

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds

\$313,150,000
Series 2010A

\$44,055,000
Series 2010B

\$215,360,000
Series 2010C

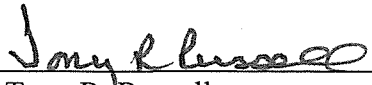
CERTIFICATE OF THE CLERK OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
REGARDING CERTIFIED COPY OF THE
SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

I, Tony R. Russell, Director, Corporate Services/Clerk of the San Diego County Regional Airport Authority (the “Authority”), do hereby certify that attached hereto as Exhibit A is a true, correct and complete copy of the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the “Second Supplemental Subordinate Indenture”), by and between the Authority and Deutsche Bank National Trust Company, as trustee. The Second Supplemental Subordinate Indenture has been duly and fully executed, has not been amended, supplemented, modified or limited and is in full force and effect on the date hereof.

[End of Certificate of the Clerk of the San Diego County
Regional Airport Authority Regarding Certified Copy
of the Second Supplemental Subordinate Trust Indenture]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 5th day of October, 2010.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By 
Tony R. Russell
Director, Corporate Services/Authority Clerk

[Signature page to Certificate of the Clerk of the
San Diego County Regional Airport Authority
Regarding Certified Copy of the Second Supplemental Subordinate Trust Indenture]

EXHIBIT A

(Second Supplemental Subordinate Trust Indenture)

SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

DEUTSCHE BANK NATIONAL TRUST COMPANY
as Trustee

Relating to

\$313,150,000	\$44,055,000
San Diego County Regional Airport Authority	San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds	Subordinate Airport Revenue Bonds
Series 2010A	Series 2010B
\$215,360,000	
San Diego County Regional Airport Authority	
Subordinate Airport Revenue Bonds	
Series 2010C	
(Federally Taxable – Build America Bonds – Direct Payment to Issuer)	

Dated as of October 1, 2010

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; INTERPRETATIONS

Section 1.01.	Definitions.....	2
Section 1.02.	Article and Section References	6

ARTICLE II THE SERIES 2010 BONDS

Section 2.01.	Designation of the Series 2010 Bonds; Principal Amount	6
Section 2.02.	Series 2010 Bonds Issued Under the Master Subordinate Indenture; Security; Parity.....	7
Section 2.03.	General Terms of the Series 2010 Bonds	7
Section 2.04.	Exchange of Series 2010 Bonds	10
Section 2.05.	Book-Entry Bonds	10

ARTICLE III REDEMPTION OF SERIES 2010 BONDS

Section 3.01.	Notices to Holders.....	12
Section 3.02.	Redemption Dates.....	13
Section 3.03.	Optional Redemption of the Series 2010A Bonds and the Series 2010B Bonds	14
Section 3.04.	Mandatory Sinking Fund Redemption of the Series 2010A Bonds and the Series 2010B Bonds	14
Section 3.05.	Selection of Series 2010A Bonds and Series 2010B Bonds for Redemption; Series 2010A Bonds and Series 2010B Bonds Redeemed in Part.....	17
Section 3.06.	Optional Redemption of the Series 2010C Bonds	17
Section 3.07.	Extraordinary Optional Redemption of the Series 2010C Bonds.....	17
Section 3.08.	Mandatory Sinking Fund Redemption of the Series 2010C Bonds.....	18
Section 3.09.	Selection of Series 2010C Bonds for Redemption; Series 2010C Bonds Redeemed in Part	19
Section 3.10.	Payment of Series 2010 Bonds Called for Redemption	20
Section 3.11.	Effect of Redemption Call	20

ARTICLE IV ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 4.01.	Establishment of Funds and Accounts.....	20
Section 4.02.	Application of Series 2010A Bond Proceeds.....	22
Section 4.03.	Application of Series 2010B Bond Proceeds.....	22
Section 4.04.	Application of Series 2010C Bond Proceeds.....	23
Section 4.05.	Application of Other Moneys of the Authority.....	23
Section 4.06.	Series 2010A Construction Fund	23
Section 4.07.	Series 2010A Debt Service Fund	24
Section 4.08.	Series 2010B Debt Service Fund	26

Section 4.09.	Series 2010C Construction Fund	28
Section 4.10.	Series 2010C Debt Service Fund	28
Section 4.11.	Series 2010 Costs of Issuance Fund.....	30
Section 4.12.	Reserve Fund, Series 2010A/B Reserve Account and Series 2010C Reserve Account	31
Section 4.13.	Series A Subordinate Commercial Paper Repayment Fund	35
Section 4.14.	Series B Subordinate Commercial Paper Repayment Fund	35
Section 4.15.	Series C Subordinate Commercial Paper Repayment Fund	36
Section 4.16.	Sources of Payment of the Series 2010 Bonds	36
Section 4.17.	PFC Resolution	37
Section 4.18.	Series 2010C Bonds are “Build America Bonds”.....	37

ARTICLE V TAX COVENANTS

Section 5.01.	Series 2010A/B Rebate Fund.....	37
Section 5.02.	Preservation of Tax Exemption on Series 2010A/B Bonds.....	37
Section 5.03.	Series 2010C Rebate Fund.....	38
Section 5.04.	Compliance with Series 2010C Tax Certificate.....	38

ARTICLE VI AMENDMENTS TO MASTER SUBORDINATE INDENTURE NOT REQUIRING CONSENT OF THE HOLDERS OF THE OUTSTANDING SUBORDINATE OBLIGATIONS BUT REQUIRING CONSENT OF THE CP LETTER OF CREDIT BANK

Section 6.01.	Amendments to Master Subordinate Indenture Not Requiring Consent of the Holders of the Outstanding Subordinate Obligations but Requiring Consent of the CP Letter of Credit Bank.....	38
Section 6.02.	Amendment to Section 4.02 of the Master Subordinate Indenture.....	39

ARTICLE VII AMENDMENTS TO MASTER SUBORDINATE INDENTURE REQUIRING THE CONSENT OF THE HOLDERS OF NOT LESS THAN A MAJORITY OF THE OUTSTANDING SUBORDINATE OBLIGATIONS

Section 7.01.	Amendments to Master Subordinate Indenture Requiring Consent of the Holders of not less than a Majority of the Aggregate Principal Amount of Outstanding Subordinate Obligations.....	43
Section 7.02.	Amendments to Article I of the Master Subordinate Indenture.....	43
Section 7.03.	Amendments to Section 2.11(b) of the Master Subordinate Indenture	44

ARTICLE VIII MISCELLANEOUS

Section 8.01.	Notices	45
Section 8.02.	Modification of Master Subordinate Indenture and this Second Supplemental Subordinate Indenture	45
Section 8.03.	Continuing Disclosure	45
Section 8.04.	Parties Interested Herein	46
Section 8.05.	Severability	46
Section 8.06.	Payments or Actions Occurring on Non-Business Days	46

Section 8.07.	Governing Law	46
Section 8.08.	Captions	46
Section 8.09.	Counterparts	46
EXHIBIT A	FORM OF SERIES 2010 BOND	
EXHIBIT B	DEBT SERVICE SCHEDULES	
EXHIBIT C-1	SERIES 2010A PROJECT	
EXHIBIT C-2	SERIES 2010C PROJECT	
EXHIBIT D-1	FORM OF SERIES 2010[A/C] CONSTRUCTION FUND REQUISITION	
EXHIBIT D-2	FORM OF SERIES 2010 COSTS OF ISSUANCE FUND REQUISITION	
EXHIBIT D-3	FORM OF SERIES [A/B/C] SUBORDINATE COMMERCIAL PAPER REPAYMENT FUND REQUISITION	

SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

THIS SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE (this “*Second Supplemental Subordinate Indenture*”), dated as of October 1, 2010, 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 **DEUTSCHE BANK NATIONAL TRUST COMPANY**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”), and supplements and amends the Master Subordinate Trust Indenture, dated as of September 1, 2007 (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 and, in Section 10.02 thereof, for the execution and delivery of Supplemental Subordinate Indentures setting forth the terms of such Subordinate Obligations;

WHEREAS, the Authority now, for the purpose of providing money to finance and refinance certain capital improvements to the Airport System, by execution and delivery of this Second Supplemental Subordinate Indenture and in compliance with the provisions of the Master Subordinate Indenture, sets forth the terms of its \$313,150,000 San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”), its \$44,055,000 San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010B (the “*Series 2010B Bonds*”), and its \$215,360,000 San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010C (the “*Series 2010C Bonds*,” and collectively with the Series 2010A Bonds and the Series 2010B Bonds, the “*Series 2010 Bonds*”), provides for the deposit and use of the proceeds of the Series 2010 Bonds, and makes other provisions relating to the Series 2010 Bonds;

WHEREAS, pursuant to Section 10.02 of the Master Subordinate Indenture, the Authority may, from time to time and at any time, execute and deliver Supplemental Subordinate Indentures amending the Master Subordinate Indenture; and

WHEREAS, the Authority deems it to be in its best interest to amend certain provisions of the Master Subordinate Indenture.

GRANTING CLAUSE

In order to secure the payment of the Series 2010 Bonds, the Authority hereby pledges, assigns and grants to the Trustee with respect to the Series 2010 Bonds 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 Series 2010 Bonds, the Authority in furtherance of the Master Subordinate Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the Authority, except as otherwise provided herein, in and to the Reserve Fund (as hereinafter defined) and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Insurance Policy (as hereinafter defined) provided at any time in satisfaction of all or a portion of

the Reserve Requirement (as hereinafter defined), all rights, title and interest in such instruments and the proceeds thereof.

ARTICLE I

DEFINITIONS; INTERPRETATIONS

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

“Authorized Denominations” means \$5,000 principal amount and integral multiples thereof.

“Book-Entry Bonds” means the Series 2010 Bonds held by DTC (or its nominee) as the Holder thereof pursuant to the terms and provisions of Section 2.05 hereof.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2010 Bonds.

“Continuing Disclosure Certificate” means the certificate of the Authority, dated the date of issuance of the Series 2010 Bonds, pursuant to which the Authority shall agree to undertake for the benefit of the Holders and the beneficial owners of the Series 2010 Bonds certain ongoing disclosure requirements.

“Costs of Issuance” means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2010 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the preliminary and final official statements and the Series 2010 Bonds, underwriters’ compensation, and the fees, costs and expenses of rating agencies, the Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

“CP Letter of Credit Bank” means Lloyds TSB Bank plc, acting through its New York Branch.

“CP Reimbursement Agreement” means the Reimbursement Agreement, dated as of September 1, 2007, by and between the Authority and the CP Letter of Credit Bank.

“Designated Banking Institution” means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Authority (which may be one of the underwriters of the Series 2010C Bonds).

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Extraordinary Event” has the meaning set forth in Section 3.07 hereof.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2011, the dates upon which interest on the Series 2010 Bonds becomes due and payable.

“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 Series 2010 Bonds are authorized and secured.

“Participants” means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“Paying Agent,” for purposes of this Second Supplemental Subordinate Indenture, means the Trustee, or any other institution appointed by the Authority.

“PFC Resolution” means, Resolution No. 2010-0088 adopted by the Board on August 23, 2010, as it may be amended or supplemented from time to time.

“Record Date” means for a January 1 Interest Payment Date the preceding December 15 and for a July 1 Interest Payment Date the preceding June 15.

“Refunded Series A Subordinate Commercial Paper Notes” means \$67,376,000 aggregate principal amount of the Authority’s Subordinate Airport Revenue Commercial Paper Notes Series A (Non-AMT), to be refunded with a portion of the proceeds of the Series 2010A Bonds, a portion of the proceeds of the Series 2010B Bonds and a portion of the proceeds of the Series 2010C Bonds.

“Refunded Series B Subordinate Commercial Paper Notes” means \$35,000,000 aggregate principal amount of the Authority’s Subordinate Airport Revenue Commercial Paper Notes Series B (AMT), to be refunded with a portion of the proceeds of the Series 2010A Bonds and a portion of the proceeds of the Series 2010B Bonds.

“Refunded Series C Subordinate Commercial Paper Notes” means \$39,800,000 aggregate principal amount of the Authority’s Subordinate Airport Revenue Commercial Paper Notes Series C (Taxable), to be refunded with a portion of the proceeds of the Series 2010A Bonds and a portion of the proceeds of the Series 2010C Bonds.

“Registrar” for purposes of this Second Supplemental Subordinate Indenture, means the Trustee.

“Representation Letter” means the Blanket Issuer Letter of Representations dated October 20, 2005 from the Authority to DTC.

“Reserve Fund” means the Debt Service Reserve Fund of such designation established pursuant to Section 4.01 hereof.

“Reserve Fund Insurance Policy” means an insurance policy, a letter of credit, qualified surety bond or other financial instrument deposited in the Reserve Fund in lieu of or in partial substitution for cash or securities which is provided by an institution rated, at the time of

issuance of such policy, letter of credit, surety bond or other financial instrument, in one of the two highest long term Rating Categories by one or more of the Rating Agencies.

“Reserve Requirement” means, with respect to the Reserve Fund, an amount equal to the lesser of (a) Maximum Aggregate Annual Debt Service for all Series of Subordinate Obligations participating in the Reserve Fund, (b) 10% of the principal amount of all Series of Subordinate Obligations participating in the Reserve Fund, less for any Series of Subordinate Obligations the amount of original issue discount with respect to such Series of Subordinate Obligations if such original issue discount exceeded 2% on such Series of Subordinate Obligations at the time of their original sale, and (c) 125% of the average Aggregate Annual Debt Service for all Series of Subordinate Obligations participating in the Reserve Fund. When calculating the Reserve Requirement, all references to Fiscal Year shall mean a 12-month period beginning on July 2 of each given year and ending on July 1 of the immediate subsequent year.

“Second Supplemental Senior Lien Indenture” means the Second Supplemental Trust Indenture, dated as of October 1, 2010, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee.

“Second Supplemental Subordinate Indenture” means this Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010, by and between the Authority and the Trustee and which, among other things, sets forth the terms of the Series 2010 Bonds.

“Series 2010A Bonds” means \$313,150,000 aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture and designated as “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010A.”

“Series 2010A Construction Fund” means the Construction Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of the Series 2010A Project.

“Series 2010A Costs of Issuance Account” means the Account of such designation established in the Series 2010 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010A Bonds.

“Series 2010A Debt Service Fund” means the Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2010A Bonds.

“Series 2010A Project” means, collectively, any or all of those capital expenditures listed in Exhibit C-1 attached hereto which are to be financed and refinanced from amounts deposited into the Series 2010A Construction Fund.

“Series 2010A Term Bonds” means the Series 2010A Bonds maturing on July 1, 2034 and July 1, 2040.

“Series 2010A/B Rebate Fund” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series 2010A/B Reserve Account*” means the Account of such designation established in the Reserve Fund pursuant to Section 4.01 and 4.12(b) hereof.

“*Series 2010A/B Tax Certificate*” means the Tax Compliance Certificate, dated the date of issuance of the Series 2010A Bonds and the Series 2010B Bonds, as amended from time to time, entered into by the Authority and executed with respect to the Series 2010A Bonds and the Series 2010B Bonds.

“*Series 2010B Bonds*” means \$44,055,000 aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture and designated as “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010B.”

“*Series 2010B Costs of Issuance Account*” means the Account of such designation established in the Series 2010 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010B Bonds.

“*Series 2010B Debt Service Fund*” means the Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2010B Bonds.

“*Series 2010B Term Bonds*” means the Series 2010B Bonds maturing on July 1, 2032, July 1, 2040 and bearing interest at 4.75%, and July 1, 2040 and bearing interest at 5.00%.

“*Series 2010C Bonds*” means \$215,360,000 aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture and designated as “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010C.”

“*Series 2010C Construction Fund*” means the Construction Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of the Series 2010C Project.

“*Series 2010C Costs of Issuance Account*” means the Account of such designation established in the Series 2010 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010C Bonds.

“*Series 2010C Debt Service Fund*” means the Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2010C Bonds.

“*Series 2010C Project*” means, collectively, any or all of those capital expenditures listed in Exhibit C-2 attached hereto which are to be financed and refinanced from amounts deposited into the Series 2010C Construction Fund.

“*Series 2010C Rebate Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series 2010C Reserve Account*” means the Account of such designation established in the Reserve Fund pursuant to Section 4.01 and 4.12(c) hereof.

“*Series 2010C Tax Certificate*” means the Tax Compliance Certificate, dated the date of issuance of the Series 2010C Bonds, as amended from time to time, entered into by the Authority and executed with respect to the Series 2010C Bonds.

“*Series 2010 Bonds*” means, collectively, the Series 2010A Bonds, the Series 2010B Bonds and the Series 2010C Bonds.

“*Series 2010 Costs of Issuance Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010 Bonds.

“*Series A Subordinate Commercial Paper Repayment Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series B Subordinate Commercial Paper Repayment Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series C Subordinate Commercial Paper Repayment Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Treasury Rate*” means, as of any redemption date of the Series 2010C Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available seven (7) Business Days prior to the date fixed for redemption (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data as selected by a Designated Banking Institution) most nearly equal to the period from the redemption date to the maturity date of the Series 2010C Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Second Supplemental Subordinate Indenture.

ARTICLE II

THE SERIES 2010 BONDS

Section 2.01. Designation of the Series 2010 Bonds; Principal Amount. The Subordinate Obligations authorized to be issued under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture shall be designated as “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010A”, which shall be issued in the original principal amount of \$313,150,000; “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010B”, which shall be issued in the original

principal amount of \$44,055,000; and “San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010C”, which shall be issued in the original principal amount of \$215,360,000.

Section 2.02. Series 2010 Bonds Issued Under the Master Subordinate Indenture; Security; Parity. The Series 2010 Bonds are issued as Subordinate Obligations under and subject to the terms of the Master Subordinate Indenture and are secured by and payable from the Subordinate Net Revenues and other security provided in the Granting Clauses of the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture and in accordance with the terms of the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture.

To further secure the payment of the Series 2010 Bonds, the Authority in furtherance of the Master Subordinate Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the Authority, except as otherwise provided herein, in and to the Reserve Fund and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Insurance Policy provided at any time in satisfaction of all or a portion of the Reserve Requirement, all rights, title and interest in such instruments and the proceeds thereof.

Section 2.03. General Terms of the Series 2010 Bonds. The Series 2010 Bonds shall, upon initial issuance, be dated October 5, 2010. Each Series 2010 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2010 Bond shall bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2010 Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before December 15, 2010, in which, event such Series 2010 Bond shall bear interest from October 5, 2010. If interest on the Series 2010 Bonds shall be in default, Series 2010 Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2010 Bonds surrendered. The Series 2010 Bonds shall be issued in denominations of \$5,000 original principal amount or integral multiples thereof.

Interest on the Series 2010 Bonds shall be paid on January 1, 2011 and semiannually thereafter on January 1 and July 1.

Interest on the Series 2010 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Series 2010A Bonds shall be issued in the original principal amount of \$313,150,000 and shall mature on the dates and in the principal amounts and bear interest at the annual rates as set forth in the following schedule:

Maturity Date (July 1)	Principal Amount	Interest Rate
2014	\$ 4,755,000	4.00%
2015	7,265,000	4.00
2016	7,555,000	5.00
2017	7,930,000	5.00
2018	8,330,000	5.00
2019	8,745,000	5.00
2020	9,180,000	5.00
2021	9,640,000	5.00
2022	10,125,000	5.00
2023	10,625,000	5.00
2024	11,160,000	5.00
2025	11,720,000	5.00
2026	12,305,000	5.00
2027	12,915,000	5.00
2028	13,565,000	5.00
2029	14,245,000	5.00
2030	14,955,000	5.00
2034	61,300,000	5.00
2040	76,835,000	5.00

The Series 2010B Bonds shall be issued in the original principal amount of \$44,055,000 and shall mature on the dates and in the principal amounts and bear interest at the annual rates as set forth in the following schedule:

Maturity Date (July 1)	Principal Amount	Interest Rate
2011	\$ 715,000	2.00%
2012	980,000	2.00
2013	1,000,000	3.00
2014	1,030,000	3.00
2015	1,400,000	3.00
2016	1,445,000	4.00
2017	1,500,000	4.00
2018	1,560,000	4.00
2019	1,620,000	4.00
2020	1,685,000	5.00
2021	1,775,000	3.50
2022	1,785,000	5.00
2022	50,000	3.625
2023	1,775,000	5.00
2023	150,000	3.75
2024	2,020,000	5.00
2025	2,120,000	5.00
2026	2,225,000	4.00
2027	2,315,000	5.00
2028	2,435,000	5.00
2029	2,055,000	5.00
2029	500,000	4.25
2030	2,675,000	5.00
2032	1,390,000	4.50
2040	750,000	4.75
2040	7,100,000	5.00

The Series 2010C Bonds shall be issued in the original principal amount of \$215,360,000 and shall mature on the date and in the principal amount and bear interest at the annual rate as set forth in the following schedule:

Maturity Date (July1)	Principal Amount	Interest Rate
2040	\$215,360,000	6.628%

Payment of the principal of the Series 2010 Bonds shall be made upon surrender of the Series 2010 Bonds to the Trustee or its agent; provided that with respect to the Series 2010 Bonds which are Book-Entry Bonds, the payment of the principal shall be made as provided in Section 2.05 hereof and the Representation Letter. Payment of interest on Series 2010 Bonds which are not Book-Entry Bonds shall be paid by check or draft of the Trustee mailed on the applicable Interest Payment Date by first-class mail to the person who is the Holder thereof on the Record Date, and such payment shall be mailed to such Holder at his address as it appears on the registration books of the Registrar. The payment of interest on Book-Entry Bonds shall be made as provided in Section 2.05 hereof and the Representation Letter. With respect to all Series

2010 Bonds, interest due and payable on any Interest Payment Date shall be paid to the person who is the Holder as of the Record Date. The Series 2010 Bonds shall be substantially in the form of Exhibit A attached hereto.

If the principal of a Series 2010 Bond becomes due and payable, but shall not have been paid as a result of a default hereunder, and no provision is made for its payment, then such Series 2010 Bond shall bear interest at the same rate after such default as on the day before the default occurred.

Principal and interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money.

Section 2.04. Exchange of Series 2010 Bonds. Series 2010 Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of the same Series of such Series 2010 Bonds with the same interest rate and maturity date. The cost of printing Series 2010 Bonds and any services rendered or expenses incurred by the Trustee or the Registrar in connection with any transfer or exchange shall be paid by the Authority. The Trustee or the Registrar may require the payment by the Holders requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer.

The Registrar will not, however, be required to transfer or exchange any such Series 2010 Bond during the period established by the Registrar for selection of Series 2010 Bonds for redemption or any Series 2010 Bond which has been selected for redemption.

Section 2.05. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section, the Holder of all of the Series 2010 Bonds shall be DTC and the Series 2010 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Series 2010 Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Registrar.

(b) The Series 2010 Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity and interest rate for each Series of the Series 2010 Bonds. Upon initial issuance, the ownership of such Series 2010 Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2010 Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Series 2010 Bonds, selecting the Series 2010 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders under the Master Subordinate Indenture or this Second Supplemental

Subordinate Indenture, registering the transfer of Series 2010 Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2010 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal and redemption price of or interest on the Series 2010 Bonds; any notice which is permitted or required to be given to Holders under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2010 Bonds; any consent given or other action taken by DTC as Holder; or any other purpose. The Trustee shall pay all principal and redemption price of and interest on the Series 2010 Bonds only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to the principal and redemption price of and interest on the Series 2010 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2010 Bond evidencing the obligation of the Authority to make payments of principal, redemption price and interest pursuant to the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in this Second Supplemental Subordinate Indenture shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the beneficial owners that they be able to obtain Series 2010 Bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Series 2010 Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Series 2010 Bond certificates as requested by DTC and any other Holders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2010 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver Series 2010 Bond certificates as described in this Second Supplemental Subordinate Indenture. In the event Series 2010 Bond certificates are issued, the provisions of the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2010 Bonds to any Participant having Series 2010

Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2010 Bonds.

(d) Notwithstanding any other provision of the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture to the contrary, so long as any Series 2010 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Series 2010 Bond and all notices with respect to such Series 2010 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Holders pursuant to the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Holders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Holder.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, TO ANY PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2010 BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, OR ANY PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2010 BONDS.

ARTICLE III

REDEMPTION OF SERIES 2010 BONDS

Section 3.01. Notices to Holders. If the Authority wishes that any Series 2010 Bonds be redeemed pursuant to the provision of this Second Supplemental Subordinate Indenture, the Authority will notify the Trustee of the applicable provision, the Series of Series 2010 Bonds being redeemed, the redemption date, the maturity date, the interest rate, the CUSIP number and the principal amount of the Series 2010 Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least thirty-five (35) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption, in the name of the Authority, to Holders affected by redemption at least thirty (30) days but not more than sixty (60) days before each redemption date, send such notice of redemption by first class mail (or with respect to Series 2010 Bonds held by DTC by an express delivery service for delivery on the next following Business Day) to each Holder of a Series 2010 Bond to be redeemed. Each such notice shall be sent to the Holder's registered address.

Each notice of redemption shall specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Series 2010 Bond to be redeemed, if less than all

Series 2010 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Series 2010 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price (or the formula that will be used to calculate the redemption price on the redemption date), the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2010 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption or an extraordinary optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2010 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Series 2010 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2010 Bonds will not affect the validity of the call for redemption of any Series 2010 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2010 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Series 2010 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

If any Series 2010 Bonds, at the time of redemption, are not Book-Entry Bonds, then, at the time of the mailing required by the first paragraph of this Section, such redemption notice shall be given by (i) registered or certified mail, postage prepaid; (ii) telephonically confirmed facsimile transmission; or (iii) overnight delivery service, to:

The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099
Attention: Call Notification
Facsimile: (212) 855-7232

Failure to give the notice described in the immediately preceding paragraph or any defect therein shall not in any manner affect the redemption of any Series 2010 Bond.

Section 3.02. Redemption Dates. The date fixed for redemption of Series 2010 Bonds to be redeemed pursuant to any optional redemption provision as set forth in Sections 3.03, 3.06 or 3.07 hereof shall be a date permitted by the Authority in the notice delivered pursuant to Section 3.01 hereof. The date fixed for mandatory sinking fund redemptions of the Series 2010 Bonds will be as set forth in Sections 3.04 and 3.08 hereof.

Section 3.03. Optional Redemption of the Series 2010A Bonds and the Series 2010B Bonds.

(a) The Series 2010A Bonds maturing on or before July 1, 2020 are not subject to optional redemption prior to maturity. The Series 2010A Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2020 at a redemption price equal to 100% of the principal amount of the Series 2010A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) The Series 2010B Bonds maturing on or before July 1, 2020 are not subject to optional redemption prior to maturity. The Series 2010B Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2020 at a redemption price equal to 100% of the principal amount of the Series 2010B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 3.04. Mandatory Sinking Fund Redemption of the Series 2010A Bonds and the Series 2010B Bonds.

(a) The Series 2010A Bonds maturing on July 1, 2034 are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2031	\$15,505,000
2032	15,020,000
2033	15,770,000
2034*	15,005,000

*Final Maturity Date

(b) The Series 2010A Bonds maturing on July 1, 2040 are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2035	\$11,295,000
2036	11,860,000
2037	12,455,000
2038	13,075,000
2039	13,730,000
2040*	14,420,000

*Final Maturity Date

(c) The Series 2010B Bonds maturing on July 1, 2032 are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2031	\$680,000
2032*	710,000

*Final Maturity Date

(d) The Series 2010B Bonds maturing on July 1, 2040 and bearing interest at 4.75% are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2033	\$ 75,000
2034	80,000
2035	85,000
2036	90,000
2037	95,000
2038	100,000
2039	110,000
2040*	115,000

*Final Maturity Date

(e) The Series 2010B Bonds maturing on July 1, 2040 and bearing interest at 5.00% are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2033	\$ 745,000
2034	780,000
2035	820,000
2036	860,000
2037	905,000
2038	950,000
2039	995,000
2040*	1,045,000

*Final Maturity Date

(f) Except as otherwise provided in Section 2.05 hereof, on or before the forty-fifth (45th) day prior to any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine), from each applicable Series 2010A Term Bond or each applicable Series 2010B Term Bond an aggregate principal amount of the applicable Series 2010A Term Bonds or Series 2010B Term Bonds equal to the amount for such year as set forth in the applicable table above and shall call the applicable Series 2010A Term Bonds or Series 2010B Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

(g) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Series 2010A Term Bonds or the Series 2010B Term Bonds, as applicable, it may (i) deliver to the Trustee for cancellation Series 2010A Term Bonds or Series 2010B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of such Series 2010A Term Bonds or Series 2010B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2010A Term Bonds or Series 2010B Term Bond, as applicable, or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such applicable Series 2010A Term Bond or Series 2010B Term Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2010A Term Bonds or the Series 2010B Term Bonds, as applicable, pursuant to Section 3.03 hereof, the Authority will provide the Trustee revised mandatory sinking fund schedules, if applicable.

Section 3.05. Selection of Series 2010A Bonds and Series 2010B Bonds for Redemption; Series 2010A Bonds and Series 2010B Bonds Redeemed in Part. The Series 2010A Bonds and the Series 2010B Bonds are subject to redemption in such order of maturity and interest rate (except mandatory sinking fund payments on the Series 2010A Term Bonds and the Series 2010B Term Bonds) as the Authority may direct and by lot, selected in such manner as the Trustee (or DTC, as long as DTC is the securities depository for the Series 2010A Bonds or the Series 2010B Bonds, as applicable) shall deem appropriate, within a maturity and interest rate.

Upon surrender of a Series 2010A Bond or Series 2010B Bond, as applicable, to be redeemed, in part only, the Trustee will authenticate for the holder a new Series 2010A Bond or Series 2010B Bond, as applicable, of the same Series, maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2010A Bonds or Series 2010B Bonds surrendered, as applicable.

Section 3.06. Optional Redemption of the Series 2010C Bonds. On or after July 1, 2020, the Series 2010C Bonds are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2020 at a redemption price equal to 100% of the principal amount of the Series 2010C Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 3.07. Extraordinary Optional Redemption of the Series 2010C Bonds. Prior to July 1, 2020, the Series 2010C Bonds are redeemable at the option of the Authority, in whole or in part at any time, from any moneys that may be provided for such purpose, upon the occurrence of an Extraordinary Event, and at a redemption price equal to the greater of: (i) 100% of the principal amount of the Series 2010C Bonds to be redeemed; and (ii) an amount calculated

by a Designated Banking Institution equal to the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010C Bonds are to be redeemed, discounted to the redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points; plus, in each case, accrued and unpaid interest on the Series 2010C Bonds to be redeemed to the date fixed for redemption.

“Extraordinary Event” shall have occurred if legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the Authority, would be to suspend, reduce or terminate, all or a portion of, the thirty-five percent (35%) cash subsidy payment from the United States Treasury to the Authority with respect to the Series 2010C Bonds, or to state or local government issuers generally with respect to obligations of the general character of the Series 2010C Bonds, pursuant to Sections 54AA or 6431 of the Code (the **“Subsidy Payments”**); provided, that such suspension, reduction or termination of the Subsidy Payments is not due to a failure by the Authority to comply with the requirements of the Code to receive such Subsidy Payments.

Section 3.08. Mandatory Sinking Fund Redemption of the Series 2010C Bonds.

(a) The Series 2010C Bonds are subject to mandatory sinking fund redemption in part (in accordance with the procedures set forth in Section 3.09 hereof), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

<u>July 1 of the Year</u>	<u>Principal Amount</u>
2031	\$13,110,000
2032	14,930,000
2033	15,580,000
2034	17,805,000
2035	23,030,000
2036	24,020,000
2037	25,055,000
2038	26,135,000
2039	27,260,000
2040*	28,435,000

*Final Maturity Date

(b) In the event that a portion, but not all of the Series 2010C Bonds are redeemed pursuant to optional redemption or extraordinary optional redemption (as

provided in Sections 3.06 and 3.07 hereof), then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Series 2010C Bonds shall be proportionally reduced (subject to the Trustee making such adjustments as it deems necessary to be able to effect future redemptions of the Series 2010C Bonds in Authorized Denominations).

(c) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Series 2010C Bonds, it may (i) deliver to the Trustee for cancellation Series 2010C Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of such Series 2010C Bonds or portions thereof (in Authorized Denominations) which prior to said date have been redeemed pursuant to Section 3.06 or 3.07 hereof and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2010C Bond or portion thereof so purchased, acquired or redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such Series 2010C Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2010C Bonds pursuant to Section 3.06 or 3.07 hereof, the Authority will provide the Trustee a revised mandatory sinking fund schedule, if applicable.

Section 3.09. Selection of Series 2010C Bonds for Redemption; Series 2010C Bonds Redeemed in Part.

(a) If less than all of the Series 2010C Bonds are called for prior redemption, the particular Series 2010C Bonds or portions thereof to be redeemed shall be selected by the Trustee on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2010C Bonds are Book-Entry Bonds, the selection for redemption of such Series 2010C Bonds will be made in accordance with the operational arrangements of DTC then in effect. The Authority shall not provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2010C Bonds on such basis. If the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2010C Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

If the Series 2010C Bonds are not Book-Entry Bonds and less than all of the Series 2010C Bonds are to be redeemed, the Series 2010C Bonds to be redeemed shall be selected by the Trustee on a pro rata distribution of principal basis among all of the Holders of the Series 2010C Bonds based on the principal amount of Series 2010C Bonds owned by such Holders.

(b) Upon surrender of a Series 2010C Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Series 2010C Bond or Series 2010C Bonds

of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2010C Bond surrendered.

Section 3.10. Payment of Series 2010 Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2010 Bonds called for redemption shall be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the date fixed for redemption.

Section 3.11. Effect of Redemption Call. On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2010 Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Series 2010 Bonds shall cease to accrue from and after such redemption date, such Series 2010 Bonds shall cease to be entitled to any lien, benefit or security under the Master Trust Indenture and this Second Supplemental Subordinate Indenture and the Holders of such Series 2010 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Series 2010 Bonds which have been duly called for redemption under the provisions of this Article III and for the payment of the redemption price of which moneys shall be held in trust for the Holders of the Series 2010 Bonds to be redeemed, all as provided in this Second Supplemental Subordinate Indenture, shall not be deemed to be Outstanding under the provisions of the Master Trust Indenture and this Second Supplemental Subordinate Indenture.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts. The following funds and accounts are hereby established:

(a) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010A Debt Service Fund (the "***Series 2010A Debt Service Fund***") and therein an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(b) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010A Construction Fund (the "***Series 2010A Construction Fund***"), to be held by the Trustee;

(c) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010B Debt Service Fund (the "***Series 2010B Debt Service Fund***") and therein an Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(d) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010C Debt Service Fund (the "***Series 2010C Debt Service***"), to be held by the Trustee;

Fund”) and therein an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(e) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010C Construction Fund (the “***Series 2010C Construction Fund***”), to be held by the Trustee;

(f) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010 Costs of Issuance Fund (the “***Series 2010 Costs of Issuance Fund***”) and therein (i) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010A Costs of Issuance Account (the “***Series 2010A Costs of Issuance Account***”), (ii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010B Costs of Issuance Account (the “***Series 2010B Costs of Issuance Account***”), and (iii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010C Costs of Issuance Account (the “***Series 2010C Costs of Issuance Account***”), to be held by the Trustee;

(g) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Debt Service Reserve Fund (the “***Reserve Fund***”), and therein (i) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010A/B Reserve Account (the “***Series 2010A/B Reserve Account***”), and (ii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010C Reserve Account (the “***Series 2010C Reserve Account***”), to be held by the Trustee;

(h) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010A/B Rebate Fund (the “***Series 2010A/B Rebate Fund***”), to be held by the Trustee;

(i) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010C Rebate Fund (the “***Series 2010C Rebate Fund***”), to be held by the Trustee;

(j) San Diego County Regional Airport Authority Series A Subordinate Commercial Paper Repayment Fund (the “***Series A Subordinate Commercial Paper Repayment Fund***”), to be held by the Trustee;

(k) San Diego County Regional Airport Authority Series B Subordinate Commercial Paper Repayment Fund (the “***Series B Subordinate Commercial Paper Repayment Fund***”), to be held by the Trustee; and

(l) San Diego County Regional Airport Authority Series C Subordinate Commercial Paper Repayment Fund (the “***Series C Subordinate Commercial Paper Repayment Fund***”), to be held by the Trustee.

Section 4.02. Application of Series 2010A Bond Proceeds. The proceeds of the sale of the Series 2010A Bonds, being the amount of \$334,979,387.51 (which sum represents the par amount of the Series 2010A Bonds of \$313,150,000.00, plus an original issue premium in the amount of \$23,459,020.35, and less an underwriters' discount in the amount of \$1,629,632.84) received by the Trustee shall be deposited or paid by the Trustee as follows:

(a) \$22,392,475.91, representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2010A Debt Service Fund to be used to pay interest due and payable on the Series 2010A Bonds through, and including, January 1, 2013;

(b) \$28,633,041.84 shall be deposited into the Series 2010A/B Reserve Account of the Reserve Fund;

(c) \$696,452.00 shall be deposited into the Series 2010A Costs of Issuance Account of the Series 2010 Costs of Issuance Fund;

(d) \$2,781,823.00 shall be deposited into the Series A Subordinate Commercial Paper Repayment Fund;

(e) \$34,082,800.00 shall be deposited into the Series B Subordinate Commercial Paper Repayment Fund; and

(f) \$32,369,817.00 shall be deposited into the Series C Subordinate Commercial Paper Repayment Fund; and

(g) \$214,022,977.76 shall be deposited into the Series 2010A Construction Fund to be used to pay the Costs of the Series 2010A Project.

Section 4.03. Application of Series 2010B Bond Proceeds. The proceeds of the sale of the Series 2010B Bonds, being the amount of \$46,529,266.24 (which sum represents the par amount of the Series 2010B Bonds of \$44,055,000.00, plus an original issue premium in the amount of \$2,695,323.30, and less an underwriters' discount in the amount of \$221,057.06) received by the Trustee shall be deposited or paid by the Trustee as follows:

(a) \$14,360,714.88, representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2010C Debt Service Fund to be used to pay interest due and payable on the Series 2010C Bonds through, and including, January 1, 2013;

(b) \$3,976,732.30 shall be deposited into the Series 2010A/B Reserve Account of the Reserve Fund;

(c) \$98,619.06 shall be deposited into the Series 2010B Costs of Issuance Account of the Series 2010 Costs of Issuance Fund;

(d) \$27,176,000.00 shall be deposited into the Series A Subordinate Commercial Paper Repayment Fund; and

(e) \$917,200.00 shall be deposited into the Series B Subordinate Commercial Paper Repayment Fund.

Section 4.04. Application of Series 2010C Bond Proceeds. The proceeds of the sale of the Series 2010C Bonds, being the amount of \$213,989,928.28 (which sum represents the par amount of the Series 2010C Bonds of \$215,360,000.00, and less an underwriters' discount in the amount of \$1,370,071.72) received by the Trustee shall be deposited or paid by the Trustee as follows:

(a) \$917,200.00, representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2010C Debt Service Fund to be used to pay interest due and payable on the Series 2010C Bonds through, and including, January 1, 2011;

(b) \$18,319,211.66 shall be deposited into the Series 2010C Reserve Account of the Reserve Fund;

(c) \$446,399.01 shall be deposited into the Series 2010C Costs of Issuance Account of the Series 2010 Costs of Issuance Fund;

(d) \$31,583,072.00 shall be deposited into the Series A Subordinate Commercial Paper Repayment Fund;

(e) \$914,709.00 shall be deposited into the Series C Subordinate Commercial Paper Repayment Fund; and

(f) \$161,809,336.61 shall be deposited into the Series 2010C Construction Fund to be used to pay the Costs of the Series 2010C Project.

Section 4.05. Application of Other Moneys of the Authority. On the date of issuance of the Series 2010 Bonds, the Authority shall deposit with the Trustee (a) \$5,835,105.00 representing unspent proceeds of the Refunded Series A Subordinate Commercial Paper Notes, and (b) \$6,515,474.00 representing unspent proceeds of the Refunded Series C Subordinate Commercial Paper Notes. Upon receipt of such amounts the Trustee shall deposit (i) \$5,835,105.00 to the Series A Subordinate Commercial Paper Repayment Fund and (ii) \$6,515,474.00 to the Series C Subordinate Commercial Paper Repayment Fund.

Section 4.06. Series 2010A Construction Fund.

(a) There shall be deposited into the Series 2010A Construction Fund the amounts as provided in Section 4.02(g) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2010A Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.07(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2010A Construction Fund upon receipt from the Authority of a written requisition, in substantially the form attached as Exhibit D-1 hereto, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount

requested thereby, (i) that such amount is to be paid from the Series 2010A Construction Fund and is not to be used to pay Costs of Issuance, (ii) the number of the requisition, (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, (iv) that the amount to be paid represents a Cost of the Series 2010A Project as described in Exhibit C-1 hereto, and (v) that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Series 2010A/B 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 Series 2010A Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2010A Construction Fund shall be retained in the Series 2010A Construction Fund.

(d) The completion of the Series 2010A 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 Series 2010A 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 the Series 2010A Project or (ii) that all amounts in the Series 2010A Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2010A Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with the Series 2010A 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. As a condition to the disbursement of funds for a purpose other than the financing of the Series 2010A Project, 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 and that such use shall not result in the inclusion of interest on any Series 2010A Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.07. Series 2010A Debt Service Fund. The Trustee shall make deposits into the Series 2010A Debt Service Fund and use such deposits as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account (i) the amounts as provided in Section 4.07(b) hereof, (ii) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2010A Bonds and, if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010A Bonds, to pay amounts due and payable to the provider of such agreement at such times as are provided in such interest rate swap agreement, and (iii) if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010A Bonds, any amounts received by the Authority from the provider of such agreement. The Trustee also shall deposit into the Interest Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges, if any) deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts

held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010A Bonds in accordance with their terms and amounts due and payable by the Authority under any interest rate swap agreement entered into by the Authority with respect to all or a portion of the Series 2010A Bonds (other than any swap termination payments and any other amounts payable thereunder which are payable and secured by a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations) at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on any Passenger Facility Charges deposited in the Interest Account shall be retained in the Interest Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account 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, in which event the earnings shall be retained in such account.

(b) ***Capitalized Interest Account.*** The Trustee shall deposit into the Capitalized Interest Account the amounts as provided in Section 4.02(a) hereof. Amounts deposited to the Capitalized Interest Account shall be transferred to the Interest Account on the dates provided for in Section 4.02 of the Master Subordinate Indenture for the payment of interest on the Series 2010A Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2010A Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	Amount to be Transferred to Interest Account
January 1, 2011	\$3,369,587.93
July 1, 2011	6,952,792.71
January 1, 2012	5,848,647.58
July 1, 2012	5,824,030.00
January 1, 2013	433,798.87

Until the Series 2010A Project is completed, earnings on amounts on deposit in the Capitalized Interest Account shall be retained in the Capitalized Interest Account and transferred to the Interest Account to pay interest on the Series 2010A Bonds as provided in the table above. On the completion date of the Series 2010A Project, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2010A Construction Fund.

All amounts held at any time in the Capitalized Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010A Bonds in accordance with their terms.

(c) ***Principal Account.*** The Trustee shall deposit into the Principal Account amounts received from the Authority as provided in the Master Subordinate Indenture.

The Trustee shall also deposit into the Principal Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2010A Bonds whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof on the applicable Payment Dates. Earnings on Passenger Facility Charges deposited in the Principal Account shall be retained in the Principal Account. On or about July 15 of each Fiscal Year, earnings on the Principal Account (except earnings on Passenger Facility Charges) shall be withdrawn by the Trustee and paid to the Authority for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in such account.

(d) ***Redemption Account.*** The Trustee shall deposit into the Redemption Account amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay the redemption price of Series 2010A Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2010A Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts in the Redemption Account shall be retained in such account or 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 Series 2010A Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.08. Series 2010B Debt Service Fund. The Trustee shall make deposits into the Series 2010B Debt Service Fund and use such deposits as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account (i) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2010B Bonds and, if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010B Bonds, to pay amounts due and payable to the provider of such agreement at such times as are provided in such interest rate swap agreement and (ii) if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010B Bonds, any amounts received by the Authority from the provider of such agreement. The Trustee also shall deposit into the Interest Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges, if any) deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010B Bonds in accordance with their terms and amounts due and payable by the Authority under any interest rate swap agreement entered into by the Authority with respect to all or

a portion of the Series 2010B Bonds (other than any swap termination payments and any other amounts payable thereunder which are payable and secured by a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations) at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on any Passenger Facility Charges deposited in the Interest Account shall be retained in the Interest Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account 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, in which event the earnings shall be retained in such account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account amounts received from the Authority as provided in the Master Subordinate Indenture. The Trustee shall also deposit into the Principal Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2010B Bonds whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof on the applicable Payment Dates. Earnings on Passenger Facility Charges deposited in the Principal Account shall be retained in the Principal Account. On or about July 15 of each Fiscal Year, earnings on the Principal Account (except earnings on Passenger Facility Charges) shall be withdrawn by the Trustee and paid to the Authority for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in such account.

(c) ***Redemption Account.*** The Trustee shall deposit into the Redemption Account amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay the redemption price of Series 2010B Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2010B Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts in the Redemption Account shall be retained in such account or 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 Series 2010B Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.09. Series 2010C Construction Fund.

(a) There shall be deposited into the Series 2010C Construction Fund the amounts as provided in Section 4.04(f) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2010C Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.10(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2010C Construction Fund upon receipt from the Authority of a written requisition, in substantially the form attached as Exhibit D-1 hereto, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2010C Construction Fund and is not to be used to pay Costs of Issuance, (ii) the number of the requisition, (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, (iv) that the amount to be paid represents a Cost of the Series 2010C Project as described in Exhibit C-2 hereto, and (v) that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Series 2010C 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 Series 2010C Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2010C Construction Fund shall be retained in the Series 2010C Construction Fund.

(d) The completion of the Series 2010C 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 Series 2010C 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 the Series 2010C Project or (ii) that all amounts in the Series 2010C Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2010C Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with the Series 2010C 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. As a condition to the disbursement of funds for a purpose other than the financing of the Series 2010C Project, 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 and that such use complies with the applicable provisions of the Code.

Section 4.10. Series 2010C Debt Service Fund. The Trustee shall make deposits into the Series 2010C Debt Service Fund and use such deposits as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account (i) the amounts as provided in Section 4.10(b) hereof, (ii) the amounts received from the

Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2010C Bonds and, if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010C Bonds, to pay amounts due and payable to the provider of such agreement at such times as are provided in such interest rate swap agreement, and (iii) if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2010C Bonds, any amounts received by the Authority from the provider of such agreement. The Trustee also shall deposit into the Interest Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges, if any) deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010C Bonds in accordance with their terms and amounts due and payable by the Authority under any interest rate swap agreement entered into by the Authority with respect to all or a portion of the Series 2010C Bonds (other than any swap termination payments and any other amounts payable thereunder which are payable and secured by a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations) at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on any Passenger Facility Charges deposited in the Interest Account shall be retained in the Interest Account. Earnings (except earnings on Passenger Facility Charges) on all other amounts in the Interest Account 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, in which event the earnings shall be retained in such account.

(b) ***Capitalized Interest Account.*** The Trustee shall deposit into the Capitalized Interest Account the amounts as provided in Sections 4.03(a) and 4.04(a) hereof. Amounts deposited to the Capitalized Interest Account shall be transferred to the Interest Account on the dates provided for in Section 4.02 of the Master Subordinate Indenture for the payment of interest on the Series 2010C Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2010C Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	Amount to be Transferred to Interest Account
January 1, 2011	\$2,148,281.70
July 1, 2011	4,339,978.01
January 1, 2012	4,287,273.53
July 1, 2012	4,199,466.13
January 1, 2013	328,484.59

Until the Series 2010C Project is completed, earnings on amounts on deposit in the Capitalized Interest Account shall be retained in the Capitalized Interest Account and

transferred to the Interest Account to pay interest on the Series 2010C Bonds as provided in the table above. On the completion date of the Series 2010C Project, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2010C Construction Fund.

All amounts held at any time in the Capitalized Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010C Bonds in accordance with their terms.

(c) ***Principal Account.*** The Trustee shall deposit into the Principal Account amounts received from the Authority as provided in the Master Subordinate Indenture. The Trustee shall also deposit into the Principal Account any other amounts (including, but not limited to, amounts derived from Passenger Facility Charges) deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2010C Bonds whether at maturity or by mandatory sinking fund redemption as provided in Section 3.08 hereof on the applicable Payment Dates. Earnings on Passenger Facility Charges deposited in the Principal Account shall be retained in the Principal Account. On or about July 15 of each Fiscal Year, earnings on the Principal Account (except earnings on Passenger Facility Charges) shall be withdrawn by the Trustee and paid to the Authority for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in such account.

(d) ***Redemption Account.*** The Trustee shall deposit into the Redemption Account amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay the redemption price of Series 2010C Bonds being redeemed as provided in Section 3.06 or 3.07 hereof. The Trustee shall also deposit into the Redemption Account any other amounts deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2010C Bonds being redeemed as provided in Section 3.06 or 3.07 hereof. Earnings on amounts in the Redemption Account shall be retained in such account or 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 Series 2010C Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.11. Series 2010 Costs of Issuance Fund.

(a) There shall, be deposited into the Series 2010 Costs of Issuance Fund the amounts as provided in Sections 4.02(c), 4.03(c) and 4.04(c) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2010 Costs of Issuance Fund upon receipt from the Authority of a written requisition in

substantially the form attached hereto as Exhibit D-2, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) the Account within the Series 2010 Costs of Issuance Fund from which such amount is to be paid, (ii) that such amount is to be paid from such Account of the Series 2010 Costs of Issuance Fund, (iii) the number of the requisition, (iv) 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 and (v) describe the Costs of Issuance represented by such payment. 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 Series 2010 Costs of Issuance Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series 2010A Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be deposited into the Series 2010A Construction Fund. Any amounts remaining in the Series 2010A Costs of Issuance Account of the Series 2010 Costs of Issuance Fund on April 4, 2011 shall be transferred to the Series 2010A Construction Fund and the Series 2010A Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be closed.

(e) Earnings on the Series 2010B Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be deposited into the Interest Account of the Series 2010B Debt Service Fund. Any amounts remaining in the Series 2010B Costs of Issuance Account of the Series 2010 Costs of Issuance Fund on April 4, 2011 shall be transferred to the Interest Account of the Series 2010B Debt Service Fund and the Series 2010B Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be closed.

(f) Earnings on the Series 2010C Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be deposited into the Series 2010C Construction Fund. Any amounts remaining in the Series 2010C Costs of Issuance Account of the Series 2010 Costs of Issuance Fund on April 4, 2011 shall be transferred to the Series 2010C Construction Fund and the Series 2010C Costs of Issuance Account of the Series 2010 Costs of Issuance Fund shall be closed.

Section 4.12. Reserve Fund, Series 2010A/B Reserve Account and Series 2010C Reserve Account.

(a) ***Reserve Fund.*** Amounts on deposit in the Reserve Fund shall be used by the Trustee to pay the principal of and interest on each Series of Subordinate Obligations participating in the Reserve Fund if, on any principal or interest payment date for any Series of Subordinate Obligations participating in the Reserve Fund, the amounts in the respective Debt Service Fund for such Series of Subordinate Obligations participating in the Reserve Fund, and available therefore, are insufficient to pay in full the principal of

and/or interest due on such Series of Subordinate Obligations on such principal and/or interest payment date.

The Authority reserves the right to elect to have any Series of Subordinate Obligations participate in the Reserve Fund on a parity basis with all other Series of Subordinate Obligations participating in the Reserve Fund; provided that at the time of issuance of such Subordinate Obligations elected to participate in the Reserve Fund the Authority deposits or causes to be deposits to the Reserve Fund additional moneys or a Reserve Fund Insurance Policy so that the amounts (including any Reserve Fund Insurance Policies) on deposit in the Reserve Fund after the issuance of the Subordinate Obligations elected to participate in the Reserve Fund shall equal the Reserve Requirement. Notwithstanding the previous sentence, such required deposit of moneys or Reserve Fund Insurance Policy into the Reserve Fund can be made at the time of issuance of the Subordinate Obligations elected to participate in the Reserve Fund or within 12 months of the date of issuance of such Subordinate Obligations elected to participate in the Reserve Fund. In the event the required deposit of moneys or Reserve Fund Insurance Policy into the Reserve Fund is not made at the time of issuance of the Subordinate Obligations elected to participate in the Reserve Fund, the Authority shall make deposits to the Reserve Fund in twelve (12) substantially equal monthly installments (each installment equal to 1/12 of the required deposit to the Reserve Fund) each due on the first Business Day of the month commencing with the first month after the issuance of such Subordinate Obligations participating in the Reserve Fund.

The Trustee shall annually, on or about July 2 of each year, commencing on July 2, 2011, and at such other times as the Authority shall deem appropriate, value the Reserve Fund on the basis of the lower of amortized cost or market value thereof, including accrued interest thereon and the basis of the cost thereof, adjusted for amortization of premium or discount on the investment thereof. For purposes of determining the amount on deposit in the Reserve Fund, any Reserve Fund Insurance Policy held by, or the benefit of which is available to, the Trustee as security for the Subordinate Obligations participating in the Reserve Fund shall be deemed to be a deposit in the face amount or stated amount of the Reserve Fund Insurance Policy, except that if the amount available under a Reserve Fund Insurance Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Reserve Fund Insurance Policy and has not been reinstated or another Reserve Fund Insurance Policy provided, then, in valuing the Reserve Fund, the value of such Reserve Fund Insurance Policy shall be reduced accordingly. Upon each such valuation, the Trustee shall prepare a written certificate setting forth the Reserve Requirement as of such valuation date and the value of the Reserve Fund and deliver a copy thereof to the Vice President of Finance. If, upon any valuation, the value of the Reserve Fund exceeds the Reserve Requirement, the excess amount, including investment earnings, shall be withdrawn and deposited by the Trustee into the respective Debt Service Funds for each Series of Subordinate Obligations participating in the Reserve Fund, pro rata based on outstanding par amounts for each Series of Subordinate Obligations participating in the Reserve Fund, unless otherwise directed by the Authority. If, upon any valuation, the value of the Reserve Fund is less than the Reserve

Requirement, the Authority shall replenish such amounts within twelve (12) months of the date of valuation.

Provided the Reserve Fund has been satisfied by both cash or securities and a Reserve Fund Insurance Policy, any payment of principal and/or interest on the Series of Subordinate Obligations participating in the Reserve Fund from the Reserve Fund shall first be made from any cash or securities then deposited in the Reserve Fund and only in the event no cash or securities remain in the Reserve Fund shall the Trustee be allowed to make a draw under the Reserve Fund Insurance Policy. Additionally, in the event that two or more Reserve Fund Insurance Policies have been entered into, any payment of principal and/or interest to be made pursuant to any of the Reserve Fund Insurance Policies shall be made on a pro rata basis.

At such time as amounts in the respective Debt Service Funds for each Series of Subordinate Obligations participating in the Reserve Fund are equal to all debt service payments remaining due on the Series of Subordinate Obligations participating in the Reserve Fund, the amount in the Reserve Fund may be used to pay the final installments of principal and interest on the Series of Subordinate Obligations participating in the Reserve Fund and otherwise may be withdrawn and transferred to the Authority to be deposited in the Revenue Account to be used for any lawful purpose, provided that, if such amounts are used for a purpose other than payment of the Series of Subordinate Obligations participating in the Reserve Fund, there shall be delivered to the Trustee with the request for such funds an opinion of Subordinate Obligation Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used and that such use shall not result in the inclusion of interest on any Series of Subordinate Obligations participating in the Reserve Fund in gross income of the recipient thereof for federal income tax purposes, if applicable.

A Reserve Fund Insurance Policy shall be acceptable in lieu of an initial deposit of cash or securities or in substitution of cash or securities on deposit in the Reserve Fund only if at the time of such deposit (a) such Reserve Fund Insurance Policy extends to the final maturity of the Series of Subordinate Obligations for which such Reserve Fund Insurance Policy was issued or (b) the Authority has agreed, by Supplemental Subordinate Indenture, that the Authority will replace such Reserve Fund Insurance Policy prior to its expiration with another Reserve Fund Insurance Policy or with cash.

If moneys have been withdrawn from the Reserve Fund or a payment has been made under a Reserve Fund Insurance Policy, and deposited into the respective Debt Service Funds for the Series of Subordinate Obligations participating in the Reserve Fund to prevent a default on the Series of Subordinate Obligations participating in the Reserve Fund, then the Authority will pay or cause to be paid to the Trustee, from Subordinate Net Revenues, but only as provided in the Master Subordinate Indenture, the full amount so withdrawn, together with interest, if any, required under the terms of the Reserve Fund Insurance Policy, or so much as shall be required to restore the Reserve Fund to the Reserve Requirement and to pay such interest, if any. Such repayment shall be made in twelve (12) substantially equal monthly installments each due on the first Business Day of the month commencing with the first month after such withdrawal occurs. If such

repayment is with respect to a draw under a Reserve Fund Insurance Policy, the Trustee shall pay to the provider of such Reserve Fund Insurance Policy the amount received by the Trustee from the Authority which is designated to be used to reimburse the provider of such Reserve Fund Insurance Policy. The Trustee shall immediately notify the Trustee of such reimbursement, and the amount available to be drawn under the Reserve Fund Insurance Policy shall increase by the amount of such reimbursement. Repayments owed to the provider of a Reserve Fund Insurance Policy shall be paid prior to funding the unfunded cash portion of the Reserve Requirement; provided, however, that the Authority's obligation to fund the Reserve Fund shall be on the same priority as the Authority's obligation to fund Debt Service Reserve Funds for its other Subordinate Obligations. Amounts provided by the Authority to the Trustee to fund the Authority's reserve fund obligations for its Subordinate Obligations must be distributed between all of the Subordinate Obligations on a pro rata basis without regard to the existence of a cash funded Debt Service Reserve Fund or a reserve fund insurance policy.

Moneys in the Reserve Fund shall be invested and reinvested by the Trustee at the direction of an Authorized Authority Representative in Permitted Investments.

(b) ***Series 2010A/B Reserve Account.*** In accordance with Section 4.12(a) hereof, the Authority hereby elects to have the Series 2010A Bonds and the Series 2010B Bonds participate in the Reserve Fund. As provided in Sections 4.02(b) and 4.03(b) hereof, at the time of the issuance of the Series 2010A Bonds and the Series 2010B Bonds, a portion of the proceeds of the Series 2010A Bonds and a portion of the proceeds of the Series 2010B Bonds shall be deposited into the Series 2010A/B Reserve Account. The Series 2010A/B Reserve Account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund allocable to the Series 2010A Bonds and the Series 2010B Bonds for rebate purposes as set forth in the Series 2010A/B Tax Certificate, but for all other purposes shall be held, invested and used as an integral part of the Reserve Fund as provided in Section 4.12(a) hereof and shall be available to make payments on all of the Series of Subordinate Obligations participating in the Reserve Fund as if no separate account had been created. In the event a Reserve Fund Insurance Policy is ever issued with respect to the Reserve Fund, the Trustee is hereby directed to credit the Series 2010A/B Reserve Account with the portion of any Reserve Fund Insurance Policy allocable thereto. In the event amounts in the Reserve Fund exceed the Reserve Requirement, such excess allocable to the Series 2010A Bonds shall be transferred to the Interest Account in the Series 2010A Debt Service Fund and such excess allocable to the Series 2010B Bonds shall be transferred to the Interest Account in the Series 2010A Debt Service Fund.

(c) ***Series 2010C Reserve Account.*** In accordance with Section 4.12(a) hereof, the Authority hereby elects to have the Series 2010C Bonds participate in the Reserve Fund. As provided in Section 4.04(b) hereof, at the time of the issuance of the Series 2010C Bonds, a portion of the proceeds of the Series 2010C Bonds shall be deposited into the Series 2010C Reserve Account. The Series 2010C Reserve Account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund allocable to the Series 2010C Bonds for rebate purposes as set forth in the Series 2010C Tax Certificate, but for all other purposes shall

be held, invested and used as an integral part of the Reserve Fund as provided in Section 4.12(a) hereof and shall be available to make payments on all of the Series of Subordinate Obligations participating in the Reserve Fund as if no separate account had been created. In the event a Reserve Fund Insurance Policy is ever issued with respect to the Reserve Fund, the Trustee is hereby directed to credit the Series 2010C Reserve Account with the portion of any Reserve Fund Insurance Policy allocable thereto. In the event amounts in the Reserve Fund exceed the Reserve Requirement, such excess allocable to the Series 2010C Bonds shall be transferred to the Interest Account in the Series 2010C Debt Service Fund.

Section 4.13. Series A Subordinate Commercial Paper Repayment Fund.

(a) There shall, be deposited into the Series A Subordinate Commercial Paper Repayment Fund the amounts as provided in Sections 4.02(d), 4.03(d) and 4.04(d) hereof. Amounts on deposit in the Series A Subordinate Commercial Paper Repayment Fund shall be used to pay the principal of the Refunded Series A Subordinate Commercial Paper Notes.

(b) The Trustee shall make payments or disbursements from the Series A Subordinate Commercial Paper Repayment Fund upon receipt from the Authority of a written requisition in substantially the form attached as Exhibit D-3 hereto, executed by an Authorized Authority Representative. 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 Series A Subordinate Commercial Paper Repayment Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series A Subordinate Commercial Paper Repayment Fund shall be deposited into the Series 2010A Construction Fund and the Series 2010C Construction Fund on a pro-rata basis. Any amounts remaining in the Series A Subordinate Commercial Paper Repayment Fund on October 13, 2010 shall be transferred to the Series 2010A Construction Fund and the Series 2010C Construction Fund on a pro-rata basis and the Series A Subordinate Commercial Paper Repayment Fund shall be closed.

Section 4.14. Series B Subordinate Commercial Paper Repayment Fund.

(a) There shall, be deposited into the Series B Subordinate Commercial Paper Repayment Fund the amount as provided in Sections 4.02(e) and 4.03(e) hereof. Amounts on deposit in the Series B Subordinate Commercial Paper Repayment Fund shall be used to pay the principal of the Refunded Series B Subordinate Commercial Paper Notes.

(b) The Trustee shall make payments or disbursements from the Series B Subordinate Commercial Paper Repayment Fund upon receipt from the Authority of a written requisition in substantially the form attached as Exhibit D-3 hereto, executed by

an Authorized Authority Representative. 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 Series B Subordinate Commercial Paper Repayment Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series B Subordinate Commercial Paper Repayment Fund shall be deposited into the Series 2010A Construction Fund. Any amounts remaining in the Series B Subordinate Commercial Paper Repayment Fund on October 6, 2010 shall be transferred to the Series 2010A Construction Fund and the Series B Subordinate Commercial Paper Repayment Fund shall be closed.

Section 4.15. Series C Subordinate Commercial Paper Repayment Fund.

(a) There shall, be deposited into the Series C Subordinate Commercial Paper Repayment Fund the amount as provided in Sections 4.02(f) and 4.04(e) hereof. Amounts on deposit in the Series C Subordinate Commercial Paper Repayment Fund shall be used to pay the principal of the Refunded Series C Subordinate Commercial Paper Notes.

(b) The Trustee shall make payments or disbursements from the Series C Subordinate Commercial Paper Repayment Fund upon receipt from the Authority of a written requisition in substantially the form attached as Exhibit D-3 hereto, executed by an Authorized Authority Representative. 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 Series C Subordinate Commercial Paper Repayment Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series C Subordinate Commercial Paper Repayment Fund shall be deposited into the Series 2010A Construction Fund and the Series 2010C Construction Fund on a pro-rata basis. Any amounts remaining in the Series C Subordinate Commercial Paper Repayment Fund on October 6, 2010 shall be transferred to the Series 2010A Construction Fund and the Series 2010C Construction Fund on a pro-rata basis and the Series C Subordinate Commercial Paper Repayment Fund shall be closed.

Section 4.16. Sources of Payment of the Series 2010 Bonds. The Series 2010 Bonds shall be secured by and payable from the Subordinate Net Revenues as provided in the Master Subordinate Indenture and moneys and other investments held by the Trustee in the Reserve Fund. The Authority may, but is not obligated to, provide for the payment of the principal of and interest on the Series 2010 Bonds from any other source or from any other funds of the Authority, including, but not limited to, amounts derived from Passenger Facility Charges, except as otherwise provided in the PFC Resolution.

Section 4.17. PFC Resolution. The Authority hereby covenants to comply with all of the terms, conditions, obligations and covenants set forth in the PFC Resolution.

Section 4.18. Series 2010C Bonds are “Build America Bonds”. The Authority hereby irrevocably elects to have Section 54AA(g) of the Code apply to the Series 2010C Bonds. In addition, the Authority hereby represents that:

(a) The Series 2010C Bonds are “Build America Bonds” (as such term is defined in Section 54AA(d) of the Code);

(b) The Series 2010C Bonds will be issued prior to January 1, 2011; and

(c) One-hundred percent of the sale proceeds of the Series 2010C Bonds, less not more than 2% of such proceeds used to pay Costs of Issuance, plus investment proceeds thereon, and sale proceeds deposited to the Series 2010C Reserve Account, are to be used for capital expenditures (which may include capitalized interest) on the Series 2010C Project.

ARTICLE V

TAX COVENANTS

Section 5.01. Series 2010A/B Rebate Fund. The Authority hereby agrees that it will execute the Series 2010A/B Tax Certificate and will, pursuant to this Second Supplemental Subordinate Indenture, cause the Series 2010A/B Rebate Fund to be established, which fund will be funded if so required pursuant to the provisions of the Series 2010A/B Tax Certificate and amounts in such Series 2010A/B Rebate Fund shall be held and disbursed in accordance with the Series 2010A/B Tax Certificate.

Section 5.02. Preservation of Tax Exemption on Series 2010A/B Bonds.

(a) The Authority shall comply with the covenants and agreements set forth in the Series 2010A/B Tax Certificate.

(b) The Authority shall not use or permit the use of any proceeds of the Series 2010A Bonds or the Series 2010B Bonds or any other funds of the Authority held by the Trustee under the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture allocable to the Series 2010A Bonds or the Series 2010B Bonds, 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 Series 2010A Bonds or the Series 2010B Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2010A Bond or Series 2010B Bond 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 the Authority is of the opinion 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 Series 2010A Bonds and the Series 2010B Bonds being considered “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2010A Bonds and the Series 2010B Bonds 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.

(c) The Authority shall at all times do and perform all acts and things permitted by law and this Second Supplemental Subordinate Indenture which are necessary or desirable in order to assure that interest paid on the Series 2010A Bonds and the Series 2010B Bonds will not be included in gross income for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

Section 5.03. Series 2010C Rebate Fund. The Authority hereby agrees that it will execute the Series 2010C Tax Certificate and will, pursuant to this Second Supplemental Subordinate Indenture, cause the Series 2010C Rebate Fund to be established, which fund will be funded if so required pursuant to the provisions of the Series 2010C Tax Certificate and amounts in such Series 2010C Rebate Fund shall be held and disbursed in accordance with the Series 2010C Tax Certificate.

Section 5.04. Compliance with Series 2010C Tax Certificate. The Authority shall comply with the covenants and agreements set forth in the Series 2010C Tax Certificate.

ARTICLE VI

AMENDMENTS TO MASTER SUBORDINATE INDENTURE NOT REQUIRING CONSENT OF THE HOLDERS OF THE OUTSTANDING SUBORDINATE OBLIGATIONS BUT REQUIRING CONSENT OF THE CP LETTER OF CREDIT BANK

Section 6.01. Amendments to Master Subordinate Indenture Not Requiring Consent of the Holders of the Outstanding Subordinate Obligations but Requiring Consent of the CP Letter of Credit Bank. Pursuant to this Article, the Authority hereby desires to amend certain provisions of the Master Subordinate Indenture which do not require the consent of the Holders of the Outstanding Subordinate Obligations in accordance with Section 10.02 of the Master Subordinate Indenture, but do require the consent of the CP Letter of Credit Bank in accordance with the CP Reimbursement Agreement. As provided for in Section 10.03(f) of the Master Subordinate Indenture, the Authority hereby desires to execute these amendments to the Master Subordinate Indenture prior to receiving the consent from the CP Letter of Credit Bank; provided, however, the amendments set forth in this Article shall not become effective until such time as the Authority receives (1) the required consent, in writing, of the CP Letter of Credit Bank, and (2) an opinion of Bond Counsel as required by the last paragraph of Section 10.02 of the Master Subordinate Indenture.

Section 6.02. Amendment to Section 4.02 of the Master Subordinate Indenture.

Section 4.04 of the Master Subordinate Indenture shall be amended and restated in full to read as follows:

“Section 4.02. Creation of Funding of Debt Service Funds. At the time of issuance of each Series of Subordinate Obligations, the Authority shall create or shall cause to be created a Debt Service Fund for such Series of Subordinate Obligations, which Debt Service Fund shall be designated as “San Diego County Regional Airport Authority Subordinate Airport Revenue [Obligations/Bonds/Commercial Paper Notes Debt Service Fund Series ____]”, (each, respectively, a “Debt Service Fund”) which Debt Service Fund and all Subaccounts shall be held by the Trustee or any agent of the Trustee, and amounts to be used to pay principal and interest on such Series, as received by the Trustee or its agent, shall be deposited therein and used for such purpose. Accounts and Subaccounts shall be created in the various Debt Service Funds and shall be held by the Trustee or such agents as shall be provided by Supplemental Subordinate Indenture.

Amounts on deposit in each Debt Service Fund shall be held in trust and applied as provided in the Supplemental Subordinate Indenture with regard to each such fund, and pending such application on the arrival of the Payment Date for such amounts shall be subject to a lien on and security interest in favor of the holders of the Subordinate Obligations issued and Outstanding under this Indenture.

So long as any of the Subordinate Obligations are Outstanding, not later than the twentieth (20th) day of each calendar month, the Authority shall withdraw from the Revenue Account and pay to the Trustee for deposit in the Debt Service Funds established with respect to each Series of Subordinate Obligations: (a) sums in equal fractional parts for each one-half year so that at least the full amount required to pay the interest on Subordinate Obligations of that Series, as it becomes due, shall be set aside in that Debt Service Fund by not later than the twentieth (20th) day of the month prior to the date each installment of interest becomes due; (b) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due at maturity, the Principal Amount of Subordinate Obligations of that Series, shall be set aside in that Debt Service Fund by not later than the twentieth (20th) day of the month prior to the date such principal amount becomes due; and (c) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due, the sinking installment payment, if any, due with respect to Term Subordinate Obligations of such Series shall be set aside in that Debt Service Fund by not later than the twentieth (20th) day of the month prior to the date such sinking installment payment becomes due. No such transfer need be made in respect of any Series of Subordinate Obligations prior to the actual delivery of that Series of Subordinate Obligations to the purchasers thereof; provided, however, that subsequent to the issuance of such Series of Subordinate Obligations, there shall be transferred and paid from the Revenue Account to the Debt Service Fund established for that Series of Subordinate Obligations, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the twentieth (20th) day of the calendar month immediately succeeding the issuance of such Series of Subordinate Obligations, so that interest due on such Series of Subordinate Obligations

on the first interest payment date to occur after the issuance of such Series of Subordinate Obligations shall be fully funded at least one (1) Business Day prior to the date the first installment of interest is due on such Series Subordinate Obligations, and, if the first principal payment or sinking fund installment of such Series of Subordinate Obligations is due less than twelve months after the issuance of such Series of Subordinate Obligations, there shall be transferred and paid from the Revenue Account to the Debt Service Fund established for that Series of Subordinate Obligations, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the twentieth (20th) day of the calendar month immediately succeeding the issuance of such Series of Subordinate Obligations, so that principal or sinking fund installments of such Series of Subordinate Obligations due on the first principal payment date to occur after the issuance of such Series of Subordinate Obligations shall be fully funded at least one (1) Business Day prior to the date the first principal payment or sinking fund installment is due on such Series of Subordinate Obligations. On any day on which the Trustee receives funds from the Authority to be used to pay principal or sinking fund installments of or interest on Subordinate Obligations, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal or sinking fund installments and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Subordinate Obligations for which such payments were made. Notwithstanding any of the foregoing provisions of this paragraph, no amount need be transferred from the Revenue Account or otherwise deposited into any Debt Service Fund for any Series of Subordinate Obligations for the payment of principal or sinking fund installments or interest, respectively, if the amount already on deposit therein and available for such purpose is sufficient to pay in full the amount of principal or sinking fund installment and/or interest, respectively, coming due on such Subordinate Obligations on the next succeeding Payment Date.

The Authority may provide in any Supplemental Subordinate Indenture that, as to any Series of Subordinate Obligations Outstanding, any amounts required to be transferred to and paid into a Debt Service Fund may be prepaid, in whole or in part, by being earlier transferred to and paid into that Debt Service Fund, and in that event any subsequently scheduled monthly transfer, or any part thereof, which has been so prepaid need not be made at the time appointed therefor. In any Supplemental Subordinate Indenture, the Authority may provide that moneys in the Redemption Account allocable to sinking fund installment payments of a Series may, at the discretion of the Authority, be applied to the purchase and cancellation of such Series (at a price not greater than par) prior to notice of redemption of such Series. Such Subordinate Obligations so delivered or previously redeemed or purchased at the direction of the Authority shall be credited by the Trustee at the principal amount thereof to the next scheduled sinking installment payments on Subordinate Obligations of such Series and any excess over the sinking installment payment deposit required on that date shall be credited against future sinking installment deposits in such manner and order as the Authority may determine in its discretion, and the scheduled principal amount of the Subordinate Obligations to be redeemed by operation of such sinking installment payments shall be accordingly modified in such manner as the Authority may determine and as specified to the Trustee in writing.

Money set aside and placed in a Debt Service Fund for any Series of Subordinate Obligations shall remain therein until from time to time expended for the aforesaid purposes thereof and shall not be used for any other purpose whatsoever, except that any such money so set aside and placed in a Debt Service Fund may be temporarily invested as provided in Article VI hereof, but such investment shall not affect the obligation of the Authority to cause the full amount required by the terms of this Section to be available in a Debt Service Fund at the time required to meet payments of principal of and interest on Subordinate Obligations of the Series for which it is accumulated. Earnings on such investments upon written request of the Authority may be transferred into the Revenue Account, except that during the continuation of an Event of Default, such earnings shall remain in the Debt Service Funds created under the respective Supplemental Subordinate Indentures.

Each Debt Service Fund established to pay principal of and interest on any Series of Subordinate Obligations shall be held by the Trustee or any agent of the Trustee, and amounts to be used to pay principal of and interest on such Series, as received by the Trustee or its agent, shall be deposited therein and used for such purpose. Accounts and Subaccounts shall be created by the Trustee or any agent of the Trustee in the various Debt Service Funds as requested in writing by the Authorized Authority Representative and shall be held by the Trustee or such agents as shall be provided by the Supplemental Subordinate Indenture.

The moneys in each Debt Service Fund established for any Series of Subordinate Obligations shall be held in trust and applied as provided herein and in the Supplemental Subordinate Indenture, and pending the application of such amounts in accordance herewith and with the provisions of such Supplemental Subordinate Indenture shall be subject to a lien on and security interest in favor of the holders of the Outstanding Subordinate Obligations of such Series.

On each Payment Date for any Outstanding Subordinate Obligations, the Trustee shall pay to the Owners of the Subordinate Obligations of a given Series from the appropriate Debt Service Fund or Debt Service Funds, an amount equal to the principal and interest becoming due on such Series of Subordinate Obligations.

The payments made by the Trustee in this Section shall be made solely to the extent that moneys are on deposit in the appropriate Debt Service Fund.

All money remaining in a Debt Service Fund on the final Payment Date, in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of the Subordinate Obligations of the Series for which that Debt Service Fund was established or the payment of amounts required to be rebated, pursuant to the Code, to the United States of America with respect to Subordinate Obligations of that Series, shall be returned to the Authority and deposited by the Authority in the Revenue Account.

The Trustee shall, at least seven (7) days prior to each Payment Date on any Subordinate Obligation, or as otherwise directed in any Supplemental Subordinate

Indenture, give the Authority prompt notice of any additional amount required to be deposited with the Trustee to pay the amount required to be paid on such Payment Date in respect of such Subordinate Obligation, in the event the amount then on deposit in any Debt Service Fund is insufficient to pay the amounts due on any Series of Subordinate Obligations on such Payment Date. With respect to any Series of Subordinate Obligations, the Supplemental Subordinate Indenture under which such Subordinate Obligations are issued may provide for different times and methods of notifying the Authority of payment dates and amounts to accommodate the specific provisions of such Series and, in such event, the terms of such Supplemental Subordinate Indenture shall control.

Notwithstanding anything herein to the contrary, including the provisions of the ninth paragraph of this Section, if, on any Payment Date, the Trustee does not have sufficient amounts in the Debt Service Funds (without regard to any amounts which may be available in a Debt Service Reserve Fund) to pay in full with respect to Subordinate Obligations of all Series all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in a Debt Service Reserve Fund) as follows: first, to the payment of past due interest on Subordinate Obligations of any Series, in the order in which such interest came due, second, to the payment of past due principal on Subordinate Obligations of any Series, in the order in which such principal came due, third, to the payment of interest then due and payable on the Subordinate Obligations of each Series due on such Payment Date and, if the amount available shall not be sufficient to pay in full all interest on the Subordinate Obligations then due, then pro rata among the Series according to the amount of interest then due, and fourth, to the payment of principal then due on the Subordinate Obligations and, if the amount available shall not be sufficient to pay in full all principal on the Subordinate Obligations then due, then pro rata among the Series according to the Principal Amount then due on the Subordinate Obligations.

If a Debt Service Reserve Fund or Debt Service Reserve Funds (or a Credit Facility provided in lieu thereof) have been used to make payments on Subordinate Obligations secured thereby, then the Authority may be required by a Supplemental Subordinate Indenture to replenish such Debt Service Reserve Fund or Debt Service Reserve Funds or reimburse the Credit Provider from Subordinate Net Revenues provided that (a) no amount from Subordinate Net Revenues may be used for such purpose until all payments of principal of and interest on all Subordinate Obligations which have become due and payable shall have been paid in full, (b) the required payments to replenish any such Debt Service Reserve Fund or Debt Service Reserve Funds or reimburse the Credit Provider shall be due in no more than twelve (12) substantially equal monthly installments commencing in the month following any such withdrawal and (c) if the aggregate amount of payments due on any date to replenish the Debt Service Reserve Fund or Debt Service Reserve Funds exceeds the amount available for such purpose, the payments made to the Trustee for such purpose shall be allocated among the various Debt Service Reserve Funds pro rata on the basis of the Outstanding Principal Amount of Subordinate Obligations secured thereby.

Notwithstanding the foregoing, the Authority may, in the Supplemental Subordinate Indenture authorizing such Series of Subordinate Obligations, provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on such Subordinate Obligations depending upon the terms of such Subordinate Obligations and may provide for payment through a Credit Facility with reimbursement to the Credit Provider from the respective Debt Service Fund created for the Series of Subordinate Obligations for which such Credit Facility is provided.

If the Subordinate Net Revenues are at any time insufficient to make the deposits required to make payments on the Subordinate Obligations, the Authority may, at its election, pay to the Trustee funds from any available sources with the direction that such funds be deposited into the Debt Service Funds or into a specified account or accounts or subaccount or subaccounts therein.”

ARTICLE VII

AMENDMENTS TO MASTER SUBORDINATE INDENTURE REQUIRING THE CONSENT OF THE HOLDERS OF NOT LESS THAN A MAJORITY OF THE OUTSTANDING SUBORDINATE OBLIGATIONS

Section 7.01. Amendments to Master Subordinate Indenture Requiring Consent of the Holders of not less than a Majority of the Aggregate Principal Amount of Outstanding Subordinate Obligations. Pursuant to this Article, the Authority hereby desires to amend certain provisions of the Master Subordinate Indenture, which require the consent of the Holders of not less than a majority in aggregate Principal Amount of the Outstanding Subordinate Obligations, and the consent of the CP Letter of Credit Bank in accordance with the CP Reimbursement Agreement. As provided for in Section 10.03(f) of the Master Subordinate Indenture, the Authority hereby desires to execute these amendments to the Master Subordinate Indenture prior to receiving the consents from the Holders of not less than a majority of the aggregate Principal Amount of the Outstanding Subordinate Obligations, and the consent of the CP Letter of Credit Bank; provided, however, the amendments set forth in this Article shall not become effective until such time as the Authority receives (1) the required consents, in writing, of the Holders of not less than a majority of the aggregate Principal Amount of the Outstanding Subordinate Obligations, (2) the required consent, in writing, of the CP Letter of Credit Bank, and (3) an opinion of Bond Counsel as required by the last paragraph of Section 10.02 of the Master Subordinate Indenture.

Section 7.02. Amendments to Article I of the Master Subordinate Indenture.

(a) Subsection (k) of the definition of “Aggregate Annual Debt Service” contained in Article I of the Master Subordinate Indenture shall be amended and restated in full to read as follows:

“(k) if Passenger Facility Charges, Customer Facility Charges, state and/or federal grants, Federal Direct Payments, or other moneys have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal and/or interest on specified

Subordinate Obligations, then the principal and/or interest to be paid from such Passenger Facility Charges, Customer Facility Charges, state and/or federal grants, Federal Direct Payments, or other moneys or from earnings thereon shall be disregarded (unless such Passenger Facility Charges, Customer Facility Charges, state and/or federal grants, Federal Direct Payments, or other moneys are included in the definition of Revenues) and not included in calculating Aggregate Annual Debt Service.”

(b) The definition of “Annual Debt Service” contained in Article I of the Master Subordinate Indenture shall be amended and restated in full to read as follows:

“ ‘Annual Debt Service’ shall mean, with respect to any Subordinate Obligation, the aggregate amount required to be on deposit in the respective Debt Service Fund or such other Fund or Account during the current Fiscal Year to satisfy the funding requirements for the payment of principal and interest becoming due and payable during such Fiscal Year or in a future Fiscal Year, and if a Qualified Swap is in effect for any Subordinate Obligation, plus the amount payable by the Authority (or the Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from the Qualified Swap Provider pursuant to the Qualified Swap, calculated using the principles and assumptions set forth in the definition of Aggregate Annual Debt Service.”

(c) The definition of “Federal Direct Payments” shall be added to Article I of the Master Subordinate Indenture and shall be read as follows:

“ ‘Federal Direct Payments’ shall have the meaning set forth in Article I of the Senior Lien Trust Indenture.”

Section 7.03. Amendments to Section 2.11(b) of the Master Subordinate Indenture. Subsections (ii) and (iii) of Section 2.11(b) of the Master Subordinate Indenture shall be amended and restated in full to read as follows:

“(ii) for the period, if any, from and including the first full Fiscal Year following the issuance of such proposed Series of Subordinate Obligations through and including the last Fiscal Year during any part of which the amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Debt Service Fund or such other Fund or Account is expected to be funded from the proceeds thereof, the Consultant estimates that the Authority will be in compliance with Section 5.04(a) and (b) of this Indenture; and

(iii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Subordinate Obligations during which no amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Debt Service Fund or such other Fund or Account is expected to be funded from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Subordinate Obligations, or (B) the third full Fiscal Year

during which no amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Debt Service Fund or such other Fund or Account is expected to be funded from the proceeds thereof, the estimated Subordinate Net Revenues for each such Fiscal Year, will be at least equal to 110% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and calculated as if the proposed Series of Subordinate Obligations and the full Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding.”

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Second Supplemental Subordinate Indenture or the Series 2010 Bonds must be in writing except as expressly provided otherwise in this Second Supplemental Subordinate Indenture or the Series 2010 Bonds.

(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 addressee may designate additional or different addresses for purposes of this Section. In addition to the address set forth in the Master Subordinate Indenture, all notices and communications to be sent to the Trustee shall also be sent to Deutsche Bank National Trust Company, 1761 East Street, Andrew Place, Santa Ana, California 92705, Attention: Trust and Securities Services (Municipal Group).

Section 8.02. Modification of Master Subordinate Indenture and this Second 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 Second Supplemental Subordinate Indenture in the manner set forth in Article X of the Master Subordinate Indenture.

Section 8.03. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Master Subordinate Indenture and this Second Supplemental Subordinate Indenture, failure of the Authority to comply with its obligations set forth in the Continuing Disclosure Certificate shall not constitute an Event of Default (as specified in Article VIII of the Master Subordinate Indenture); provided, however, that any participating underwriter for the Series 2010 Bonds or any Holder or beneficial owner of the Series 2010 Bonds may take such actions as may be necessary and appropriate to compel

performance by the Authority of its obligations under this Section, including seeking mandate or specific performance by court order.

Section 8.04. Parties Interested Herein. Nothing in this Second 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 Holders of the Series 2010 Bonds, any right, remedy or claim under or by reason of this Second Supplemental Subordinate Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Second 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 Holders of the Series 2010 Bonds.

Section 8.05. Severability. If any provision of this Second Supplemental Subordinate Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Second Supplemental Subordinate Indenture.

Section 8.06. 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 8.07. Governing Law. This Second Supplemental Subordinate Indenture shall be governed by and construed in accordance with the laws of the State of California.

Section 8.08. Captions. The captions in this Second Supplemental Subordinate Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Second Supplemental Subordinate Indenture.

Section 8.09. Counterparts. This Second Supplemental Subordinate Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[End of Second Supplemental Subordinate Trust Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Subordinate Trust Indenture to be duly executed, all as of the date first above written.

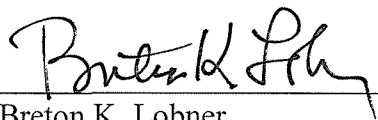
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By 
Thella F. Bowens,
President and CEO

Attest:

By 
Tony R. Russell,
Director, Corporate Services/
Authority Clerk

Approved as to form:

By 
Breton K. Lobner
General Counsel

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as Trustee

By _____
Authorized Representative

By _____
Authorized Representative

[Signature page to Second Supplemental
Subordinate Trust Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Subordinate Trust Indenture to be duly executed, all as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY

By _____
Thella F. Bowens,
President and CEO

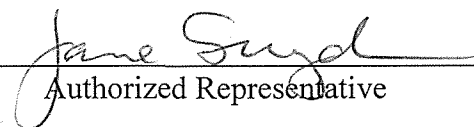
Attest:

By _____
Tony R. Russell,
Director, Corporate Services/
Authority Clerk

Approved as to form:

By _____
Breton K. Lobner
General Counsel

DEUTSCHE BANK NATIONAL TRUST
COMPANY, as Trustee

By 
Authorized Representative

By 
Authorized Representative

[Signature page to Second Supplemental
Subordinate Trust Indenture]

EXHIBIT A

FORM OF SERIES 2010 BOND

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bond
Series 2010[A/B/C]

No. R-[]

Principal Amount: \$ _____

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AS DEFINED IN THE HEREINAFTER DEFINED SECOND SUPPLEMENTAL SUBORDINATE INDENTURE) TO THE TRUSTEE (AS HEREINAFTER DEFINED) FOR REGISTRATION OF, TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2010[A/B/C] BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

Interest Rate	Maturity Date	Original Dated Date	CUSIP
%	July 1, 20[]	October 5, 2010	79739G[]

THIS BOND IS A SPECIAL OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES (AS HEREINAFTER DEFINED) DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM (AS HEREINAFTER DEFINED) 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 BOND, 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, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

THIS BOND 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.

The San Diego County Regional Airport Authority (the "Authority"), acting pursuant to Section 170000 *et seq.* of the California Public Utilities Code (the "Act") and with exclusive management and control of the Airport System, promises to pay, from the Subordinate Net Revenues, as hereinafter defined in this Bond, to _____, or registered assigns, the

principal sum of _____ Dollars on the Maturity Date set forth above and to pay interest as provided in this Bond.

Additional provisions of this Bond are set forth on the following pages of this Bond.

All acts, conditions and other matters required to exist, to happen and to be performed, precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law and the Act.

Date of Authentication: _____, 20__

DEUTSCHE BANK NATIONAL TRUST SAN DIEGO COUNTY REGIONAL AIRPORT
COMPANY, as Trustee certifies that this is AUTHORITY
one of the Bonds referred to in the Master
Subordinate Indenture and Second
Supplemental Subordinate Indenture

By _____
Authorized Signatory

By _____
President and CEO
Attest:

By: _____
Director, Corporate Services/
Authority Clerk

1. Master Subordinate Indenture; Second Supplemental Subordinate Indenture. The Authority has entered into a Master Subordinate Trust Indenture, dated as of September 1, 2007 (the "Master Subordinate Indenture"), with Deutsche Bank National Trust Company, as trustee (the "Trustee"). Such Master Subordinate Indenture provides that the Authority may issue bonds and incur other indebtedness under the terms and conditions set forth in the Master Subordinate Indenture and Supplemental Subordinate Indentures. All bonds and other indebtedness issued thereunder and secured thereby are collectively referred to herein as "Subordinate Obligations." All capitalized terms not defined herein shall have the meanings set forth in the Master Subordinate Indenture and the hereinafter defined Second Supplemental Subordinate Indenture.

This Bond is part of a series of Subordinate Obligations of the Authority issued under the Master Subordinate Indenture and the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the "Second Supplemental Subordinate Indenture"), by and between the Authority and the Trustee and authorized by Resolution No. 2010-0087 adopted by the board of directors of the Authority on August 23, 2010. The series of Subordinate Obligations of which this Bond is a part is being issued in the original principal amount of \$[313,150,000/44,055,000/215,360,000] and designated as San Diego County Regional Airport

Authority Subordinate Airport Revenue Bonds, Series 2010[A/B/C] (the “Series 2010[A/B/C] Bonds”). Simultaneously with the issuance of the Series 2010[A/B/C] Bonds, the Authority is issuing its \$[313,150,000/44,055,000/215,360,000] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010[A/B/C] (the “Series 2010[A/B/C] Bonds”), and its \$[313,150,000/44,055,000/215,360,000] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010[A/B/C] (the “Series 2010[A/B/C] Bonds,” and collectively with the Series 2010[A/B/C] Bonds and the Series 2010[A/B/C] Bonds, the “Series 2010 Bonds”).

Pursuant to the Master Subordinate Indenture and the First Supplemental Subordinate Trust Indenture, dated as of September 1, 2007 (the “First Supplemental Subordinate Indenture”), by and between the Authority and the Trustee, the Authority has previously authorized the issuance of not to exceed \$250 million in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Commercial Paper Notes Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the “Commercial Paper Notes”). In connection with the issuance of the Commercial Paper Notes, the Authority entered into a Reimbursement Agreement, dated as of September 1, 2007 (the “CP Reimbursement Agreement”), by and between the Authority and Lloyds TSB Bank plc, acting through its New York Branch. The Series 2010 Bonds, the Commercial Paper Notes and the Authority’s payment obligations under the CP Reimbursement Agreement are equally and ratably secured by Subordinate Net Revenues pursuant to the Master Subordinate Indenture. The Master Indenture also provides for the incurrence of additional debt, including the issuance of additional Subordinate Obligations, to be secured under the Master Subordinate Indenture equally and ratably with the Series 2010 Bonds, the Commercial Paper Notes and the Authority’s payment obligations under the CP Reimbursement Agreement. The Series 2010 Bonds are being issued primarily to fund the acquisition, construction, and improvements of certain capital projects as described in the Second Supplemental Subordinate Indenture.

The Series 2010[A/B/C] Bonds are being issued with a pledge of and lien on Subordinate Net Revenues on a parity with the Series 2010[A/B/C] Bonds, the Series 2010[A/B/C] Bonds, the Commercial Paper Notes, the Authority’s payment obligations under the CP Reimbursement Agreement, and any additional Subordinate Obligations issued on a parity with the Series 2010 Bonds, the Commercial Paper Notes and the Authority’s payment obligations under the CP Reimbursement Agreement under the terms and provisions of the Master Subordinate Indenture.

The terms of the Series 2010 Bonds include the terms set forth in the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture. Holders are referred to the Master Subordinate Indenture, as amended and supplemented from time to time, and the Second Supplemental Subordinate Indenture, as amended and supplemented from time to time, for a statement of those terms and for the meanings of any defined terms not defined herein.

2. **Source of Payments.** The Series 2010[A/B/C] Bonds are, as provided in the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture, together with all other Subordinate Obligations, secured by and payable from, the Subordinate Net Revenues, as described below and as defined in the Master Subordinate Indenture. The Master Subordinate Indenture pledges the Subordinate Net Revenues to secure payment of all Subordinate Obligations issued under the Master Subordinate Indenture.

All defined terms used in such description shall have the meaning assigned to them in the Master Subordinate Indenture. The Authority is not required to provide for the payment of the Subordinate Obligations from any other source other than from certain funds and accounts under the Master Subordinate Indenture and the Supplemental Subordinate Indentures in accordance with their terms.

3. **Interest Rate.** This Bond shall bear interest until the Maturity Date at the rate shown on the first page of this Bond. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the rate on this Bond on the day before the default occurred.

Interest on this Bond shall be calculated on the basis of a year of 360 days and twelve 30-day months.

4. **Interest Payment and Record Dates.** Interest hereon will be due and payable on January 1, 2011 and each January 1 and July 1 thereafter and will be paid to the party who is the owner hereof on the Record Date for such payment. The Record Date for a January 1 payment is the preceding December 15, and the Record Date for a July 1 payment is the preceding June 15. If this Bond is not a Book-Entry Bond, as defined in the Second Supplemental Subordinate Indenture, interest hereon will be paid by check mailed to the Holder's registered address, and, if this Bond is a Book-Entry Bond, as defined in the Second Supplemental Subordinate Indenture, interest will be paid as provided in the Second Supplemental Subordinate Indenture. Interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money. If any payment of interest on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

5. **Payment of Principal.** Payment of principal of this Bond will be paid at maturity upon surrender of this Bond to the Trustee or its agent except that if this Bond is a Book-Entry Bond, the Trustee may make other arrangements for payment of principal. Principal will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money. If any payment of principal of this Bond is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

[6. **Redemption.** All redemptions will be made at a redemption price of 100% of the principal amount of the Series 2010[A/B] Bonds being redeemed, plus interest accrued since the most recent interest payment date.

(a) **Optional Redemption.** The Series 2010[A/B] Bonds maturing on or before July 1, 2020 are not subject to optional redemption prior to maturity. The Series 2010[A/B] Bonds maturing on or after July 1, 2021 are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2020 at a redemption price equal to 100% of the principal amount of the Series 2010[A/B] Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) ***Mandatory Sinking Fund Redemption.*** [The Series 2010A Bonds with a stated Maturity Date of July 1, 2034 will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2031 and each July 1 thereafter, to and including July 1, 2033 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.

The Series 2010A Bonds with a stated Maturity Date of July 1, 2040 will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2035 and each July 1 thereafter, to and including July 1, 2039 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.]

[The Series 2010B Bonds with a stated Maturity Date of July 1, 2032 will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2031 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.

The Series 2010B Bonds with a stated Maturity Date of July 1, 2040 and bearing interest at 4.75% will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2033 and each July 1 thereafter, to and including July 1, 2039 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.

The Series 2010B Bonds with a stated Maturity Date of July 1, 2040 and bearing interest at 5.00% will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2033 and each July 1 thereafter, to and including July 1, 2039 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.]

(c) ***Notice of Redemption.*** At least thirty (30) days but not more than sixty (60) days before each redemption, the Trustee will give notice sent as provided in the Second Supplemental Subordinate Indenture to each owner of a Series 2010B Bond to be redeemed. Failure to give any required notice of redemption will not affect the validity of the call for redemption of any Series 2010B Bond in respect of which no failure occurs. Any notice sent as provided in the Second Supplemental Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee.

(d) ***Effect of Redemption.*** When notice of redemption is given, and funds are deposited with the Trustee or an agent of the Trustee sufficient for redemption, interest on the Series 2010B Bonds to be redeemed ceases to accrue as of the redemption date.]

[6. **Redemption of Series 2010C Bonds.**

Optional Redemption. On or after July 1, 2020, the Series 2010C Bonds are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 2020 at a redemption price equal to 100% of the principal amount of the Series 2010C Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) ***Extraordinary Optional Redemption of the Series 2010C Bonds.*** Prior to July 1, 2020, the Series 2010C Bonds are redeemable at the option of the Authority, in whole or in part at any time, from any moneys that may be provided for such purpose, upon the occurrence of an Extraordinary Event, and at a redemption price equal to the greater of: (i) 100% of the principal amount of the Series 2010C Bonds to be redeemed; and (ii) an amount calculated by a Designated Banking Institution equal to the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010C Bonds are to be redeemed, discounted to the redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points; plus, in each case, accrued and unpaid interest on the Series 2010C Bonds to be redeemed to the date fixed for redemption.

“Extraordinary Event” shall have occurred if legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which, as reasonably determined by the Authority, would be to suspend, reduce or terminate, all or a portion of, the thirty-five percent (35%) cash subsidy payment from the United States Treasury to the Authority with respect to the Series 2010C Bonds, or to state or local government issuers generally with respect to obligations of the general character of the Series 2010C Bonds, pursuant to Sections 54AA or 6431 of the Code (the “Subsidy Payments”); provided, that such suspension, reduction or termination of the Subsidy Payments is not due to a failure by the Authority to comply with the requirements of the Code to receive such Subsidy Payments.

“*Treasury Rate*” means, as of any redemption date of the Series 2010C Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available seven (7) Business Days prior to the date fixed for redemption (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data as selected by a Designated Banking Institution) most nearly equal to the period from the redemption date to the maturity date of the Series 2010C Bonds to be redeemed; provided, however, that if the period from the redemption date to such

maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“*Designated Banking Institution*” means an investment banking institution of national standing which is a primary United States government securities dealer in the City of New York designated by the Authority (which may be one of the underwriters of the Series 2010C Bonds).]

(c) ***Mandatory Sinking Fund Redemption.*** The Series 2010C Bonds are subject to mandatory sinking fund redemption in part (on a pro rata pass-through distribution of principal basis, in accordance with the procedures set forth in Second Supplemental Subordinate Indenture), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 2031 and each July 1 thereafter, to and including July 1, 2039 in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Second Supplemental Subordinate Indenture.

(d) ***Notice of Redemption.*** At least thirty (30) days but not more than sixty (60) days before each redemption, the Trustee will give notice sent as provided in the Second Supplemental Subordinate Indenture to each owner of a Series 2010C Bond to be redeemed. Failure to give any required notice of redemption will not affect the validity of the call for redemption of any Series 2010C Bond in respect of which no failure occurs. Any notice sent as provided in the Second Supplemental Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee.

(e) ***Effect of Redemption.*** When notice of redemption is given, and funds are deposited with the Trustee or an agent of the Trustee sufficient for redemption, interest on the Series 2010C Bonds to be redeemed ceases to accrue as of the redemption date.]

7. **Denominations; Transfer; Exchange.** The Series 2010[A/B/C] Bonds are available in denominations of \$5,000 and integral multiples thereof. A Holder may transfer or exchange Series 2010[A/B/C] Bonds in accordance with the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture. The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Master Subordinate Indenture. The Trustee need not transfer or exchange any Series 2010[A/B/C] Bond during the period established by the Registrar for selection of Series 2010[A/B/C] Bonds for redemption of any Series 2010[A/B/C] Bond which has been selected for redemption.

8. **Persons Deemed Owners.** The registered owner of this Bond shall be treated as the owner of it for all purposes.

9. **Unclaimed Money.** If money for the payment of principal or interest remains unclaimed for two years, the Trustee will pay the money to or for the account of the Authority. After that, Holders entitled to the money must look only to the Authority and not to the Trustee for payment.

10. **Discharge Before Maturity.** If the Authority at any time deposits with the Trustee money, Government Obligations or obligations described in item (b) of the definition of Permitted Investments as described in the Master Subordinate Indenture sufficient to pay at maturity principal of and interest on the outstanding Series 2010[A/B/C] Bonds, and if the Authority also pays all other sums then payable by the Authority under the Master Subordinate Indenture, the Master Subordinate Indenture will be discharged. After discharge, Holders must look only to the deposited money and securities for payment. If the Authority at any time deposits with the Trustee money, Government Obligations or obligations described in item (b) of the definition of Permitted Investments as described in the Master Subordinate Indenture sufficient to pay at maturity, principal of and interest on all or any portion of the outstanding Series 2010[A/B/C] Bonds, such Series 2010[A/B/C] Bonds, with respect to which the deposit was made, shall no longer be deemed to be outstanding and shall no longer be secured by the Master Subordinate Indenture except to the extent of the funds set aside therefor.

11. **Amendment, Supplement, Waiver.** The Master Subordinate Indenture, the Second Supplemental Subordinate Indenture and the Series 2010[A/B/C] Bonds may be amended or supplemented, and any past default or compliance with any provision may be waived, as provided in the Master Subordinate Indenture. Any consent given by the owner of this Bond shall bind any subsequent owner of this Bond or any Bond delivered in substitution for this Bond.

12. **Defaults and Remedies.** The Subordinate Master Indenture provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee may exercise the remedies set forth in the Master Subordinate Indenture. Under no circumstances does an Event of Default grant any right to accelerate payment of this Bond. An Event of Default and its consequences may be waived as provided in the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture. Holders may not enforce the Master Subordinate Indenture or this Bond except as provided in the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture. The Trustee may refuse to enforce the Master Subordinate Indenture or this Bond unless it receives indemnity satisfactory to it. Subject to certain limitations, Holders of a majority of the principal amount of the Series 2010[A/B/C] Bonds (determined in accordance with the terms of the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture) may direct the Trustee in its exercise of any trust or power.

13. **No Recourse Against Others.** No member, director, officer or employee of the Authority shall have any personal liability for any obligations of the Authority under this Bond, the Master Subordinate Indenture or the Second Supplemental Subordinate Indenture or for any claim based on such obligations or their creation or be subject to any personal liability or accountability by reason of the issuance thereof. Each Holder, by accepting this Bond, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Bond.

14. **Consent to Amendments to Master Subordinate Indenture and Senior Lien Trust Indenture.** At the time of the initial execution and delivery of the Series 2010 Bonds, the initial purchaser of the Series 2010 Bonds, consented to certain amendments to the Master Subordinate Indenture as set forth in Article VII of the Second Supplemental Subordinate

Indenture and to certain amendments to the Senior Lien Trust Indenture as set forth in Article IV of the Second Supplemental Senior Lien Indenture (as defined in the Second Supplemental Subordinate Indenture). Such consents shall be binding on and inure to all Holders and beneficial owners of the Series 2010 Bonds, and all Holders and beneficial owners, by their purchase and acceptance of the Series 2010 Bonds, will be deemed to have consented to the amendments to the Master Subordinate Indenture set forth in Articles VII of the Second Supplemental Subordinate Indenture and the amendments to the Senior Lien Trust Indenture as set forth in Article IV of the Second Supplemental Senior Lien Indenture.

15. **Authentication.** This Bond shall not be valid until the Trustee or an authenticating agent signs the certificate of authentication on the signature page of this Bond.

16. **Abbreviations.** Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), U/G/M/A (= Uniform Gifts to Minors Act) and U/T/M/A (= Uniform Transfers to Minors Act).

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[]

[]

(Print or type name, address and zip code of assignee) this Bond and irrevocably appoint

_____ agent to transfer this Bond on the books of the Authority. The agent
may substitute another to act for him.

Dated: _____

Signed _____

(Sign exactly as name appears on the face of this Bond)

Signature guaranteed:

(NOTE: Signature(s) guarantee should be made by a
guarantor institution participating in the Securities
Transfer Agents Medallion Program or such other
guarantee program acceptable to the Trustee.)

EXHIBIT B

DEBT SERVICE SCHEDULES

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2010A

Date	Principal	Interest	Total
January 1, 2011	\$ 0.00	\$3,711,688.33	\$ 3,711,688.33
July 1, 2011	0.00	7,768,650.00	7,768,650.00
January 1, 2012	0.00	7,768,650.00	7,768,650.00
July 1, 2012	0.00	7,768,650.00	7,768,650.00
January 1, 2013	0.00	7,768,650.00	7,768,650.00
July 1, 2013	0.00	7,768,650.00	7,768,650.00
January 1, 2014	0.00	7,768,650.00	7,768,650.00
July 1, 2014	4,755,000.00	7,768,650.00	12,523,650.00
January 1, 2015	0.00	7,673,550.00	7,673,550.00
July 1, 2015	7,265,000.00	7,673,550.00	14,938,550.00
January 1, 2016	0.00	7,528,250.00	7,528,250.00
July 1, 2016	7,555,000.00	7,528,250.00	15,083,250.00
January 1, 2017	0.00	7,339,375.00	7,339,375.00
July 1, 2017	7,930,000.00	7,339,375.00	15,269,375.00
January 1, 2018	0.00	7,141,125.00	7,141,125.00
July 1, 2018	8,330,000.00	7,141,125.00	15,471,125.00
January 1, 2019	0.00	6,932,875.00	6,932,875.00
July 1, 2019	8,745,000.00	6,932,875.00	15,677,875.00
January 1, 2020	0.00	6,714,250.00	6,714,250.00
July 1, 2020	9,180,000.00	6,714,250.00	15,894,250.00
January 1, 2021	0.00	6,484,750.00	6,484,750.00
July 1, 2021	9,640,000.00	6,484,750.00	16,124,750.00
January 1, 2022	0.00	6,243,750.00	6,243,750.00
July 1, 2022	10,125,000.00	6,243,750.00	16,368,750.00
January 1, 2023	0.00	5,990,625.00	5,990,625.00
July 1, 2023	10,625,000.00	5,990,625.00	16,615,625.00
January 1, 2024	0.00	5,725,000.00	5,725,000.00
July 1, 2024	11,160,000.00	5,725,000.00	16,885,000.00
January 1, 2025	0.00	5,446,000.00	5,446,000.00
July 1, 2025	11,720,000.00	5,446,000.00	17,166,000.00
January 1, 2026	0.00	5,153,000.00	5,153,000.00
July 1, 2026	12,305,000.00	5,153,000.00	17,458,000.00
January 1, 2027	0.00	4,845,375.00	4,845,375.00
July 1, 2027	12,915,000.00	4,845,375.00	17,760,375.00
January 1, 2028	0.00	4,522,500.00	4,522,500.00
July 1, 2028	13,565,000.00	4,522,500.00	18,087,500.00

Date	Principal	Interest	Total
January 1, 2029	0.00	4,183,375.00	4,183,375.00
July 1, 2029	14,245,000.00	4,183,375.00	18,428,375.00
January 1, 2030	0.00	3,827,250.00	3,827,250.00
July 1, 2030	14,955,000.00	3,827,250.00	18,782,250.00
January 1, 2031	0.00	3,453,375.00	3,453,375.00
July 1, 2031	15,505,000.00	3,453,375.00	18,958,375.00
January 1, 2032	0.00	3,065,750.00	3,065,750.00
July 1, 2032	15,020,000.00	3,065,750.00	18,085,750.00
January 1, 2033	0.00	2,690,250.00	2,690,250.00
July 1, 2033	15,770,000.00	2,690,250.00	18,460,250.00
January 1, 2034	0.00	2,296,000.00	2,296,000.00
July 1, 2034	15,005,000.00	2,296,000.00	17,301,000.00
January 1, 2035	0.00	1,920,875.00	1,920,875.00
July 1, 2035	11,295,000.00	1,920,875.00	13,215,875.00
January 1, 2036	0.00	1,638,500.00	1,638,500.00
July 1, 2036	11,860,000.00	1,638,500.00	13,498,500.00
January 1, 2037	0.00	1,342,000.00	1,342,000.00
July 1, 2037	12,455,000.00	1,342,000.00	13,797,000.00
January 1, 2038	0.00	1,030,625.00	1,030,625.00
July 1, 2038	13,075,000.00	1,030,625.00	14,105,625.00
January 1, 2039	0.00	703,750.00	703,750.00
July 1, 2039	13,730,000.00	703,750.00	14,433,750.00
January 1, 2040	0.00	360,500.00	360,500.00
July 1, 2040	14,420,000.00	360,500.00	14,780,500.00

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2010B

Date	Principal	Interest	Total
January 1, 2011	\$ 0.00	\$467,753.40	\$ 467,753.40
July 1, 2011	715,000.00	979,018.75	1,694,018.75
January 1, 2012	0.00	971,868.75	971,868.75
July 1, 2012	980,000.00	971,868.75	1,951,868.75
January 1, 2013	0.00	962,068.75	962,068.75
July 1, 2013	1,000,000.00	962,068.75	1,962,068.75
January 1, 2014	0.00	947,068.75	947,068.75
July 1, 2014	1,030,000.00	947,068.75	1,977,068.75
January 1, 2015	0.00	931,618.75	931,618.75
July 1, 2015	1,400,000.00	931,618.75	2,331,618.75
January 1, 2016	0.00	910,618.75	910,618.75
July 1, 2016	1,445,000.00	910,618.75	2,355,618.75
January 1, 2017	0.00	881,718.75	881,718.75
July 1, 2017	1,500,000.00	881,718.75	2,381,718.75
January 1, 2018	0.00	851,718.75	851,718.75
July 1, 2018	1,560,000.00	851,718.75	2,411,718.75
January 1, 2019	0.00	820,518.75	820,518.75
July 1, 2019	1,620,000.00	820,518.75	2,440,518.75
January 1, 2020	0.00	788,118.75	788,118.75
July 1, 2020	1,685,000.00	788,118.75	2,473,118.75
January 1, 2021	0.00	745,993.75	745,993.75
July 1, 2021	1,775,000.00	745,993.75	2,520,993.75
January 1, 2022	0.00	714,931.25	714,931.25
July 1, 2022	1,835,000.00	714,931.25	2,549,931.25
January 1, 2023	0.00	669,400.00	669,400.00
July 1, 2023	1,925,000.00	669,400.00	2,594,400.00
January 1, 2024	0.00	622,212.50	622,212.50
July 1, 2024	2,020,000.00	622,212.50	2,642,212.50
January 1, 2025	0.00	571,712.50	571,712.50
July 1, 2025	2,120,000.00	571,712.50	2,691,712.50
January 1, 2026	0.00	518,712.50	518,712.50
July 1, 2026	2,225,000.00	518,712.50	2,743,712.50
January 1, 2027	0.00	474,212.50	474,212.50
July 1, 2027	2,315,000.00	474,212.50	2,789,212.50
January 1, 2028	0.00	416,337.50	416,337.50
July 1, 2028	2,435,000.00	416,337.50	2,851,337.50
January 1, 2029	0.00	355,462.50	355,462.50
July 1, 2029	2,555,000.00	355,462.50	2,910,462.50
January 1, 2030	0.00	293,462.50	293,462.50
July 1, 2030	2,675,000.00	293,462.50	2,968,462.50

Date	Principal	Interest	Total
January 1, 2031	0.00	226,587.50	226,587.50
July 1, 2031	680,000.00	226,587.50	906,587.50
January 1, 2032	0.00	211,287.50	211,287.50
July 1, 2032	710,000.00	211,287.50	921,287.50
January 1, 2033	0.00	195,312.50	195,312.50
July 1, 2033	820,000.00	195,312.50	1,015,312.50
January 1, 2034	0.00	174,906.25	174,906.25
July 1, 2034	860,000.00	174,906.25	1,034,906.25
January 1, 2035	0.00	153,506.25	153,506.25
July 1, 2035	905,000.00	153,506.25	1,058,506.25
January 1, 2036	0.00	130,987.50	130,987.50
July 1, 2036	950,000.00	130,987.50	1,080,987.50
January 1, 2037	0.00	107,350.00	107,350.00
July 1, 2037	1,000,000.00	107,350.00	1,107,350.00
January 1, 2038	0.00	82,468.75	82,468.75
July 1, 2038	1,050,000.00	82,468.75	1,132,468.75
January 1, 2039	0.00	56,343.75	56,343.75
July 1, 2039	1,105,000.00	56,343.75	1,161,343.75
January 1, 2040	0.00	28,856.25	28,856.25
July 1, 2040	1,160,000.00	28,856.25	1,188,856.25

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2010C

Date	Principal	Interest	Total
January 1, 2011	\$ 0.00	\$3,409,914.53	\$3,409,914.53
July 1, 2011	0.00	7,137,030.40	7,137,030.40
January 1, 2012	0.00	7,137,030.40	7,137,030.40
July 1, 2012	0.00	7,137,030.40	7,137,030.40
January 1, 2013	0.00	7,137,030.40	7,137,030.40
July 1, 2013	0.00	7,137,030.40	7,137,030.40
January 1, 2014	0.00	7,137,030.40	7,137,030.40
July 1, 2014	0.00	7,137,030.40	7,137,030.40
January 1, 2015	0.00	7,137,030.40	7,137,030.40
July 1, 2015	0.00	7,137,030.40	7,137,030.40
January 1, 2016	0.00	7,137,030.40	7,137,030.40
July 1, 2016	0.00	7,137,030.40	7,137,030.40
January 1, 2017	0.00	7,137,030.40	7,137,030.40
July 1, 2017	0.00	7,137,030.40	7,137,030.40
January 1, 2018	0.00	7,137,030.40	7,137,030.40
July 1, 2018	0.00	7,137,030.40	7,137,030.40
January 1, 2019	0.00	7,137,030.40	7,137,030.40
July 1, 2019	0.00	7,137,030.40	7,137,030.40
January 1, 2020	0.00	7,137,030.40	7,137,030.40
July 1, 2020	0.00	7,137,030.40	7,137,030.40
January 1, 2021	0.00	7,137,030.40	7,137,030.40
July 1, 2021	0.00	7,137,030.40	7,137,030.40
January 1, 2022	0.00	7,137,030.40	7,137,030.40
July 1, 2022	0.00	7,137,030.40	7,137,030.40
January 1, 2023	0.00	7,137,030.40	7,137,030.40
July 1, 2023	0.00	7,137,030.40	7,137,030.40
January 1, 2024	0.00	7,137,030.40	7,137,030.40
July 1, 2024	0.00	7,137,030.40	7,137,030.40
January 1, 2025	0.00	7,137,030.40	7,137,030.40
July 1, 2025	0.00	7,137,030.40	7,137,030.40
January 1, 2026	0.00	7,137,030.40	7,137,030.40
July 1, 2026	0.00	7,137,030.40	7,137,030.40
January 1, 2027	0.00	7,137,030.40	7,137,030.40
July 1, 2027	0.00	7,137,030.40	7,137,030.40
January 1, 2028	0.00	7,137,030.40	7,137,030.40
July 1, 2028	0.00	7,137,030.40	7,137,030.40
January 1, 2029	0.00	7,137,030.40	7,137,030.40
July 1, 2029	0.00	7,137,030.40	7,137,030.40
January 1, 2030	0.00	7,137,030.40	7,137,030.40
July 1, 2030	0.00	7,137,030.40	7,137,030.40

Date	Principal	Interest	Total
January 1, 2031	0.00	7,137,030.40	7,137,030.40
July 1, 2031	13,110,000.00	7,137,030.40	20,247,030.40
January 1, 2032	0.00	6,702,565.00	6,702,565.00
July 1, 2032	14,930,000.00	6,702,565.00	21,632,565.00
January 1, 2033	0.00	6,207,784.80	6,207,784.80
July 1, 2033	15,580,000.00	6,207,784.80	21,787,784.80
January 1, 2034	0.00	5,691,463.60	5,691,463.60
July 1, 2034	17,805,000.00	5,691,463.60	23,496,463.60
January 1, 2035	0.00	5,101,405.90	5,101,405.90
July 1, 2035	23,030,000.00	5,101,405.90	28,131,405.90
January 1, 2036	0.00	4,338,191.70	4,338,191.70
July 1, 2036	24,020,000.00	4,338,191.70	28,358,191.70
January 1, 2037	0.00	3,542,168.90	3,542,168.90
July 1, 2037	25,055,000.00	3,542,168.90	28,597,168.90
January 1, 2038	0.00	2,711,846.20	2,711,846.20
July 1, 2038	26,135,000.00	2,711,846.20	28,846,846.20
January 1, 2039	0.00	1,845,732.30	1,845,732.30
July 1, 2039	27,260,000.00	1,845,732.30	29,105,732.30
January 1, 2040	0.00	942,335.90	942,335.90
July 1, 2040	28,435,000.00	942,335.90	29,377,335.90

EXHIBIT C-1

SERIES 2010A PROJECT

Naval Training Center Landfill Remediation
Master Plan Update
Wireless Network Systems – I
Expand Terminal 2 East Facilities
Replace Terminal 2 East Waterline – Fire Suppression
Energy Reduction Initiative
Bag Belt Start/FIDS Interlock
Airport Visual Paging System
IT Power Implementation
M-Programmatic Documents
North Side Utilities
Central Receiving/Distribution Developer Oversight
Refurbish Concession Support Infrastructure
FMD Capital Expenditures
Terminal 2 West Airside Expansion – Apron Design Development
Apron Expansion Construction
Airside – Site Investigation
Terminal 2 West Expansion – PD Validation/Design
Terminal 2 West Expansion – Construction
Terminal Central Utility Plant Expansion/Construction
T-Terminal Existing Conditions
Terminal Foundations
Terminal Artwork
E-12kV Service Upgrade
M-Pre-Qualification & FDD Support
M-Design Build Management
Project Management Office/Complex
M-Small Business Development
M-Tenant Relocation Projects
M-OCIP
Miscellaneous Budgets (Terminal Development Project)
Department Budgets (Terminal Development Project)

EXHIBIT C-2

SERIES 2010C PROJECT

Naval Training Center Landfill Remediation
Naval Training Center Access Improvements
Energy Reduction Initiative
Rehabilitate Stormwater/Airfield Drainage
Relocate Vehicle Service Road
Airport Pavement Management Program
GD SAN Park Modifications
South Side Interim Site Project Plan & Use
FMD Capital Expenditures
Landside – Preliminary Design Validation
Landside – Departure Roadway/Smart Curb
Landside – USO Relocation
Landside – Surface Parking
Landside – Ancillary Facilities (Parking Management Office)
Landside – Site Investigation
Parking Structure – Site Investigation/Concept Refinement
Parking Structure – Foundation
E-Underground Miscellaneous
M-Pre-Qualification & FDD Support
M-Design Build Management
Project Management Office/Complex
M-Small Business Development
M-OCIP
Miscellaneous Budgets (Terminal Development Project)
Department Budgets (Terminal Development Project)

EXHIBIT D-1

FORM OF SERIES 2010[A/C] CONSTRUCTION FUND REQUISITION

Requisition No. _____

To: Deutsche Bank National Trust Company
Attention: Trust and Securities Services
(Municipal Group)
1761 East Street, Andrew Place
Santa Ana, California 92705

Re: Requisition of Funds from San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds Series 2010[A/C] Construction Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

Description of Costs of Series 2010[A/C] Project: _____

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the San Diego County Regional Airport Authority (the "Authority") and Deutsche Bank National Trust Company, as trustee (the "Trustee"), as supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the "Second 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 Bonds Series 2010[A/C] Construction Fund held under the Second Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2010[A/C] Project (as defined in the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture) and does not represent Costs of Issuance associated with the issuance of the Series 2010[A/C] Bonds (as defined in the Second Supplemental Subordinate Indenture) and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated October 5, 2010 and relating to the Series 2010[A/C] Bonds (as defined in the Second Supplemental Subordinate Indenture).

Dated: _____.

By _____
Authorized Authority Representative

EXHIBIT D-2

FORM OF SERIES 2010 COSTS OF ISSUANCE FUND REQUISITION

Requisition No. ____

To: Deutsche Bank National Trust Company
Attention: Trust and Securities Services
(Municipal Group)
1761 East Street, Andrew Place
Santa Ana, California 92705

Re: Requisition of Funds from San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds Series 2010 Costs of Issuance Fund – Series
2010__ Account

The amount requisitioned: \$_____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the San Diego County Regional Airport Authority (the “Authority”) and Deutsche Bank National Trust Company, as trustee (the “Trustee”), as supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the “Second 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 Bonds Series 2010__ Costs of Issuance Account in the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2010 Costs of Issuance Fund held under the Second Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents a Cost of Issuance of the Series 2010 Bonds and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate dated October 5, 2010 and relating to the Series 2010__ Bonds issued under the Second Supplemental Subordinate Indenture.

Dated: _____.

By _____
Authorized Authority Representative

EXHIBIT D-3

**FORM OF SERIES [A/B/C] SUBORDINATE COMMERCIAL PAPER
REPAYMENT FUND REQUISITION**

Requisition No. _____

To: Deutsche Bank National Trust Company
Attention: Trust and Securities Services
(Municipal Group)
1761 East Street, Andrew Place
Santa Ana, California 92705

Re: Requisition of Funds from San Diego County Regional Airport Authority Series
[A/B/C] Subordinate Commercial Paper Repayment Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the San Diego County Regional Airport Authority (the "Authority") and Deutsche Bank National Trust Company, as trustee (the "Trustee"), as supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the "Second 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 Series [A/B/C] Subordinate Commercial Paper Repayment Fund held under the Second Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents principal of the Refunded Series [A/B/C] Subordinate Commercial Paper Notes and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated October 5, 2010 and relating to the Series 2010[A/B/C] Bonds (as defined in the Second Supplemental Subordinate Indenture).

Dated: _____.

By _____
Authorized Authority Representative