.

“Request for Advance” has the meaning given to such term in the Credit Agreement.

“Revolving Loan” has the meaning given to such term in the Credit Agreement.

“Revolving Loan Maturity Date” has the meaning given to such term in the Credit Agreement.

“Revolving Loan Notice” has the meaning given to such term in the Credit Agreement.

“Revolving Obligation Construction Fund” means the Construction Fund of such designation established pursuant to Section 3.02 hereof and into which money is to be deposited to pay (a) Costs of a Project, (b) costs of issuance related to the issuance and/or incurrence of Revolving Obligations, or (c) such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority).

“Revolving Obligation Rebate Fund” means the fund of such designation established in Section 5.01 hereof.

“Revolving Obligations” means any AMT Revolving Obligations, Non-AMT Revolving Obligations or Taxable Revolving Obligations.

“Subaccount” means a subaccount established within an Account related to the issuance of an Advance.

“Taxable Loan” and *“Taxable Loans”* has the meaning given to such term in the Credit Agreement.

“Taxable Note” means the “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations Series C Taxable Note. The Taxable Note constitutes a Subordinate Obligation under the Master Subordinate Indenture.

“Taxable Project” means any undertaking, facility or item which is described in a Certificate provided by the Authority at the time of delivery of a Request for Advance and which the Authority is lawfully permitted to undertake, including, but not limited to, an AMT Project or a Non-AMT Project, and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed with proceeds of Taxable Revolving Obligations.

“Taxable Revolving Obligation” means (a) a Taxable Loan, and/or (b) any other Revolving Obligation the interest on which is included in the gross income of the holder of such Revolving Obligation for federal income tax purposes.

“Taxable Revolving Obligation Debt Service Fund” means the Debt Service Fund of such designation established pursuant to Section 3.01 hereof and into which money is to be deposited to pay debt service on the Taxable Revolving Obligations.

“Tax Certificate” means, collectively, the Tax Compliance Certificate of the Authority executed and delivered on or prior to the date of issuance of the initial Tax-Exempt Revolving Obligations, and any amendments, modifications, reaffirmations or renewals thereof or any new certificate or agreement of the Authority relating to such matters.

“Tax-Exempt Revolving Obligations” means AMT Revolving Obligations and/or Non-AMT Revolving Obligations.

“Term Loan” has the meaning given to such term in the Credit Agreement.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Eighth Supplemental Subordinate Indenture.

ARTICLE II

THE REVOLVING OBLIGATIONS; NOTES

Section 2.01. Authorized Amount of an Advance; Terms and Description of Advances and the Notes.

(a) No Revolving Obligations may be issued under the provisions of this Eighth Supplemental Subordinate Indenture except in accordance with this Article, the Master Subordinate Indenture and the Credit Agreement.

(b) The Authority hereby authorizes the issuance and/or incurrence of its “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations” in the form of AMT Revolving Obligations (including the related AMT Loans), Non-AMT Revolving Obligations (including the related Non-AMT Loans), Taxable Revolving Obligations (including the related Taxable Loans), Advances and the Notes, subject to the provisions of the Credit Agreement, this Section 2.01 and as hereinafter provided. The AMT Revolving Obligations shall be issued and/or incurred, from time to time, as provided herein to finance or refinance the Costs of AMT Projects and/or Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority); the Non-AMT Revolving Obligations shall be issued and/or incurred, from time to time, as provided herein to finance or refinance the Costs of Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such Non-AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority); and the Taxable Revolving Obligations shall be issued from time to time as provided herein to finance or refinance the Costs of AMT Projects, Non-AMT Projects and/or Taxable Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such Taxable Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority). Such

authorization specifically includes the authorization to issue and/or incur Revolving Obligations for such purposes and to repay such obligations on or prior to their respective Maturity Dates, and thereafter, prior to the Commitment Expiration Date, issue new Revolving Obligations provided that at no time may the aggregate principal amount of outstanding Revolving Obligations exceed the lesser of the Authorized Amount or the Available Commitment. The Available Commitment may be modified in accordance with the terms of the Credit Agreement, provided, however, that in no event shall the Available Commitment exceed the Authorized Amount.

(c) Prior to the issuance and/or incurrence of a Revolving Loan a properly presented and conforming Request for Advance shall be delivered to the Lender by a Designated Representative and all conditions precedent set forth in Section 2.4(b) of the Credit Agreement shall be satisfied. Prior to the issuance and/or incurrence of a Term Loan the Authority shall comply with the provisions of Article IV of the Credit Agreement. Revolving Obligations shall be issued and/or incurred in accordance with the terms of the Credit Agreement and each Revolving Obligation is deemed to have been issued upon the incurrence of the Revolving Loan or Term Loan related thereto. Revolving Obligations shall bear interest from their respective dates of issuance and/or incurrence in the amount and in the manner determined under the Credit Agreement and shall be payable on the dates set forth in the Credit Agreement.

(d) The Revolving Obligations shall be issued and/or incurred at a price not less than 100% of the principal amount thereof.

(e) The Revolving Obligations shall be subject to prepayment prior to maturity in accordance with the terms of the Credit Agreement.

(f) No Revolving Obligations may be issued and/or incurred under this Eighth Supplemental Subordinate Indenture and the Credit Agreement if a Default and/or Credit Agreement Event of Default has occurred and is continuing.

(g) On the Effective Date, the Authority will issue the AMT Note (which shall also be authenticated by the Trustee on the Effective Date) in order to evidence the obligation of the Authority to (i) repay the Lender for any Advance related to an AMT Revolving Obligation, any AMT Revolving Obligation, any AMT Loan under the Credit Agreement, together with interest thereon from time to time at the rates and times established in accordance with the Credit Agreement, and (ii) to pay the Lender for all other Obligations incurred pursuant to the Credit Agreement. Principal on each Advance related to an AMT Revolving Obligation, any AMT Revolving Obligation and any AMT Loan as reflected in the AMT Note shall be payable on the applicable Maturity Date(s). The AMT Note shall be issued in the principal amount of \$200,000,000 and shall be substantially in the form of Exhibit A-2 attached hereto.

(h) On the Effective Date, the Authority will issue the Non-AMT Note (which shall also be authenticated by the Trustee on the Effective Date) in order to evidence the obligation of the Authority to (i) repay the Lender for any Advance related to an Non-AMT Revolving Obligation, any Non-AMT Revolving Obligation, any Non-AMT Loan under

the Credit Agreement, together with interest thereon from time to time at the rates and times established in accordance with the Credit Agreement, and (ii) to pay the Lender for all other Obligations incurred pursuant to the Credit Agreement. Principal on each Advance related to an Non-AMT Revolving Obligation, any Non-AMT Revolving Obligation and any Non-AMT Loan as reflected in the Non-AMT Note shall be payable on the applicable Maturity Date(s). The Non-AMT Note shall be issued in the principal amount of \$200,000,000 and shall be substantially in the form of Exhibit A-1 attached hereto.

(i) On the Effective Date, the Authority will issue the Taxable Note (which shall also be authenticated by the Trustee on the Effective Date) in order to evidence the obligation of the Authority to (i) repay the Lender for any Advance related to an Taxable Revolving Obligation, any Taxable Revolving Obligation, any Taxable Loan under the Credit Agreement, together with interest thereon from time to time at the rates and times established in accordance with the Credit Agreement, and (ii) to pay the Lender for all other Obligations incurred pursuant to the Credit Agreement. Principal on each Advance related to an Taxable Revolving Obligation, any Taxable Revolving Obligation and any Taxable Loan as reflected in the Taxable Note shall be payable on the applicable Maturity Date(s). The Taxable Note shall be issued in the principal amount of \$200,000,000 and shall be substantially in the form of Exhibit A-3 attached hereto.

(j) The Revolving Obligations, the Notes, the Obligations and the Credit Agreement shall constitute Subordinate Obligations within the meaning of the Master Subordinate Indenture, and except as otherwise provided in the Credit Agreement, the Lender shall be the holder of the Revolving Obligations, the Notes, the Credit Agreement and the other Obligations, subject to the payment terms established in the Credit Agreement.

Section 2.02. Payment of Revolving Obligations.

(a) The Authority, as provided in Section 5.01 of the Master Subordinate Indenture, covenants and agrees that it will duly and punctually pay or cause to be paid from the Subordinate Net Revenues and to the extent thereof the principal of and interest on every Revolving Obligation. The Authority will make all payments of principal and interest directly to the Trustee in immediately available funds no later than two (2) Business Days preceding the date payment is due on any Revolving Obligation. At the time the Authority makes payments of principal and interest to the Trustee, the Authority shall provide written notice (which can be in the form of an invoice received from the Lender) to the Trustee of the amount of the principal of and interest due on the Revolving Obligations on the applicable payment date. The principal of and the interest on the Revolving Obligations shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. Notwithstanding anything herein or in the Master Subordinate Indenture to the contrary, no presentation or surrender of any of the Notes or any Revolving Obligation shall be required for any payment of principal of or interest on any Revolving Obligation.

(b) The Authority will make all payments of the other Obligations not otherwise paid in accordance with subsection (a) above to the Lender (or such other person as directed in writing by the Lender) in immediately available funds on or before the date such payment is due as provided for in the Credit Agreement. The other Obligations shall be paid in federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. Notwithstanding anything herein or in the Master Subordinate Indenture to the contrary, no presentation or surrender of any of the Notes shall be required for any payment of the other Obligations..

Section 2.03. Use of Revolving Obligation Proceeds. The Authority may issue and/or incur Revolving Obligations under this Eighth Supplemental Subordinate Indenture as AMT Revolving Obligations, Non-AMT Revolving Obligations or Taxable Revolving Obligations.

AMT Revolving Obligations shall be issued and/or incurred, from time to time, hereunder to pay Costs of AMT Projects and/or Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority). Non-AMT Revolving Obligations shall be issued and/or incurred, from time to time, hereunder to pay Costs of Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such Non-AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority). Taxable Revolving Obligations shall be issued and/or incurred, from time to time, hereunder to pay Costs of Taxable Projects, AMT Projects and/or Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such Taxable Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority).

On or prior to the date of each New Issue of Tax-Exempt Revolving Obligations, the Authority shall have obtained an Opinion of Bond Counsel, addressed to the Authority and the Lender, to the effect that the interest on such Tax-Exempt Revolving Obligations is excluded from gross income for federal income tax purposes, except for interest on any AMT Revolving Obligation for any period during which such AMT Revolving Obligation is held by a “substantial user” of the facilities financed or refinanced by such AMT Revolving Obligations or a “related person” within the meaning of Section 147(a) of the Code, and if Non-AMT Revolving Obligations are to be issued and/or incurred that the interest on such Non-AMT Revolving Obligations is not included as an item of tax preference in computing the federal alternative minimum tax.

ARTICLE III

APPLICATION OF SHORT-TERM OBLIGATION PROCEEDS

Section 3.01. Creation of Debt Service Funds. The Authority hereby establishes the “San Diego County Regional Airport Authority Subordinate Airport Revenue AMT Revolving Obligation Debt Service Fund” (the “*AMT Revolving Obligation Debt Service Fund*”) and therein

an Interest Account, a Principal Account and a Prepayment Account, to be held by the Trustee. The AMT Revolving Obligation Debt Service Fund and each of the Accounts held therein shall be maintained by the Trustee in trust for the benefit of the Lender.

The Authority hereby establishes the “San Diego County Regional Airport Authority Subordinate Airport Revenue Non-AMT Revolving Obligation Debt Service Fund” (the “***Non-AMT Revolving Obligation Debt Service Fund***”) and therein an Interest Account, a Principal Account and a Prepayment Account, to be held by the Trustee. The Non-AMT Revolving Obligation Debt Service Fund and each of the Accounts held therein shall be maintained by the Trustee in trust for the benefit of the Lender.

The Authority hereby establishes the “San Diego County Regional Airport Authority Subordinate Airport Revenue Taxable Revolving Obligation Debt Service Fund” (the “***Taxable Revolving Obligation Debt Service Fund***”) and therein an Interest Account, a Principal Account and a Prepayment Account, to be held by the Trustee. The Taxable Revolving Obligation Debt Service Fund and each of the Accounts held therein shall be maintained by the Trustee in trust for the benefit of the Lender.

Section 3.02. Creation of Revolving Obligation Construction Fund. The Authority hereby establishes the “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligation Construction Fund” (the “***Revolving Obligation Construction Fund***”) and therein an AMT Project Account, a Non-AMT Project Account and a Taxable Project Account, to be held by the Trustee. The Trustee shall establish within each AMT Project Account and Non-AMT Project Account a separate Subaccount for each Advance to the extent proceeds of such Advance are to be deposited in the AMT Project Account or Non-AMT Project Account.

Section 3.03. Deposit of Proceeds of Revolving Obligations. Except as otherwise provided in the following sentence, upon receipt from the Lender, the Authority shall transfer or cause to be transferred the proceeds from each Advance to the Trustee immediately upon receipt thereof. The proceeds from each Advance shall be applied by (a) the Trustee, at the direction of an Authorized Authority Representative, for deposit into the appropriate Account and/or Subaccount of the Revolving Obligation Construction Fund, and expended therefor in accordance with the provisions of Section 3.04 hereof, and/or (b) the Authority for such other purposes as allowed by the Act and/or the Master Subordinate Indenture.

Section 3.04. Application of Moneys in the Revolving Obligation Construction Fund.

(a) Except as provided in this Section 3.04, (i) moneys deposited in the AMT Project Account of the Revolving Obligation Construction Fund shall be withdrawn from time to time as directed in writing by an Authorized Authority Representative solely to pay Costs of AMT Projects and/or Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority), (ii) moneys deposited in the Non-AMT Project Account of the Revolving Obligation Construction Fund shall be withdrawn from time to time as directed in writing by an Authorized Authority Representative solely to pay Costs of Non-AMT Projects, to finance certain costs of

issuance related to the issuance and/or incurrence of such Non-AMT Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority), and (iii) moneys deposited in the Taxable Project Account of the Revolving Obligation Construction Fund shall be withdrawn from time to time as directed in writing by an Authorized Authority Representative solely to pay Costs of Taxable Projects, AMT Projects and/or Non-AMT Projects, to finance certain costs of issuance related to the issuance and/or incurrence of such Taxable Revolving Obligations, or to finance or refinance such other financing needs of the Authority (including, but not limited to, the refunding and restructuring of indebtedness of the Authority).

(b) The Trustee shall make payments or disbursements from the Accounts and Subaccounts within the Revolving Obligation Construction Fund upon receipt of a written requisition executed by an Authorized Authority Representative, in substantially the form attached as Exhibit B hereto, which requisition shall state, with respect to each amount requested thereby, (i) the Account and/or Subaccount from which such payment is to be made, (ii) the number of the requisition from such Account and/or Subaccount, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, which may be the Authority in the case of reimbursement for costs theretofore paid by the Authority, (iv) the identity of the Project to which such payment corresponds, and (v) if such amounts are being requisitioned from the AMT Project Account or the Non-AMT Project Account, that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Revolving Obligation Construction Fund shall be invested and reinvested as directed by the Authority in Permitted Investments. Earnings on the Revolving Obligation Construction Fund shall be retained in the Revolving Obligation Construction Fund.

(d) The completion of a Project shall be evidenced by the filing with the Trustee of a certificate of an Authorized Authority Representative stating either (i) the date of completion of the applicable Project and the amount, if any, required in the opinion of such Authorized Authority Representative for the payment of any remaining part of the Costs of such Project or (ii) that all amounts in applicable Account and/or Subaccount of the Revolving Obligation Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the applicable Account and/or Subaccount of the Revolving Obligation Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with the applicable Project, may, at the determination of the Authority, be applied upon written requisition of an Authorized Authority Representative to any other lawful purpose designated in such requisition and for which purpose such proceeds may be used under the Act and the Master Subordinate Indenture. As a condition to the disbursement of funds from the AMT Project Account or the Non-AMT Project Account for a purpose other than those described in Section 3.04(a) hereof, there shall be delivered to the Trustee with the requisition an

opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the Act and the Master Subordinate Indenture and that such use shall not result in the inclusion of interest on any Tax-Exempt Revolving Obligations in gross income of the recipient thereof for federal income tax purposes (subject to the inclusion of any exception contained in the opinion delivered at the time of the original incurrence and/or issuance of such Tax-Exempt Revolving Obligations).

Section 3.05. Deposits Into the AMT Revolving Obligation Debt Service Fund; Use of the AMT Revolving Obligation Debt Service Fund.

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account of the AMT Revolving Obligation Debt Service Fund amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the AMT Revolving Obligations in accordance with the provisions of the Credit Agreement. The Trustee shall also deposit into the Interest Account of the AMT Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit in the Interest Account of the AMT Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account of the AMT Revolving Obligation Debt Service Fund shall be (A) held on a priority basis for the ratable security and payment of interest due on the AMT Revolving Obligations in accordance with their terms, and (B) used by the Trustee to pay the interest on the AMT Revolving Obligations on each Interest Payment Date.

Earnings on any Passenger Facility Charges deposited in the Interest Account of the AMT Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account of the AMT Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on the Business Day following an Interest Payment Date for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account of the AMT Revolving Obligation Debt Service Fund amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay principal of the AMT Revolving Obligations at maturity. The Trustee shall also deposit into the Principal Account of the AMT Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account of the AMT Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Principal Account of the AMT Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of principal due on the AMT Revolving Obligations in accordance with their terms, and (ii) used by the Trustee to pay the principal of the AMT Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on any Passenger Facility Charges deposited in the Principal Account of the AMT Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Principal Account of the AMT Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on or about July 15 of each Fiscal Year for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(c) ***Prepayment Account.*** The Trustee shall deposit into the Prepayment Account of the AMT Revolving Obligation Debt Service Fund amounts received from the Authority or from other sources to be used to pay the redemption price of the AMT Revolving Obligations which are to be redeemed in advance of their maturity. All amounts held at any time in the Prepayment Account of the AMT Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of the redemption price of the AMT Revolving Obligations in accordance with their terms, and (ii) used by the Trustee to pay the redemption price of the AMT Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on amounts in the Prepayment Account of the AMT Revolving Obligation Debt Service Fund shall be retained in such Account or, provided, no Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, paid to the Authority for deposit into the Revenue Account in accordance with instructions given to the Trustee by an Authorized Authority Representative at the time of such deposit.

The AMT Revolving Obligation Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 3.06. Deposits Into the Non-AMT Revolving Obligation Debt Service Fund; Use of the Non-AMT Revolving Obligation Debt Service Fund.

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Non-AMT Revolving Obligations in accordance with the provisions of the Credit Agreement. The Trustee shall also deposit into the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit in the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund shall be (A) held on a priority basis for the ratable security and payment of interest due on the Non-AMT Revolving Obligations in accordance with their terms, and (B) used by the Trustee to pay the interest on the Non-AMT Revolving Obligations on each Interest Payment Date.

Earnings on any Passenger Facility Charges deposited in the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account of the Non-AMT Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on the Business Day following an Interest Payment Date for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay principal of the Non-AMT Revolving Obligations at maturity. The Trustee shall also deposit into the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of principal due on the Non-AMT Revolving Obligations in accordance with their terms, and (ii) used by the Trustee to pay the principal of the Non-AMT Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on any Passenger Facility Charges deposited in the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Principal Account of the Non-AMT Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on or about July 15 of each Fiscal Year for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(c) ***Prepayment Account.*** The Trustee shall deposit into the Prepayment Account of the Non-AMT Revolving Obligation Debt Service Fund amounts received from the Authority or from other sources to be used to pay the redemption price of the Non-AMT Revolving Obligations which are to be redeemed in advance of their maturity. All amounts held at any time in the Prepayment Account of the Non-AMT Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of the redemption price of the Non-AMT Revolving Obligations in accordance with their terms, and (ii) used by the Trustee to pay the redemption price of the Non-AMT Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on amounts in the Prepayment Account of the Non-AMT Revolving Obligation Debt Service Fund shall be retained in such Account or, provided, no Event of

Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, paid to the Authority for deposit into the Revenue Account in accordance with instructions given to the Trustee by an Authorized Authority Representative at the time of such deposit.

The Non-AMT Revolving Obligation Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 3.07. Deposits Into the Taxable Revolving Obligation Debt Service Fund; Use of the Taxable Revolving Obligation Debt Service Fund.

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account of the Taxable Revolving Obligation Debt Service Fund amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Taxable Revolving Obligations in accordance with the provisions of the Credit Agreement. The Trustee shall also deposit into the Interest Account of the Taxable Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit in the Interest Account of the Taxable Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account of the Taxable Revolving Obligation Debt Service Fund shall be (A) held on a priority basis for the ratable security and payment of interest due on the Taxable Revolving Obligations in accordance with their terms, and (B) used by the Trustee to pay the interest on the Taxable Revolving Obligations on each Interest Payment Date.

Earnings on any Passenger Facility Charges deposited in the Interest Account of the Taxable Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account of the Taxable Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on the Business Day following an Interest Payment Date for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account of the Taxable Revolving Obligation Debt Service Fund amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay principal of the Taxable Revolving Obligations at maturity. The Trustee shall also deposit into the Principal Account of the Taxable Revolving Obligation Debt Service Fund any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account of the Taxable Revolving Obligation Debt Service Fund or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Principal Account of the Taxable Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of principal due on the Taxable Revolving Obligations in accordance with their terms, and

(ii) used by the Trustee to pay the principal of the Taxable Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on any Passenger Facility Charges deposited in the Principal Account of the Taxable Revolving Obligation Debt Service Fund shall be retained in such Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Principal Account of the Taxable Revolving Obligation Debt Service Fund shall be withdrawn by the Trustee and paid to the Authority on or about July 15 of each Fiscal Year for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, in which event the earnings shall be retained in such Account.

(c) ***Prepayment Account.*** The Trustee shall deposit into the Prepayment Account of the Taxable Revolving Obligation Debt Service Fund amounts received from the Authority or from other sources to be used to pay the redemption price of the Taxable Revolving Obligations which are to be redeemed in advance of their maturity. All amounts held at any time in the Prepayment Account of the Taxable Revolving Obligation Debt Service Fund shall be (i) held on a priority basis for the ratable security and payment of the redemption price of the Taxable Revolving Obligations in accordance with their terms, and (ii) used by the Trustee to pay the redemption price of the Taxable Revolving Obligations at such times and in such amounts as set forth in the Credit Agreement.

Earnings on amounts in the Prepayment Account of the Taxable Revolving Obligation Debt Service Fund shall be retained in such Account or, provided, no Event of Default exists under the Master Subordinate Indenture or a Default or a Credit Agreement Event of Default exists under the Credit Agreement, paid to the Authority for deposit into the Revenue Account in accordance with instructions given to the Trustee by an Authorized Authority Representative at the time of such deposit.

The Taxable Revolving Obligation Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 3.08. Investment of Moneys in Funds, Accounts and Subaccounts. All moneys in any of the funds, subfunds, Accounts and Subaccounts held by the Trustee and established pursuant to this Eighth Supplemental Subordinate Indenture shall be invested solely in Permitted Investments maturing or available not later than the date on which it is estimated that such moneys will be required. In addition, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund, subfund, Account or Subaccount from which such accrued interest was paid.

The Trustee may, subject to the terms of the Tax Certificate, commingle any of the moneys on deposit in any of the funds, subfunds, Accounts or Subaccounts established pursuant to this Eighth Supplemental Subordinate Indenture into a separate fund or funds for investment purposes only, provided that all funds, subfunds, Accounts and Subaccounts held by the Trustee hereunder shall be accounted for separately as required by this Eighth Supplemental Subordinate Indenture. The Trustee may sell at the best price obtainable, or present for redemption, any Permitted

Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund, subfund, Account or Subaccount to which such Permitted Investment is credited.

The Trustee shall keep or cause to be kept proper books of record and accounts containing complete and correct entries of all transactions made by each, respectively, relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Revolving Obligations, including moneys derived from, pledged to, or to be used to make payments on the Revolving Obligations. Such records shall specify the fund, subfund, Account or Subaccount to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each Permitted Investment, (a) its purchase price, (b) identifying information, including par amount, coupon rate and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition of disposition or maturity.

ARTICLE IV

TAX COVENANTS

Section 4.01. Revolving Obligation Rebate Fund. The Authority hereby agrees that it will enter into the Tax Certificate and will thereunder establish the “San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligation Rebate Fund” (the “**Revolving Obligation Rebate Fund**”), at such times, if any, as provided in the Tax Certificate, which fund will be held by the Trustee and will be funded by the Authority, if so required under the Tax Certificate, and amounts in such Revolving Obligation Rebate Fund to be held and disbursed in accordance with the Tax Certificate.

The Trustee shall establish within the Revolving Obligation Rebate Fund a separate Account representing each Advance for an AMT Revolving Obligation and a Non-AMT Revolving Obligation. All money at any time deposited in the Revolving Obligation Rebate Fund (or any Account therein) in accordance with the provisions of the Tax Certificate shall be held by the Trustee in trust for payment to the federal government of the United States of America, and neither the Authority nor the Lender as holder of Revolving Obligations shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Revolving Obligation Rebate Fund shall be governed by this Eighth Supplemental Subordinate Indenture and by the Tax Certificate. Money shall not be transferred from the Revolving Obligation Rebate Fund except in accordance with the Tax Certificate.

Section 4.02. Preservation of Tax Exemption.

(a) The Authority shall comply with those covenants and agreements set forth in the Tax Certificate.

(b) The Authorized Authority Representatives shall be responsible for the execution and delivery (on or prior to the date of the initial delivery of the Tax-Exempt Revolving Obligations and the dates referred to in the Third paragraph of this subsection (b)) of a Tax Certificate that, in a manner satisfactory to Bond Counsel, evidences

compliance with the relevant requirements of Sections 103 and 141 through 150 of the Code.

The Authority shall set forth in the Tax Certificate its reasonable expectations on the date of delivery of the Tax Certificate as to relevant facts, estimates and circumstances relating to the use of the Tax-Exempt Revolving Obligation proceeds and any other matters deemed relevant by Bond Counsel. The facts, estimates and circumstances set forth in the Tax Certificate will be in all material respects, to the best of the Authorized Authority Representative's knowledge, true and correct as of the respective dates thereof. Neither the Authority, any present or future individual members of the Authority nor any official, agent or employee thereof shall have any individual liability to any holder of a Tax-Exempt Revolving Obligation for any statement or matter included in or omitted from any Tax Certificate.

The Tax Certificate delivered on any date with respect to Tax-Exempt Revolving Obligations shall be deemed to have been executed as of the date of each subsequent delivery of Tax-Exempt Revolving Obligations unless and until the Authorized Authority Representative shall furnish the Trustee and Bond Counsel a new Tax Certificate. The Authority hereby covenants that it shall execute and deliver to the Trustee and Bond Counsel in connection with each delivery of Tax-Exempt Revolving Obligations a new Tax Certificate at such time as its reasonable expectations as to the use of Tax-Exempt Revolving Obligations proceeds change or at such time as Bond Counsel may request. Each Revolving Loan Notice for a Tax-Exempt Revolving Obligation shall constitute the reaffirmation by the Authority as of the date of delivery of such Tax-Exempt Revolving Obligations of the facts, estimates and circumstances set forth in the Tax Certificate of most recent date.

(c) The Authority shall not use or permit the use of any proceeds of the Tax-Exempt Revolving Obligations or any other funds of the Authority held by the Trustee under this Eighth Supplemental Subordinate Indenture, attributable to the Tax-Exempt Revolving Obligations, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority or the Trustee with respect to the Tax-Exempt Revolving Obligations in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Tax-Exempt Revolving Obligation to be "federally guaranteed" within the meaning of Section 149(b) of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Section 103(c) of the Code. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations.

In the event Bond Counsel has informed the Authority that it is necessary to restrict or limit the yield on the investment of money held by the Trustee or to use such money in certain manners, in order to avoid the Tax-Exempt Revolving Obligations being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Tax-Exempt Revolving Obligations at such time, the Authority shall issue to the Trustee a certificate to such effect together with appropriate instructions, in which event the Trustee shall take such action as it is directed

to take to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

Upon the receipt of written advice of Bond Counsel, the Authority may, and upon receipt of an approving ruling from the Internal Revenue Service or a decision of a court of competent jurisdiction the Authority shall, issue to the Trustee a written certificate to the effect that a restriction or limitation on the yield on the investment of any Tax-Exempt Revolving Obligation proceeds that was formerly deemed necessary is now removed or modified (along with appropriate written instructions), in which event the Authority and the Trustee will take such action as is necessary to so hold and invest the Tax-Exempt Revolving Obligation proceeds in accordance with such certificate and instructions. Neither the Authority, the Trustee, nor any present or future board member, official, officer, agent or employee of any of the foregoing shall incur any liability in connection with any certificate or instructions delivered by the Authority to the Trustee as contemplated herein.

(d) The Authority shall at all times do and perform all acts and things permitted by law and this Eighth Supplemental Subordinate Indenture which are necessary or desirable in order to assure that interest paid on the Tax-Exempt Revolving Obligations (or any of them) will not be included in gross income for federal income tax purposes (other than interest paid to holders of the AMT Revolving Obligations that are a "substantial user" of the facilities financed and refinanced with the AMT Revolving Obligations or a "related person" within the meaning of Section 147(a) of the Code) and, with respect to the Non-AMT Revolving Obligations, will not be included as an item of tax preference in computing the federal alternative minimum tax, and the Authority shall take no action that would result in such interest on any Tax-Exempt Revolving Obligations being included in gross income for federal income tax purposes (other than interest paid to holders of the AMT Revolving Obligations that are a "substantial user" of the facilities financed and refinanced with the AMT Revolving Obligations or a "related person" within the meaning of Section 147(a) of the Code) or interest on any Non-AMT Revolving Obligations being included as an item of tax preference in computing the federal alternative minimum tax.

ARTICLE V

MISCELLANEOUS

Section 5.01. Additional Event of Default and Remedy.

(a) As permitted by Sections 8.01(f) and 8.12 of the Master Subordinate Indenture, there is hereby provided an additional Event of Default:

"A Credit Agreement Event of Default shall be an Event of Default under Section 8.01 of the Master Subordinate Indenture with respect to the Revolving Obligations."

(b) As permitted by Sections 8.02(c) and 8.12 of the Master Subordinate Indenture, there is hereby provided an additional remedy:

“The remedies provided for in the Credit Agreement upon the occurrence and continuation of an Event of Default shall be additional remedies allowed to be undertaken by the Lender under Section 8.02 of the Master Subordinate Indenture with respect to the Revolving Obligations.”

Section 5.02. Modification of the Master Subordinate Indenture and this Eighth Supplemental Subordinate Indenture. The Authority may, from time to time and at any time, execute and deliver Supplemental Subordinate Indentures supplementing and/or amending the Master Subordinate Indenture and this Eighth Supplemental Subordinate Indenture in the manner set forth in Article X of the Master Subordinate Indenture.

Section 5.03. Obligations Afforded Status of Subordinate Obligations. Obligations owed by the Authority to the Lender shall be afforded the status of a Subordinate Obligation and the Lender shall be the Subordinate Obligation holder subject to the payment terms established in the Credit Agreement.

Section 5.04. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Eighth Supplemental Subordinate Indenture or the Revolving Obligations must be in writing, except as expressly provided otherwise, in this Eighth Supplemental Subordinate Indenture or the Revolving Obligations.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when mailed by first-class mail, postage prepaid, addressed to the Authority or the Trustee at the addresses provided in the Master Subordinate Indenture or when delivered by hand and received by the Authority or the Trustee at the addresses provided in the Master Subordinate Indenture. Any notice or other communication to the Lender shall be sent to the following address:

Authority: San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California
Attention: Vice President, Chief Financial Officer
Telephone: 619-400-2802

With copy to:

San Diego County Regional Airport Authority
Commuter Terminal, 3rd Floor
3225 North Harbor Drive
San Diego, California
Attention: General Counsel
Telephone: 619-400-2802

Trustee U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services
Telephone: 213-615-6023

Lender: Bank of America, N.A.
[•]

Any addressee may designate additional or different addresses for purposes of this Section.

Section 5.05. Parties Interested Herein. Nothing in this Eighth Supplemental Subordinate Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the Trustee and the Lender, any right, remedy or claim under or by reason of this Eighth Supplemental Subordinate Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Eighth Supplemental Subordinate Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Lender.

Section 5.06. Severability. If any provision of this Eighth Supplemental Subordinate Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Eighth Supplemental Subordinate Indenture.

Section 5.07. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 5.08. Governing Law. This Eighth Supplemental Subordinate Indenture shall be governed by and construed in accordance with the laws of the State.

Section 5.09. Captions. The captions in this Eighth Supplemental Subordinate Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Eighth Supplemental Subordinate Indenture.

Section 5.10. Counterparts. This Eighth Supplemental Subordinate Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Eighth Supplemental Subordinate Trust Indenture to be duly executed, all as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By _____
Kimberly J. Becker,
President and CEO

Attest:

By _____
Tony R. Russell,
Director, Board Services/Authority Clerk

Approved as to form:

By _____
Amy Gonzalez
General Counsel

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Representative

[Signature page to Eighth Supplemental
Subordinate Trust Indenture]

EXHIBIT A-1
FORM OF NON-AMT NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A
GOVERNMENTAL PURPOSE/NON-AMT NOTE**

Dated: July [•], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of Bank of America, N.A., and its successors and assigns (the “Lender”), located at [•], the aggregate unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July [•], 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the Non-AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Non-AMT Revolving Loans and Non-AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A
NON-AMT NOTE

<u>Date</u>	<u>Non-AMT Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT A-2
FORM OF AMT NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B
PRIVATE ACTIVITY/AMT NOTE**

Dated: July [•], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of U.S. Bank National Association, and its successors and assigns (the “Lender”), located at 633 W. 5th Street, 25th Floor, Los Angeles, California 90071, the aggregate unpaid principal amount of all AMT Revolving Loans and AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all AMT Revolving Loans and AMT Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all AMT Revolving Loans and AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B
AMT NOTE

<u>Date</u>	<u>AMT Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT A-3
FORM OF TAXABLE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C
TAXABLE NOTE**

Dated: July [•], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of U.S. Bank National Association, and its successors and assigns (the “Lender”), located at 633 W. 5th Street, 25th Floor, Los Angeles, California 90071, the aggregate unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the Taxable Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Taxable Revolving Loans and Taxable Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C
TAXABLE NOTE

<u>Date</u>	<u>Taxable Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT B

FORM OF REVOLVING OBLIGATION CONSTRUCTION FUND REQUISITION

Requisition No. _____

To: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

Re: San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligation Construction Fund

Account and/or Subaccount amount to be transferred from: _____

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

Description of Project: _____

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the San Diego County Regional Airport Authority (the "Authority") and U.S. Bank National Association, as successor to Deutsche Bank National Trust Company, as trustee (the "Trustee"), and the Eighth Supplemental Subordinate Trust Indenture, dated as of July [●], 2021 (the "Eighth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee, hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligation Construction Fund held under the Eighth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.'

[Amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated July [●], 2021 and relating to the Tax-Exempt Revolving Obligations.]

Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Eighth Supplemental Subordinate Indenture.

Dated: _____.

By _____
Authorized Authority Representative

EXHIBIT C**AMT NOTE**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B
PRIVATE ACTIVITY/AMT NOTE**

Dated: July [●], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of U.S. Bank National Association, and its successors and assigns (the “Lender”), located at 633 W. 5th Street, 25th Floor, Los Angeles, California 90071, the aggregate unpaid principal amount of all AMT Revolving Loans and AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all AMT Revolving Loans and AMT Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all AMT Revolving Loans and AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES B
AMT NOTE

<u>Date</u>	<u>AMT Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT D**NON-AMT NOTE**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A
GOVERNMENTAL PURPOSE/NON-AMT NOTE**

Dated: July [●], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of Bank of America, N.A., and its successors and assigns (the “Lender”), located at [●], the aggregate unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July [●], 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Non-AMT Revolving Loans and Non-AMT Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the Non-AMT Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Non-AMT Revolving Loans and Non-AMT Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES A
NON-AMT NOTE

<u>Date</u>	<u>Non-AMT Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT E**TAXABLE NOTE**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 11.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C
TAXABLE NOTE**

Dated: July [●], 2021 \$200,000,000

For value received, the San Diego County Regional Airport Authority (the “Authority”) promises to pay to the order of U.S. Bank National Association, and its successors and assigns (the “Lender”), located at 633 W. 5th Street, 25th Floor, Los Angeles, California 90071, the aggregate unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Authority and the Lender, on the dates and in the amounts provided for in the Agreement.

The Authority promises to pay interest on the unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans on the dates and at the rates provided for in the Agreement. In addition to the principal of and interest on this Note, the Authority promises to pay such other Obligations due and payable by the Authority under the Credit Agreement. All payments of principal, interest and other Obligations shall be made to the Lender in lawful money of the United States of America in immediately available funds. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Agreement and the hereinafter defined Subordinate Trust Indenture.

This Note is the Taxable Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part in accordance with the terms of the Agreement.

The Lender agrees, by acceptance of this Note, that before disposing of this Note it will make a notation on the schedule attached hereto of all Taxable Revolving Loans and Taxable Term Loans evidenced hereby and all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; provided, however, that the failure to make any such notation shall not limit or otherwise affect the obligation of the Authority hereunder with respect to payments of principal of and interest on this Note.

This Note is issued pursuant to, in entitled to the benefits of, and is subject to, the provisions of the Agreement, that certain Master Subordinate Trust Indenture, dated as of September 1, 2007 (the “Master Subordinate Trust Indenture”), by and between the Authority and U.S. Bank National Association, as successor trustee (the “Trustee”), as heretofore amended, and as amended from time to time in accordance with the terms thereof, and that certain Eighth Supplemental Subordinate Trust Indenture, dated as of July [•], 2021 (the “Eighth Supplemental Subordinate Trust Indenture,” and together with the Master Subordinate Trust Indenture, the “Subordinate Trust Indenture”), by and between the Authority and the Trustee. This Note constitutes a Subordinate Obligation within the meaning of the Subordinate Trust Indenture.

This Note is payable solely from the Subordinate Net Revenues in accordance with the Agreement, and this Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the Authority. The holder hereof shall not have the right to demand payment of this obligation from any sources or properties of the Authority except the Subordinate Net Revenues.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS NOTE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

THIS NOTE AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By _____
President and CEO

Attest:

By: _____
Director, Board Services/Authority
Clerk

CERTIFICATE OF AUTHENTICATION

This Note is a Subordinate Obligation, as defined in the Subordinate Trust Indenture, and a Revolving Obligation, as defined in the Eighth Supplemental Subordinate Trust Indenture.

Date of Authentication: July [•], 2021

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Authority as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) an Affiliate of the Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, the owners of any beneficial interest in which are limited to Qualified Transferees; or

(b) a Non-Lender Transferee, such Noteholder is a transferee that the Lender reasonably believes is qualified to purchase or hold this Note which is not a Lender Transferee but which constitutes a Qualified Transferee.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Authority, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

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6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS
ON
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SUBORDINATE AIRPORT REVENUE REVOLVING OBLIGATIONS SERIES C
TAXABLE NOTE

<u>Date</u>	<u>Taxable Loan Commitment</u>	<u>Interest Rate</u>	<u>Amount of Principal Paid</u>	<u>Dated to Which Interest Paid</u>	<u>Notation Made by</u>
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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or

Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

San Diego County Regional Airport Authority

ITEM 4

Short Term Borrowing Program

Presented by John Dillon, Director, Financial and Risk Management

June 21, 2021

Overview

- Rationale for a Short-term Variable Rate Borrowing Program
- Request for Proposal Results
- Revolving Credit Agreement
- Program Documents
- Recommendation and Requested Action



Rationale for a Short-term Variable Rate Debt Program

- Used to manage capital funding requirements
- Flexible, “just-in-time” funding
- Interim capital funding source between long-term bond issues
- Variable rate debt generally provides the lowest cost of funds for the short-term
- Authority’s Previous Program terminated in June 2020

Rationale for a Short-term Variable Rate Debt Program

Staff anticipates the need for short term debt capacity to support the development and construction of the New T1:

- Interim funding of the New T1 before initial debt issuance
- Use of short-term debt facility can help meet monthly cash outlay during the New T1 construction between issuance of long-term debt and preserve liquidity metrics

\$ in millions

The New T1 Monthly Cash flows



Request for Proposal Results

The Authority timed the RFP ahead of the Underwriter RFP and elicited a very strong response:

- 7 respondents proposed direct pay letters of credit to support a commercial paper program with terms of 1 to 5 years
- 6 respondents proposed revolving lines of credit with terms of 1 to 5 years

Revolving Credit Agreement

The highest ranked proposal was from Bank Of America for a revolving line of credit for up to \$200 million with the following terms:

- 3-year term
- Tax Exempt pricing: SIFMA* + 50 Basis Points (BPS)
- Taxable pricing: BSBY† Daily Floating Rate + 62 BPS
- Unutilized Pricing: up to 40% utilization 30 BPS; Greater than 40% utilization 0 BPS.

*a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations

† index maintained by Bloomberg and measures the average yields for banks to access overnight funding

Program Documents

Final terms have been agreed with Bank of America. Documents required to implement Revolving Credit short term debt program:

The Revolving Credit Agreement with Bank of America which Sets forth the key terms including the \$200M commitment and 3-year term and the Authority's payment obligations, covenants and warranties

8th Supplemental Subordinate Bond indenture with US Bank is the Financing document that will set forth the general terms of the bonds including the pricing and security pledge

The AMT/Non-AMT/Taxable Notes are promissory notes that will evidence the Authority's payment obligations to the bank

Recommendation and requested actions

Staff recommends that the Committee forward the following recommendations to the Board for approval:

Adopt Resolution No. 2021-XXXX:

- (1) Approving a Short-Term Borrowing Program in an aggregate principal amount not to exceed \$200,000,000 outstanding at any one time to provide an interim funding source for the New T1 and other capital projects;
- (2) Authorizing the President/CEO (or such other Designated Officer) to negotiate and execute a Revolving Credit Agreement with Bank of America, N.A.; and
- (3) Approving the form of an Eighth Supplemental Subordinate Trust Indenture, an AMT, Non-AMT and Taxable Note

Questions?



SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

Item No. 5

Executive Committee Staff Report

Meeting Date: June 21, 2021

Subject:

Pre-Approval of Travel Requests and Approval of Business and Travel Expense Reimbursement Requests for Board Members, the President/CEO, the Chief Auditor and General Counsel

Recommendation:

Pre-approve Travel Requests and approve Business and Travel Expense Reimbursement Requests.

Background/Justification:

Authority Policy 3.30 (3)(b) and (4) require that travel and business expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved or pre-approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

On August 24, 2020, the Executive Committee pre-approved set dollar amounts for routine, in-town business expenses to be used during Fiscal Year 2021 for the President/CEO, General Counsel and Chief Auditor as authorized in Policy 3.30(3)(b)(i)(C).

The attached reports are being presented to comply with the requirements of Policy 3.30.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2021 Budget.

Executive Committee Staff Report

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Meeting Date: June 21, 2021

Authority Strategies/Focus Areas:

This item supports one or more of the following (*select at least one under each area*):

Strategies

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Focus Areas

- Advance the Airport Development Plan Transform the Customer Journey Optimize Ongoing Business

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.
- C. NEPA: This Board action is not a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, no formal review under the National Environmental Policy Act ("NEPA") is required.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/AUTHORITY CLERK

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

- A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
- B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: Kimberly J. Becker Department: Executive, BU6
Position: Board Member President/CEO General Counsel Chief Auditor
 All Other Authority Employees

DATE OF REQUEST: 06/02/21 DATE OF DEPARTURE/RETURN: 09/24/2021 / 09/28/2021

DESTINATION / BUSINESS PURPOSE:

Destination: Savannah, GA

Business Purpose: AAAE – Russell Hoyt National Airports Conference & AAAE Policy Council Meeting

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:

- Airfare check box for business class or equivalent (international only)
- Rental Car
- Other Transportation (Taxi, TNC, Train, Bus)
- Auto (Gas, Parking/Tolls, Mileage)

\$	500.00
\$	
\$	200.00
\$	
\$	\$1,200.00
\$	244.00
\$	640.00
\$	
\$	2,784.00

B. Lodging

C. Meals and Incidental Expenses (Per Diem)

D. Seminar and Conference Fees

E. Entertainment

TOTAL PROJECTED TRAVEL EXPENSES

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kim Becker (Kim Becker / Jun 2, 2021 12:07 PDT)

kbecker@san.org Date: Jun 2, 2021

CERTIFICATION BY ADMINISTRATOR (*If Administrator is Executive Committee, Clerk certifies below.*)

By my signature below, I certify the following:

1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, certify that this document was approved
(Name of Clerk)
by the Executive Committee at its _____ meeting.
(Meeting Date)



2021 F. Russell Hoyt National Airports Conference

September 26-28, 2021 | Savannah, Georgia

REGISTRATION IS NOW OPEN

Registration for the **F. Russell Hoyt National Airports Conference (NAC)**, to be held September 26-28, 2021, in Savannah, Georgia, is now open. The NAC offers incomparable opportunities to engage in meaningful discussions with colleagues on priorities within our industry, and strengthen partnerships to advance operations within our airports.

AAAE and the NAC Planning Committee have put together an impressive program that revisits conversations happening before the pandemic to ensure we can move ahead. Topics include PFAS, unmanned aircraft systems (UAS), alternate and resilient energy sources, airport insurance and liability, the future of concessions, how to create healthy terminals, and more.

[Register Today](#)

RESERVE YOUR HOTEL ROOM

Once you have registered, be sure to book your housing in our official hotel block at the **Westin Savannah Harbor Golf Resort & Spa**. We have secured a special rate for NAC attendees, and we expect the hotel to sell out, so don't wait to make your reservations.

ABOUT THE HOST CITY

Known for its rich history, stunning architecture, and Southern hospitality, it is no wonder Savannah has been nicknamed the Hostess City. Visit one of Savannah's world-famous museums, take a tour at Bonaventure Cemetery, and sit back to enjoy a meal served right from the coast. Savannah truly offers something special for every visitor.

We look forward to welcoming you to Savannah in September.

FEES

	On/Before August 13	After August 13
AAAE/IAAE Member	\$640	\$760
Non-Member	\$815	\$900
Federal Government Employee	\$450	\$450

ACCREDITED AIRPORT EXECUTIVES

The NAC is worth 12 credits in the Continuing Airport Management Education Unit (CEU) program.

CANCELLATION POLICY

Registrations, cancellations and refund requests must be submitted in writing. All cancellation requests for registrations received on or before Friday, September 10, 2021, are subject to a \$125 cancellation processing fee; approved refunds will be processed after the meeting takes place. There will be no refunds of any kind after this date. Cancellations with outstanding invoices received within two weeks of the start of the conference, will require



U.S. General Services Administration

FY 2021 Per Diem Rates for Savannah, Georgia

Meals & Incidentally (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & Last Day of Travel
Savannah	Chatham	\$61	\$14	\$16	\$26	\$5	\$45.75

Revised 6-17-21

DRAFT

Board Meeting Agenda

Thursday, July 1, 2021

9:00 A.M.

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

Board Members

Johanna Schiavoni (Chair)
Paul Robinson (Vice Chair)
Catherine Blakespear
Gil Cabrera
Mary Casillas Salas
Robert T. Lloyd
Paul McNamara
Nora E. Vargas
Marni von Wilpert

Ex-Officio Board Members

Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President/CEO

Kimberly J. Becker

This meeting of the Board of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-08-21 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record; each of these comments will be read for up to three minutes or for the time determined by the Chair. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Authority Board and submitted into the written record for the meeting.

Comment on Agenda Items

Public comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:00 a.m. on the day of the meeting will be distributed to the Board and included in the record.

If you'd like to speak to the Board live during the meeting, please follow these steps to request to speak:

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- **Step 1:** Fill out the online [**Request to Speak Form**](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board?EntryId=13946>
- **Step 3:** When the Board begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Staff will then ask you to state your name and begin your comments.

How to Watch the Meeting

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board?EntryId=13946>

Requests for Accessibility Modifications or Accommodations

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or clerk@san.org. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility.

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

Note: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

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CALL TO ORDER:

ROLL CALL:

PRESENTATIONS:

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

- **AUDIT COMMITTEE:**

Committee Members: Blakespear, Casillas Salas, Lloyd, Vann (Chair), Newsom, Vargas, Wong Nickerson

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**

Committee Members: Blakespear, Cabrera, McNamara (Chair), Schiavoni, von Wilpert

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Committee Members: McNamara, Robinson (Chair), Schiavoni, Vargas

- **FINANCE COMMITTEE:**

Committee Members: Cabrera, Casillas Salas, Lloyd (Chair), von Wilpert

AD HOC COMMITTEES

- **DIVERSITY, EQUITY AND INCLUSION AD HOC COMMITTEE:**

Committee Members: Cabrera (Chair), Casillas Salas, Schiavoni, Vargas

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**

Liaison: Casillas Salas (Primary), Robinson

- **ARTS ADVISORY COMMITTEE:**

Committee Member: Robert H. Gleason

LIAISONS

- **CALTRANS:**

Liaison: Dallarda

- **INTER-GOVERNMENTAL AFFAIRS:**

Liaison: Cabrera

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- **MILITARY AFFAIRS:**

Liaison: Dockery

- **PORT:**

Liaisons: Robinson, Schiavoni (Primary), Vargas

- **WORLD TRADE CENTER:**

Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:**

Representative: Robinson, Schiavoni (Primary)

- **SANDAG TRANSPORTATION COMMITTEE:**

Representatives: Cabrera (Primary), Lloyd

CHAIR REPORT:

PRESIDENT/CEO REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (ITEMS 1- 18):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the June 3, 2021 regular Board meeting.

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2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

(Board Services: Tony R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 10, 2021 TO JUNE 6, 2021 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 10, 2021 TO JUNE 6, 2021:

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JULY 2021 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2021-____, approving the July Legislative Report.

(Government Relations: Matt Harris, Director)

5. ANNUAL REVIEW AND NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE CALIFORNIA PUBLIC UTILITIES CODE:

RECOMMENDATION: Adopt Resolution No. 2021-____, accepting the Board Member Weighted Vote Point Allocation as required by Section 170014 of the California Public Utilities Code.

(Board Services: Tony R. Russell, Director/Authority Clerk)

6. APPROVE APPOINTMENTS TO THE ARTS ADVISORY COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2021-____, approving the appointments of Ethan van Thillo, Jerome Fontamillas, and Robert Gleason to the Arts Advisory Committee.

(Customer Experience & Innovation: Chris Chalupsky, Senior Manager, Arts Program)

CLAIMS

COMMITTEE RECOMMENDATIONS

7. REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDITS FOR THE FISCAL YEAR ENDED JUNE 30, 2021:

RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

(Accounting: Elizabeth Stewart, Interim Director)

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8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONTRACT TO BAKER TILLY US, LLP TO PROVIDE ON-CALL CONSTRUCTION AUDIT SERVICES:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2021-____, approving and authorizing the President/CEO to negotiate and execute an agreement with Baker Tilly US, LLP to provide On-Call Construction Audit Services, in an amount not to exceed \$1,500,000 for term of three years with an option for two (2) two-year extensions, which may be exercised at the sole discretion of the Authority's President/CEO.
(Audit: Lee Parravano, Chief Auditor)

CONTRACTS AND AGREEMENTS

9. **AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 11, GROUP 2, PROJECT NO. 381102 FORTY (40) NON-HISTORIC MULTI-FAMILY UNITS ON SIX (6) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2021-____, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$687,609.74 for Phase 11, Group 2, Project No. 381102, of the San Diego County Regional Airport Authority's Quieter Home Program.

(Planning & Environmental Affairs: Brendan Reed, Director)

10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE ON-CALL INDUSTRIAL HYGIENE SERVICES AGREEMENT WITH AURORA INDUSTRIAL HYGIENE:**
RECOMMENDATION: Adopt Resolution No. 2021-____, approving and authorizing the President/CEO to execute a first Amendment to the On-call Industrial Hygiene Services Agreement with Aurora Industrial Hygiene, increasing the amount payable by \$250,000 for a total not-to-exceed compensation amount of \$800,000.
(Planning & Environmental Affairs: Brendan Reed, Director)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

11. **AWARD A CONTRACT TO _____ FOR REFURBISH EAST SOLID & LIQUID WASTE FACILITIES AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No 2021-00_____, awarding a contract to _____ in the amount of \$____ for Project No. 104274, East Solid & Liquid Waste Facilities at San Diego International Airport.
(Airport Design and Construction: Bob Bolton, Director)

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- 12. AWARD A CONTRACT TO _____ FOR REMODEL TERMINAL 2 EAST (T2E) FOR ACCESS CONTROL OFFICE (ACO) & HARBOR POLICE DEPARTMENT (HPD) RELOCATION AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No 2021-00_____, awarding a contract to _____ in the amount of \$____ for Project No. 104290, T2E for ACO & HPD Relocation at San Diego International Airport.
(Airport Design and Construction: Bob Bolton, Director)
- 13. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 11, GROUP 3, PROJECT NO. 381103 ONE-HUNDRED-TWO (102) NON-HISTORIC MULTI-FAMILY UNITS ON THREE (3) RESIDENTIAL PROPERTIES LOCATED WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2021-_____, awarding a contract to G&G Specialty Contractors, Inc. in the amount of \$2,045,240.46 for Phase 11, Group 3, Project No. 381103, of the San Diego County Regional Airport Authority's Quieter Home Program.
(Planning & Environmental Affairs: Brendan Reed, Director)
- 14. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR QUIETER HOME PROGRAM PHASE 10, GROUP 8, WITH S&L SPECIALTY CONSTRUCTION, INC., IN THE AMOUNT OF \$180,509.04 TO A NEW TOTAL CONTRACT VALUE OF \$2,081,865.27:**
RECOMMENDATION: Adopt Resolution No. 2021-_____, authorizing an increase in the President/CEO's change order authority for Quieter Home Program Phase 10, Group 8, with S&L Specialty Construction, Inc., in the amount of \$180,509.04, to a new total contract value of \$2,081,865.27.
(Planning & Environmental Affairs: Brendan Reed, Director)
- 15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LANDSCAPE MAINTENANCE AGREEMENT WITH AZTEC LANDSCAPING, INC.:**
RECOMMENDATION: Adopt Resolution No. 2021-_____, approving and authorizing the President/CEO to execute a landscape maintenance Agreement with Aztec Landscaping, Inc., for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$3,000,000, for five years, to provide landscape maintenance services, at San Diego International Airport ("SDIA").
(Facilities Management: David LaGuardia, Director)

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- 16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRE ALARM AND RELATED SYSTEMS MAINTENANCE SERVICE AGREEMENT WITH SYNAL SYSTEMS:**
RECOMMENDATION: Adopt Resolution No. 2021-____, approving and authorizing the President/CEO to execute a fire alarm and related systems maintenance service Agreement with Synal Systems, for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed compensation amount of \$1,190,484, for five years, to provide fire alarm and related systems maintenance services, at San Diego International Airport ("SDIA").

(Facilities Management: David LaGuardia, Director)

- 17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR ACCESS CONTROL SYSTEM MAINTENANCE AND REPAIR SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2021-____, approving and authorizing the President/CEO to execute an Agreement with Network Security Electronics, Inc. (NSEI) for access control system maintenance and repair services in an amount not to exceed XXXX million dollars (\$XX,XXX,XXX) for a term of three (3) years, with the option of four (4) one-year extensions at the sole discretion of the President/CEO.

(Aviation Security & Public Safety: Clint Welch, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO MODIFY CONCESSION LEASE MINIMUM GUARANTEE LANGUAGE EFFECTIVE FISCAL YEAR 2022 FOR ALL CONCESSION AGREEMENTS AT THE AIRPORT, AS A RESULT OF THE CONTINUED IMPACT OF THE COVID-19 PANDEMIC:**
RECOMMENDATION: Adopt Resolution No. 2021-____, approving and authorizing the President/CEO to execute the required agreements to modify the Concession Lease Minimum Annual Guarantee Language effective fiscal year 2022 for all Concession Agreements at the Airport, in response to the continued impact of the COVID-19 pandemic crisis.

(Revenue Generation & Partnership Development: Jim DeCock, Interim Director)

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19. APPROVE A REVOLVING CREDIT SHORT-TERM BORROWING PROGRAM AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A REVOLVING CREDIT AGREEMENT WITH BANK OF AMERICA, N.A.:

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2021-____, approving the Revolving Credit Short-term Borrowing Program in an aggregate principal amount not to exceed \$200,000,000; (2) authorizing the President/CEO to negotiate and execute a Revolving Credit Agreement with Bank of America, N.A. in an amount not to exceed \$200,000,000 outstanding at any one time to provide an interim funding source for the New T1 and other capital projects; and (3) approving the form of an Eight Supplemental Subordinate Trust Indenture.

(Finance & Risk Management: John Dillon, Director)

20. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE TURNER-FLATIRON, A JOINT VENTURE CONTRACT FOR AIRPORT DEVELOPMENT PROGRAM TERMINAL AND ROADWAYS EXTENDING THE VALIDATION PHASE:

RECOMMENDATION: Adopt Resolution No 2021-____, approving and authorizing the President/CEO to negotiate and execute an Amendment to the Contract with Turner-Flatiron, a Joint Venture, extending the Validation Phase Services Agreement by 107 days from 300 days to 407 days and increasing the contract price by xxxxxx from \$80,000,000 to \$_____ for validation phase services, extended design, early procurement, and early construction in support of design and construction of Airport Development Program Package 1, Terminal and Roadways.

(Development: Dennis Probst, Vice President & Chief Development Officer)

21. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A CONTRACT AND A FUTURE GUARANTEED MAXIMUM PRICE AMENDMENT WITH _____, FOR DESIGN AND CONSTRUCTION OF AIRPORT DEVELOPMENT PROGRAM PACKAGE 3 – NEW ADMINISTRATION BUILDING:

RECOMMENDATION: Adopt Resolution No 2021-____, approving and authorizing: (1) the President/CEO to negotiate and execute a Contract with _____, establishing a Maximum Contract Price of \$xxxxxxxx and a contract duration of 930 calendar days for the design and construction of Airport Development Program Package 3, New Administration Building; (2) the President/CEO to negotiate and execute a future Guaranteed Maximum Price Amendment within the Maximum Contract Price after execution of the Contract; and (3) removal of the existing program management complex trailers.

(Development: Dennis Probst, Vice President & Chief Development Officer)

Thursday, July 1, 2021

CLOSED SESSION:

22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL

24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of case: In re Advantage Holdco, Inc., et al., Case No. 20-11259-JTD

25. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of case: Neighbors Against Noise and Traffic v. City of El Cajon, et al.
San Diego Superior Court Case No. 37-2021-00016823-CU-TT-CTL

26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)

Number of cases: 2

27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)

Number of potential cases: 1

28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)

Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS

Number of potential cases: 1

29. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)

Navy Boat Channel Environmental Remediation

Number of potential cases: 1

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Thursday, July 1, 2021

30. CONFERENCE WITH LABOR NEGOTIATORS:

Cal. Gov. Code section 54957.6

Agency designated representatives: Angela Shafer-Payne, Monty Bell, Lola Barnes, Greg Halsey, Rod Betts

Employee organization: California Teamsters Local 911

31. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

(Government Code §54956.8)

Property: 2 parcels of land situated in the City of San Diego, County of San Diego, State of California, said parcels being a portion of that 231.21 acre tract of land acquired by Warranty Deed from San Diego Securities Company dated June 4, 1917 and recorded June 9, 1917 in Book 740 at page 61 of Deeds in the Office of the Recorder of San Diego County and a portion of that 180.34 acre tract of land acquired by Deed from the City of San Diego dated December 1, 1916 and recorded September 5, 1917 in Book 739 at page 307 of Deeds in the Office of the Recorder of San Diego County and said parcels being designated for the purpose of this description as Parcel 1 and Parcel 2. Parcel 1- approximately 14.03 acres of land and Parcel 2-approximately 2.39 acres of land as more specifically described in the Lease Agreement between the United States of America and the San Diego County Regional Airport Authority, Authority Lease No. LE-0107.

Agency negotiator: Hampton Brown, Matt Harris, Susan Diekman, Jim DeCock, Amy Gonzalez

Negotiating parties: David Bixler, Michael Oestericher, Russell Rang, Reid Merrill, Curtis Permito- United State of America, Department of the Navy

Under negotiation: Price and terms of payment

32. THREAT TO PUBLIC SERVICES OR FACILITIES:

Consultation with: General Counsel and President/CEO

REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

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Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit an email to the Clerk at clerk@san.org prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to submit an email shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.

After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

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Airport Land Use Commission Agenda

Thursday, July 1, 2021

9:00 A.M. or immediately following the Board Meeting

San Diego International Airport
SDCRAA Administration Building
3225 N. Harbor Drive
San Diego, California 92101

Board Members
Johanna Schiavoni (Chair)
Paul Robinson (Vice Chair)
Catherine Blakespear
Gil Cabrera
Mary Casillas Salas
Robert T. Lloyd
Paul McNamara
Nora E. Vargas
Marni von Wilpert

Ex-Officio Board Members
Gustavo Dallarda
Col. Charles B. Dockery
Gayle Miller

President/CEO
Kimberly J. Becker

This meeting of the Airport Land Use Commission of the San Diego County Regional Airport Authority Board will be conducted pursuant to the provisions of California Executive Order N-08-21 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Commission members will be participating in the meeting electronically. In accordance with the Executive Order, there will be no members of the public in attendance at the Commission Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Comment on Non-Agenda Items

Public comments on non-agenda items must be submitted to the Authority Clerk at clerk@san.org, no later than 4:00 p.m. the day prior to the posted meeting in order to be eligible to be read into the record. The Authority Clerk will read the first 30 comments received by 4:00 p.m. the day prior to the meeting into the record; each of these comments will be read for up to three minutes or for the time determined by the Chair. The maximum number of comments to be read into the record on a single issue will be 16. All other comments submitted, including those received after 4:00 p.m. the day prior and before 8:00 a.m. the day of the meeting, will be provided to the Commission and submitted into the written record for the meeting.

Comment on Agenda Items

Public comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:00 a.m. on the day of the meeting will be distributed to the Commission and included in the record.

If you'd like to speak to the Commission live during the meeting, please follow these steps to request to speak:

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Thursday, July 1, 2021

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- **Step 1:** Fill out the online [Request to Speak Form](#) to speak during the meeting via teleconference. The form must be submitted by 4 p.m. the day before the meeting or by 4:00 p.m. the Friday before a Monday meeting. After completing the form, you'll get instructions on how to call in to the meeting.
- **Step 2:** Watch the meeting via the Webcast located at the following link, <https://www.san.org/Airport-Authority/Meetings-Agendas/ALUC?EntryId=13921>
- **Step 3:** When the Commission begins to discuss the agenda item you want to comment on, call in to the conference line, you will be placed in a waiting area. ***Please do not call until the item you want to comment on is being discussed.***
- **Step 4:** When it is time for public comments on the item you want to comment on, Authority Clerk staff will invite you into the meeting and unmute your phone. Please mute the webcast to avoid any feedback. Staff will then ask you to state your name and begin your comments.

How to Watch the Meeting

You may also view the meeting online at the following link: <https://www.san.org/Airport-Authority/Meetings-Agendas/ALUC?EntryId=13921>

Requests for Accessibility Modifications or Accommodations

As required by the Americans with Disabilities Act (ADA), requests for agenda information to be made available in alternative formats, and any requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for alternatives to observing meetings and offering public comment as noted above, may be made by contacting the Authority Clerk at (619) 400-2550 or clerk@san.org. The Authority is committed to resolving accessibility requests swiftly in order to maximize accessibility.

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken.

Please note that agenda items may be taken out of order. If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

Note: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

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Thursday, July 1, 2021

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CALL TO ORDER:

ROLL CALL:

NON-AGENDA PUBLIC COMMENT:

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Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (ITEMS 1- 2):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Commission Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the June 3, 2021 regular meeting.

CONSISTENCY DETERMINATIONS

2. REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS: SAN DIEGO INTERNATIONAL AIRPORT 2124 FROUDE STREET, CITY OF SAN DIEGO AND 2077 CABLE STREET, CITY OF SAN DIEGO:

RECOMMENDATION: Receive the report.

(Planning & Environmental Affairs: Ralph Redman, Manager, Airport Planning)

PUBLIC HEARINGS:

OLD BUSINESS:

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NEW BUSINESS:

- 3. CONSISTENCY DETERMINATION/FALLBROOK COMMUNITY AIRPARK AIRPORT LAND USE COMPATIBILITY PLAN: GENERAL AND SPECIFIC PLAN AMENDMENTS AND ZONE RECLASSIFICATION FOR PEPPERTREE PARK UNITS 9 & 10, FALLBROOK, COUNTY OF SAN DIEGO:**
RECOMMENDATION:
(Planning & Environmental Affairs: Ralph Redman, Manager, Airport Planning)

COMMISSION COMMENT:

ADJOURNMENT:

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Thursday, July 1, 2021

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