SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Executive-Finance Committee Meeting Agenda

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

Ex-Officio Board Members
Col. Thomas M. Bedell
Gustavo Dallarda
Gayle Miller

President/CEO
Kimberly J. Becker

Monday, October 25, 2021
9:00 A.M.

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

This meeting of the Executive-Finance Committee of the San Diego County Regional Airport Authority will be conducted pursuant to the provisions of California Assembly Bill 361 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Committee Members will be participating in the meeting electronically. In accordance with the Assembly Bill, there will be no members of the public in attendance at the Committee Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Public Comment during Board/Committee Meetings

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

- **Step 1**: Watch the meeting via the live Webcast located at the following link, https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13963

  PLEASE NOTE: There is approximately 20 seconds of lag time between the meeting and the Webcast.

- **Step 2:** When the Chair introduces the item that you would like to comment on, *(or indicates that it is time for Non-Agenda Public Comment),* call into the public comment line by following the following directions :

  REMINDER: ***Please do not call until the item you want to comment on is being discussed.***

  1. Dial **1-619-737-2396**
  2. When prompted, input Conference ID: **117 820 744#**
  3. You will then hear: ***"If you're the meeting organizer, press star now. You are now joining the meeting."*** Ignore this message.

4. After a few seconds, you will hear: ***"Please wait for the leader to admit you into the meeting, thank you for your patience."*** This is an indication that you are in the waiting room, Authority staff will admit you into the meeting when it is your time to speak**.**
5. After being admitted into the meeting, your microphone will be live, **please turn off your webcast to avoid feedback**. Staff will then ask you to state your name and begin your comments.

Written Non-Agenda Public comment and/or Public Comment on agenda items may be submitted to the Authority clerk at clerk@san.org. Comments received no later than 8:30 a.m. on the day of the meeting will be distributed to the Board or Committee and included in the record.

How to Watch the Meeting

You may also view the meeting online at the following link: https://www.san.org/Airport-Authority/Meetings-Agendas/Executive-Finance?EntryId=13963

Requests for Accessibility Modifications or Accommodations

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

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

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

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

CALL TO ORDER:

ROLL CALL:

Executive Committee

Committee Members: Cabrera (Chair), Lloyd, Robinson,

Finance Committee

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

NON-AGENDA PUBLIC COMMENT:

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

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

NEW BUSINESS:

1. **APPROVAL OF MINUTES:**
   RECOMMENDATION: Approve the minutes of the September 27, 2021 regular meeting.

FINANCE COMMITTEE NEW BUSINESS:

2. **REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021:**
   RECOMMENDATION: Forward to the Board with a recommendation for acceptance.
   Presented by: Elizabeth Stewart, Intermin Director, Accounting

3. **REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2021:**
   RECOMMENDATION: Forward to the Board with a recommendation for acceptance.
   Presented by: Geoff Bryant, Manager, Airport Finance

4. UPDATE ON REVOLVER DRAWS AND OUTSTANDING BALANCE:
Presented by: Geoff Bryant, Manager, Airport Finance

5. AUTHORIZATION AND APPROVAL OF THE SALE OF UP TO $2.5 BILLION OF SUBORDINATE AIRPORT REVENUE AND REVENUE REFUNDING BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY AND APPROVAL OF RELATED DOCUMENTS, TO FUND THE NEW T1 PROJECTS AND TO REFUND THE AUTHORITY'S OUTSTANDING SENIOR SERIES 2013 BONDS:
RECOMMENDATION: Forward to the Board with a recommendation for approval.
Presented by: Scott Brickner, Vice President/Chief Financial Officer and Geoff Bryant, Manager, Airport Finance

EXECUTIVE COMMITTEE NEW BUSINESS:

6. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:
RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.
Presented by: Tony R. Russell, Director, Board Services/Authority Clerk

REVIEW OF FUTURE AGENDAS:

7. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 4, 2021 BOARD MEETING:
Presented by: Kimberly J. Becker, President/CEO

8. REVIEW OF THE DRAFT AGENDA FOR THE NOVEMBER 4, 2021 AIRPORT LAND USE COMMISSION MEETING:
Presented by: Kimberly J. Becker, President/CEO

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

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

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

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

Additional Meeting Information

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

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

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

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

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD
AND EXECUTIVE-FINANCE COMMITTEE MEETING MINUTES
MONDAY, SEPTEMBER 27, 2021
BOARD ROOM

CALL TO ORDER: Chair Cabrera called the special Board and regular Executive and Finance Committee meeting to order at 9:02 a.m., on Monday, September 27, 2021, electronically and via teleconference pursuant to Executive Order N-08-21, at the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

Board

Present: Blakespear, Cabrera (Chair), Casillas Salas, Lloyd, McNamara, Schiavoni, von Wilpert, Vargas

Absent: Bedell (Ex Officio), Dallarda (Ex Officio), Miller (Ex Officio), Robinson

Executive Committee

Present: Committee Members: Cabrera (Chair), Lloyd

Absent: Committee Members: Robinson

Finance Committee

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

Absent: Committee Members: None

Also Present: Angela Shafer-Payne, Vice President/COO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the August 23, 2021 regular meeting.

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

Board Member Casillas Salas arrived to the meeting at 9:05 a.m. and Board Member Vargas arrived at 9:07 a.m.

FINANCE COMMITTEE NEW BUSINESS:

2. **REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWO MONTHS ENDED AUGUST 31, 2021:**
Elizabeth Stewart, Interim Director, Accounting, provided a presentation on the Review of the Unaudited Financial Statements for the Two Months Ended August 31, 2021 that included Enplanements, Gross Landing Weight Units, Operating Revenues, Operating Expenses, Net Operating Income Summary, Nonoperating Revenues & Expenses and Statements of Net Position.

In response to Board Member von Wilpert's question for more information on the energy efficient discount, Ms. Stewart stated that she would research the information and forward it to the Board.

3. **REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF JULY 31, 2021:**
Geoff Bryant, Manager, Airport Finance, provided a presentation on the Investment Report as of August 31, 2001 that included Portfolio Characteristics, Sector Distribution, Quality and Maturity Distribution, Investment Performance and Bond Proceeds.

4. **UPDATE ON REVOLVER DRAWS AND OUTSTANDING BALANCE:**
Geoff Bryant, Manager, Airport Finance, provided an update on the Revolver Draws and Outstanding Balance that included Bank of America Revolving Credit Facility, and Revolving Credit Facility Balances.

EXECUTIVE COMMITTEE NEW BUSINESS:

5. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:
RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Chair Cabrera and seconded by Board Member Lloyd to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS:

6. REVIEW OF THE DRAFT AGENDA FOR THE OCTOBER 7, 2021 BOARD MEETING:
Angela Shafer-Payne, Vice President/COO, provided an overview of the the October 7, 2021 draft Board meeting agenda.

7. REVIEW OF THE DRAFT AGENDA FOR THE OCTOBER 7, 2021 AIRPORT LAND USE COMMISSION MEETING:
Angela Shafer-Payne, Vice President/COO, provided a brief overview of the October 7, 2021 draft Airport Land Use Commission meeting agenda.

BOARD CLOSED SESSION: The Board recessed into Closed Session at 9:42 a.m. to discuss Item 8.

8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:
(Government Code §54956.8)
Property: 2554-2610 California Street, San Diego CA 92101
Agency negotiator: Hampton Brown, Jim DeCock, Lee Kaminetz
Negotiating parties: Doug Hamm, Ryan King
Under negotiation: Price and terms of payment

REPORT ON CLOSED SESSION:

COMMITTEE MEMBER COMMENTS: The Board adjourned out of Closed Session at 9:59 a.m. There was no reportable action.

ADJOURNMENT: The meeting adjourned at 9:59 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY EXECUTIVE COMMITTEE THIS 25TH DAY OF OCTOBER, 2021.

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of September 30, 2021
(Unaudited)

ASSETS

	September 2021	September 2020
Current assets:		
Cash and investments [1]	$ 184,437,761	$ 76,606,125
Tenant lease receivable, net of allowance of 2021: (66,249) and 2020: ($762,138)	76,792,648	21,582,436
Grants receivable	4,642,369	3,983,855
Notes receivable-current portion	2,243,644	2,123,843
Prepaid expenses and other current assets	8,428,923	9,012,628
Total current assets	**276,545,345**	**113,308,887**
Cash designated for capital projects and other [1]	44,226,909	139,963,750
Restricted assets:		
Cash and investments:		
Bonds reserve [1]	62,380,014	63,145,006
Passenger facility charges and interest unapplied [1]	50,189,683	49,421,916
Customer facility charges and interest unapplied [1]	26,783,011	39,552,901
SBD Bond Guarantee [1]	2,222,300	2,222,300
Bond proceeds held by trustee [1]	461,251,742	393,171,521
Passenger facility charges receivable	4,142,525	1,830,352
Customer facility charges receivable	2,471,581	1,377,849
Customer facility charges held by trustee	6,690	85,305
OCIP insurance reserve	5,075,108	5,519,913
Total restricted assets	**614,522,654**	**556,327,063**
Noncurrent assets:		
Capital assets:		
Land and land improvements	185,938,345	136,757,115
Runways, roads and parking lots	719,974,821	708,999,286
Buildings and structures	1,872,226,869	1,733,867,143
Machinery and equipment	62,287,737	65,312,541
Vehicles	24,502,314	25,772,305
Office furniture and equipment	36,512,558	44,788,797
Works of art	13,980,641	13,980,641
Construction-in-progress	299,747,879	326,342,094
	3,215,171,164	**3,055,819,922**
Less accumulated depreciation	(1,367,506,825)	(1,260,943,380)
Total capital assets, net	**1,847,664,339**	**1,794,876,542**
Other assets:		
Notes receivable - long-term portion	23,416,068	26,692,041
Investments-long-term portion [1]	158,071,711	215,511,269
Net OPEB Asset	1,649,215	2,136,494
Security deposit	1,155,882	404,985
Total other assets	**184,292,876**	**244,744,789**
Deferred outflows of resources:		
Deferred pension outflows	35,187,812	25,141,057
Deferred OPEB outflows	1,768,291	1,106,342
Deferred POB outflows	907,283	531,890
Total assets and deferred outflows of resources	**$ 3,005,115,509**	**$ 2,876,000,320**

[1] *Total cash and investments, $989,563,131 for 2021 and $979,594,788 for 2020*

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Net Position
as of September 30, 2021
(Unaudited)

LIABILITIES AND NET POSITION

	September 2021	September 2020
Current liabilities:		
Accounts payable and accrued liabilities	$ 73,057,596	$ 68,307,235
Deposits and other current liabilities	22,765,842	31,870,559
Total current liabilities	**95,823,438**	**100,177,794**
Current liabilities - payable from restricted assets:		
Current portion of long-term debt	39,125,000	36,520,000
Accrued interest on bonds and variable debt	20,170,581	14,699,662
Total liabilities payable from restricted assets	**59,295,581**	**51,219,662**
Long-term liabilities:		
Other long-term liabilities	67,740,867	9,829,417
Long term debt - bonds net of amortized premium	1,756,301,923	1,815,463,869
Net pension liability	34,018,795	15,961,502
Total long-term liabilities	**1,938,161,585**	**1,841,254,788**
Total liabilities	**2,093,280,604**	**1,992,652,244**
Deferred inflows of resources:		
Deferred pension inflows	2,065,506	6,190,685
Deferred OPEB inflows	890,973	1,400,369
Deferred POB inflows	200,876	218,627
Deferred Inflows Bond Refunding	3,817,249	4,020,836
Total liabilities and deferred inflows of resources	**$ 2,100,255,208**	**$ 2,004,482,761**
Net Position:		
Invested in capital assets, net of related debt	290,597,006	329,240,913
Other restricted	158,338,461	164,847,938
Unrestricted:		
Designated	72,117,808	116,942,714
Undesignated	383,807,026	260,485,994
Total Net Position	**$ 904,860,301**	**$ 871,517,559**

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ended September 30, 2021
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	$ 2,493,044	$ 1,148,795	$ (1,344,249)	(54)%	$ 673,085
Aircraft parking Fees	851,821	1,341,920	490,099	58%	514,348
Building rentals	6,930,787	740,566	(6,190,221)	(89)%	1,344,417
CUPPS Support Charges	560,036	(317,888)	(877,924)	(157)%	(210,979)
Other aviation revenue	(69,668)	19,080	88,748	127%	13,038
Terminal rent non-airline	216,261	221,086	4,825	2%	209,165
Terminal concessions	966,017	2,310,572	1,344,555	139%	2,441,968
Terminal Concessions-Revenue Waived	-	(683,658)	(683,658)	-	(1,750,821)
Rental car license fees	1,313,731	3,254,270	1,940,539	148%	2,378,553
Rental car center cost recovery	79,140	158,279	79,139	100%	160,368
Rental Car-Revnue Waived	-	-	-	-	(1,662,705)
License fees other	309,694	519,384	209,690	68%	282,305
Parking revenue	1,966,570	3,447,913	1,481,343	75%	1,462,034
Ground transportation permits and citations	500,776	881,199	380,423	76%	251,690
Ground rentals	1,863,958	1,958,928	94,970	5%	1,343,346
Grant reimbursements	32,266	37,120	4,854	15%	24,000
Other operating revenue	82,165	154,904	72,739	89%	102,516
Total operating revenues	18,096,598	15,192,470	(2,904,128)	(16)%	7,576,328
Operating expenses:					
Salaries and benefits	3,991,889	3,651,674	340,215	9%	3,937,768
Contractual services	2,434,851	2,320,766	114,085	5%	1,988,194
Safety and security	2,829,186	2,616,090	213,096	8%	1,648,487
Space rental	886,659	883,824	2,835	-	847,207
Utilities	1,590,077	1,032,889	557,188	35%	1,286,586
Maintenance	1,133,178	796,982	336,196	30%	832,708
Equipment and systems	15,042	6,078	8,964	60%	17,358
Materials and supplies	67,584	38,221	29,363	43%	27,603
Insurance	137,158	132,746	4,412	3%	120,614
Employee development and support	59,377	30,842	28,535	48%	41,561
Business development	201,925	90,195	111,730	55%	184,697
Equipment rentals and repairs	338,417	289,159	49,258	15%	332,171
Total operating expenses	13,685,343	11,889,466	1,795,877	13%	11,264,954
Depreciation	11,173,773	11,173,773	-	-	10,694,684
Operating income (loss)	(6,762,518)	(7,870,769)	(1,108,251)	(16)%	(14,383,310)
Nonoperating revenue (expenses):					
Passenger facility charges	1,369,868	1,815,819	445,951	33%	947,522
Customer facility charges (Rental Car Center)	1,681,290	2,802,524	1,121,234	67%	1,027,327
Federal Relief Grants	20,000,000	18,018,254	(1,981,746)	(10)%	10,946,061
Quieter Home Program	(140,119)	(274,249)	(134,130)	(96)%	(238,139)
Interest income	936,592	1,693,457	756,865	81%	1,329,247
Interest expense	(6,775,334)	(6,771,037)	4,297	-	(6,850,150)
Bond amortization costs	1,144,558	1,144,558	-	-	1,176,201
Other nonoperating income (expenses)	-	(335,037)	(335,037)	-	(918,543)
Nonoperating revenue, net	18,216,855	18,094,289	(122,566)	(1)%	7,419,526
Change in net position before capital grant contributions	11,454,337	10,223,520	(1,230,817)	(11)%	(6,963,784)
Capital grant contributions	195,361	20,316	(175,045)	(90)%	370,358
Change in net position	$ 11,649,698	$ 10,243,836	$ (1,405,862)	(12)%	$ (6,593,426)

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
For the Three Months Ended September 30, 2021 and 2020
(Unaudited)

	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Operating revenues:					
Aviation revenue:					
Landing fees	$ 8,199,046	$ 8,206,463	$ 7,417	-	$ 5,094,214
Aircraft parking fees	4,433,479	4,459,119	25,640	1%	2,088,835
Building rentals	22,397,391	22,370,916	(26,475)	-	12,591,495
CUPPS Support Charges	1,912,372	1,921,805	9,433	-	610,683
Other aviation revenue	(265,984)	(2,833)	263,151	99%	32,810
Terminal rent non-airline	661,853	676,732	14,879	2%	640,499
Terminal concessions	3,186,039	7,277,406	4,091,367	128%	6,415,579
Terminal Concessions-Revenue Waived	-	(1,846,171)	(1,846,171)	-	(4,469,226)
Rental car license fees	4,515,207	10,088,790	5,573,583	123%	5,509,942
Rental car center cost recovery	237,419	474,838	237,419	100%	481,105
Rental Car-Revnue Waived	-	-	-	-	(3,409,324)
License fees other	941,194	1,362,598	421,404	45%	800,950
Parking revenue	6,255,090	11,098,578	4,843,488	77%	4,105,313
Ground transportation permits and citations	1,501,085	2,625,531	1,124,446	75%	1,015,768
Ground rentals	5,591,873	5,748,194	156,321	3%	4,030,040
Grant reimbursements	95,954	99,840	3,886	4%	73,600
Other operating revenue	256,405	451,549	195,144	76%	278,452
Total operating revenues	59,918,423	75,013,355	15,094,932	25%	35,890,735
Operating expenses:					
Salaries and benefits	12,106,423	11,118,735	987,688	8%	11,985,644
Contractual services	7,470,735	6,587,453	883,282	12%	5,775,537
Safety and security	8,597,439	8,241,501	355,938	4%	7,229,760
Space rental	2,662,377	2,657,115	5,262	-	2,550,503
Utilities	4,321,428	3,623,997	697,431	16%	3,224,805
Maintenance	2,690,030	2,218,568	471,462	18%	2,145,421
Equipment and systems	39,219	38,271	948	2%	21,737
Materials and supplies	138,916	78,284	60,632	44%	79,023
Insurance	578,293	544,704	33,589	6%	471,718
Employee development and support	144,271	92,198	52,073	36%	86,486
Business development	442,932	226,737	216,195	49%	237,160
Equipment rentals and repairs	1,267,294	955,275	312,019	25%	912,098
Total operating expenses	40,459,357	36,382,838	4,076,519	10%	34,719,892
Depreciation	33,576,520	33,576,520	-	-	32,151,027
Operating income (loss)	(14,117,454)	5,053,997	19,171,451	136%	(30,980,184)
Nonoperating revenue (expenses):					
Passenger facility charges	4,825,433	8,194,205	3,368,772	70%	3,007,326
Customer facility charges (Rental Car Center)	5,109,499	8,104,194	2,994,695	59%	3,008,467
Federal Relief Grants	20,000,000	18,018,254	(1,981,746)	(10)%	25,092,704
Quieter Home Program	(391,749)	(499,258)	(107,509)	(27)%	(577,918)
Interest income	2,947,420	3,474,034	526,614	18%	4,295,552
Interest expense	(20,320,824)	(20,222,823)	98,001	-	(20,555,394)
Bond amortization costs	3,450,960	3,450,960	-	-	3,554,600
Other nonoperating income (expenses)	-	(972,048)	(972,048)	-	(2,089,207)
Nonoperating revenue, net	15,620,739	19,547,518	3,926,779	25%	15,736,130
Change in net position before capital g	1,503,285	24,601,515	23,098,230	1537%	(15,244,054)
Capital grant contributions	207,374	1,411,968	1,204,594	581%	1,695,943
Change in net position	$ 1,710,659	26,013,483	$ 24,302,824	1421%	$ (13,548,111)

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2021
(Unaudited)

Print Date: 10/7/2021
Print Time: 7:43:45AM
Report ID: GL0012

	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Landing Fees										
41112 - Landing Fees	$2,517,002	$1,161,841	$(1,355,161)	(54)	$679,762	$8,272,516	$8,257,849	$(14,667)	0	$5,115,167
41113 - Landing Fee Rebate	(23,958)	(13,046)	10,911	46	(6,677)	(73,470)	(51,386)	22,084	30	(20,953)
Total Landing Fees	**2,493,044**	**1,148,795**	**(1,344,249)**	**(54)**	**673,085**	**8,199,046**	**8,206,463**	**7,417**	**0**	**5,094,214**
Aircraft Parking Fees										
41160 - Aircraft Parking Position Rent	416,112	416,112	0	0	404,365	1,248,336	1,248,337	1	0	1,324,858
41162 - Parking Position Turn Fee	114,176	85,783	(28,393)	(25)	41,262	900,992	931,631	30,639	3	238,133
41165 - Overnight Parking Fee	321,533	840,025	518,492	161	68,721	2,284,150	2,279,151	(4,999)	0	525,844
Total Aircraft Parking Fees	**851,821**	**1,341,920**	**490,099**	**58**	**514,348**	**4,433,478**	**4,459,119**	**25,641**	**1**	**2,088,835**
Building and Other Rents										
41210 - Terminal Rent	6,850,867	681,094	(6,169,773)	(90)	1,287,027	22,114,001	22,143,292	29,290	0	12,401,479
41211 - Terminal Rent-Waived	0	(21,979)	(21,979)	0	0	0	(65,936)	(65,936)	0	0
41215 - Federal Inspection Services	79,920	81,450	1,530	2	57,390	283,390	293,560	10,170	4	190,015
Total Building and Other Rents	**6,930,787**	**740,566**	**(6,190,221)**	**(89)**	**1,344,416**	**22,397,391**	**22,370,916**	**(26,475)**	**0**	**12,591,495**
CUPPS Support Charges										
41400 - Common Use Fees	560,036	(317,888)	(877,924)	(157)	(210,979)	1,912,372	1,921,805	9,433	0	610,683
Total CUPPS Support Charges	**560,036**	**(317,888)**	**(877,924)**	**(157)**	**(210,979)**	**1,912,372**	**1,921,805**	**9,433**	**0**	**610,683**
Other Aviation										
43100 - Fuel Franchise Fees	13,038	29,600	16,562	127	13,038	36,498	74,557	38,059	104	32,810
43140 - Air Service Incentive Rebates	(82,706)	(10,520)	72,186	87	0	(302,482)	(77,390)	225,092	74	0
Total Other Aviation	**(69,667)**	**19,080**	**88,748**	**127**	**13,038**	**(265,984)**	**(2,833)**	**263,151**	**99**	**32,810**
Non-Airline Terminal Rents										
45010 - Terminal Rent - Non-Airline	216,261	221,086	4,825	2	209,165	661,853	676,732	14,879	2	640,499
Total Non-Airline Terminal Rents	**216,261**	**221,086**	**4,825**	**2**	**209,165**	**661,853**	**676,732**	**14,879**	**2**	**640,499**

	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Concession Revenue										
45111 - Term Concessions-Food & Bev	$359,176	$1,143,318	$784,142	218	$1,141,205	$1,222,705	$3,451,146	$2,228,441	182	$3,050,760
45112 - Terminal Concessions - Retail	269,721	649,990	380,268	141	688,670	905,847	2,095,244	1,189,397	131	1,662,432
45113 - Term Concessions - Other	123,524	173,178	49,654	40	355,540	416,698	724,342	307,643	74	898,462
45114 - Term Concessions Space Rents	84,982	83,567	(1,415)	(2)	84,141	254,947	250,701	(4,245)	(2)	252,422
45115 - Term Concessions Cost Recovery	67,868	26,646	(41,222)	(61)	66,877	203,603	199,103	(4,500)	(2)	186,722
45116 - Rec Distr Center Cost Recovery	60,746	116,796	56,051	92	89,276	182,238	337,122	154,884	85	317,847
45117 - Concessions Marketing Program	0	44,672	44,672	0	16,259	0	147,342	147,342	0	46,934
45119 - Term Concessions-Revnue Waived	0	(683,658)	(683,658)	0	(1,750,821)	0	(1,846,171)	(1,846,171)	0	(4,469,226)
45120 - Rental car license fees	1,313,731	3,254,270	1,940,539	148	2,378,553	4,515,207	10,088,790	5,573,582	123	5,509,942
45121 - Rental Car Center Cost Recover	79,140	158,279	79,140	100	160,368	237,419	474,838	237,419	100	481,105
45122 - Rental Car - Revenue Waived	0	0	0	0	(1,662,705)	0	0	0	0	(3,409,324)
45130 - License Fees - Other	309,694	516,905	207,211	67	282,305	941,194	1,375,848	434,654	46	800,951
45131 - License Fees Other Waiver	0	2,479	2,479	0	0	0	(13,250)	(13,250)	0	0
Total Concession Revenue	**2,668,582**	**5,486,441**	**2,817,859**	**106**	**1,849,667**	**8,879,857**	**17,285,055**	**8,405,197**	**95**	**5,329,026**
Parking and Ground Transportat										
45210 - Parking	1,966,570	3,447,913	1,481,343	75	1,462,034	6,255,090	11,098,578	4,843,488	77	4,105,313
45220 - AVI fees	467,119	854,503	387,384	83	221,932	1,435,976	2,521,743	1,085,766	76	967,040
45240 - Ground Transportation Pe	22,712	17,833	(4,879)	(21)	22,051	23,578	69,158	45,580	193	22,261
45250 - Citations	10,945	8,863	(2,082)	(19)	7,707	41,531	34,630	(6,901)	(17)	26,467
Total Parking and Ground Transportat	**2,467,346**	**4,329,112**	**1,861,767**	**75**	**1,713,723**	**7,756,176**	**13,724,109**	**5,967,933**	**77**	**5,121,081**
Ground Rentals										
45310 - Ground Rental Fixed - N	1,686,427	1,704,054	17,626	1	1,599,729	5,059,282	5,107,706	48,423	1	4,799,188
45311 - Ground Rental Fixed Waived	0	0	0	0	(256,383)	0	0	0	0	(769,148)
45315 - ASB Cost Recovery	15,784	15,784	0	0	0	47,351	47,351	0	0	0
45320 - Ground Rental - Percenta	0	23,537	23,537	0	0	0	54,090	54,090	0	0
45325 - Fuel Lease Revenue	161,747	215,554	53,807	33	0	485,240	539,047	53,807	11	0
Total Ground Rentals	**1,863,958**	**1,958,928**	**94,971**	**5**	**1,343,347**	**5,591,873**	**5,748,193**	**156,320**	**3**	**4,030,040**
Grant Reimbursements										
45410 - TSA Reimbursements	32,266	37,120	4,854	15	24,000	95,954	99,840	3,886	4	73,600
Total Grant Reimbursements	**32,266**	**37,120**	**4,854**	**15**	**24,000**	**95,954**	**99,840**	**3,886**	**4**	**73,600**

San Diego County Regional Airport Authority
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For the three months ended September 30, 2021
(Unaudited)

	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Other Operating Revenue										
45510 - Finger Printing Fee	$6,228	$16,260	$10,032	161	$6,228	$19,194	$47,131	$27,937	146	$19,194
45520 - Utilities Reimbursements	17,176	17,391	214	1	16,676	51,529	52,172	643	1	50,029
45530 - Miscellaneous Other Reve	1,852	1,349	(503)	(27)	4,839	5,556	31,562	26,006	468	2,120
45535 - Innovation Lab Revenue	0	0	0	0	0	0	500	500	0	0
45540 - Service Charges	7,314	39,831	32,517	445	9,403	21,942	117,171	95,229	434	61,495
45550 - Telecom Services	33,819	42,823	9,004	27	33,819	101,457	119,177	17,720	17	94,169
45570 - FBO Landing Fees	15,775	37,250	21,475	136	31,550	55,567	83,837	28,271	51	51,446
45580 - Equipment Rental	0	0	0	0	0	1,160	1,160	0	0	1,160
45599 - Other Operating Rev Waived	0	0	0	0	0	0	(1,160)	(1,160)	0	(1,160)
Total Other Operating Revenue	**82,164**	**154,904**	**72,740**	**89**	**102,514**	**256,404**	**451,549**	**195,145**	**76**	**278,452**
Total Operating Revenue	**18,096,597**	**15,120,065**	**(2,976,532)**	**(16)**	**7,576,324**	**59,918,420**	**74,940,948**	**15,022,528**	**25**	**35,890,735**
Personnel Expenses										
Salaries										
51110 - Salaries & Wages	2,808,074	2,209,573	598,501	21	2,433,282	8,413,353	6,747,412	1,665,941	20	7,564,129
51210 - Paid Time Off	0	291,322	(291,322)	0	224,194	0	932,279	(932,279)	0	716,739
51220 - Holiday Pay	0	48,829	(48,829)	0	55,259	0	96,984	(96,984)	0	108,495
51240 - Other Leave With Pay	0	30,044	(30,044)	0	25,643	0	75,760	(75,760)	0	78,810
51250 - Special Pay	0	0	0	0	5,486	0	(41,323)	41,323	0	61,865
Total Salaries	**2,808,074**	**2,579,768**	**228,306**	**8**	**2,743,864**	**8,413,353**	**7,811,112**	**602,240**	**7**	**8,530,037**
52110 - Overtime	48,416	41,368	7,049	15	26,691	150,642	127,021	23,621	16	76,567

San Diego County Regional Airport Authority
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(Unaudited)

	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Benefits										
54110 - FICA Tax	$209,596	$164,964	$44,632	21	$196,113	$641,005	$570,691	$70,314	11	$619,357
54120 - Unemployment Insurance-S	0	0	0	0	(5,727)	0	1,687	(1,687)	0	24,737
54130 - Workers Compensation Ins	23,686	13,399	10,288	43	13,510	71,238	39,905	31,333	44	42,225
54135 - Workers Comp Incident Expense	0	0	0	0	0	0	41,856	(41,856)	0	676
54210 - Medical Insurance	372,826	325,772	47,054	13	378,593	1,118,478	981,853	136,626	12	1,147,119
54220 - Dental Insurance	22,631	20,267	2,364	10	26,447	67,892	61,375	6,517	10	79,886
54230 - Vision Insurance	3,311	2,975	336	10	3,251	9,932	8,975	956	10	9,804
54240 - Life Insurance	7,625	5,116	2,508	33	7,359	22,871	15,472	7,399	32	22,171
54250 - Short Term Disability	13,363	12,108	1,255	9	13,108	40,080	36,602	3,478	9	39,509
54310 - Retirement	815,690	812,724	2,967	0	808,377	2,592,296	2,570,415	21,880	1	2,506,043
54315 - Retiree Health Benefits	77,725	88,906	(11,181)	(14)	78,836	233,174	266,810	(33,637)	(14)	236,928
54410 - Taxable Benefits	0	0	0	0	0	0	2,864	(2,864)	0	1,074
54430 - Accrued Vacation	37,500	(292)	37,792	101	93,908	112,500	(64,658)	177,158	157	185,227
Total Benefits	**1,583,952**	**1,445,939**	**138,014**	**9**	**1,613,776**	**4,909,466**	**4,533,848**	**375,618**	**8**	**4,914,755**
Cap Labor/Burden/OH Recharge										
54510 - Capitalized Labor Recha	(398,849)	(202,532)	(196,316)	(49)	(232,373)	(1,215,993)	(707,541)	(508,453)	(42)	(868,485)
54515 - Capitalized Burden Rech	0	(163,721)	163,721	0	(161,381)	0	(505,284)	505,284	0	(541,013)
Total Cap Labor/Burden/OH Recharge	**(398,849)**	**(366,254)**	**(32,595)**	**(8)**	**(393,754)**	**(1,215,993)**	**(1,212,825)**	**(3,169)**	**0**	**(1,409,498)**
QHP Labor/Burden/OH Recharge										
54520 - QHP Labor Recharge	(49,705)	(19,745)	(29,961)	(60)	(23,477)	(151,045)	(65,719)	(85,326)	(56)	(74,641)
54525 - QHP Burden Recharge	0	(9,004)	9,004	0	(10,778)	0	(25,319)	25,319	0	(33,754)
54526 - QHP OH Contra Acct	0	(16,648)	16,648	0	(19,071)	0	(45,630)	45,630	0	(18,184)
Total QHP Labor/Burden/OH Recharge	**(49,705)**	**(45,396)**	**(4,309)**	**(9)**	**(53,326)**	**(151,045)**	**(136,669)**	**(14,377)**	**(10)**	**(126,578)**
MM&JS Labor/Burden/OH Recharge										
54530 - MM & JS Labor Recharge	0	(3,750)	3,750	0	517	0	(3,750)	3,750	0	359
Total MM&JS Labor/Burden/OH Recharge	**0**	**(3,750)**	**3,750**	**0**	**517**	**0**	**(3,750)**	**3,750**	**0**	**359**
Total Personnel Expenses	**3,991,889**	**3,651,674**	**340,215**	**9**	**3,937,767**	**12,106,422**	**11,118,738**	**987,684**	**8**	**11,985,642**
Non-Personnel Expenses										

San Diego County Regional Airport Authority
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(Unaudited)

	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Contract Services										
61100 - Temporary Staffing	$4,500	$6,775	$(2,275)	(51)	$22,613	$13,500	$15,630	$(2,130)	(16)	$66,436
61110 - Auditing Services	62,000	62,313	(313)	(1)	34,000	71,000	67,313	3,688	5	74,000
61120 - Legal Services	45,000	22,729	22,271	49	228,516	195,000	70,349	124,651	64	359,395
61130 - Services - Professional	630,576	441,773	188,803	30	443,292	1,669,026	1,134,620	534,406	32	1,187,741
61150 - Outside Svs - Other	240,959	220,625	20,334	8	171,490	811,236	806,790	4,445	1	542,961
61160 - Services - Custodial	1,331,528	1,432,444	(100,916)	(8)	1,039,604	4,350,108	4,126,750	223,358	5	3,258,715
61190 - Receiving & Dist Cntr Services	120,288	119,107	1,181	1	48,678	360,865	351,001	9,864	3	286,289
Total Contract Services	**2,434,851**	**2,305,766**	**129,086**	**5**	**1,988,192**	**7,470,734**	**6,572,453**	**898,281**	**12**	**5,775,536**
Safety and Security										
61170 - Services - Fire, Police,	655,376	608,270	47,106	7	460,591	1,911,629	1,812,704	98,925	5	1,777,682
61180 - Services - SDUPD-Harbor	1,624,801	1,542,437	82,364	5	757,011	4,990,367	4,933,883	56,484	1	4,025,812
61185 - Guard Services	392,634	352,956	39,678	10	306,183	1,236,319	1,081,759	154,560	13	968,306
61188 - Other Safety & Security Serv	156,375	112,428	43,946	28	124,700	459,124	413,155	45,969	10	457,960
Total Safety and Security	**2,829,186**	**2,616,092**	**213,094**	**8**	**1,648,485**	**8,597,439**	**8,241,501**	**355,939**	**4**	**7,229,759**
Space Rental										
62100 - Rent	886,659	883,824	2,835	0	847,207	2,662,377	2,657,115	5,262	0	2,550,503
Total Space Rental	**886,659**	**883,824**	**2,835**	**0**	**847,207**	**2,662,377**	**2,657,115**	**5,262**	**0**	**2,550,503**
Utilities										
63100 - Telephone & Other Commun	45,475	21,385	24,090	53	31,346	136,465	78,969	57,496	42	114,552
63110 - Utilities - Gas & Electr	1,456,484	941,709	514,775	35	1,197,162	3,925,255	3,322,525	602,730	15	2,973,074
63120 - Utilities - Water	88,118	69,795	18,323	21	58,078	259,708	222,503	37,205	14	137,179
Total Utilities	**1,590,077**	**1,032,889**	**557,188**	**35**	**1,286,586**	**4,321,428**	**3,623,997**	**697,431**	**16**	**3,224,805**
Maintenance										
64100 - Facilities Supplies	71,700	64,270	7,430	10	54,990	176,200	143,305	32,895	19	125,375
64110 - Maintenance - Annual R	964,311	631,811	332,501	34	700,828	2,268,830	1,916,188	352,642	16	1,832,046
64125 - Major Maintenance - Mat	55,500	67,626	(12,126)	(22)	84,861	120,000	70,330	49,670	41	125,823
64140 - Refuse & Hazardous Waste	41,667	33,275	8,392	20	(7,971)	125,000	88,745	36,255	29	62,176
Total Maintenance	**1,133,178**	**796,982**	**336,197**	**30**	**832,707**	**2,690,030**	**2,218,568**	**471,462**	**18**	**2,145,421**
Equipment and Systems										
65100 - Equipment & Systems	15,042	6,078	8,964	60	17,358	39,219	38,271	947	2	21,737
Total Equipment and Systems	**15,042**	**6,078**	**8,964**	**60**	**17,358**	**39,219**	**38,271**	**947**	**2**	**21,737**

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	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Materials and Supplies										
65110 - Office & Operating Suppl	$49,288	$32,781	$16,507	33	$12,590	$101,228	$68,244	$32,985	33	$46,779
65120 - Safety Equipment & Suppl	15,296	5,440	9,856	64	13,943	28,688	10,040	18,648	65	24,147
65130 - Tools - Small	3,000	0	3,000	100	1,070	9,000	0	9,000	100	8,097
Total Materials and Supplies	**67,584**	**38,221**	**29,363**	**43**	**27,603**	**138,916**	**78,283**	**60,633**	**44**	**79,023**
Insurance										
67170 - Insurance - Property	87,500	79,758	7,742	9	72,917	262,500	239,273	23,227	9	218,750
67171 - Insurance - Liability	17,942	16,042	1,900	11	14,958	53,826	48,125	5,701	11	44,875
67172 - Insurance - Public Offic	17,389	13,714	3,675	21	14,491	53,367	41,141	12,226	23	43,474
67173 - Insurance Miscellaneous	14,327	23,231	(8,904)	(62)	18,248	208,600	216,165	(7,565)	(4)	164,619
Total Insurance	**137,158**	**132,744**	**4,414**	**3**	**120,614**	**578,293**	**544,704**	**33,589**	**6**	**471,718**
Employee Development and Suppo										
66120 - Awards - Service	1,330	0	1,330	100	1,628	4,636	3,500	1,136	25	6,920
66130 - Book & Periodicals	2,531	3,142	(611)	(24)	1,910	7,304	4,113	3,191	44	6,904
66220 - Permits/Certificates/Lic	17,192	1,196	15,996	93	6,098	20,076	5,034	15,042	75	9,264
66260 - Recruiting	938	2,596	(1,659)	(177)	0	2,813	5,530	(2,718)	(97)	400
66280 - Seminars & Training	10,643	1,562	9,081	85	2,340	28,168	13,226	14,942	53	1,022
66290 - Transportation	12,250	9,456	2,794	23	9,673	36,149	29,034	7,115	20	29,204
66305 - Travel-Employee Developm	3,883	4,028	(145)	(4)	(486)	6,650	4,968	1,682	25	(486)
66310 - Tuition	3,833	4,158	(325)	(8)	5,608	11,500	13,640	(2,140)	(19)	6,632
66320 - Uniforms	6,777	4,705	2,072	31	14,790	26,975	13,152	13,823	51	26,627
Total Employee Development and Suppo	**59,377**	**30,842**	**28,534**	**48**	**41,562**	**144,270**	**92,196**	**52,074**	**36**	**86,488**
Business Development										
66100 - Advertising	85,929	10,246	75,683	88	63	193,587	88,403	105,185	54	(120)
66110 - Allowance for Bad Debts	12,500	0	12,500	100	157,003	12,500	0	12,500	100	157,003
66200 - Memberships & Dues	19,131	53,189	(34,059)	(178)	17,122	76,217	103,567	(27,350)	(36)	55,819
66230 - Postage & Shipping	1,227	435	792	65	531	3,678	854	2,825	77	1,211
66240 - Promotional Activities	66,837	14,714	52,122	78	9,979	132,752	19,202	113,550	86	22,856
66250 - Promotional Materials	6,102	430	5,672	93	0	8,298	1,560	6,738	81	1,148
66300 - Travel-Business Developm	10,200	7,210	2,990	29	0	15,900	9,180	6,720	42	(757)
Total Business Development	**201,925**	**86,224**	**115,701**	**57**	**184,699**	**442,933**	**222,766**	**220,167**	**50**	**237,161**

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2021

(Unaudited)

Print Date: 10/7/2021
Print Time: 7:43:45AM
Report ID: GL0012

	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Equipment Rentals and Repairs										
66140 - Computer Licenses & Agre	$81,214	$84,356	$(3,142)	(4)	$52,592	$411,970	$232,145	$179,825	44	$140,161
66150 - Equipment Rental/Leasing	7,340	3,044	4,296	59	4,731	22,470	15,531	6,939	31	10,008
66160 - Tenant Improvements	27,989	19,388	8,601	31	33,168	83,966	40,464	43,502	52	79,987
66270 - Repairs - Office Equipme	221,874	182,371	39,503	18	241,680	748,888	667,135	81,753	11	681,942
Total Equipment Rentals and Repairs	**338,416**	**289,159**	**49,257**	**15**	**332,171**	**1,267,294**	**955,275**	**312,019**	**25**	**912,099**
Total Non-Personnel Expenses	**9,693,454**	**8,218,820**	**1,474,633**	**15**	**7,327,183**	**28,352,933**	**25,245,128**	**3,107,805**	**11**	**22,734,251**
Total Departmental Expenses before	**13,685,343**	**11,870,495**	**1,814,848**	**13**	**11,264,950**	**40,459,355**	**36,363,866**	**4,095,489**	**10**	**34,719,893**
Depreciation and Amortization										
69110 - Depreciation Expense	11,173,773	11,173,773	0	0	10,694,684	33,576,520	33,576,520	0	0	32,151,027
Total Depreciation and Amortization	**11,173,773**	**11,173,773**	**0**	**0**	**10,694,684**	**33,576,520**	**33,576,520**	**0**	**0**	**32,151,027**
Non-Operating Revenue/(Expense)										
Passenger Facility Charges										
71110 - Passenger Facility Charg	1,369,868	1,815,819	445,951	33	947,522	4,825,433	8,194,205	3,368,772	70	3,007,326
Total Passenger Facility Charges	**1,369,868**	**1,815,819**	**445,951**	**33**	**947,522**	**4,825,433**	**8,194,205**	**3,368,772**	**70**	**3,007,326**
Customer Facility Charges										
71120 - Customer facility charges (Con	1,681,290	2,802,524	1,121,235	67	1,027,327	5,109,499	8,104,194	2,994,695	59	3,008,467
Total Customer Facility Charges	**1,681,290**	**2,802,524**	**1,121,235**	**67**	**1,027,327**	**5,109,499**	**8,104,194**	**2,994,695**	**59**	**3,008,467**
Federal Relief Grants										
71130 - Federal Relief Grants	20,000,000	18,018,254	(1,981,746)	(10)	10,946,061	20,000,000	18,018,254	(1,981,746)	(10)	25,092,704
Total Federal Relief Grants	**20,000,000**	**18,018,254**	**(1,981,746)**	**(10)**	**10,946,061**	**20,000,000**	**18,018,254**	**(1,981,746)**	**(10)**	**25,092,704**
Quiter Home Program										
71212 - Quieter Home - Labor	(54,318)	(19,745)	34,573	64	(23,509)	(157,127)	(65,719)	91,408	58	(75,463)
71213 - Quieter Home - Burden	0	(9,004)	(9,004)	0	(10,778)	0	(25,319)	(25,319)	0	(33,754)
71214 - Quieter Home - Overhead	0	(16,648)	(16,648)	0	(19,071)	0	(45,630)	(45,630)	0	(18,184)
71215 - Quieter Home - Material	(1,099,329)	(1,243,118)	(143,789)	(13)	(984,414)	(3,032,146)	(2,585,175)	446,971	15	(2,314,439)
71216 - Quieter Home Program	1,013,529	1,014,265	736	0	799,633	2,797,524	2,222,585	(574,939)	(21)	1,863,922
Total Quiter Home Program	**(140,119)**	**(274,249)**	**(134,131)**	**(96)**	**(238,139)**	**(391,749)**	**(499,258)**	**(107,509)**	**(27)**	**(577,917)**

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2021
(Unaudited)

Print Date: 10/7/2021
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	Month to Date					Year to Date				
	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual	Budget	Actual	Variance Favorable (Unfavorable)	Variance Percent	Prior Year Actual
Interest Income										
71310 - Interest - Investments	$678,243	$541,032	$(137,211)	(20)	$811,455	$2,135,436	$1,740,849	$(394,588)	(18)	$2,538,986
71330 - Interest - Variable Debt	0	35,044	35,044	0	25,886	0	35,044	35,044	0	82,214
71340 - Interest - Note Receivab	121,368	121,368	0	0	131,059	374,725	374,726	1	0	404,305
71350 - Interest - Other	136,981	802,746	665,765	486	0	437,259	891,424	454,165	104	(782)
71361 - Interest Income - 2010 Bonds	0	0	0	0	0	0	0	0	0	(140,938)
71363 - Interest Income - 2013 Bonds	0	18,949	18,949	0	28,611	0	55,701	55,701	0	122,823
71364 - Interest Income - 2017 Bond A	0	9,832	9,832	0	12,823	0	23,920	23,920	0	60,204
71365 - Interest Income - 2014 Bond A	0	24,324	24,324	0	33,410	0	49,918	49,918	0	112,600
71366 - Interest Income - 2019A Bond	0	33,380	33,380	0	273,825	0	185,419	185,419	0	961,496
71367 - Interest Income - 2020A Bond	0	(4,345)	(4,345)	0	12,178	0	5,906	5,906	0	154,644
Total Interest Income	**936,592**	**1,582,330**	**645,738**	**69**	**1,329,247**	**2,947,420**	**3,362,906**	**415,486**	**14**	**4,295,551**
Interest Expense										
71412 - Interest Expense 2013 Bonds	(1,439,113)	(1,439,113)	0	0	(1,473,758)	(4,317,338)	(4,317,338)	0	0	(4,421,275)
71413 - Interest Expense 2014 Bond A	(1,300,065)	(1,300,065)	0	0	(1,318,995)	(3,900,196)	(3,900,196)	0	0	(3,956,985)
71414 - Interest Expense 2017 Bond A	(1,132,979)	(1,132,979)	0	0	(1,164,104)	(3,398,938)	(3,398,938)	0	0	(3,492,313)
71415 - Interest Exp 2019A Bond	(1,843,425)	(1,843,425)	0	0	(1,857,675)	(5,530,275)	(5,530,275)	0	0	(5,573,025)
71416 - Interest Expense 2020A Bond	(945,813)	(967,615)	(21,802)	(2)	(1,003,417)	(2,837,438)	(2,902,844)	(65,406)	(2)	(3,010,250)
71430 - LOC Fees - C/P	(76,272)	63,416	139,688	183	0	(188,544)	0	188,544	100	0
71450 - Trustee Fee Bonds	(5,750)	0	5,750	100	0	(5,750)	0	5,750	100	0
71451 - Program Fees - Variable Debt	(2,000)	0	2,000	100	0	(2,000)	0	2,000	100	0
71460 - Interest Expense - Other	16,966	16,616	(350)	(2)	16,966	897	89,000	88,103	9,826	46,497
71461 - Interest Expense - Cap Leases	(46,883)	(46,883)	0	0	(49,167)	(141,242)	(141,242)	0	0	(148,043)
Total Interest Expense	**(6,775,334)**	**(6,650,047)**	**125,286**	**2**	**(6,850,151)**	**(20,320,823)**	**(20,101,832)**	**218,991**	**1**	**(20,555,394)**
Amortization										
69210 - Amortization - Premium	1,144,558	1,144,558	0	0	1,176,201	3,450,960	3,450,960	0	0	3,554,600
Total Amortization	**1,144,558**	**1,144,558**	**0**	**0**	**1,176,201**	**3,450,960**	**3,450,960**	**0**	**0**	**3,554,600**

San Diego County Regional Airport Authority
Authority Detail Income Statement - Supplemental Schedule
For the three months ended September 30, 2021
(Unaudited)

	Month to Date Budget	Month to Date Actual	Month to Date Variance Favorable (Unfavorable)	Month to Date Variance Percent	Month to Date Prior Year Actual	Year to Date Budget	Year to Date Actual	Year to Date Variance Favorable (Unfavorable)	Year to Date Variance Percent	Year to Date Prior Year Actual
Other Non-Operating Income (Expense)										
71510 - Legal Settlement Income	$0	$0	$0	0	$63	$0	$391	$391	0	$63
71530 - Gain/Loss On Investments	0	(508,896)	(508,896)	0	(922,989)	0	(1,149,646)	(1,149,646)	0	(2,099,652)
71540 - Discounts Earned	0	1,239	1,239	0	4,382	0	3,224	3,224	0	4,382
71620 - Other non-operating revenue (e	0	172,620	172,620	0	0	0	173,983	173,983	0	6,000
71630 - Other Non-Operating Expe	0	0	0	0	0	0	0	0	0	0
Total Other Non-Operating Income (Expense	**0**	**(335,037)**	**(335,037)**	**0**	**(918,543)**	**0**	**(972,048)**	**(972,048)**	**0**	**(2,089,207)**
Total Non-Operating Revenue/(Expense)	**18,216,855**	**18,104,151**	**(112,704)**	**(1)**	**(7,419,525)**	**15,620,741**	**19,557,382**	**3,936,641**	**25**	**(15,736,131)**
Capital Grant Contribution										
72100 - AIP Grants	195,361	20,316	(175,045)	(90)	370,358	207,374	1,411,968	1,204,594	581	1,695,943
Total Capital Grant Contribution	**195,361**	**20,316**	**(175,045)**	**(90)**	**370,358**	**207,374**	**1,411,968**	**1,204,594**	**581**	**1,695,943**
Total Expenses Net of Non-Operating Revenue/ (Expense)	**6,446,900**	**4,919,801**	**1,527,099**	**24**	**14,169,750**	**58,207,761**	**48,971,037**	**9,236,724**	**16**	**49,438,846**
Net Income/(Loss)	**11,649,698**	**10,200,264**	**(1,449,433)**	**(12)**	**(6,593,426)**	**1,710,659**	**25,969,911**	**24,259,252**	**1,418**	**(13,548,111)**
Equipment Outlay										
73200 - Equipment Outlay Expendi	(77,000)	(39,525)	37,475	49	0	(145,600)	(141,035)	4,565	3	(79,666)
73299 - Capitalized Equipment Co	0	39,525	39,525	0	0	0	141,035	141,035	0	79,666
Total Equipment Outlay	**(77,000)**	**0**	**77,000**	**100**	**0**	**(145,600)**	**0**	**145,600**	**100**	**0**

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

Review of the Unaudited Financial Statements for the Three Months Ended September 30, 2021 and 2020

Presented by:
Elizabeth Stewart,
Interim Director, Accounting

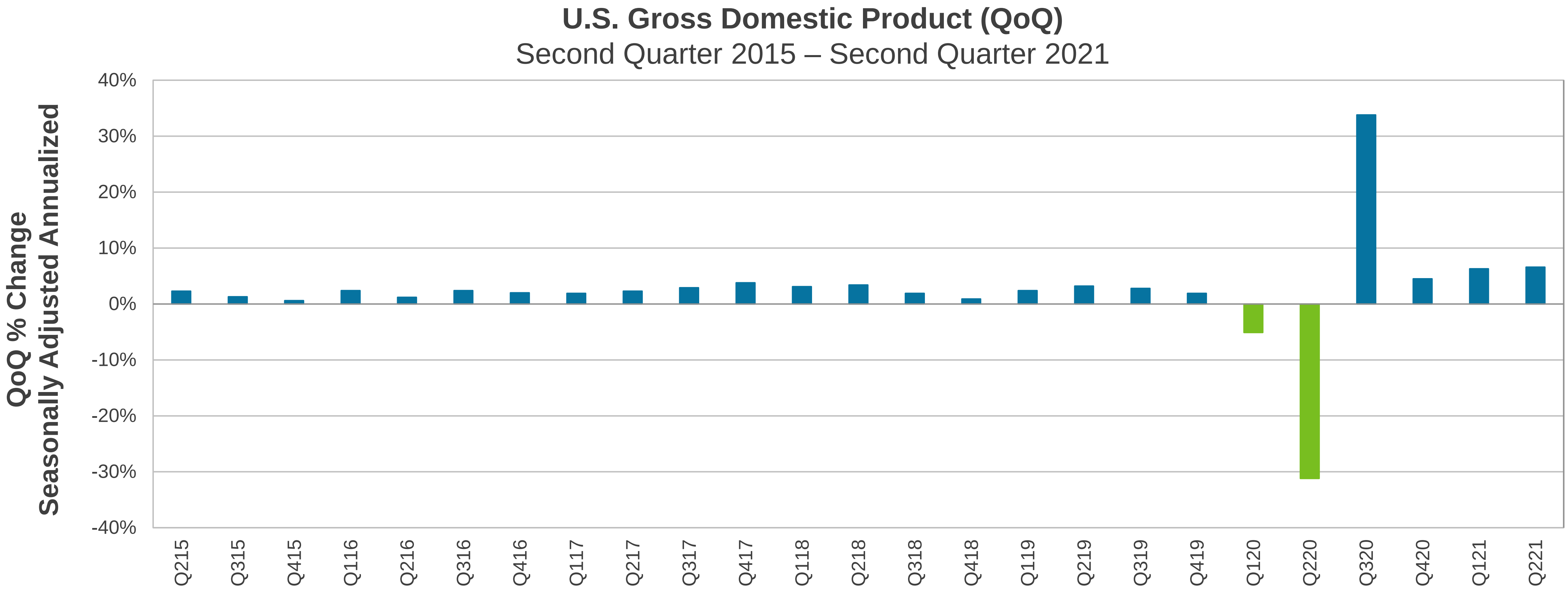
Market Commentary

While some pockets of the economy remain dislocated, US real gross domestic product (GDP) has recovered to pre-pandemic levels. The recovery has been fueled by robust fiscal spending, accommodative monetary policy, and vaccinations. These factors are beginning to moderate but should continue to provide tailwinds for the economy in the coming quarters. Covid infection rates have started to decline, but the health crisis continues to disrupt economic activity and has weighed on consumer sentiment. Supply chain and labor market disruptions are also likely to continue over the near- to intermediate-term, putting ongoing upward pressure on transportation, input, and labor costs. Some pandemic-related fiscal relief has started to phase out, but an infrastructure spending plan is on the horizon. Meanwhile, the Federal Reserve remains accommodative and continues to facilitate further improvement in the labor market. Overall, we believe the US economy continues to grow at a strong, above-trend, pace but we believe economic data will remain somewhat choppy over the near-term.

The Federal Open Market Committee (FOMC) kept monetary policy unchanged at its September meeting but indicated that they are preparing to reduce the magnitude of their asset purchases. The fed funds target rate remains in the range of 0.0% to 0.25%. For now, the Fed continues to purchase $80 billion of Treasuries per month, and $40 billion of agency mortgage-backed securities per month. However, the Fed is now widely expected to make the official announcement about tapering asset purchases at the next FOMC meeting in early November. The tapering process would likely commence December 1st, and Fed Chair Powell signaled that asset purchases would likely end by mid-2022. The projected timeline for liftoff on rate hikes was also pulled forward in the Fed’s updated summary of economic projections. The median estimate among Fed policymakers now calls for one 25 basis point rate hike in 2022, versus the previous outlook for no rate hikes next year. Monetary policy remains highly accommodative for now, but the Fed is moving toward a path of policy normalization. We believe the Fed will be cautious as it moves toward a slow and steady withdrawal of monetary policy accommodation, amid a backdrop of an improving labor market and growing economy.

Second Quarter GDP

Real US gross domestic product (GDP) grew at an annualized rate of 6.7% in the second quarter, following 6.3% growth in the first quarter. As of the second quarter, real US GDP had exceeded its pre-pandemic level. The consensus forecast for full year 2021 US gross domestic product growth has moderated but remains well above the long-run trend growth rate of about 1.8%. The current Bloomberg consensus estimates for 2021 and 2022 US GDP growth are 5.9% and 4.1%, respectively, following a 3.4% decline in 2020.



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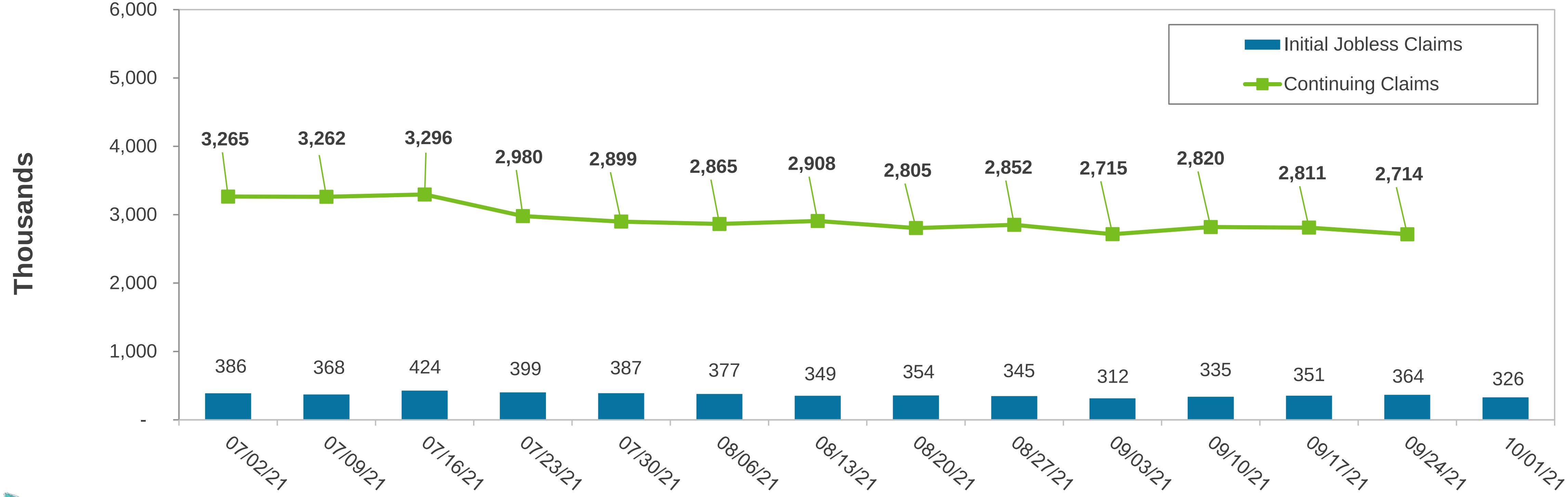
Source: Bloomberg.

Initial Claims For Unemployment

In the most recent week, the number of initial jobless claims was 326,000 versus 364,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) declined to 2.714 million from 2.811 million in the prior week. Continuing jobless claims have declined significantly from the peak of nearly 25 million in May 2020, but they remained above the 2019 (pre-pandemic) average of 1.7 million.

Initial Jobless Claims and 4-Week Moving Average

July 2, 2021 – October 1, 2021



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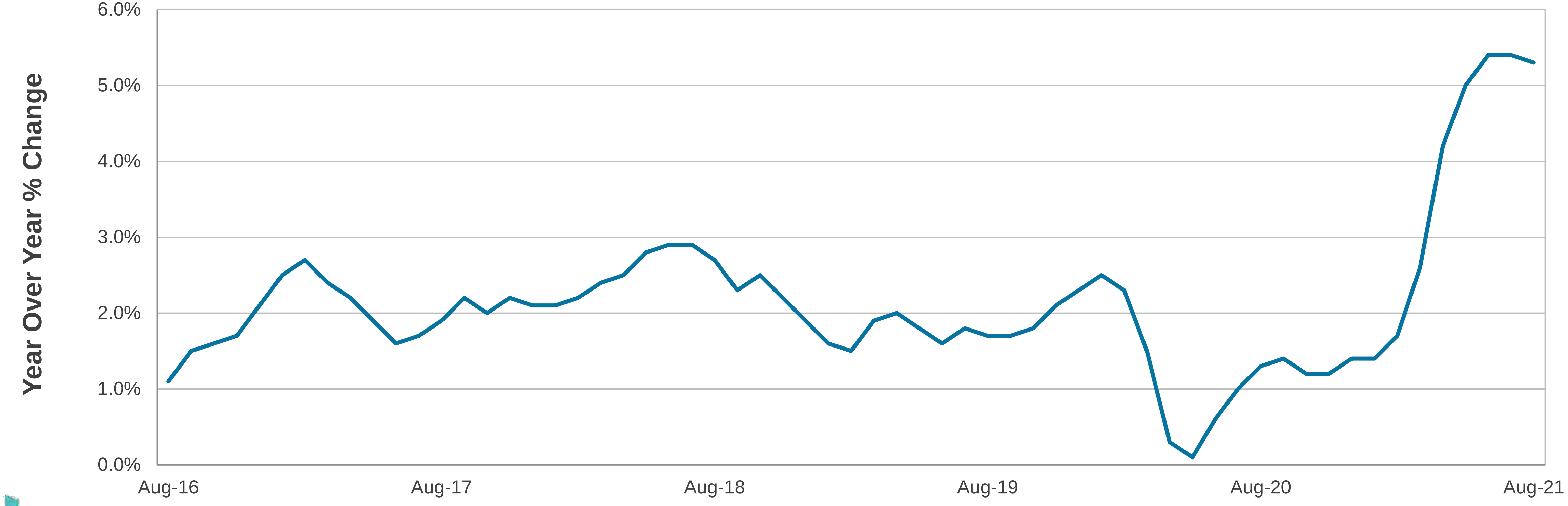
Source: Bloomberg.

Consumer Price Index

The Consumer Price Index (CPI) was up 5.3% year-over-year in August, versus up 5.4% year-over-year in July. Core CPI (CPI less food and energy) was up 4.0% year-over-year in August (below expectations), versus up 4.3% in July. Current inflation readings are running well above the Fed's longer-run target of around 2.0%, but the most recent CPI reading suggests that pricing pressures may be easing slightly.

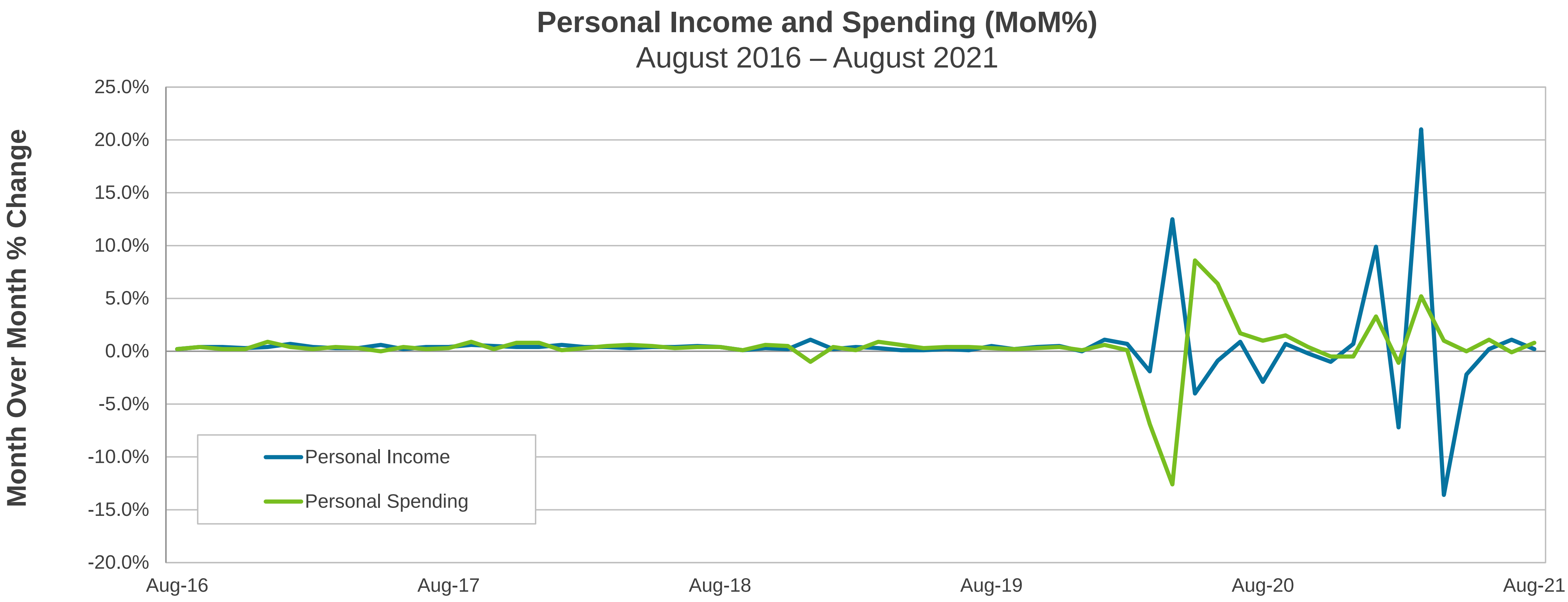
Consumer Price Index (YoY%)
August 2016 – August 2021



Source: Bloomberg.

Personal Income and Spending

Personal income rose 0.2% in August, in line with expectations. Personal income was weighed down by a decline in income from unemployment insurance in the month, though wages and salaries continued to grow. Consumer spending rose 0.8% in August, exceeding expectations.



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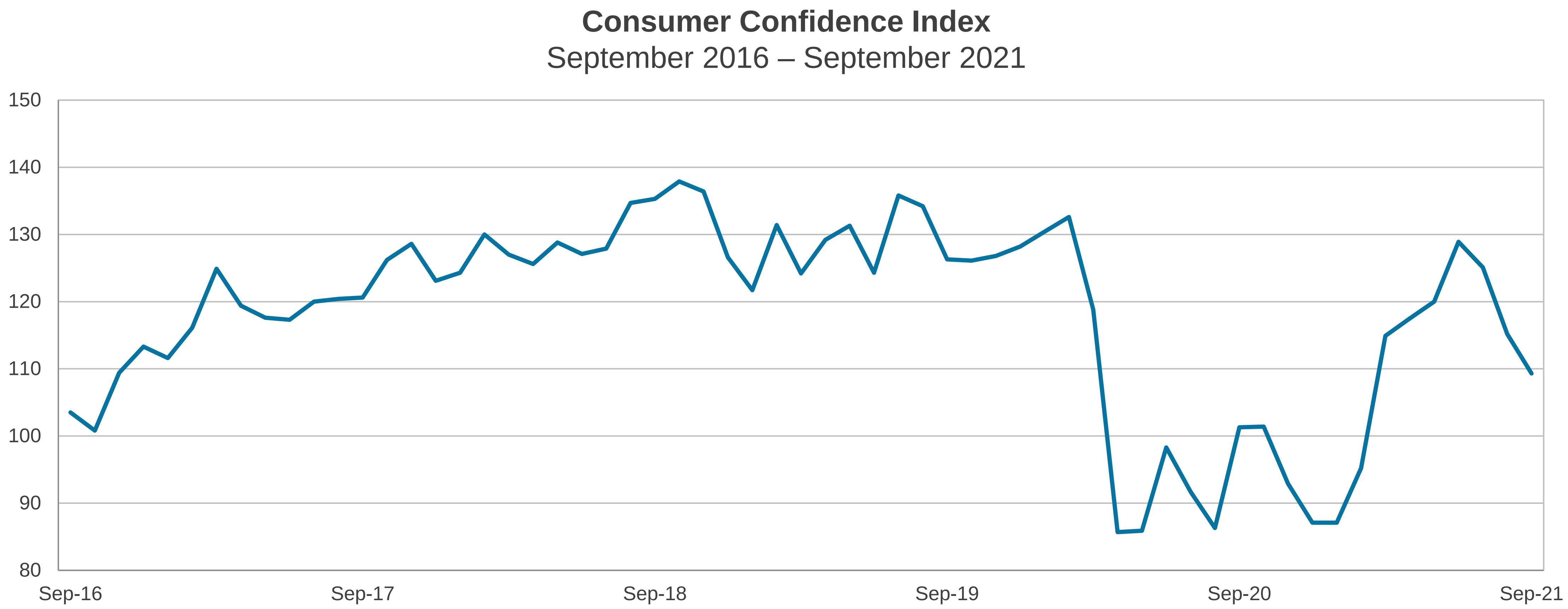
Source: Bloomberg.

Consumer Confidence Index

The Consumer Confidence Index dropped to 109.3 in September from 115.2 in August. The index's decline was bigger than expected, driven by concerns about the continued surge in US virus infection rates and the recent uptick in inflationary pressures.



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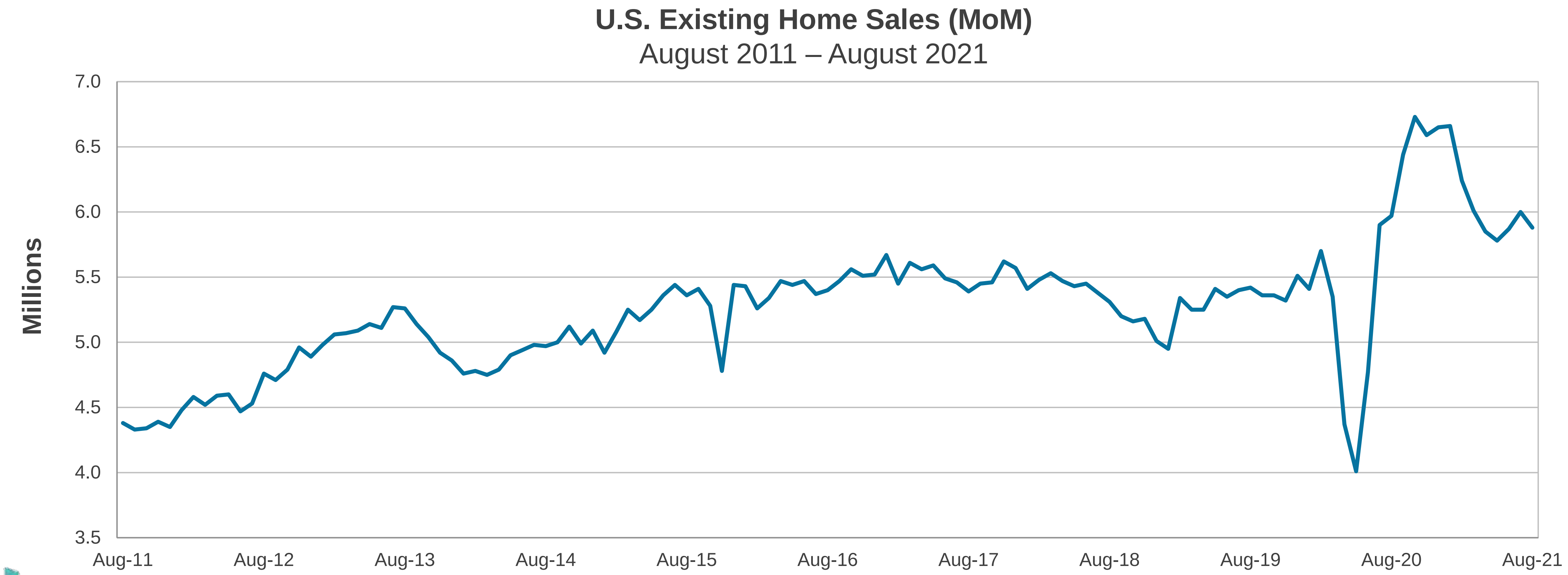
Source: Bloomberg.

Existing Home Sales

Existing home sales declined 2.0% in August to a seasonally adjusted rate of 5.880 million units, below expectations. On a year-over-year basis, sales of existing homes were down 1.5% in August. Low inventory and high prices seem to be tempering sales.



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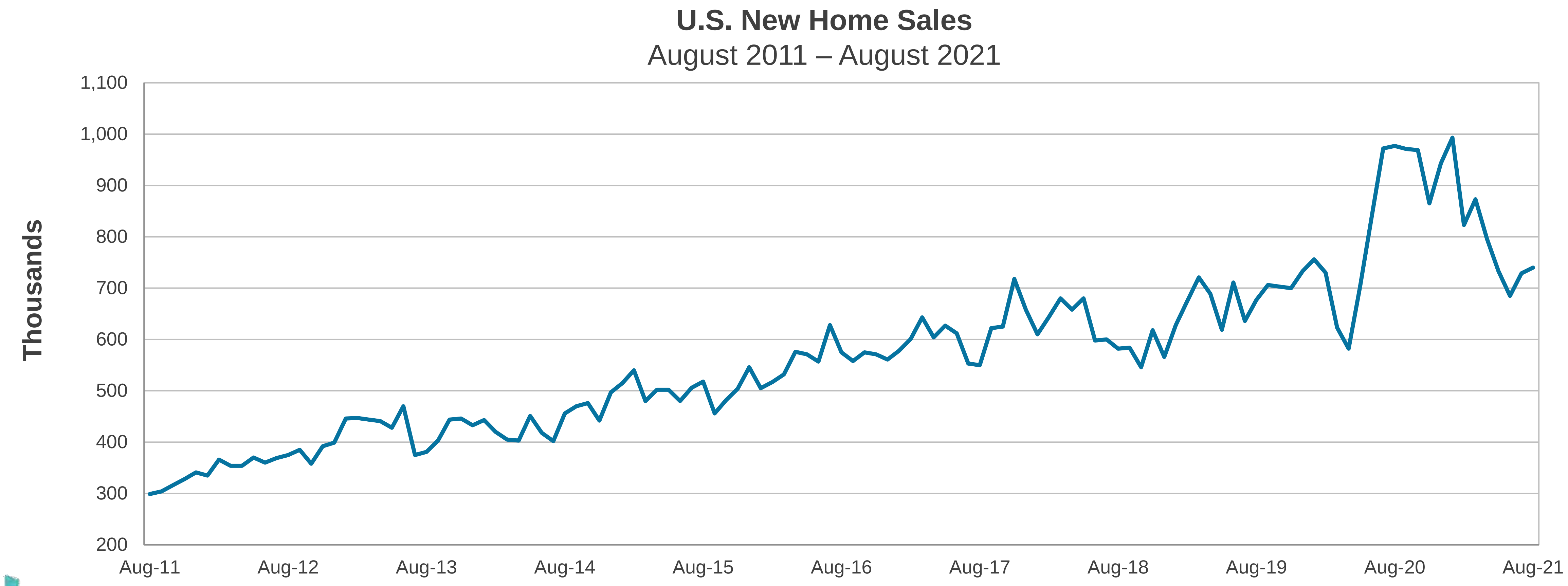
Source: Bloomberg.

New Home Sales

New home sales rose 1.5% in August to an annualized rate of 740,000 units. On a year-over-year basis, the pace of new home sales was down 24% in August. The pace of new home sales has eased, and we believe significant price appreciation over the past year may be deterring home buyers.



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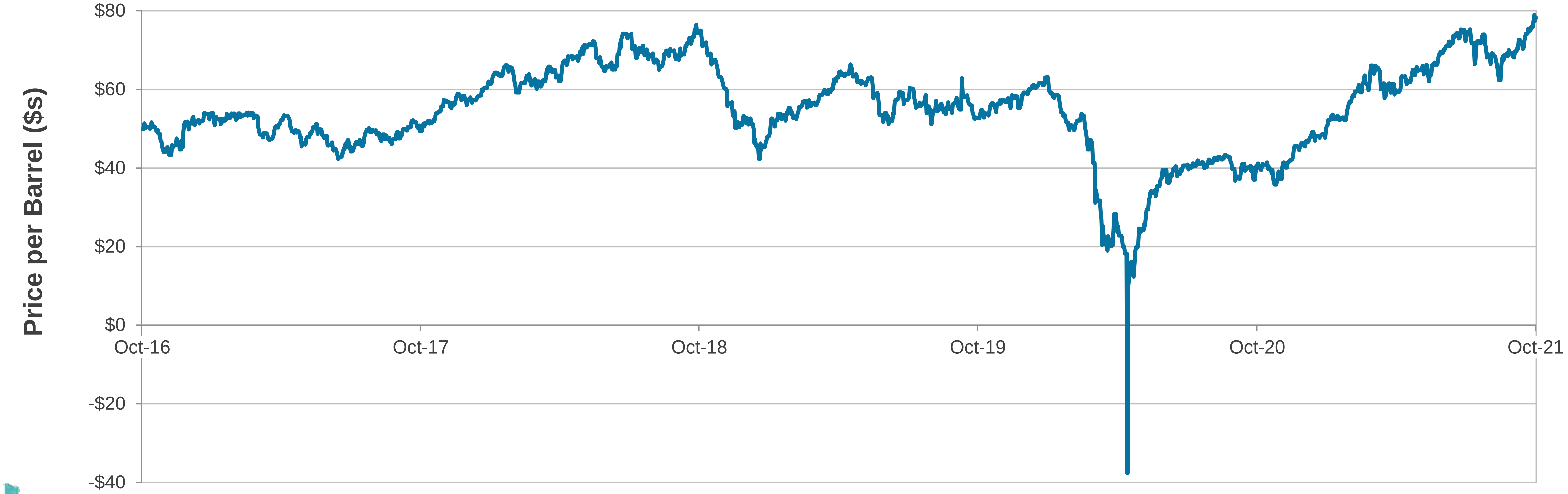
Source: Bloomberg.

Crude Oil Prices

U.S. West Texas Intermediate (WTI) crude settled at $78.30 per barrel on October 7. It is above its one-month average of $73.74 and its one-year average of $60.11. Earlier this summer, OPEC and its allies (i.e. OPEC+) started gradually boosting production to phase out previous production cuts. The group has continued to increasing monthly crude oil production in measured steps, despite urging from the White House to boost production at a faster pace, putting upward pressure on prices. Hurricane Ida, rising natural gas prices, and an ongoing recovery in oil demand has recently put additional upward pressure on oil prices. The Energy Information Association expects the price of Brent crude oil to remain near current levels for the remainder of the year. They also anticipate that continued growth in production from OPEC and its allies and accelerating growth in US oil production next year will outpace decelerating growth in global oil consumption, and the EIA expects Brent crude oil prices to decline next year.

West Texas Intermediate Oil Price Per Barrel (WTI Spot)

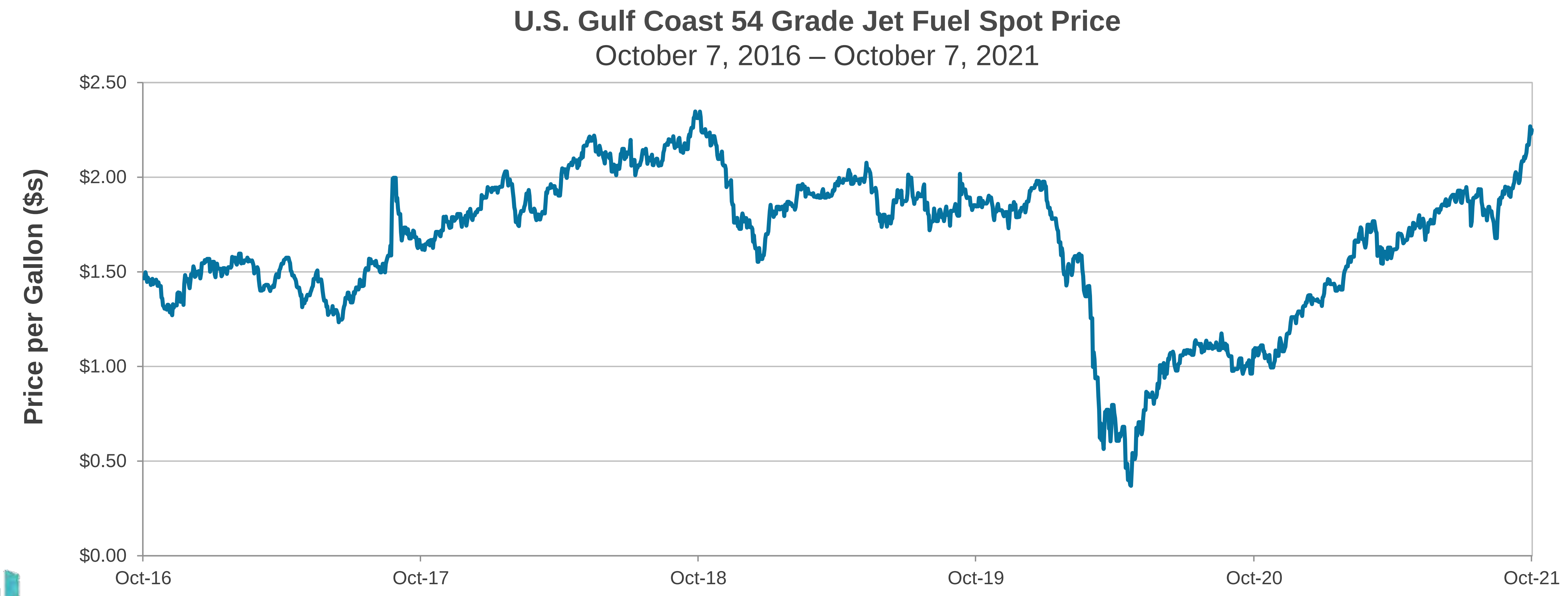
October 7, 2016 – October 7, 2021



Source: Bloomberg.

Jet Fuel Prices

Jet fuel (U.S. Gulf Coast Spot) closed at $2.250 per gallon on October 7, above its one-month average of $2.074 and its one-year average of $1.622. A decline in global demand for jet fuel due to the coronavirus and ongoing travel restrictions put significant downward pressure on prices in 2020. However, the US economic reopening and rising travel demand has supported a recovery in jet fuel prices this year.

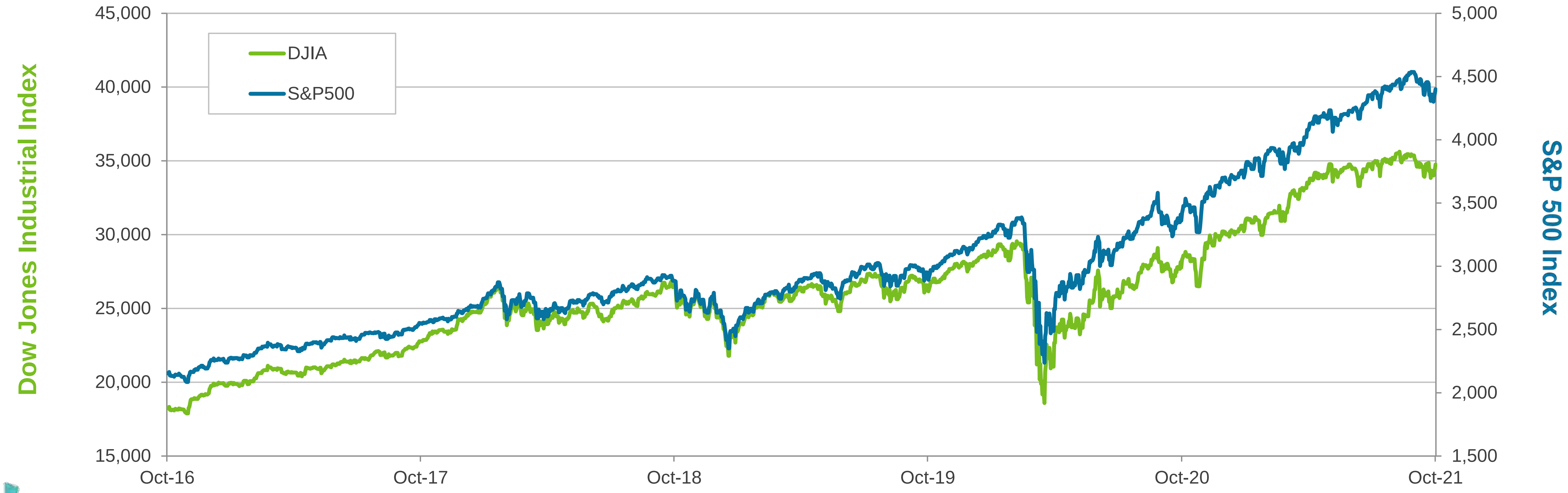


Source: Bloomberg.

U.S. Equity Markets

Year-to-date, the DJIA and S&P 500 are up 13.6% and 17.1%, respectively. We believe accommodative monetary policy, robust fiscal spending, and continued progress on vaccinations should remain supportive of the economy and risk assets.

Dow Jones Industrial Average (DJIA) and S&P 500 Indices
October 7, 2016 – October 7, 2021



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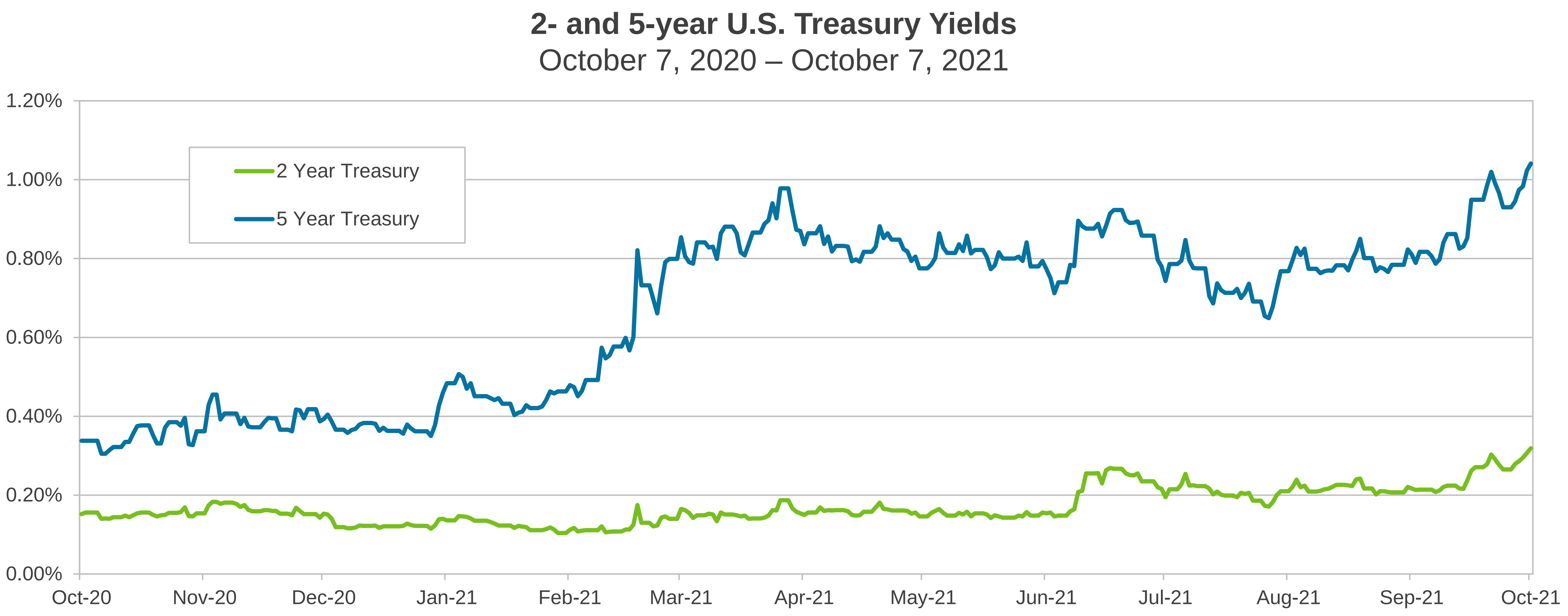
Source: Bloomberg.

Treasury Yield History

Year-to-date, the yield on 5-year Treasuries is roughly 66 basis points higher, while the yield on 2-year Treasuries is about 19 basis points higher.



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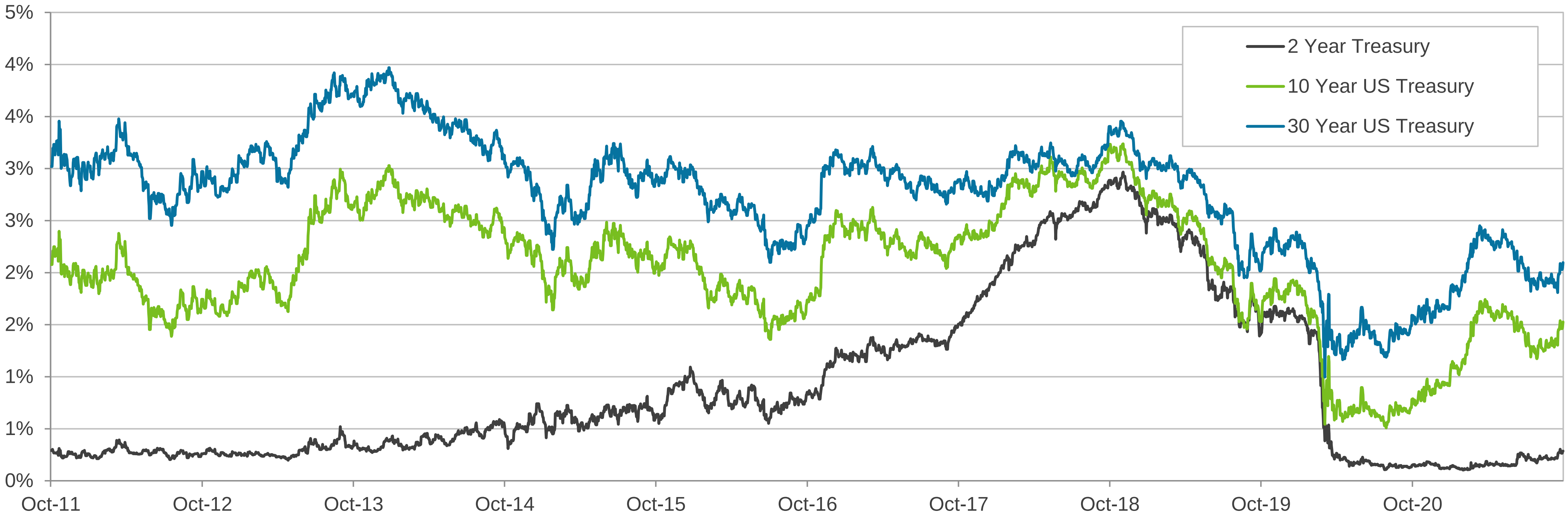
Treasury Yield History

The spread between the 2-year Treasury yield and the 10-year Treasury yield is roughly 127 basis points, versus a spread of about 64 basis points at this time last year. The current spread between the 2-year Treasury yield and 10-year Treasury yield is near longer-term trends, as the average spread since 2002 has been about 135 basis points. Nevertheless, we believe the yield curve may be poised for further steepening. In our view, the Fed's slow withdrawal of monetary policy accommodation, amid a backdrop of an improving labor market and growing economy, may drive longer-term yields higher, all else being equal.

2-, 10- and 30-year U.S. Treasury Yields

October 7, 2011 – October 7, 2021



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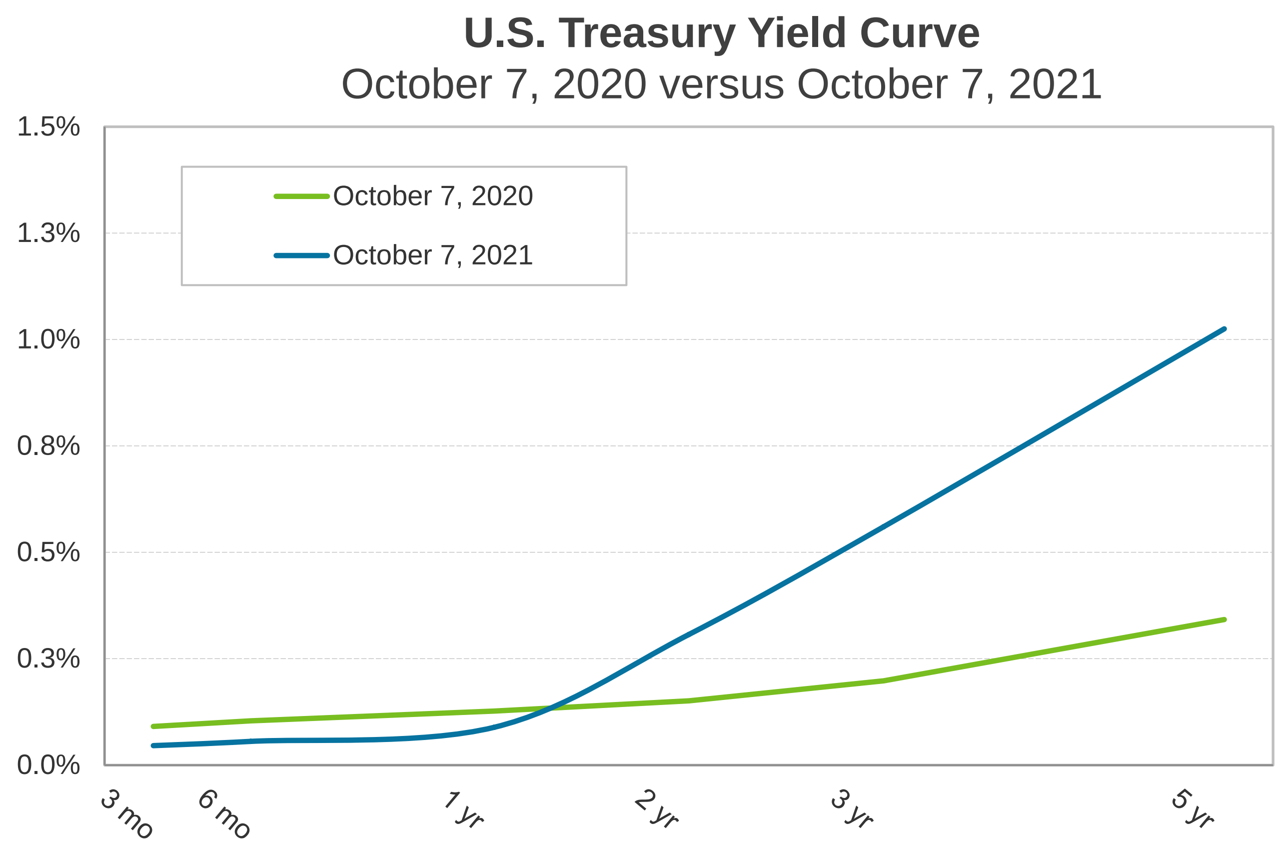
Source: Bloomberg.

U.S. Treasury Yield Curve

The Treasury yield curve is steeper on a year-over-year basis. The 3-month T-bill yield is down about five basis points, the 2-Year Treasury yield about 16 basis points higher, and the 10-Year Treasury yield is higher by 79 basis points, on a year-over-year basis.



	10/7/2020	10/7/2021	Change
3-Mo.	0.09%	0.05%	(0.04%)
6-Mo.	0.10%	0.06%	(0.04%)
1-Yr.	0.13%	0.09%	(0.04%)
2-Yr.	0.15%	0.31%	0.16%
3-Yr.	0.20%	0.56%	0.36%
5-Yr.	0.34%	1.03%	0.69%
10-Yr.	0.79%	1.58%	0.79%
20-Yr.	1.35%	2.07%	0.72%
30-Yr.	1.59%	2.13%	0.54%

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Source: Bloomberg.

Financial Overview
For the Three Months Ended
September 30, 2021 and 2020
(Unaudited)

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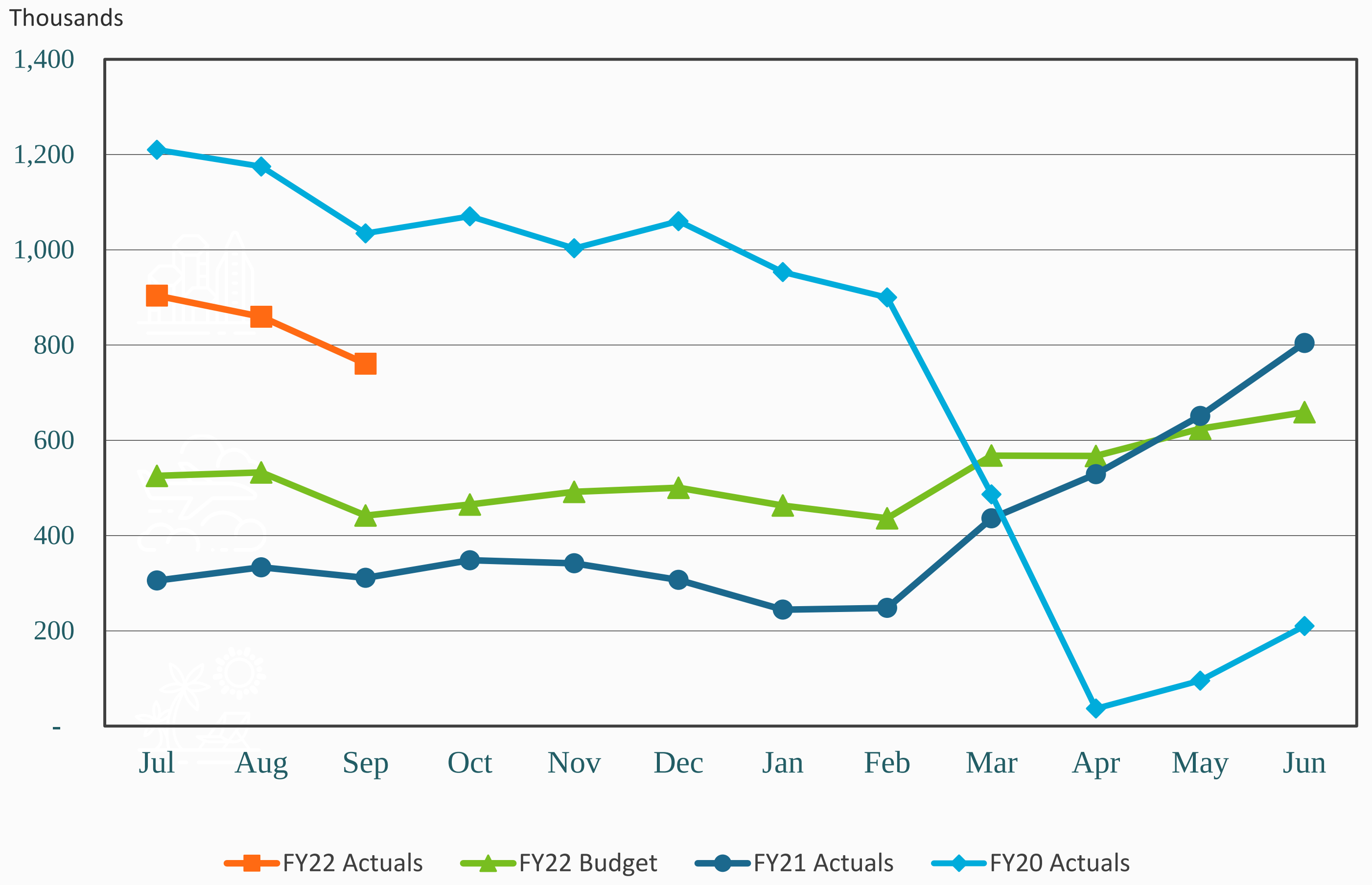
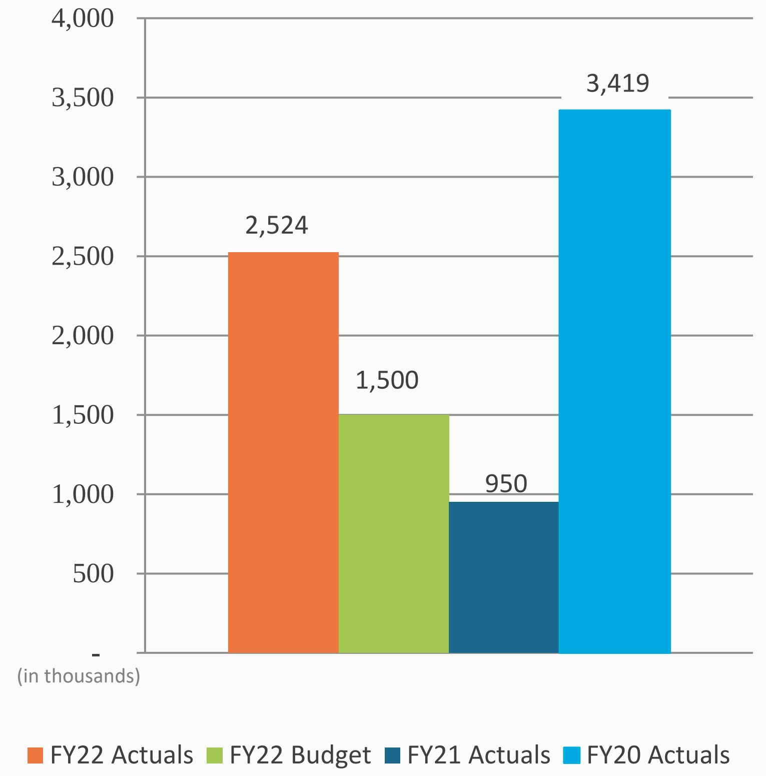
Enplanements



FY22 YTD Act Vs.
FY21 YTD Act
165.7%

FY22 YTD Act Vs.
FY22 YTD Budget
68.3%



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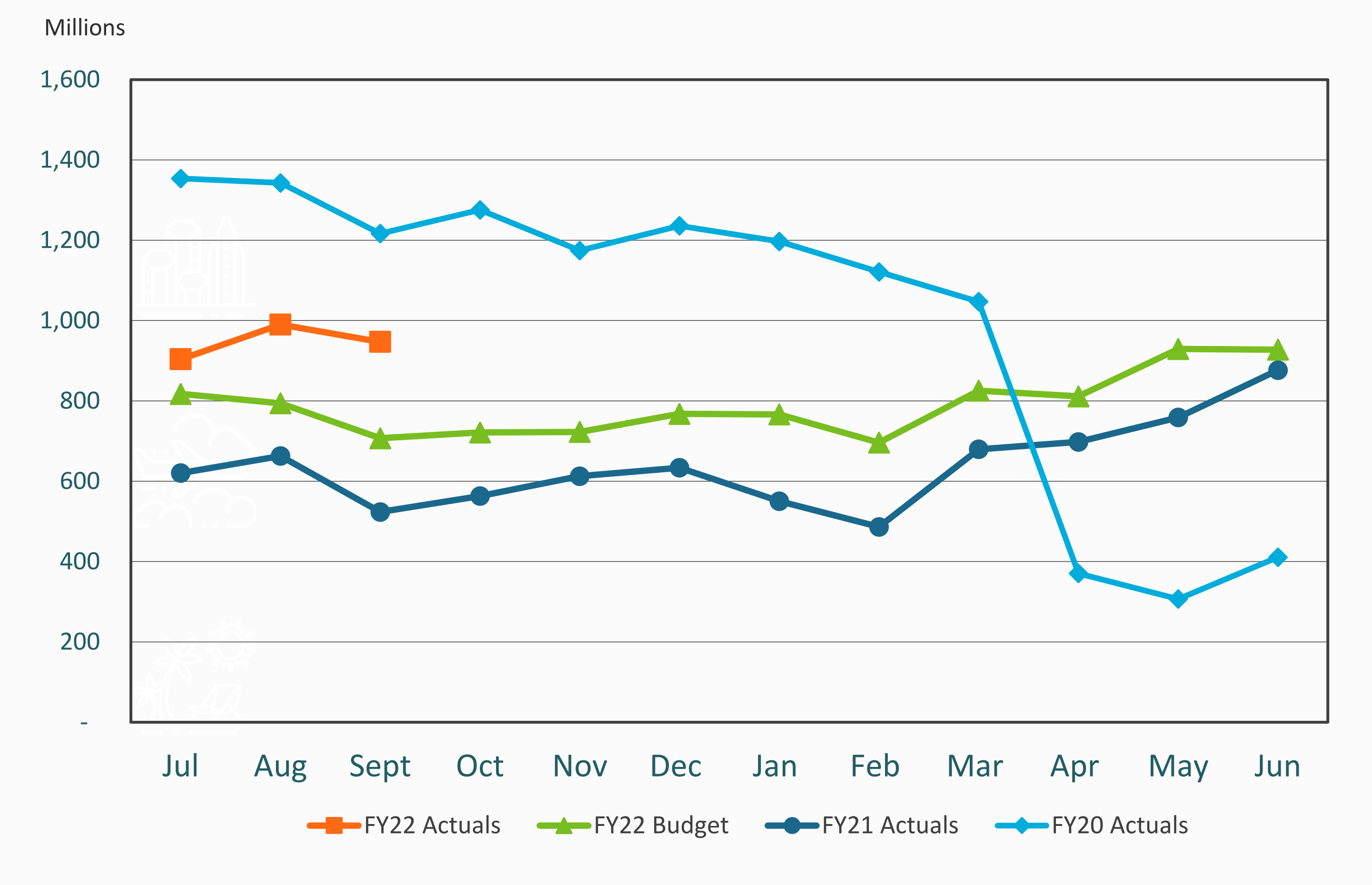
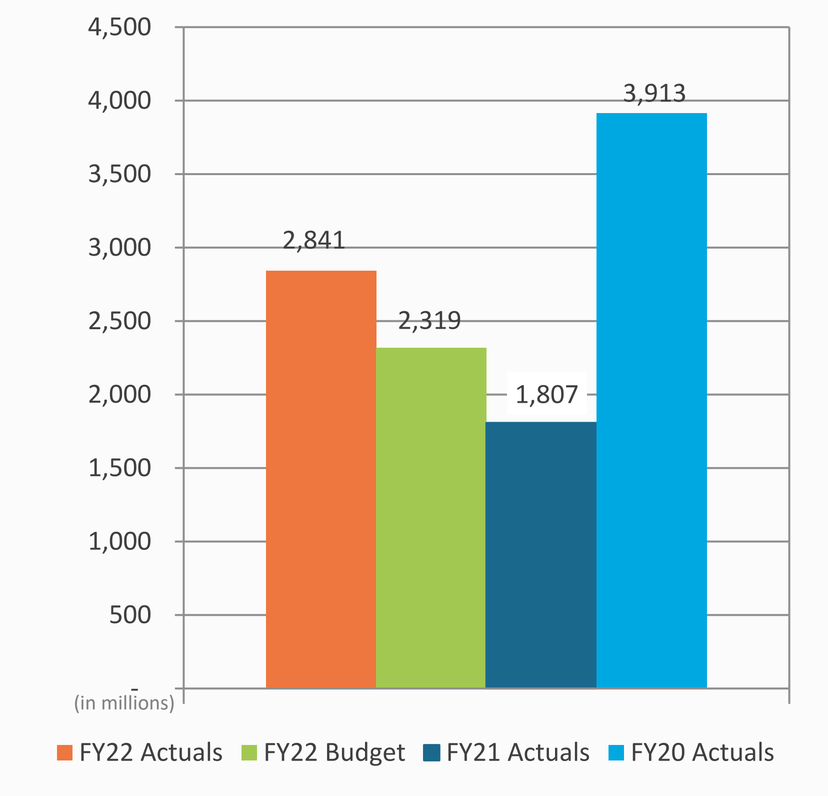
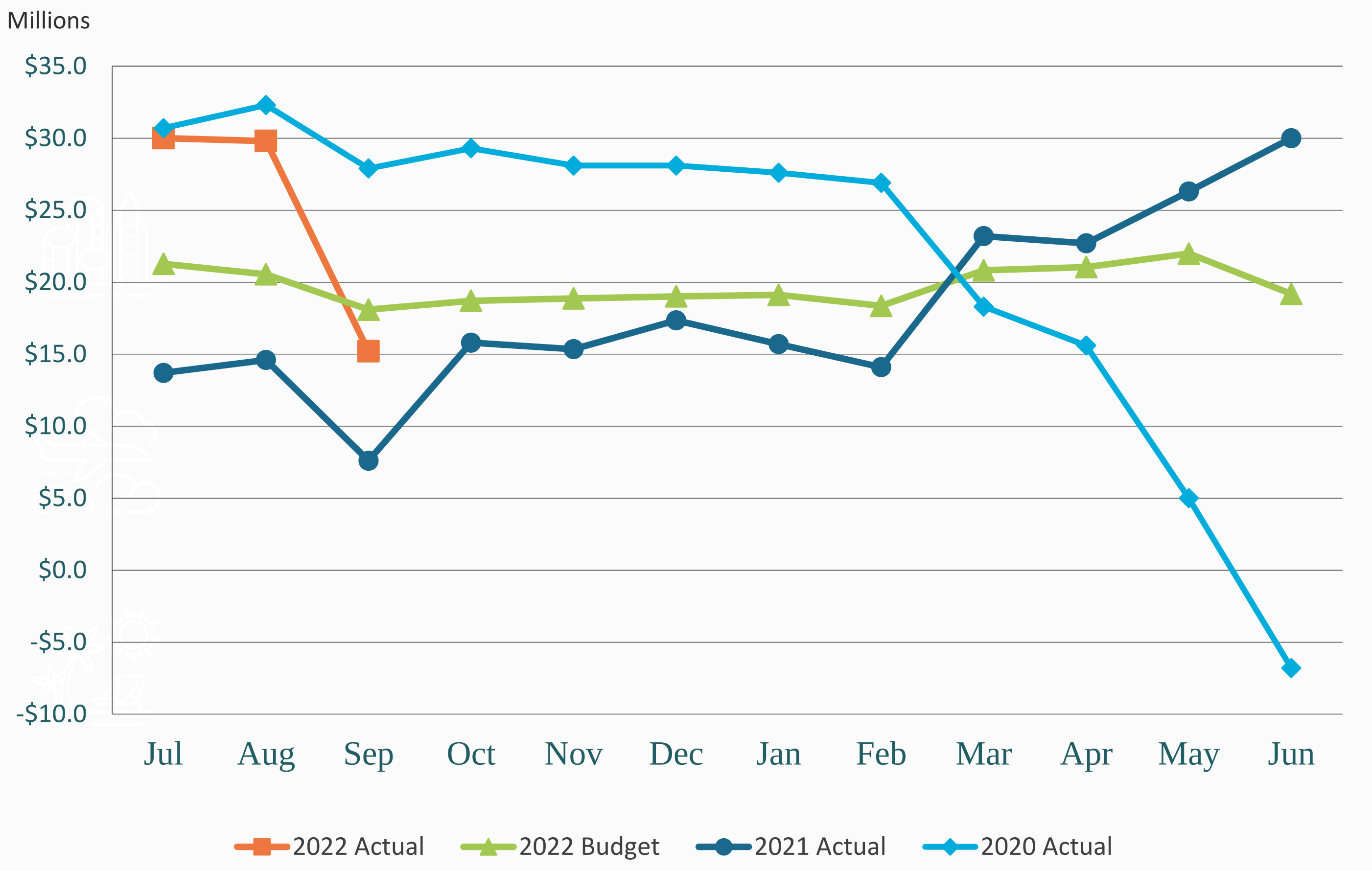
Landed Weights



FY22 YTD Act Vs. FY21 YTD Act 57.2%	FY22 YTD Act Vs. FY22 YTD Budget 22.5%

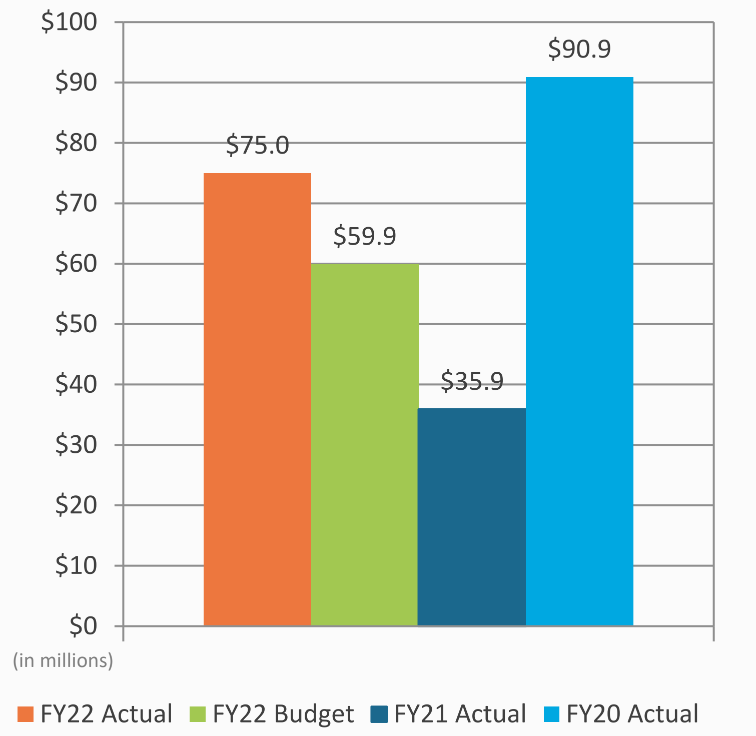


Total Operating Revenue (Unaudited)

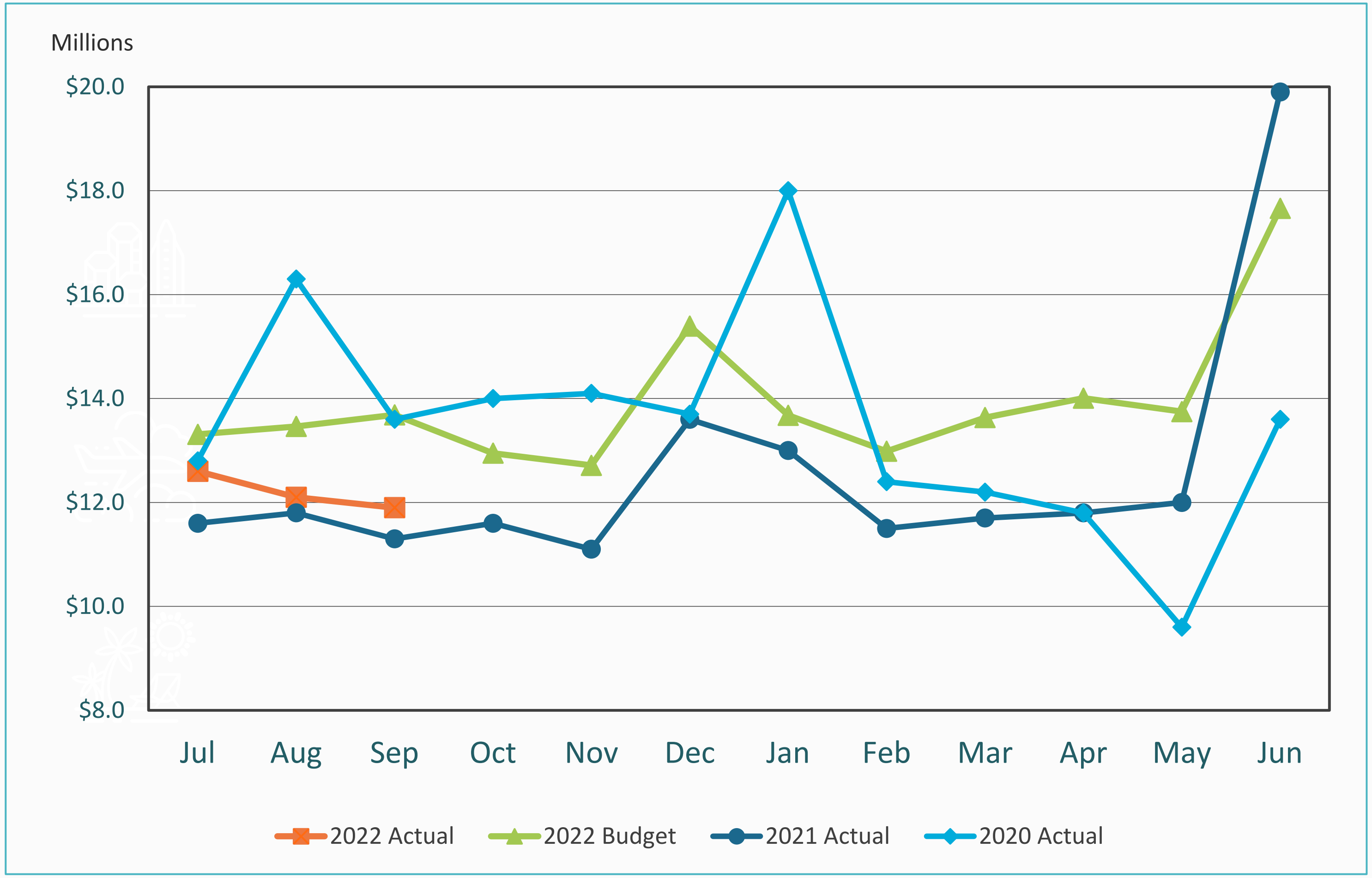


FY22 YTD Act Vs.
FY21 YTD Act
108.9%

FY22 YTD Act Vs.
FY22 YTD Budget
25.2%

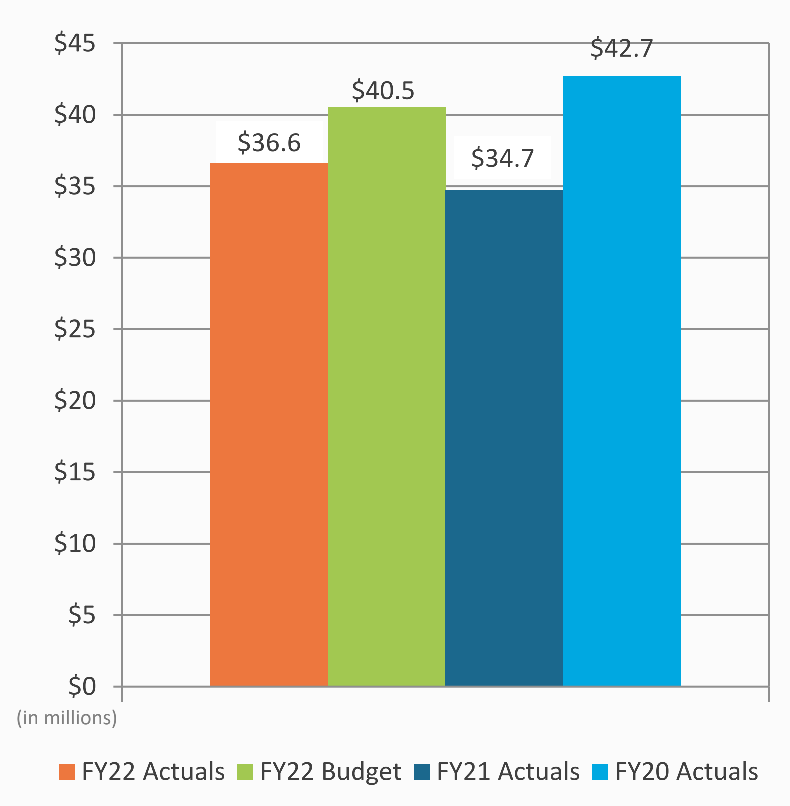


Total Operating Expenses (Unaudited)



FY22 YTD Act Vs.
FY21 YTD Act
-5.5%

FY22 YTD Act Vs.
FY22 YTD Budget
9.6%



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Revenue & Expense (Unaudited) For the Three Months Ended September 30, 2021 and 2020

SAN DIEGO INTERNATIONAL AIRPORT
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Operating Revenues for the Three Months Ended September 30, 2021(Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Aviation	$ 36,676	$ 36,955	$ 279	1%	$ 20,418
Terminal concessions	3,186	5,431	2,245	70%	1,946
Rental car	4,753	10,564	5,811	122%	2,582
Parking	6,255	11,099	4,844	77%	4,105
Other operating	9,048	10,964	1,916	21%	6,839
Total operating revenues	$ 59,918	$ 75,013	$ 15,095	25%	$ 35,890

SAN DIEGO INTERNATIONAL AIRPORT
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Operating Expenses
for the Three Months Ended September 30, 2021(Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Salaries and benefits	$ 12,106	$ 11,119	$ 987	8%	$ 11,986
Contractual services	7,471	6,587	884	12%	5,776
Safety and security	8,597	8,242	355	4%	7,230
Space rental	2,662	2,657	5	-	2,551
Utilities	4,321	3,624	697	16%	3,225
Maintenance	2,690	2,219	471	18%	2,145
Equipment and systems	39	38	1	3%	22
Materials and supplies	139	78	61	44%	79
Insurance	578	545	33	6%	472
Employee development and support	144	92	52	36%	86
Business development	443	227	216	49%	237
Equipment rental and repairs	1,267	955	312	25%	912
Total operating expenses	$ 40,457	$ 36,383	$ 4,074	10%	$ 34,721

SAN DIEGO INTERNATIONAL AIRPORT
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Net Operating Income (Loss) Summary for the Three Months Ended September 30, 2021 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	$ 59,918	$ 75,013	$ 15,095	25%	$ 35,890
Total operating expenses	40,457	36,383	4,074	10%	34,721
Income from operations	19,461	38,630	19,169	98%	1,169
Depreciation	33,577	33,577	-	-	32,151
Operating income (loss)	$ (14,116)	$ 5,053	$ 19,169	136%	$ (30,982)

SAN DIEGO INTERNATIONAL AIRPORT
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Nonoperating Revenues & Expenses for the Three Months Ended September 30, 2021 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Passenger facility charges	$ 4,825	$ 8,194	$ 3,369	70%	$ 3,007
Customer facility charges	5,109	8,104	2,995	59%	3,008
Federal Relief Grants	20,000	18,018	(1,982)	(10)%	25,093
Quieter Home Program, net	(392)	(499)	(107)	(27)%	(578)
Interest income	2,947	3,474	527	18%	4,296
Interest expense (net)	(16,870)	(16,772)	98	1%	(17,001)
Other nonoperating revenue (expense)	-	(972)	(972)	-	(2,089)
Nonoperating revenue, net	15,619	19,547	3,928	25%	15,736
Change in net position before grant contributions	1,503	24,600	23,097	1537%	(15,246)
Capital grant contributions	207	1,412	1,205	581%	1,696
Change in net position	$ 1,710	26,012	$ 24,302	1421%	$ (13,550)

SAN DIEGO INTERNATIONAL AIRPORT
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Statements of Net Position (Unaudited)
September 30, 2021 and 2020

Statements of Net Position (Unaudited)
As of September 30, 2021 and 2020 (In Thousands)

		2021		2020
Assets and Deferred Outflows of Resources				
Current assets	$	276,545	$	113,309
Cash designated for capital projects and other		44,227		139,964
Restricted assets		614,523		556,327
Capital assets, net		1,847,664		1,794,877
Other assets		184,293		244,745
Deferred outflows of resources		37,864		26,778
Total assets and deferred outflows of resources	$	3,005,116	$	2,876,000

SAN DIEGO INTERNATIONAL AIRPORT
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Statements of Net Position (Unaudited)
As of September 30, 2021 and 2020 (In Thousands)

	2021	2020
Liabilities and Deferred Inflows of Resources		
Current liabilities	$ 95,823	$ 100,178
Liabilities payable from restricted assets	59,296	51,220
Long term liabilities	1,938,162	1,841,254
Deferred inflows of resources	6,975	11,830
Total liabilities and deferred inflows of resources	$ 2,100,256	$ 2,004,482
Total net position	$ 904,860	$ 871,518

SAN DIEGO INTERNATIONAL AIRPORT
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Questions?
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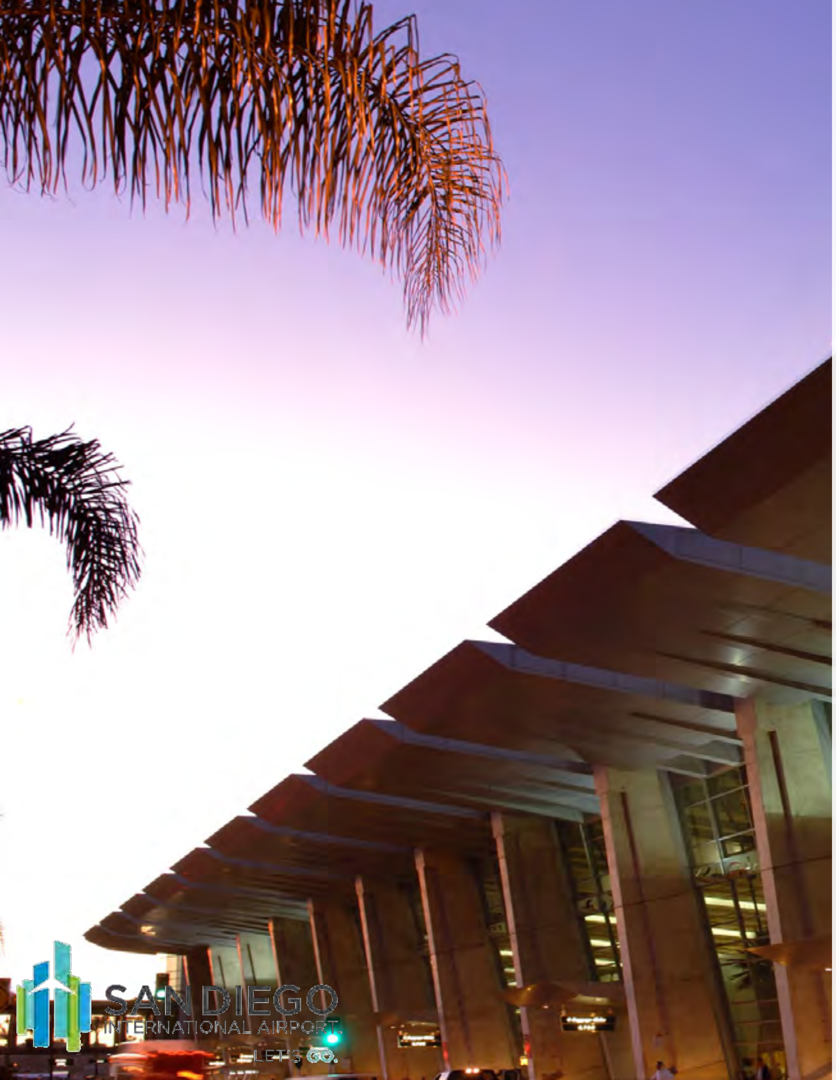
Item 3

Investment Report

Period Ending
September 30, 2021

Presented by: Geoff Bryant
Manager Airport Finance

October 25, 2021



Section 1

Account Profile

Certification Page

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

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

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

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Objectives

Investment Objectives

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

Portfolio Characteristics

SDCRAA Consolidated

	9/30/2021	6/30/2021	Change
	Portfolio	**Portfolio**	**Portfolio**
Average Maturity (yrs)	1.27	0.87	0.40
Average Purchase Yield	1.32%	1.42%	(0.10%)
Average Market Yield	0.38%	0.33%	0.05%
Average Quality*	AA+/Aa1	AA+/Aa1	
Unrealized Gains/Losses	6,115,494	7,859,963	(1,744,469)
Total Market Value	532,500,899	515,213,424	17,287,475

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

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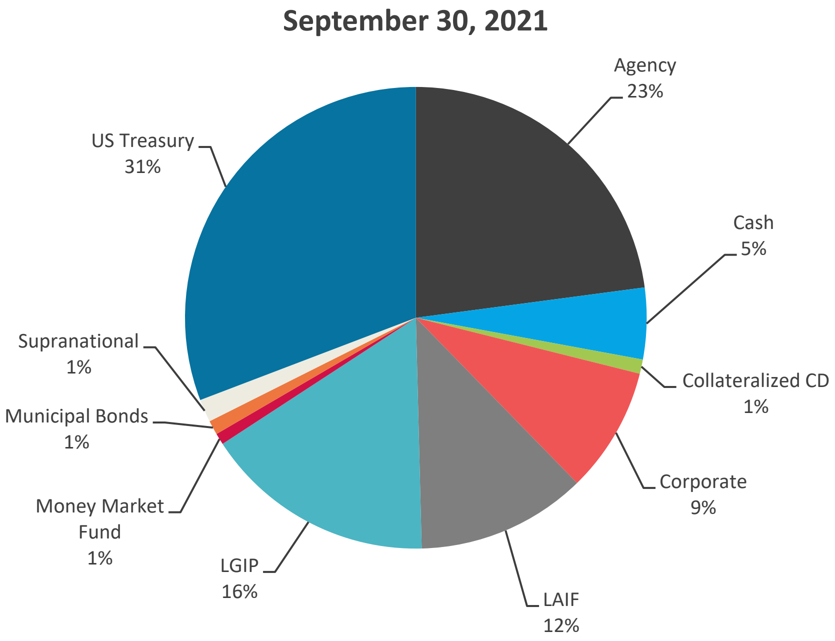
Sector Distribution

	September 30, 2021		June 30, 2021	
	Total Market Value	% of Portfolio	Total Market Value	% of Portfolio
Agency	121,689,178	22.9%	129,789,047	25.2%
Cash	26,715,300	5.0%	28,723,911	5.6%
Collateralized CD	5,421,336	1.0%	16,562,355	3.2%
Corporate	47,112,274	8.8%	49,483,673	9.6%
LAIF	63,316,177	11.9%	63,278,311	12.3%
LGIP	86,409,578	16.2%	74,864,832	14.5%
Money Market Fund	4,331,763	0.8%	27,676,943	5.4%
Municipal Bonds	5,179,542	1.0%	5,232,217	1.0%
Supranational	8,551,711	1.6%	7,605,395	1.5%
US Treasury	163,774,042	30.8%	111,996,739	21.7%
TOTAL	**532,500,899**	**100.0%**	**515,213,424**	**100.0%**



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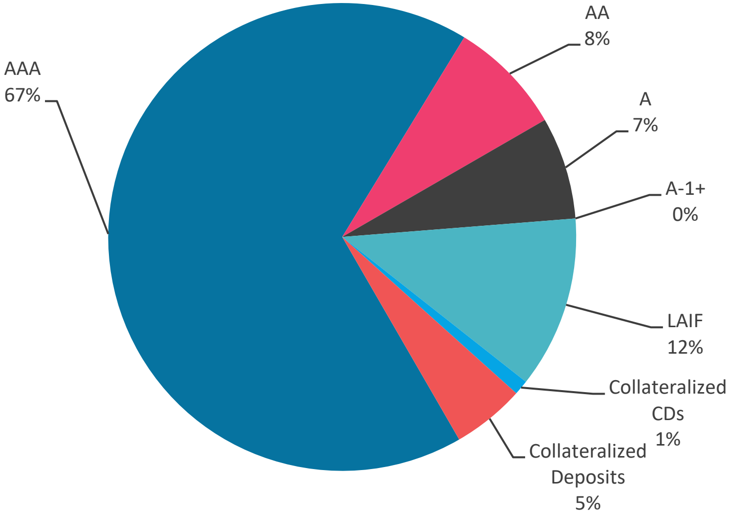
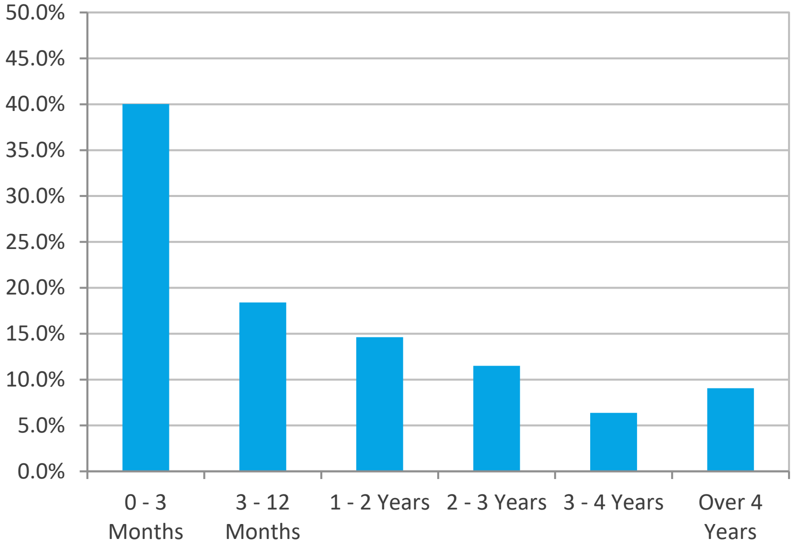
Quality & Maturity Distribution

September 30, 2021



Notes:
Security ratings are based on the highest rating provided by Moody's, S&P and Fitch and is presented using the S&P ratings scale.
(1) Includes investments that have split ratings between S&P, Moody's and Fitch.

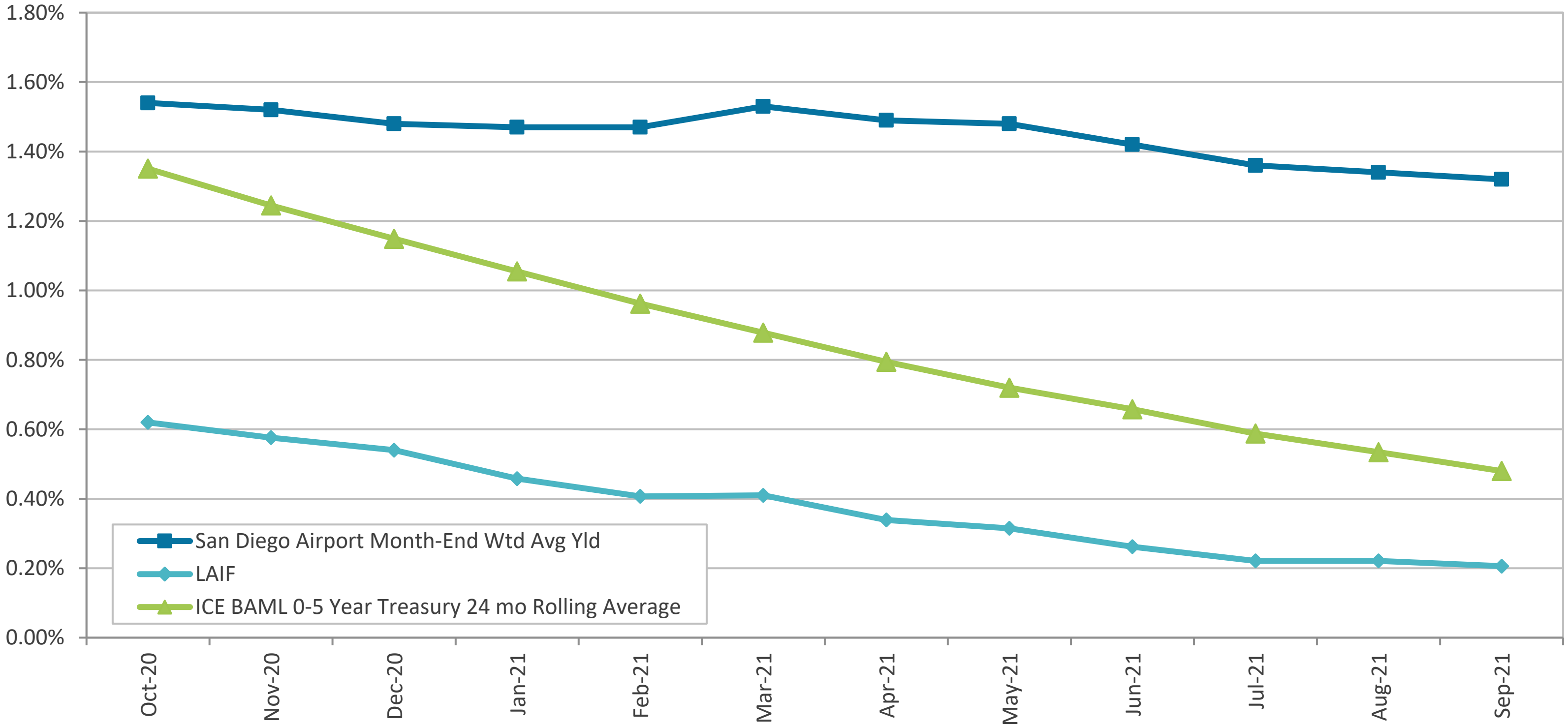
September 30, 2021



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

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Investment Performance



SAN DIEGO INTERNATIONAL AIRPORT.
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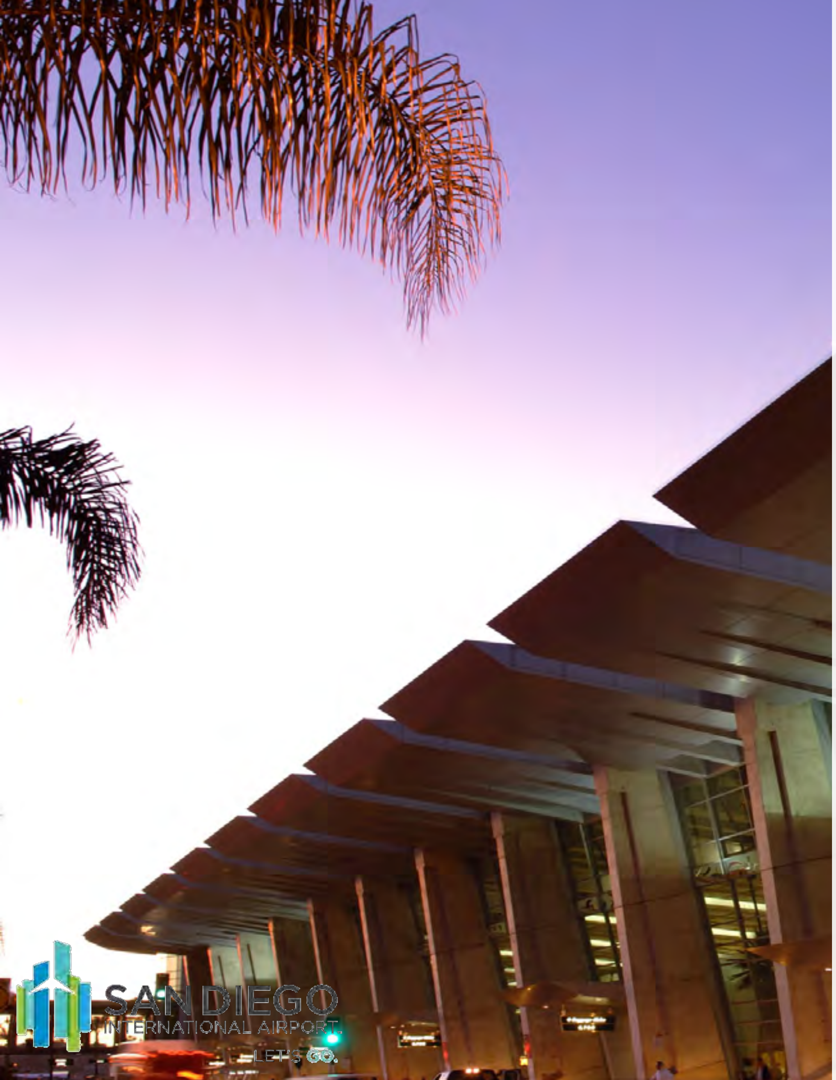


Section 2

Bond Proceeds

Bond and Short-Term Debt Proceeds

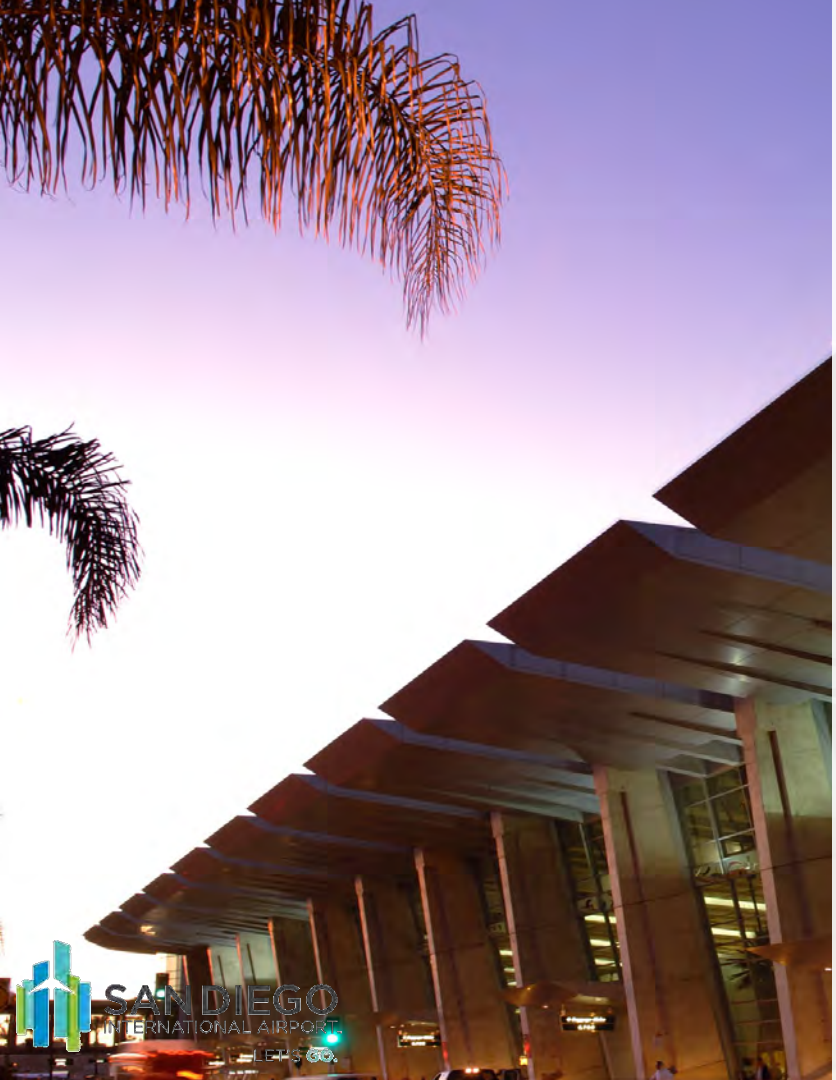
Summary of Short-Term Debt and 2013, 2014, 2017, 2019 & 2020 Bond Proceeds (1)
As of September 30, 2021
(in thousands)

	2014 Special Facility Revenue Bond	2013, 2017, 2019 & 2020 General Airport Revenue Bonds	2021 Bank of America Revolver	Total Proceeds	Yield	Rating
Project Fund						
LAIF	-	96,066	-	96,066	0.21%	N/R
SDCIP	-	89,017	80,135	169,152	0.74%	AAAf
Money Market Fund	-	16,392	-	16,392	0.03%	AAAm
	-	201,475	80,135	281,610	0.32%	
Debt Service Reserve & Coverage Funds						
SDCIP	29,290	74,405	-	103,695	0.74%	AAAf
LAIF	-	34,093	-	34,093	0.21%	N/R
	29,290	108,498	-	137,788	0.61%	
Capitalized Interest Funds						
SDCIP	-	4,185	-	4,185	0.74%	AAAf
	-	4,185	-	4,185	0.74%	
TOTAL	**29,290**	**314,158**	**80,135**	**423,583**	**0.55%**	

(1) Bond Proceeds are not included in deposit limits as applied to operating funds. SDCIP Yield as of August 31, 2021.

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Questions?



Section 3

Appendix

Compliance

September 30, 2021

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

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

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3130AF5B9	FHLB Note 3.000% Due 10/12/2021	4,500,000.00	10/22/2018 3.05%	4,493,385.00	100.09 0.30%	4,504,041.00 63,375.00	0.86% 10,656.00	Aaa / AA+ NR	0.03 0.03
313376C94	FHLB Note 2.625% Due 12/10/2021	5,000,000.00	01/28/2020 1.52%	5,101,350.00	100.48 0.16%	5,023,905.00 40,468.75	0.95% (77,445.00)	Aaa / AA+ AAA	0.19 0.19
3133ELHR8	FFCB Note 1.600% Due 01/21/2022	7,500,000.00	02/03/2020 1.41%	7,527,300.00	100.46 0.10%	7,534,755.00 23,333.33	1.42% 7,455.00	Aaa / AA+ AAA	0.31 0.31
3130AEBM1	FHLB Note 2.750% Due 06/10/2022	7,150,000.00	Various 2.82%	7,131,662.00	101.87 0.06%	7,283,404.70 60,626.05	1.38% 151,742.70	Aaa / AA+ NR	0.69 0.69
3135G0W33	FNMA Note 1.375% Due 09/06/2022	5,000,000.00	09/06/2019 1.55%	4,974,800.00	101.17 0.12%	5,058,395.00 4,774.31	0.95% 83,595.00	Aaa / AA+ AAA	0.93 0.93
313383WD9	FHLB Note 3.125% Due 09/09/2022	4,000,000.00	09/27/2018 3.00%	4,019,040.00	102.84 0.10%	4,113,756.00 7,638.89	0.77% 94,716.00	Aaa / AA+ AAA	0.94 0.93
3135G0T78	FNMA Note 2.000% Due 10/05/2022	7,500,000.00	03/02/2020 0.86%	7,717,875.00	101.93 0.09%	7,645,005.00 73,333.33	1.45% (72,870.00)	Aaa / AA+ AAA	1.01 1.00
3130A3KM5	FHLB Note 2.500% Due 12/09/2022	6,000,000.00	08/16/2018 2.81%	5,924,640.00	102.74 0.20%	6,164,448.00 46,666.67	1.17% 239,808.00	Aaa / AA+ NR	1.19 1.17
313383QR5	FHLB Note 3.250% Due 06/09/2023	4,900,000.00	09/11/2018 2.97%	4,959,045.00	105.08 0.24%	5,148,969.00 49,544.44	0.98% 189,924.00	Aaa / AA+ NR	1.69 1.64
3133EJUS6	FFCB Note 2.875% Due 07/17/2023	6,000,000.00	02/07/2019 2.56%	6,078,480.00	104.64 0.28%	6,278,538.00 35,458.33	1.19% 200,058.00	Aaa / AA+ AAA	1.79 1.75
3133EKZK5	FFCB Note 1.600% Due 08/14/2023	7,000,000.00	08/19/2019 1.55%	7,012,460.00	102.43 0.30%	7,169,869.00 14,622.22	1.35% 157,409.00	Aaa / AA+ AAA	1.87 1.85

SAN DIEGO INTERNATIONAL AIRPORT.
LET'S GO.

Holdings Report

SDCRAA Consolidated - Account #10566

For the Month Ending September 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
313383YJ4	FHLB Note 3.375% Due 09/08/2023	7,000,000.00	Various 2.65%	7,219,535.00	106.03 0.26%	7,421,946.00 15,093.75	1.40% 202,411.00	Aaa / AA+ NR	1.94 1.89
3130A0F70	FHLB Note 3.375% Due 12/08/2023	6,850,000.00	Various 2.75%	7,045,064.00	106.66 0.32%	7,306,093.55 72,567.19	1.39% 261,029.55	Aaa / AA+ AAA	2.19 2.11
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	6,800,000.00	Various 2.36%	6,805,744.00	104.97 0.33%	7,137,688.00 10,318.06	1.34% 331,944.00	Aaa / AA+ NR	2.44 2.38
3133EKNX0	FFCB Note 2.160% Due 06/03/2024	5,000,000.00	07/19/2019 1.89%	5,062,250.00	104.41 0.50%	5,220,345.00 35,400.00	0.99% 158,095.00	Aaa / AA+ AAA	2.68 2.59
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	8,000,000.00	06/12/2019 2.00%	8,331,920.00	106.45 0.47%	8,516,192.00 68,361.11	1.61% 184,272.00	Aaa / AA+ NR	2.71 2.60
3135G0V75	FNMA Note 1.750% Due 07/02/2024	7,350,000.00	07/19/2019 1.87%	7,310,236.50	103.49 0.47%	7,606,500.30 31,798.96	1.43% 296,263.80	Aaa / AA+ AAA	2.76 2.69
3135G0W66	FNMA Note 1.625% Due 10/15/2024	5,000,000.00	12/03/2019 1.64%	4,997,100.00	103.32 0.52%	5,166,065.00 37,465.28	0.98% 168,965.00	Aaa / AA+ AAA	3.04 2.95
3137EAEP0	FHLMC Note 1.500% Due 02/12/2025	6,500,000.00	03/04/2020 0.85%	6,703,710.00	102.85 0.64%	6,685,146.00 13,270.83	1.26% (18,564.00)	Aaa / AA+ AAA	3.37 3.28
TOTAL Agency		**117,050,000.00**	**2.07%**	**118,415,596.50**	**0.29%**	**120,985,061.55 704,116.50**	**22.85% 2,569,465.05**	**Aaa / AA+ Aaa**	**1.73 1.69**

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For the Month Ending September 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Cash									
PP2118$00	U.S. Bank Checking Account	56,548.65	Various 0.00%	56,548.65	1.00 0.00%	56,548.65 0.00	0.01% 0.00	NR / NR NR	0.00 0.00
PP2118$12	U.S. Bank Checking Account	31,470.18	Various 0.00%	31,470.18	1.00 0.00%	31,470.18 0.00	0.01% 0.00	NR / NR NR	0.00 0.00
PP2118V$7	EastWest Bank Deposit Account	10,133,561.37	Various 0.15%	10,133,561.37	1.00 0.15%	10,133,561.37 0.00	1.90% 0.00	NR / NR NR	0.00 0.00
PP2118V$8	EastWest Bank Deposit Account	109,071.75	Various 0.20%	109,071.75	1.00 0.20%	109,071.75 0.00	0.02% 0.00	NR / NR NR	0.00 0.00
PP2118V$9	U.S. Bank Checking Account	16,384,647.60	Various 0.00%	16,384,647.60	1.00 0.00%	16,384,647.60 0.00	3.08% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		**26,715,299.55**	**0.06%**	**26,715,299.55**	**0.06%**	**26,715,299.55** **0.00**	**5.02%** **0.00**	**NR / NR** **NR**	**0.00** **0.00**
Collateralized CD									
PP2118$04	EastWest Bank Collateralized CD 1.800% Due 10/24/2021	5,452,192.12	Various 2.08%	5,419,427.51	84.16 2.09%	5,419,427.51 1,908.28	1.02% 0.00	NR / NR NR	0.07 0.06
TOTAL Collateralized CD		**5,452,192.12**	**2.08%**	**5,419,427.51**	**2.09%**	**5,419,427.51** **1,908.28**	**1.02%** **0.00**	**NR / NR** **NR**	**0.07** **0.06**

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For the Month Ending September 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Corporate									
69353REY0	PNC Bank Callable Note Cont 11/09/2021 2.550% Due 12/09/2021	2,000,000.00	07/13/2018 3.28%	1,953,160.00	100.24 0.37%	2,004,708.00 15,866.67	0.38% 51,548.00	A2 / A A+	0.19 0.11
459200JQ5	IBM Corp Note 2.500% Due 01/27/2022	2,000,000.00	08/16/2018 3.12%	1,960,160.20	100.72 0.30%	2,014,300.00 8,888.89	0.38% 54,139.80	A2 / A- NR	0.33 0.32
037833AY6	Apple Inc Note 2.150% Due 02/09/2022	4,000,000.00	09/15/2017 2.10%	4,008,680.00	100.73 0.12%	4,029,032.00 12,422.22	0.76% 20,352.00	Aa1 / AA+ NR	0.36 0.36
74005PBA1	Praxair Callable Note Cont 11/15/2021 2.450% Due 02/15/2022	1,000,000.00	06/11/2018 3.18%	974,800.00	100.24 0.49%	1,002,441.00 3,130.56	0.19% 27,641.00	A2 / A NR	0.38 0.12
69353RFB9	PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022	2,000,000.00	06/11/2018 3.35%	1,950,240.00	100.70 0.27%	2,013,958.00 6,416.67	0.38% 63,718.00	A2 / A A+	0.38 0.30
00440EAU1	Chubb INA Holdings Inc Callable Note Cont 9/3/2022 2.875% Due 11/03/2022	2,000,000.00	09/27/2018 3.47%	1,955,180.00	102.30 0.38%	2,045,962.00 23,638.89	0.39% 90,782.00	A3 / A A	1.09 0.91
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	3,500,000.00	Various 3.22%	3,422,355.00	103.09 0.25%	3,608,199.00 22,312.50	0.68% 185,844.00	A2 / A A	1.27 1.25
89236TEL5	Toyota Motor Credit Corp Note 2.700% Due 01/11/2023	2,000,000.00	07/13/2018 3.34%	1,946,860.00	103.03 0.32%	2,060,652.00 12,000.00	0.39% 113,792.00	A1 / A+ A+	1.28 1.26
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.750% Due 03/15/2023	2,000,000.00	07/13/2018 3.20%	1,961,020.00	103.13 0.32%	2,062,542.00 2,444.44	0.39% 101,522.00	Aa2 / AA A+	1.45 1.27
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	2,000,000.00	07/19/2019 2.13%	2,019,760.00	103.23 0.36%	2,064,622.00 19,733.33	0.39% 44,862.00	Aa1 / AA+ NR	1.59 1.55
58933YAF2	Merck & Co Note 2.800% Due 05/18/2023	3,000,000.00	07/22/2019 2.11%	3,075,480.00	103.93 0.38%	3,117,888.00 31,033.33	0.59% 42,408.00	A1 / A+ A+	1.63 1.59

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.400% Due 06/26/2023	2,000,000.00	09/27/2018 3.31%	2,008,020.00	105.13 0.29%	2,102,602.00 17,944.44	0.40% 94,582.00	Aa2 / AA AA	1.74 1.61
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	4,000,000.00	Various 2.22%	3,996,200.00	103.24 0.30%	4,129,460.00 11,000.00	0.78% 133,260.00	A1 / A AA-	1.88 1.68
857477AM5	State Street Bank Note 3.700% Due 11/20/2023	2,000,000.00	08/19/2019 2.06%	2,132,940.00	107.17 0.33%	2,143,364.00 26,927.78	0.41% 10,424.00	A1 / A AA-	2.14 2.05
89236TFS9	Toyota Motor Credit Corp Note 3.350% Due 01/08/2024	2,000,000.00	02/07/2019 3.07%	2,025,380.00	106.27 0.57%	2,125,410.00 15,447.22	0.40% 100,030.00	A1 / A+ A+	2.27 2.19
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 02/05/2024	2,000,000.00	02/07/2019 3.19%	2,017,220.00	106.28 0.58%	2,125,676.00 10,500.00	0.40% 108,456.00	A2 / A+ A+	2.35 2.18
438516BW5	Honeywell Intl Callable Note Cont 7/15/2024 2.300% Due 08/15/2024	4,000,000.00	12/03/2019 1.96%	4,059,840.00	104.74 0.59%	4,189,624.00 11,755.56	0.79% 129,784.00	A2 / A A	2.88 2.71
78015K7H1	Royal Bank of Canada Note 1.150% Due 06/10/2025	4,000,000.00	08/13/2021 1.03%	4,017,160.00	100.15 1.11%	4,006,188.00 14,183.33	0.75% (10,972.00)	A2 / A AA-	3.70 3.60
TOTAL Corporate		**45,500,000.00**	**2.56%**	**45,484,455.20**	**0.42%**	**46,846,628.00** **265,645.83**	**8.85%** **1,362,172.80**	**A1 / A+** **A+**	**1.65** **1.55**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	63,281,701.27	Various 0.21%	63,281,701.27	1.00 0.21%	63,281,701.27 34,475.30	11.89% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		**63,281,701.27**	**0.21%**	**63,281,701.27**	**0.21%**	**63,281,701.27** **34,475.30**	**11.89%** **0.00**	**NR / NR** **NR**	**0.00** **0.00**

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Holdings Report

SDCRAA Consolidated - Account #10566 | For the Month Ending September 30, 2021

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Local Gov Investment Pool									
90SDCP$00	County of San Diego Pooled Investment Pool	58,795,170.74	Various 0.74%	58,795,170.74	1.00 0.74%	58,795,170.74 0.00	11.04% 0.00	NR / NR AAA	0.00 0.00
09CATR$04	CalTrust Short Term Fund	1,627,073.33	Various 0.13%	16,279,137.89	10.09 0.13%	16,417,169.88 0.00	3.08% 138,031.99	NR / AA NR	0.00 0.00
09CATR$05	CalTrust Medium Term Fund	1,091,348.72	Various 0.20%	11,194,753.15	10.26 0.20%	11,197,237.79 0.00	2.10% 13,398.16	NR / A+ NR	0.00 0.00
TOTAL Local Gov Investment Pool		**61,513,592.78**	**0.56%**	**86,269,061.78**	**0.56%**	**86,409,578.41** **0.00**	**16.23%** **151,430.15**	**NR / AA-** **Aaa**	**0.00** **0.00**
Money Market Fund FI									
262006307	Dreyfus Gov't Cash Management Money Market Fund	4,331,762.85	Various 0.03%	4,331,762.85	1.00 0.03%	4,331,762.85 0.00	0.81% 0.00	Aaa / AAA NR	0.00 0.00
TOTAL Money Market Fund		**4,331,762.85**	**0.03%**	**4,331,762.85**	**0.03%**	**4,331,762.85** **0.00**	**0.81%** **0.00**	**Aaa / AAA** **NR**	**0.00** **0.00**

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Municipal Bonds									
649791PP9	New York St Taxable-GO 2.010% Due 02/15/2024	5,000,000.00	10/29/2019 2.01%	5,000,000.00	103.33 0.59%	5,166,700.00 12,841.67	0.97% 166,700.00	Aa2 / AA+ AA+	2.38 2.32
TOTAL Municipal Bonds		**5,000,000.00**	**2.01%**	**5,000,000.00**	**0.59%**	**5,166,700.00 12,841.67**	**0.97% 166,700.00**	**Aa2 / AA+ AA+**	**2.38 2.32**
Supranational									
459058FY4	Intl. Bank Recon & Development Note 2.000% Due 01/26/2022	3,000,000.00	03/16/2018 2.73%	2,920,650.00	100.58 0.21%	3,017,250.00 10,833.33	0.57% 96,600.00	Aaa / NR AAA	0.32 0.32
4581X0CN6	Inter-American Dev Bank Note 1.750% Due 04/14/2022	2,000,000.00	09/27/2018 3.03%	1,914,620.00	100.87 0.14%	2,017,366.00 16,236.11	0.38% 102,746.00	Aaa / AAA AAA	0.54 0.53
4581X0DZ8	Inter-American Dev Bank Note 0.500% Due 09/23/2024	3,500,000.00	09/28/2021 0.60%	3,489,990.00	99.70 0.60%	3,489,636.50 388.89	0.66% (353.50)	Aaa / AAA NR	2.98 2.95
TOTAL Supranational		**8,500,000.00**	**1.90%**	**8,325,260.00**	**0.35%**	**8,524,252.50 27,458.33**	**1.61% 198,992.50**	**Aaa / AAA Aaa**	**1.46 1.45**
US Treasury									
912828T67	US Treasury Note 1.250% Due 10/31/2021	7,700,000.00	11/20/2017 1.96%	7,492,761.72	100.10 0.10%	7,707,476.70 40,278.53	1.45% 214,714.98	Aaa / AA+ AAA	0.08 0.08
912828U65	US Treasury Note 1.750% Due 11/30/2021	7,500,000.00	09/06/2019 1.55%	7,533,105.47	100.28 0.09%	7,520,797.50 44,108.61	1.42% (12,307.97)	Aaa / AA+ AAA	0.17 0.17

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828U81	US Treasury Note 2.000% Due 12/31/2021	5,000,000.00	12/16/2019 1.66%	5,034,375.00	100.48 0.07%	5,024,130.00 25,271.74	0.95% (10,245.00)	Aaa / AA+ AAA	0.25 0.25
912828W89	US Treasury Note 1.875% Due 03/31/2022	8,000,000.00	12/23/2019 1.67%	8,035,937.50	100.90 0.08%	8,071,872.00 412.09	1.52% 35,934.50	Aaa / AA+ AAA	0.50 0.50
912828WZ9	US Treasury Note 1.750% Due 04/30/2022	2,750,000.00	11/17/2017 2.00%	2,720,781.25	100.98 0.06%	2,777,071.00 20,249.32	0.53% 56,289.75	Aaa / AA+ AAA	0.58 0.58
912828SV3	US Treasury Note 1.750% Due 05/15/2022	8,200,000.00	12/05/2017 2.09%	8,080,843.75	101.05 0.06%	8,286,485.40 54,202.45	1.57% 205,641.65	Aaa / AA+ AAA	0.62 0.62
912828XW5	US Treasury Note 1.750% Due 06/30/2022	8,200,000.00	12/05/2017 2.13%	8,063,546.88	101.24 0.09%	8,301,860.40 36,264.95	1.57% 238,313.52	Aaa / AA+ AAA	0.75 0.75
9128282P4	US Treasury Note 1.875% Due 07/31/2022	8,000,000.00	12/23/2019 1.68%	8,039,375.00	101.48 0.09%	8,118,752.00 25,271.74	1.53% 79,377.00	Aaa / AA+ AAA	0.83 0.83
912828L24	US Treasury Note 1.875% Due 08/31/2022	8,200,000.00	12/05/2017 2.14%	8,101,984.38	101.63 0.09%	8,333,889.60 13,166.44	1.57% 231,905.22	Aaa / AA+ AAA	0.92 0.91
912828L57	US Treasury Note 1.750% Due 09/30/2022	10,500,000.00	01/19/2018 2.39%	10,204,277.34	101.65 0.10%	10,673,491.50 504.81	2.00% 469,214.16	Aaa / AA+ AAA	1.00 1.00
912828M80	US Treasury Note 2.000% Due 11/30/2022	8,000,000.00	12/16/2019 1.66%	8,079,062.50	102.18 0.13%	8,174,376.00 53,770.49	1.55% 95,313.50	Aaa / AA+ AAA	1.17 1.15
912828R69	US Treasury Note 1.625% Due 05/31/2023	8,000,000.00	12/23/2019 1.70%	7,978,750.00	102.32 0.23%	8,185,936.00 43,688.52	1.55% 207,186.00	Aaa / AA+ AAA	1.67 1.64
912828V80	US Treasury Note 2.250% Due 01/31/2024	5,650,000.00	Various 2.14%	5,675,003.91	104.38 0.36%	5,897,628.20 21,417.80	1.11% 222,624.29	Aaa / AA+ AAA	2.34 2.28
912828Z52	US Treasury Note 1.375% Due 01/31/2025	6,000,000.00	09/29/2021 0.62%	6,150,000.00	102.50 0.62%	6,149,766.00 13,899.46	1.16% (234.00)	Aaa / AA+ AAA	3.34 3.25

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	6,000,000.00	09/09/2021 0.55%	5,989,687.50	99.42 0.67%	5,965,080.00 82.42	1.12% (24,607.50)	Aaa / AA+ AAA	3.50 3.46
912828ZT0	US Treasury Note 0.250% Due 05/31/2025	6,000,000.00	09/09/2021 0.59%	5,925,234.38	98.28 0.73%	5,896,872.00 5,040.98	1.11% (28,362.38)	Aaa / AA+ AAA	3.67 3.64
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	7,000,000.00	07/28/2021 0.62%	6,891,718.75	97.68 0.83%	6,837,306.00 7,323.37	1.29% (54,412.75)	Aaa / AA+ AAA	4.09 4.04
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	7,000,000.00	07/28/2021 0.65%	6,917,148.44	97.95 0.87%	6,856,444.00 6,633.83	1.29% (60,704.44)	Aaa / AA+ AAA	4.25 4.20
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	7,000,000.00	07/28/2021 0.66%	6,910,312.50	97.82 0.89%	6,847,148.00 4,422.55	1.29% (63,164.50)	Aaa / AA+ AAA	4.34 4.28
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	7,500,000.00	08/13/2021 0.78%	7,489,453.13	99.26 0.92%	7,444,335.00 154.53	1.40% (45,118.13)	Aaa / AA+ AAA	4.50 4.41
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	7,500,000.00	08/13/2021 0.80%	7,482,128.91	99.12 0.94%	7,434,082.50 18,903.69	1.40% (48,046.41)	Aaa / AA+ AAA	4.67 4.56
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	6,000,000.00	09/09/2021 0.79%	5,952,890.63	98.36 0.97%	5,901,564.00 6,317.93	1.11% (51,326.63)	Aaa / AA+ AAA	4.84 4.74

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91282CCW9	US Treasury Note 0.750% Due 08/31/2026	7,000,000.00	09/28/2021 1.01%	6,913,046.88	98.88 0.98%	6,921,796.00 4,495.86	1.30% 8,749.12	Aaa / AA+ AAA	4.92 4.81
TOTAL US Treasury		**162,700,000.00**	**1.42%**	**161,661,425.82**	**0.41%**	**163,328,159.80** **445,882.11**	**30.76%** **1,666,733.98**	**Aaa / AA+** **Aaa**	**2.22** **2.18**
TOTAL PORTFOLIO		**500,044,548.57**	**1.32%**	**524,903,990.48**	**0.38%**	**531,008,571.44** **1,492,328.02**	**100.00%** **6,115,494.48**	**Aa1 / AA+** **Aaa**	**1.27** **1.24**
TOTAL MARKET VALUE PLUS ACCRUALS						**532,500,899.46**			

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Transactions Ledger

SDCRAA Consolidated - Account #10566 | July 1, 2021 through September 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/29/2021	91282CAT8	7,000,000.00	US Treasury Note 0.25% Due: 10/31/2025	98.453	0.62%	6,891,718.75	4,279.89	6,895,998.64	0.00
Purchase	07/29/2021	91282CBC4	7,000,000.00	US Treasury Note 0.375% Due: 12/31/2025	98.816	0.65%	6,917,148.44	2,068.61	6,919,217.05	0.00
Purchase	07/29/2021	91282CBH3	7,000,000.00	US Treasury Note 0.375% Due: 01/31/2026	98.719	0.66%	6,910,312.50	12,979.97	6,923,292.47	0.00
Purchase	08/16/2021	91282CBT7	7,500,000.00	US Treasury Note 0.75% Due: 03/31/2026	99.859	0.78%	7,489,453.13	21,209.02	7,510,662.15	0.00
Purchase	08/16/2021	91282CCF6	7,500,000.00	US Treasury Note 0.75% Due: 05/31/2026	99.762	0.80%	7,482,128.91	11,834.02	7,493,962.93	0.00
Purchase	08/17/2021	78015K7H1	4,000,000.00	Royal Bank of Canada Note 1.15% Due: 06/10/2025	100.429	1.03%	4,017,160.00	8,561.11	4,025,721.11	0.00
Purchase	09/10/2021	912828ZF0	6,000,000.00	US Treasury Note 0.5% Due: 03/31/2025	99.828	0.55%	5,989,687.50	13,360.66	6,003,048.16	0.00
Purchase	09/10/2021	912828ZT0	6,000,000.00	US Treasury Note 0.25% Due: 05/31/2025	98.754	0.59%	5,925,234.38	4,180.33	5,929,414.71	0.00
Purchase	09/10/2021	91282CCP4	6,000,000.00	US Treasury Note 0.625% Due: 07/31/2026	99.215	0.79%	5,952,890.63	4,177.99	5,957,068.62	0.00
Purchase	09/29/2021	91282CCW9	7,000,000.00	US Treasury Note 0.75% Due: 08/31/2026	98.758	1.01%	6,913,046.88	4,205.80	6,917,252.68	0.00

Transactions Ledger

SDCRAA Consolidated - Account #10566

July 1, 2021 through September 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/30/2021	4581X0DZ8	3,500,000.00	Inter-American Dev Bank Note 0.5% Due 9/23/2024	99.714	0.60%	3,489,990.00	340.28	3,490,330.28	0.00
Purchase	09/30/2021	912828Z52	6,000,000.00	US Treasury Note 1.375% Due: 01/31/2025	102.500	0.62%	6,150,000.00	13,675.27	6,163,675.27	0.00
	Subtotal		**74,500,000.00**				**74,128,771.12**	**100,532.67**	**74,229,644.07**	**0.00**
Security Contribution	08/31/2021	09CATR$06	1,091,080.22	CalTrust Medium Term Fund	10.260		11,205,393.82	0.00	11,205,393.82	0.00
	Subtotal		**1,091,080.22**				**11,205,393.82**	**0.00**	**11,205,393.82**	**0.00**
TOTAL ACQUISITIONS			**75,591,080.22**				**85,334,164.94**	**100,532.67**	**85,435,037.89**	**0.00**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Transactions Ledger

SDCRAA Consolidated - Account #10566 — July 1, 2021 through September 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Call	07/08/2021	594918BP8	3,000,000.00	Microsoft Callable Note Cont 7/8/2021 1.55% Due: 08/08/2021	100.000	1.55%	3,000,000.00	19,375.00	3,019,375.00	0.00
	Subtotal		**3,000,000.00**				**3,000,000.00**	**19,375.00**	**3,019,375.00**	**0.00**
Maturity	07/07/2021	PP2118$10	11,192,203.43	EastWest Bank Collateralized CD 2.2% Due: 07/07/2021	100.000		11,192,203.43	0.00	11,192,203.43	40,013.13
Maturity	07/31/2021	912828S76	5,600,000.00	US Treasury Note 1.125% Due: 07/31/2021	100.000		5,600,000.00	0.00	5,600,000.00	59,718.75
Maturity	08/09/2021	69371RP42	3,000,000.00	Paccar Financial Corp Note 3.15% Due: 08/09/2021	100.000		3,000,000.00	0.00	3,000,000.00	-5,220.00
Maturity	08/31/2021	912828D72	8,500,000.00	US Treasury Note 2% Due: 08/31/2021	100.000		8,500,000.00	0.00	8,500,000.00	-60,761.72
Maturity	09/10/2021	313378JP7	7,500,000.00	FHLB Note 2.375% Due: 09/10/2021	100.000		7,500,000.00	0.00	7,500,000.00	-120,375.00
Maturity	09/14/2021	4581X0CV8	2,500,000.00	Inter-American Dev Bank Note 1.25% Due: 09/14/2021	100.000		2,500,000.00	0.00	2,500,000.00	114,900.00
	Subtotal		**38,292,203.43**				**38,292,203.43**	**0.00**	**38,292,203.43**	**28,275.16**
TOTAL DISPOSITIONS			**31,292,203.43**				**41,292,203.43**	**19,375.00**	**41,311,578.43**	**28,275.16**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

July 1, 2021 through September 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
AQUISITIONS										
Purchase	7/1/2021	90SDCP$00	1,665,222.82	County of San Diego Pooled Investment Pool			1,665,222.82	0.00	1,665,222.82	0.00
Purchase	7/1/2021	90SDCP$00	1,028,903.78	County of San Diego Pooled Investment Pool			1,028,903.78	0.00	1,028,903.78	0.00
Purchase	9/7/2021	90SDCP$00	40,100,000.00	County of San Diego Pooled Investment Pool			40,100,000.00	0.00	40,100,000.00	0.00
Purchase	9/7/2021	90SDCP$00	40,000,000.00	County of San Diego Pooled Investment Pool			40,000,000.00	0.00	40,000,000.00	0.00
	Subtotal		**82,794,126.60**				**82,794,126.60**	**0.00**	**82,794,126.60**	**0.00**
Security Contribution	08/12/2021	31846V807	40,000,000.00	First American Government Obligation Funds	1.000		40,000,000.00	0.00	40,000,000.00	0.00
Security Contribution	08/12/2021	31846V807	40,100,000.00	First American Government Obligation Funds	1.000		40,100,000.00	0.00	40,100,000.00	0.00
	Subtotal		**80,100,000.00**				**80,100,000.00**	**0.00**	**80,100,000.00**	**0.00**
TOTAL AQUISITIONS			**162,894,126.60**				**162,894,126.60**	**0.00**	**162,894,126.60**	**0.00**

Transactions Ledger for Bonds

SDCRAA Consolidated Bond Reserves - Account #10592

July 1, 2021 through September 30, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	7/1/2021	90SDCP$00	1,665,222.82	County of San Diego Pooled Investment Pool			1,665,222.82	0.00	1,665,222.82	0.00
Sale	7/1/2021	90SDCP$00	1,028,903.78	County of San Diego Pooled Investment Pool			1,028,903.78	0.00	1,028,903.78	0.00
Sale	9/7/2021	31846V807	40,100,000.00	First American Government Obligation Funds			40,100,000.00	0.00	40,100,000.00	0.00
Sale	9/7/2021	31846V807	40,000,000.00	First American Government Obligation Funds			40,000,000.00	0.00	40,000,000.00	0.00
	Subtotal		**82,794,126.60**				**82,794,126.60**	**0.00**	**82,794,126.60**	**0.00**
TOTAL DISPOSITIONS			**82,794,126.60**				**82,794,126.60**	**0.00**	**82,794,126.60**	**0.00**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Important Disclosures

2021 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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

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

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

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

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

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

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Benchmark Disclosures

ICE BofA 0-5 Yr US Treasury Index

The ICE BofA 0-5 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than five years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of $1 billion.

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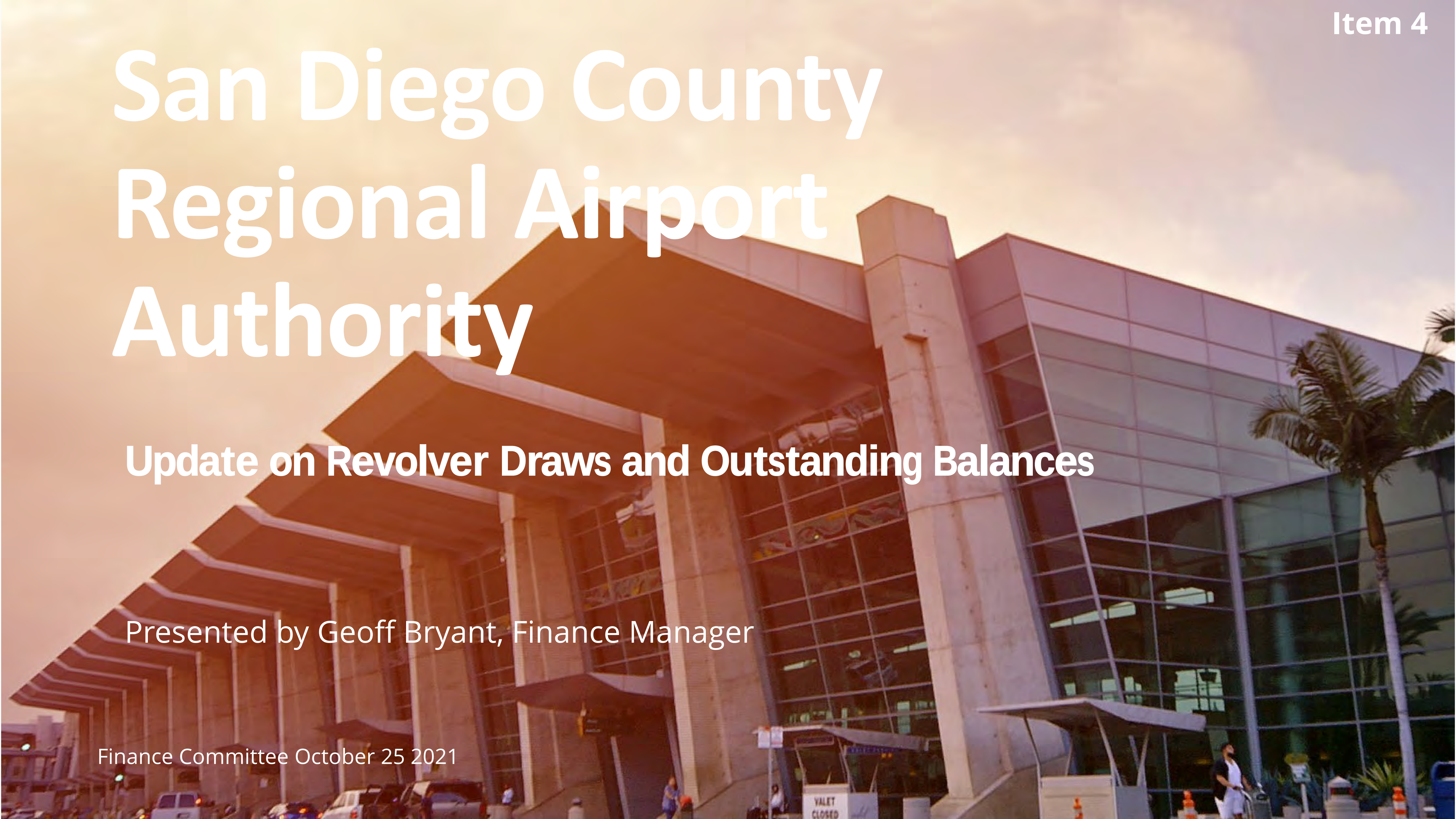

Item 4

San Diego County Regional Airport Authority

Update on Revolver Draws and Outstanding Balances

Presented by Geoff Bryant, Finance Manager

Finance Committee October 25 2021

Revolving Credit Facility Balances

- Initial Draw made on August 12, 2021, Balances and Rate shown at August month end.
- Balances will be utilized to fund preliminary spending on the New T1 project

SERIES	September 30 BALANCE	RATE	MONTHLY INTEREST AND FEES
AMT	40,100,000	0.55%	18,379
Non-AMT	40,000,000	0.55%	18,334
UNUTILIZED BALANCE	119,900,000	0.00%	-
TOTAL	**$ 200,000,000**		**$ 36,713**

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Questions?
SAN DIEGO
INTERNATIONAL AIRPORT
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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item No. 5

Finance Committee Staff Report

Meeting Date: October 25, 2021

Subject:

Authorization and Approval of the Sale of Up To $2.5 Billion of Subordinate Airport Revenue and Revenue Refunding Bonds, Including Delegation of Pricing Authority and Approval of Related Documents, to Fund the New T1 Projects and to Refund the Authority's Outstanding Senior Series 2013 Bonds

Recommendation:

Forward to the Board with a recommendation for approval.

Background/Justification:

Pursuant to §170070 of the California Public Utilities Code (the "Act"), the Authority has the power to issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the Authority, for any of the purposes authorized under the Act.

Senior Bonds

The Authority previously entered into a senior Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Senior Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (the "Senior Trustee"). This Master Senior Indenture is the financing document that sets forth the general terms of the Authority's pledge of Net Revenues (which include certain revenues received by the Authority from the operation of the Airport less operation and maintenance expenses) to secure senior lien airport revenue bonds and provides for the terms and conditions upon which senior lien airport revenue bonds may be issued by the Authority.

Senior Series 2013 Bonds

Pursuant to the Master Senior Indenture and a Third Supplemental Trust Indenture, dated as of January 1, 2013, by and between the Authority and the Senior Trustee, the Authority issued its Senior Airport Revenue Bonds Series 2013A Non-AMT and Series 2013B AMT, which are currently outstanding in the aggregate principal amount of $352.5 million. The Senior Series 2013 Bonds were used to finance a portion of the Green Build and certain other projects in the Authority's capital plan. The Senior Series 2013 Bonds are the only senior lien airport revenue bonds currently outstanding. It is planned to refund these bonds with a portion of the proceeds of the Subordinate Series 2021C Bonds.

Subordinate Obligations

The Authority previously entered into a Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended ("Master Subordinate Indenture") by and between the Authority and U.S. Bank National Association, as successor trustee, ("Subordinate Trustee"). This Master Subordinate Indenture is the financing document that sets forth the general terms of the Authority's pledge of Subordinate Net Revenues (which include certain revenues received by the Authority from the operation of the Airport, less operation and maintenance expenses, less the debt service on the Senior Bonds and Senior Bond reserve requirements) to secure subordinate lien airport revenue obligations and provides for the terms and conditions upon which subordinate lien airport revenue obligations may be issued by the Authority. The pledge of Subordinate Net Revenues under the Master Subordinate Indenture is subordinate to the pledge of Net Revenues under the Master Senior Indenture.

Subordinate 2017 Bonds

Pursuant to the Master Subordinate Indenture and a Fifth Supplemental Subordinate Trust Indenture, dated as of August 1, 2017, by and between the Authority and the Subordinate Trustee, the Authority issued its Subordinate Airport Revenue Bonds Series 2017A (Non-AMT), and Series 2017B (AMT), which are currently outstanding in the aggregate principal amount of $271.9 million. The Subordinate Series 2017 Bonds were primarily used to finance construction of the Parking Plaza and the Federal Inspection Station.

Subordinate 2019 Bonds

Pursuant to the Master Subordinate Indenture and a Sixth Supplemental Subordinate Trust Indenture, dated as of December 1, 2019, by and between the Authority and the Subordinate Trustee, the Authority issued its Subordinate Airport Revenue and Revenue Refunding Bonds Series 2019A (Non-AMT), and Series 2019B (AMT), which are currently outstanding in the aggregate principal amount of $459.0 million. The Subordinate Series 2019 Bonds were primarily used to finance construction of, among other projects, the Northside Storm Water Management, the Facilities Maintenance Offices and the Airport Support Building projects, and to refund a portion of the Subordinate Series 2010 Bonds which were used to finance the Green Build and certain other projects in the Authority's capital plan.

Subordinate 2020 Bonds

Pursuant to the Master Subordinate Indenture and a Seventh Supplemental Subordinate Trust Indenture, dated as of April 1, 2020, by and between the Authority and the Subordinate Trustee, the Authority issued its Subordinate Airport Revenue Refunding Bonds Series 2020A (Non-AMT), Series 2020B (Non-AMT) and Series 2020C (AMT), which are currently outstanding in the aggregate principal amount of $227.0 million. The Subordinate Series 2020 Bonds were primarily used to refund a portion of the Subordinate Series 2010 Bonds which were used to finance the Green Build and certain other projects in the Authority's capital plan.

Subordinate Revolving Obligations

Pursuant to the Master Subordinate Indenture, the Eighth Supplemental Subordinate Trust Indenture, dated as of July 1, 2021"), by and between the Authority and the Subordinate Trustee, and the Revolving Credit Agreement, dated as of July 19, 2021 by and between the Authority and Bank of America N.A. (the "Subordinate Revolving Obligations Bank"), the Authority is authorized to issue and have outstanding, from time to time, up to $200,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations (collectively, the "Subordinate Revolving Obligations"). Currently, the Authority has $ 80.1 million aggregate principal amount of Subordinate Revolving Obligations outstanding. The Authority issues the Subordinate Revolving Obligations to provide interim financing for projects in the capital program.

Subordinate Series 2021 Bonds

At the October 2021 meeting the Authority Board Approved a validation amendment establishing a Maximum Contract Price of $2.6 billion for the Terminal and Roadways components of the New T1, which will be designed and constructed pursuant to a contract with Turner-Flatiron, Joint Venture. At the same meeting, a contract was awarded to Griffith Company for $251.7 million for the Airside Improvements associated with the New T1. At the July 2021 meeting the Authority Board awarded a contract to Sundt Construction, Inc. for $91.4 million for the Authority Administration Building component of the New T1. Furthermore, at the October meeting, the Board approved a budget increase of $375 million for the New T1 and approved the New T1 plan of finance. The following tables provide the sources of funds for the amended FY 2022 – 2026 Capital Program budget of $4.025 billion:

(in millions)

New T1 Program	**TOTAL**
Airport Revenue Bonds[2]	$ 3,139
Airport Cash	220
Federal Grants	78
Major Maintenance Funds	20
Passenger Facility Charges	8
New T1 Program Total	**$ 3,464**
Capital Improvement Program (CIP)	
Airport Revenue Bonds	$ 257
Airport Cash	111
Major Maintenance Funds	122
Federal Grants	20
Other	48
Passenger Facility Charges	1
CIP Total	**$ 561**
Total Capital Program [1]	**$ 4,025**

[1] *Total may differ due to rounding*

[2] *The New T1 program includes $241million of bonds that are used in FY27-FY29*

[3] Primarily includes Fuel consortium contribution

Subject to the approval of the federal environmental review, in accordance with the National Environmental Policy Act ("NEPA"), which is expected in October 2021, construction of elements in the New T1 will start in November 2021. Authority staff has therefore determined that it is necessary and advisable to issue Subordinate Airport Revenue Bonds ("Subordinate Series 2021 Bonds") to provide funding for portions of the New T1 Program.

Authority staff currently estimates that the Subordinate Series 2021 Bonds to be issued to finance portions of the New T1 Program will be issued in the aggregate principal amount of $1.06 billion. However, the Authority may increase the principal amount of Subordinate Series 2021 Bonds (not to exceed $2.5 billion) to take advantage of a favorable market and mitigate future interest rate risk (bond yields are currently near historic lows). The final sizing of the issue, therefore, will be determined once market conditions and investor demand are evaluated at the time of pricing.

In additional to financing a portion of the New T1 Program, the Authority intends to refund the Senior Series 2013 Bonds. The Senior Series 2013 Bonds were issued with a 10-year par call (call date is July 1, 2023). Tax exempt advance refundings are not currently permitted under IRS regulations, however, advance refundings may still be undertaken with taxable bonds. Market yields are near historic lows and the original 30 year bonds can be refunded with 20 year bonds for significant savings. The Authority currently expects to realize gross debt service savings of over $22 million over 20 years and based on current yields Net Present Value savings, as a percent of the refunded bonds, will exceed 5.5% or over $18.6 million.

The Authority plans to price the Subordinate Series 2021 Bonds in November and issue them in December 2021 to finance portions of the New T1 Program, to refund all or a portion of the Senior Series 2013 Bonds, to fund a portion of the interest accruing on a portion of the Subordinate Series 2021 Bonds, to fund a deposit to the subordinate debt service reserve fund, and to pay the costs of issuance of the Subordinate Series 2021 Bonds.

Resolution No. 2021-XXXX

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

1) The issuance of the Subordinate Series 2021 Bonds in an aggregate principal amount not-to-exceed $2.5 billion in order to fund a portion of the capital projects in the New T1 Program, to refund all or a portion of the Senior Series 2013 Bonds, to fund a portion of the interest accruing on the Subordinate Series 2021 Bonds, to fund a reserve fund for the new 2021 Subordinate Bonds, and to pay the costs of issuance of the Subordinate Series 2021 Bonds.

2) Ninth Supplemental Subordinate Trust Indenture (ATTACHMENT 1)

The Ninth Supplemental Trust Indentures will set forth the terms of the Subordinate Series 2021 Bonds, including, among other things, the interest rates, maturity dates and redemption provisions of the Subordinate Series 2021 Bonds, the establishment of certain funds and accounts to be created in connection with the issuance of the Subordinate Series 2021 Bonds and the form of the Subordinate Series 2021 Bonds. The Subordinate Series 2021Bonds will bear interest at fixed rates of interest that will be determined by the underwriters in accordance with the Subordinate Series 2021 Purchase Contract.

3) Preliminary Official Statement (POS) (ATTACHMENT 2)

The Preliminary Official Statement is the disclosure document provided by the Authority to prospective purchasers of the Subordinate Series 2021 Bonds. The Preliminary Official

Statement describes, among other things, the security for the Subordinate Series 2021Bonds, how the proceeds of the Subordinate Series 2021 Bonds will be used, financial and operating information of the Authority and the Airport, certain information regarding the airline industry, risk factors and pending litigation against the Authority. Additionally, Appendix A to the Preliminary Official Statement will contain the Financial Feasibility Report of Unison Consulting Inc (ATTACHMENT 3). The Financial Feasibility Report contains among other things, projections of future enplanements at the Airport and future revenues and expenses and debt service coverage levels. The Authority is required to provide full and complete disclosure of all material information to the prospective purchasers of the Subordinate Series 2021Bonds and must certify that the Preliminary Official Statement contains the same. Upon pricing of the Subordinate Series 2021Bonds, the Authority will be required to complete a Final Official Statement, which will be an updated version of the Preliminary Official Statement in substantially the same form but will include the results of the pricing of the Subordinate Series 2021 Bonds. The Authority is required to provide full and complete disclosure of all material information to the prospective purchasers of the Subordinate Series 2021 Bonds and must certify that the Final Official Statement contains the same.

4) Purchase Contract (ATTACHMENT 4)

This document will be entered into with BofA Securities, Inc. ("BOA"), as representative of the underwriters of the Subordinate Series 2021 Bonds, which will include BOA, Siebert Williams Shank & Co., LLC, Academy Securities, Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Samuel A. Ramirez & Company Inc. and Stern Brothers & Co. The Purchase Contract sets forth the agreement between the underwriters and the Authority, pursuant to which the Authority will agree to sell the Subordinate Series 2021 Bonds to the underwriters, and the underwriters will agree to purchase the Subordinate Series 2021 Bonds. The Purchase Contract will require the underwriters to purchase the Subordinate Series 2021 Bonds, provided certain terms and conditions set forth in the Purchase Contract are met by the Authority and other parties. Pursuant to the terms of the Purchase Contract, the underwriters will collect an underwriting discount not exceeding 0.5% of the final par amount of the Subordinate Series 2021 Bonds sold by the underwriters.

5) Continuing Disclosure Certificate (ATTACHMENT 5)

The Authority will enter into a Continuing Disclosure Certificate for the Subordinate Series 2021 Bonds. The Continuing Disclosure Certificate set out the Authority's obligation under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, to provide updated financial and operating information about the Authority and the Airport to the Municipal Securities Rulemaking Board ("MSRB") on an annual basis, and to provide notices of certain enumerated events to MSRB.

6) Escrow Agreement (ATTACHMENT 6)

The Authority will enter into an Escrow Agreement in connection with the refunding of the Senior Series 2013 Bonds. The Escrow Agreement will establish irrevocable escrow funds that will be funded with a portion of the proceeds of the Subordinate Series 2021 Bonds (and certain other available moneys on deposit in the debt service funds and the reserve funds established for the Senior Series 2013 Bonds), which proceeds and other moneys will be withdrawn to pay on January 1, 2022 the interest due and payable on the Senior Series 2013 Bonds, on July 1, 2022 the principal of the Senior Series 2013 Bonds maturing on July 1, 2022 and the interest due and payable on the Senior Series 2013 Bonds, on January 1, 2023 the interest due and payable on the Senior Series 2013 Bonds, and on July 1, 2023 the principal of the Senior Series 2013 Bonds maturing on July 1, 2022, the redemption price of the Senior Series 2013 Bonds maturing on and after July 1, 2024 and the interest due and payable on the Senior Series 2013 Bonds.

Fiscal Impact:

Debt Service and Cost of Issuance related to the Subordinate Series 2021 Bonds have been included in the approved FY 2022 Budget and FY 2023 Conceptual Budget in non-operating costs under the interest expense line item. Future Debt service costs will be included in future budget requests and these costs have been incorporated into the approved plan of finance for the New T1 program.

Authority Strategies/Focus Areas:

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

Strategies

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☐ Operations Strategy

Focus Areas

☒ Advance the Airport Development Plan ☐ Transform the Customer Journey ☐ Optimize Ongoing Business

Environmental Review:

A. CEQA: This Board action is for a project that received certification and approval for the Airport Development Plan Environmental Impact Report (SCH NO. 2017011053 – SDCRAA # EIR-18-01) on January 9, 2020;

B. California Coastal Act Review: This Board action is for a project that was issued Coastal Development Permits (CDP 6-20-0154, CDP 6-20-0447, and CDP 6-20-0611) on September 30, 2021.

C. NEPA: This Board action is for a project that involves additional approvals or actions by the Federal Aviation Administration ("FAA") and, therefore, also requires review under the National Environmental Policy Act ("NEPA") for its potential environmental impacts. The FAA's NEPA environmental review process (an Environmental Assessment) will be completed prior to the commencement of any related site preparation or construction activities.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Scott Brickner
Vice President, Chief Financial Officer

NINTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Relating to

$[PARA]
San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2021A
(Governmental/Non-AMT)

$[PARB]
San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/AMT)

$[PARC]
San Diego County Regional Airport Authority
Subordinate Airport Revenue Refunding Bonds
Series 2021C
(Federally Taxable)

Dated as of [December] 1, 2021

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NINTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

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

WHEREAS, the Master Subordinate Indenture provides, in Section 2.09 thereof, for the issuance of Subordinate Obligations 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 Ninth Supplemental Subordinate Indenture and in compliance with the provisions of the Master Subordinate Indenture (a) sets forth the terms of its (i) $[PARA] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "***Series 2021A Bonds***"), (ii) $[PARB] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "***Series 2021B Bonds***"), and (iii) $[PARC] San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "***Series 2021C Bonds***" and collectively with the Series 2021A Bonds and the Series 2021B Bonds, the "***Series 2021 Bonds***"), (b) provides for the deposit and use of the proceeds of the Series 2021 Bonds, and (c) makes other provisions relating to the Series 2021 Bonds; and

WHEREAS, the Series 2021 Bonds are being issued as Subordinate Obligations as provided for in Section 2.09 of the Master Subordinate Indenture.

GRANTING CLAUSE

In order to secure the payment of the Series 2021 Bonds, the Authority hereby pledges, assigns and grants to the Trustee with respect to the Series 2021 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 2021 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 Ninth Supplemental Subordinate Indenture unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.01 or elsewhere in this Ninth 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.

"*Beneficial Owner*" means, whenever used with respect to a Series 2021 Bond, the person in whose name such Series 2021 Bond is recorded as the beneficial owner of such Series 2021 Bond by a Participant on the records of such Participant or such person's subrogee.

"*Book-Entry Bonds*" means the Series 2021 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 2021 Bonds.

["*Treasury Rate*" means, with respect to any redemption date for the Series 2021C Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.]

["*Comparable Treasury Issue*" means, with respect to any redemption date for the Series 2021C Bonds, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Series 2021C Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2021C Bonds to be redeemed.]

["*Comparable Treasury Price*" means, with respect to any redemption date for the Series 2021C Bonds, (a) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.]

"*Continuing Disclosure Certificate*" means the certificate of the Authority, dated the date of issuance of the Series 2021 Bonds, pursuant to which the Authority shall agree to undertake for the benefit of the Holders and the Beneficial Owners of the Series 2021 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 2021 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the preliminary and final official statements and the Series 2021 Bonds, underwriters' compensation, and the fees, costs and expenses of rating agencies, the Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

["*Designated Investment Banker*" means one of the Reference Treasury Dealers appointed by the Authority.]

"*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.

"*EMMA System*" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission.

"*Interest Payment Date*" means each January 1 and July 1, commencing [July 1, 2022], the dates upon which interest on the Series 2021 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, by and between the Authority and the Trustee under which the Series 2021 Bonds are authorized and secured.

"*Ninth Supplemental Subordinate Indenture*" means this Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021, by and between the Authority and the Trustee and which, among other things, sets forth the terms of the Series 2021 Bonds.

"*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 Ninth Supplemental Subordinate Indenture, means the Trustee, or any other institution appointed by the Authority.

"*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.

["*Reference Treasury Dealer*" means each of the four firms, specified by the Authority from time to time, any or all of which may also be an Underwriter for the Series 2021C Bonds, that are primary United States government securities dealers in The City of New York (each a "***Primary Treasury Dealer***"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Authority will substitute another Primary Treasury Dealer.]

["*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2021C Bonds, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.]

"Refunded Senior Series 2013 Bonds" means, collectively, the Refunded Senior Series 2013A Bonds and the Refunded Senior Series 2013B Bonds.

"*Refunded Senior Series 2013 Bonds Escrow Agreement*" means the Escrow Agreement, dated [December •], 2021, by and between the Authority and the Senior Lien Trustee, as trustee and escrow agent for the Refunded Senior Series 2013 Bonds, and under which a portion of the proceeds of the Series 2021C Bonds, along with other available moneys, are to be deposited and used to pay the principal and redemption price of and interest on the Refunded Senior Series 2013 Bonds.

"*Refunded Senior Series 2013A Bonds*" means the Senior Series 2013A Bonds being advance refunded and defeased with a portion of the proceeds of the Series 2021C Bonds, as set forth in Exhibit E attached hereto.

"*Refunded Senior Series 2013B Bonds*" means the Senior Series 2013B Bonds being advance refunded and defeased with a portion of the proceeds of the Series 2021C Bonds, as set forth in Exhibit E attached hereto.

"*Registrar*" for purposes of this Ninth 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 "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Debt Service Reserve Fund" established pursuant to the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture.

"*Reserve Fund Insurance Policy*" has the meaning as set forth in the Second Supplemental Subordinate Indenture.

"*Reserve Requirement*" shall have the meaning as set forth in the Second Supplemental Subordinate Indenture. At the time of issuance of the Series 2021 Bonds, the Reserve Requirement shall be equal to $[•].

"*Second Supplemental Subordinate Indenture*" means the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010, by and between the Authority and the Trustee.

"*Senior Lien Revenue Bonds"* has the meaning set forth in the Master Subordinate Indenture.

"Senior Lien Trustee" has the meaning set forth in the Master Subordinate Indenture.

"Senior Lien Trust Indenture" has the meaning set forth in the Master Subordinate Indenture.

"*Senior Series 2013A Bonds*" means the Senior Lien Revenue Bonds issued under the Senior Lien Trust Indenture and the Third Supplemental Senior Indenture and designated as "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013A."

"*Senior Series 2013A Escrow Fund*" means the "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013A Escrow Fund" established and maintained by the Senior Lien Trustee, as trustee and escrow agent for the Refunded Senior Series 2013A Bonds, under the terms of the Refunded Senior Series 2013 Escrow Agreement and held for the purpose of paying the principal and redemption price of and interest on the Refunded Senior Series 2013A Bonds.

"*Senior Series 2013B Bonds*" means the Senior Lien Revenue Bonds issued under the Senior Lien Trust Indenture and the Third Supplemental Senior Indenture and designated as "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B."

"*Senior Series 2013B Escrow Fund*" means the "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B Escrow Fund" established and maintained by the Senior Lien Trustee, as trustee and escrow agent for the Refunded Senior Series 2013B Bonds, under the terms of the Refunded Senior Series 2013 Escrow Agreement and held for the purpose of paying the principal and redemption price of and interest on the Refunded Senior Series 2013B Bonds.

"*Series 2021 Bonds*" means, collectively, the Series 2021A Bonds, the Series 2021B Bonds and the Series 2021C Bonds.

"*Series 2021 Costs of Issuance Fund*" means the Fund of such designation established pursuant to <u>Section 4.01</u> hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2021 Bonds.

"*Series 2021 Reserve Account*" means the Account of such designation established in the Reserve Fund pursuant to <u>Section 4.01 and 4.11</u> hereof.

"*Series 2021A Bonds*" means $[PARA] aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture and designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT)."

"*Series 2021A Construction Fund*" means the Construction Fund of such designation established pursuant to <u>Section 4.01</u> hereof and into which money is to be deposited to pay Costs of the Series 2021A Projects.

"*Series 2021A Costs of Issuance Account*" means the Account of such designation established in the Series 2021 Costs of Issuance Fund pursuant to <u>Section 4.01</u> hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2021A Bonds.

"*Series 2021A Debt Service Fund*" means the Debt Service Fund of such designation established pursuant to <u>Section 4.01</u> hereof and into which money is to be deposited to pay debt service on the Series 2021A Bonds.

"*Series 2021A Projects*" means, collectively, any or all of those capital expenditures listed in Exhibit C-1 attached hereto which are to be financed from amounts deposited into the Series 2021A Construction Fund.

["*Series 2021A Term Bonds*" means, collectively, the Series 2021A Bonds maturing on July 1, 20[•] and July 1, 20[•].]

"*Series 2021A/B Bonds*" means, collectively, the Series 2021A Bonds and the Series 2021B Bonds.

"*Series 2021[A/B] Term Bonds*" means, collectively, [the Series 2021A Term Bonds and the Series 2021B Term Bonds].

"Series 2021A/B Rebate Fund" means the Fund of such designation established pursuant to Sections 4.01 and 5.01 hereof.

"*Series 2021B Bonds*" means $[PARB] aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture and designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT)."

"*Series 2021B 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 2021B Projects.

"*Series 2021B Costs of Issuance Account*" means the Account of such designation established in the Series 2021 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 2021B Bonds.

"*Series 2021B 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 2021B Bonds.

"*Series 2021B Projects*" means, collectively, any or all of those capital expenditures listed in Exhibit C-2 attached hereto which are to be financed from amounts deposited into the Series 2021B Construction Fund.

["*Series 2021B Term Bonds*" means, collectively, the Series 2021B Bonds maturing on July 1, 20[•] and July 1, 20[•].]

"*Series 2021C Bonds*" means $[PARC] aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture and designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable)."

"*Series 2021C Costs of Issuance Account*" means the Account of such designation established in the Series 2021 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 2021C Bonds.

"*Series 2021C 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 2021C Bonds.

["*Series 2021C Make-Whole Redemption Price*" means the greater of (a) the issue price (as set forth in Exhibit F attached hereto) relating to the Series 2021C Bonds to be redeemed (but not less than 100% of the principal amount of the Series 2021C Bonds to be redeemed); or (b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2021C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2021C Bonds are to be redeemed, discounted to the date on which the Series 2021C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus the number of basis points set forth in the table below corresponding to the maturity of the Series 2021C Bonds to be redeemed, plus, in each case, accrued and unpaid interest on the Series 2021C Bonds to be redeemed on the redemption date.]

Maturity Date(s) of Series 2021C Bonds to be Redeemed	**Basis Points for Make-Whole Redemption Calculation**
July 1, 20[•]	[•]
July 1, 20[•] through and including July 1, 20[•]	[•]
July 1, 20[•] through and including July 1, 20[•]	[•]
July 1, 20[•] through and including July 1, 20[•]	[•]

["*Series 2021C Term Bonds*" means, collectively, the Series 2021C Bonds maturing on July 1, 20[•] and July 1, 20[•].]

"*Tax Certificate*" means the Tax Compliance Certificate, dated [December •], 2021, as amended from time to time, entered into by the Authority and executed with respect to the Series 2021A Bonds and the Series 2021B Bonds.

"*Third Supplemental Senior Indenture*" means the Third Supplemental Trust Indenture, dated as of January 1, 2013, by and between the Authority and the Senior Lien Trustee, which sets forth the terms of the Senior Series 2013A Bonds and the Senior Series 2013B Bonds.

["*Treasury Rate*" means, with respect to any redemption date for the Series 2021C Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.]

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

ARTICLE II

THE SERIES 2021 BONDS

Section 2.01. Designation of the Series 2021 Bonds; Principal Amount. The Subordinate Obligations authorized to be issued under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture shall be designated as (a) "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT)", which shall be issued in the original principal amount of $[PARA], (b) "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT)", which shall be issued in the original principal amount of $[PARB], and (c) "San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable)", which shall be issued in the original principal amount of $[PARC].

Section 2.02. Series 2021 Bonds Issued Under the Master Subordinate Indenture; Security; Parity. The Series 2021 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 Ninth Supplemental Subordinate Indenture and in accordance with the terms of the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture.

To further secure the payment of the Series 2021 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 2021 Bonds. The Series 2021 Bonds shall, upon initial issuance, be dated [December •], 2021. Each Series 2021 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 2021 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 2021 Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before [June 15, 2022], in which, event such Series 2021 Bond shall bear interest from [December •], 2021. If interest on the Series 2021 Bonds shall be in default, Series 2021 Bonds issued in exchange for Series 2021 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 2021 Bonds surrendered. The Series 2021 Bonds shall be issued in denominations of $5,000 original principal amount or integral multiples thereof.

Interest on the Series 2021 Bonds shall be paid on [July 1, 2022] and semiannually thereafter on January 1 and July 1.

Interest on the Series 2021 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Series 2021A Bonds shall be issued in the original principal amount of $[PARA] and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date (July 1)	**Principal Amount**	**Interest Rate**

The Series 2021B Bonds shall be issued in the original principal amount of $[PARB] and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date (July 1)	**Principal Amount**	**Interest Rate**

The Series 2021C Bonds shall be issued in the original principal amount of $[PARC] and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date (July 1)	Principal Amount	Interest Rate

Payment of the principal of the Series 2021 Bonds shall be made upon surrender of the Series 2021 Bonds to the Trustee or its agent; provided that with respect to the Series 2021 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 2021 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 2021 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 2021 Bonds shall be substantially in the form of Exhibit A attached hereto.

If the principal of a Series 2021 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 2021 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 2021 Bonds. Series 2021 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 2021 Bonds with the same interest rate and maturity date. The cost of printing Series 2021 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 2021 Bond during the period established by the Registrar for selection of Series 2021 Bonds for redemption or any Series 2021 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 2021 Bonds shall be DTC and the Series 2021 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 2021 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 2021 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 2021 Bonds. Upon initial issuance, the ownership of such Series 2021 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 2021 Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Series 2021 Bonds, selecting the Series 2021 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 Ninth Supplemental Subordinate Indenture, registering the transfer of Series 2021 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 2021 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 2021 Bonds; any notice which is permitted or required to be given to Holders under the Master Subordinate Indenture and this Ninth 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 2021 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 2021 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 2021 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2021 Bond evidencing the obligation of the Authority to make payments of principal, redemption price and interest pursuant to the Master Subordinate Indenture and this Ninth 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 Ninth 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 2021 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 2021 Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Series 2021 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 2021 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 2021 Bond certificates as described in this Ninth Supplemental Subordinate Indenture. In the event Series 2021 Bond certificates are issued, the provisions of the Master Subordinate Indenture and this Ninth 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 2021 Bonds to any Participant having Series 2021 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2021 Bonds.

(d) Notwithstanding any other provision of the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture to the contrary, so long as any Series 2021 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 2021 Bond and all notices with respect to such Series 2021 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 Ninth 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 2021 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 2021 BONDS.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 3.01. Notices to Holders. If the Authority wishes that any Series 2021 Bonds be redeemed pursuant to the provision of this Ninth Supplemental Subordinate Indenture, the Authority will notify the Trustee of the applicable provision, the Series of Series 2021 Bonds being redeemed, the redemption date, the maturity date, the interest rate, the CUSIP number and the principal amount and the redemption price of the Series 2021 Bonds to be redeemed (or the formula that will be used to calculate the redemption price on the redemption date) 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 2021 Bonds held by DTC via electronic means or by an express delivery service for delivery on the next following Business Day or by such other means as otherwise permitted or required by DTC's procedures) to each Holder of a Series 2021 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 2021 Bond to be redeemed, if less than all Series 2021 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Series 2021 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, provided a supplemental notice of redemption is delivered prior to the redemption date setting forth the actual redemption price), the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2021 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 there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2021 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 2021 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2021 Bonds will not affect the validity of the call for redemption of any Series 2021 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 2021 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 2021 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

If any Series 2021 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 (a) provided to the Municipal Securities Rulemaking Board through the EMMA System, and (b) 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 2021 Bond.

Section 3.02. Redemption Dates. The date fixed for redemption of Series 2021 Bonds to be redeemed pursuant to any optional redemption provision as set forth in Section 3.03 hereof shall be a date permitted by the Authority in the notice delivered pursuant to Section 3.01 hereof. The dates fixed for mandatory sinking fund redemption of the [Series 2021 Term Bonds] will be as set forth in Sections 3.04 [and 3.05] hereof

Section 3.03. Optional Redemption of the Series 2021 Bonds.

(a) ***Optional Redemption of Series 2021A Bonds***. The Series 2021A Bonds maturing on or before July 1, 20[•] are not subject to optional redemption prior to maturity. The Series 2021A Bonds maturing on and after July 1, 20[•] 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 [January/July] 1, 20[•] at a redemption price equal to 100% of the principal amount of the Series 2021A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) ***Optional Redemption of Series 2021B Bonds***. The Series 2021B Bonds maturing on or before July 1, 20[•] are not subject to optional redemption prior to maturity. The Series 2021B Bonds maturing on and after July 1, 20[•] 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 [January/July] 1, 20[•] at a redemption price equal to 100% of the principal amount of the Series 2021B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(c) ***Optional Redemption of Series 2021C Bonds at Series 2021C Make-Whole Redemption Price (Prior to July 1, 20***[•]***)***. Prior to July 1, 20[•], the Series 2021C 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 and, at a redemption price equal to the Series 2021C Make-Whole Redemption Price. The Authority shall provide or cause to be provided to the Trustee the Series 2021C Make-Whole Redemption Price.

(d) ***Optional Redemption of Series 2021C Bonds at Par (on and after July 1, 20***[•]***)***. On and after July 1, 20[•], the Series 2021C Bonds maturing on and after July 1, 20[•] 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, at a redemption price equal to 100% of the principal amount of the Series 2021C 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 2021A Term Bonds and the Series 2021B Term Bonds.

(a) The Series 2021A Bonds maturing on July 1, 20[•] 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:

July 1 of the Year	Principal Amount

*Final Maturity Date

4847-4658-3286.4

(b) The Series 2021A Bonds maturing on July 1, 20[•] 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:

July 1 of the Year	**Principal Amount**

*Final Maturity Date

(c) The Series 2021B Bonds maturing on July 1, 20[•] 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:

July 1 of the Year	**Principal Amount**

*Final Maturity Date

(d) The Series 2021B Bonds maturing on July 1, 20[•] 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:

July 1 of the Year	**Principal Amount**

*Final Maturity Date

(e) Except as otherwise provided in Section 2.05 hereof, on or before the forty-fifth (45^{th}) day prior to any mandatory sinking fund redemption date of the Series 2021A Term Bonds and the Series 2021B Term Bonds, as applicable, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine), from the applicable Series 2021A Term Bonds or Series 2021B Term Bonds subject to such redemption, an aggregate principal amount of such Series 2021A Term Bonds or Series 2021B Term Bonds, as applicable, equal to the amount for such year as set forth in the applicable table above and shall call such Series 2021A Term Bonds or Series 2021B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

(f) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60^{th}) day next preceding any mandatory sinking fund redemption date for the Series 2021A Term Bonds or the Series 2021B Term Bonds, as applicable, it may (i) deliver to the Trustee for cancellation Series 2021A Term Bonds or Series 2021B 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 2021A Term Bonds or Series 2021B 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 2021A Term Bonds or Series 2021B Term Bonds, 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 Series 2021A Term Bonds or Series 2021B Term Bonds, as applicable, on such mandatory sinking fund redemption date. In the event that a portion of the Series 2021A Term Bonds or the Series 2021B Term Bonds, as applicable, are purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation, the Authority will provide the Trustee revised mandatory sinking fund schedules, if applicable.

Section 3.05. Mandatory Sinking Fund Redemption of the Series 2021C Term Bonds.

(a) The Series 2021C Bonds maturing on July 1, 20[•] 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 Section 3.07(a) 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:

July 1 of the Year	Principal Amount

*Final Maturity Date

(b) 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 2021C Term Bonds it may (i) deliver to the Trustee for cancellation Series 2021C Term 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 2021C Term Bonds 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 Series 2021C Term Bond 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 the applicable Series 2021C Term Bond on such mandatory sinking fund redemption date. In the event that a portion, but not all of the Series 2021C Term Bonds, are purchase, acquired or optionally redeemed and delivered to the Trustee for cancellation, the Authority will provide the Trustee a revised mandatory sinking fund schedule.

Section 3.06. Selection of Series 2021A Bonds or Series 2021B Bonds for Redemption; Series 2021A Bonds or Series 2021B Bonds Redeemed in Part. The Series 2021A Bonds and the Series 2021B Bonds are subject to redemption in such order of maturity [and interest rate] within each applicable Series (except mandatory sinking fund payments on the Series 2021A Term Bonds and the Series 2021B 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 2021A Bonds or the Series 2021B Bonds, as applicable) shall deem appropriate, within a maturity [and interest rate].

Upon surrender of a Series 2021A Bonds or a Series 2021B Bond, as applicable, to be redeemed in part only, the Trustee will authenticate for the Holder a new Series 2021A Bond or Series 2021B Bond, as applicable, or Series 2021A Bonds or Series 2021B Bonds, as applicable, of the same Series, maturity date and interest rate equal in principal amount to the unredeemed, portion of the Series 2021A Bond or Series 2021B Bond surrendered.

Section 3.07. Selection of Series 2021C Bonds for Redemption; Series 2021C Bonds Redeemed in Part.

(a) The Series 2021C Bonds are subject to redemption in such order of maturity as the Authority may direct (except mandatory sinking fund payments on the Series 2021C Term Bonds). If less than all of the Series 2021C Bonds of a maturity are redeemed prior to their stated maturity date, the particular Series 2021C Bonds to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with the rules and procedures of DTC. It is the Authority's intent that redemption allocations made by DTC, the Participants or such other intermediaries that may exist between the Authority and the beneficial owners of the Series 2021C Bonds shall be made on a pro-rata pass-through distribution of principal basis. However, so long as the Series 2021C Bonds are Book-Entry Bonds, the selection for redemption of such Series 2021C Bonds shall be made in accordance with the operational arrangements of DTC then in effect. Neither the Authority nor the Trustee shall provide any assurance or shall have any responsibility or obligation to ensure that DTC, the Participants or any other intermediaries allocate redemptions of the Series 2021C Bonds among beneficial owners on a pro-rata pass-through distribution of principal basis. If the DTC operational arrangements do not allow for the redemption of the Series 2021C Bonds on a pro-rata pass-through distribution of principal basis, the Series 2021C Bonds shall be selected for redemption, in accordance with DTC procedures, by lot.

If the Series 2021C Bonds are not Book-Entry Bonds and less than all of the Series 2021C Bonds of a maturity are to be redeemed, the Series 2021C Bonds to be redeemed will be selected by the Trustee on a pro-rata pass-through distribution of principal basis among all of the Bondholders of the Series 2021C Bonds based on the principal amount of Series 2021C Bonds owned by such Bondholders.

(b) Upon surrender of a Series 2021C Bond to be redeemed, in part only, the Trustee will authenticate for the Bondholder a new Series 2021C Bond or Series 2021C Bonds of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2021C Bond surrendered.

Section 3.08. Payment of Series 2021 Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2021 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 3.09. 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 2021 Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Series 2021 Bonds shall cease to accrue from and after such redemption date, such Series 2021 Bonds shall cease to be entitled to any lien, benefit or security under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture and the Holders of such Series 2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Series 2021 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 2021 Bonds to be redeemed, all as provided in this Ninth Supplemental Subordinate Indenture, shall not be deemed to be Outstanding under the provisions of the Master Subordinate Indenture and this Ninth 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 2021A Debt Service Fund (the "***Series 2021A 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 2021A Construction Fund (the "***Series 2021A Construction Fund***"), to be held by the Trustee;

(c) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B Debt Service Fund (the "***Series 2021B 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;

(d) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B Construction Fund (the "***Series 2021B Construction Fund***"), to be held by the Trustee;

(e) San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds Series 2021C Debt Service Fund (the "***Series 2021C Debt Service Fund***") and therein an Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(f) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021 Costs of Issuance Fund (the "***Series 2021 Costs of Issuance Fund***") and therein (i) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021A Costs of Issuance Account (the "***Series 2021A Costs of Issuance Account***"), (ii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B Costs of Issuance Account (the "***Series 2021B Costs of Issuance Account***"), and (iii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds Series 2021C Costs of Issuance Account (the "***Series 2021C Costs of Issuance Account***"), to be held by the Trustee;

(g) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021 Reserve Account (the "***Series 2021 Reserve Account***"), to be established in the Reserve Fund and to be held by the Trustee; and

(h) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021A/B Rebate Fund (the "***Series 2021A/B Rebate Fund***"), to be held by the Trustee.

Section 4.02. Application of Series 2021A Bond Proceeds. The proceeds of the sale of the Series 2021A Bonds, being the amount of $[•] (which sum represents the par amount of the Series 2021A Bonds of $[PARA].00, plus an original issue premium in the amount of $[•], and less an underwriters' discount in the amount of $[•]) received by the Trustee shall be deposited by the Trustee as follows:

(a) $[•], representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2021A Debt Service Fund to be used to pay interest due and payable on the Series 2021A Bonds on the dates and in the amounts set forth in Section 4.06(b) hereof;

(b) $[•] shall be deposited into the Series 2021 Reserve Account of the Reserve Fund;

(c) $[•] shall be deposited into the Series 2021A Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2021A Bonds; and

(d) $[•] shall be deposited into the Series 2021A Construction Fund to be used to pay the Costs of the Series 2021A Projects.

Section 4.03. Application of Series 2021B Bond Proceeds. The proceeds of the sale of the Series 2021B Bonds, being the amount of $[•] (which sum represents the par amount of the Series 2021B Bonds of $[PARB], plus an original issue premium in the amount of $[•], and less an underwriters' discount in the amount of $[•]) received by the Trustee shall be deposited by the Trustee as follows:

(a) $[•], representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2021B Debt Service Fund to be used to pay interest due and payable on the Series 2021B Bonds on the dates and in the amounts set forth in Section 4.08(b) hereof;

(b) $[•] shall be deposited into the Series 2021 Reserve Account of the Reserve Fund;

(c) $[•] shall be deposited into the Series 2021B Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2021B Bonds; and

(d) $[•] shall be deposited into the Series 2021B Construction Fund to be used to pay the Costs of the Series 2021B Projects.

Section 4.04. Application of Series 2021C Bond Proceeds. The proceeds of the sale of the Series 2021C Bonds, being the amount of $[•] (which sum represents the par amount of the Series 2021C Bonds of $[PARC].00 and less an underwriters' discount in the amount of $[•]) received by the Trustee shall be deposited by the Trustee as follows:

(a) $[•] shall be deposited into the Series 2021 Reserve Account of the Reserve Fund;

(b) $[•] shall be deposited into the Series 2021C Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2021C Bonds;

(c) $[•] shall be transferred to the Senior Lien Trustee (pursuant to wiring instructions provided by the Authority to the Trustee at the time of issuance of the Series 2021 Bonds) and for deposit to the Senior Series 2013A Escrow Fund to be used to pay a portion of the principal of [and accrued interest on] the Refunded Senior Series 2013A Bonds in accordance with the Refunded Senior Series 2013 Bonds Escrow Agreement; and

(d) $[•] shall be transferred to the Senior Lien Trustee (pursuant to wiring instructions provided by the Authority to the Trustee at the time of issuance of the Series 2021 Bonds) and for deposit to the Senior Series 2013B Escrow Fund to be used to pay a portion of the principal of [and accrued interest on] the Refunded Senior Series 2013B Bonds in accordance with the Refunded Senior Series 2013 Bonds Escrow Agreement.

Section 4.05. Series 2021A Construction Fund.

(a) There shall be deposited into the Series 2021A Construction Fund the amounts as provided in Section 4.02(d) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2021A Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.06(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2021A Construction Fund upon receipt from the Authority of a written requisition, in substantially the form attached hereto as Exhibit D-1, 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 2021A 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 2021A Projects 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 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 2021A Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2021A Construction Fund shall be retained in the Series 2021A Construction Fund.

(d) The completion of the Series 2021A Projects 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 2021A Projects 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 2021A Projects or (ii) that all amounts in the Series 2021A Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2021A Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with all or a portion of the Series 2021A Projects, 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 2021A Projects, 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 2021A Bonds or the Series 2021B Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.06. Series 2021A Debt Service Fund. The Trustee shall make deposits into the Series 2021A 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 4.06(b) hereof, and (ii) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2021A Bonds. The Trustee also shall deposit into the Interest Account any other amounts 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 2021A Bonds in accordance with their terms at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on 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 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 2021A Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2021A Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	**Amount to be Transferred to Interest Account**
	All remaining amounts on deposit in Capitalized Interest Account

Until the Series 2021A Projects are 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 2021A Bonds as provided in the table above. On the completion date of the Series 2021A Projects, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2021A 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 2021A 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 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 2021A Bonds whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof on the applicable Payment Dates. On or about July 15 of each Fiscal Year, earnings on the Principal Account 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 the Principal 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 2021A Bonds being redeemed as provided in Section 3.03(a) 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 2021A Bonds being redeemed as provided in Section 3.03(a) 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 2021A Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.07. Series 2021B Construction Fund.

(a) There shall be deposited into the Series 2021B Construction Fund the amounts as provided in Section 4.03(d) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2021B Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.08(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2021B Construction 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) that such amount is to be paid from the Series 2021B 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 2021B Projects 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 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 2021B Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2021B Construction Fund shall be retained in the Series 2021B Construction Fund.

(d) The completion of the Series 2021B Projects 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 2021B Projects 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 2021B Projects or (ii) that all amounts in the Series 2021B Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2021B Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with all or a portion of the Series 2021B Projects, 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 2021B Projects, 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 2021B Bonds or the Series 2021B Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.08. Series 2021B Debt Service Fund. The Trustee shall make deposits into the Series 2021B 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 4.08(b) hereof, and (ii) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2021B Bonds. The Trustee also shall deposit into the Interest Account any other amounts 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 2021B Bonds in accordance with their terms at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on 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 Section 4.03(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 2021B Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2021B Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	Amount to be Transferred to Interest Account
	All remaining amounts on deposit in Capitalized Interest Account

Until the Series 2021B Projects are 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 2021B Bonds as provided in the table above. On the completion date of the Series 2021B Projects, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2021B 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 2021B 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 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 2021B Bonds whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof on the applicable Payment Dates. On or about July 15 of each Fiscal Year, earnings on the Principal Account 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 the Principal 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 2021B Bonds being redeemed as provided in Section 3.03(b) 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 2021B Bonds being redeemed as provided in Section 3.03(b) 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 2021B Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.09. Series 2021C Debt Service Fund. The Trustee shall make deposits into the Series 2021C Debt Service Fund and use such deposits as follows:

(a) ***Interest Account***. The Trustee shall deposit into the Interest Account the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2021C Bonds. The Trustee also shall deposit into the Interest Account any other amounts 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 2021C Bonds in accordance with their terms at any time in proportion to the amounts due or accrued with respect to each of them.

Earnings on 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) ***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 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 2021C Bonds [whether at maturity or by mandatory sinking fund redemption as provided in Section 3.05 hereof] on the applicable Payment Dates. On or about July 15 of each Fiscal Year, earnings on the Principal Account 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 the Principal 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 2021C Bonds being redeemed as provided in Section 3.03(c) or (d) 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 2021C Bonds being redeemed as provided in Section 3.03(c) or (d) 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 2021C Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.10. Series 2021 Costs of Issuance Fund.

(a) There shall, be deposited into the Series 2021 Costs of Issuance Fund the amounts as provided in Sections 4.02(c), 4.03(c) and 4.04(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2021 Costs of Issuance Fund upon receipt from the Authority of a written requisition in substantially the form attached hereto as Exhibit D-3, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) the Account within the Series 2021 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 2021 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 2021 Costs of Issuance Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series 2021A Costs of Issuance Account shall be deposited into the Series 2021A Construction Fund. Any amounts remaining in the Series 2021A Costs of Issuance Account on July 1, 2022 shall be transferred to the Series 2021A Construction Fund and the Series 2021A Costs of Issuance Account shall be closed.

(e) Earnings on the Series 2021B Costs of Issuance Account shall be deposited into the Series 2021B Construction Fund. Any amounts remaining in the Series 2021B Costs of Issuance Account on July 1, 2022 shall be transferred to the Series 2021B Construction Fund and the Series 2021B Costs of Issuance Account shall be closed.

(f) Earnings on the Series 2021C Costs of Issuance Account shall be deposited into the Interest Account of the Series 2021C Debt Service Fund. Any amounts remaining in the Series 2021C Costs of Issuance Account on July 1, 2022 shall be transferred to the Interest Account of the Series 2021C Debt Service Fund and the Series 2021C Costs of Issuance Account shall be closed.

Section 4.11. Series 2021 Reserve Account. In accordance with Section 4.12(a) of the Second Supplemental Subordinate Indenture, the Authority hereby elects to have the Series 2021 Bonds participate in the Reserve Fund. As provided in Section 4.02(b), 4.03(b), and 4.03(a) hereof, at the time of the issuance of the Series 2021 Bonds, a portion of the proceeds of the Series 2021 Bonds shall be deposited into the Series 2021 Reserve Account. The Series 2021 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 2021 Bonds for rebate purposes as set forth in the 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) of the Second Supplemental Subordinate Indenture 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 2021 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 2021A Bonds shall be transferred to the Interest Account in the Series 2021A Debt Service Fund, such excess allocable to the Series 2021B Bonds shall be transferred to the Interest Account in the Series 2021B Debt Service Fund and such excess allocable to the Series 2021C Bonds shall be transferred to the Interest Account in the Series 2021C Debt Service Fund.

Section 4.12. Sources of Payment of the Series 2021 Bonds. The Series 2021 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 2021 Bonds from any other source or from any other funds of the Authority.

ARTICLE V

TAX COVENANTS

Section 5.01. Series 2021A/B Rebate Fund. The Authority hereby agrees that it will cause the Series 2021A/B Rebate Fund to be established, which fund will be funded if so required pursuant to the provisions of the Tax Certificate and amounts in such Series 2021A/B Rebate Fund shall be held and disbursed in accordance with the Tax Certificate.

Section 5.02. Preservation of Tax Exemption on Series 2021A/B Bonds.

(a) The Authority shall comply with the covenants and agreements set forth in the Tax Certificate.

(b) The Authority shall not use or permit the use of any proceeds of the Series 2021A/B Bonds or any other funds of the Authority held by the Trustee under the Master Subordinate Indenture and this Ninth Supplemental Subordinate Indenture allocable to the Series 2021A/B 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 2021A/B Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2021A/B 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 2021A/B 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 2021A/B 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 Ninth Supplemental Subordinate Indenture which are necessary or desirable in order to assure that interest paid on the Series 2021A/B Bonds will not be included in gross income for federal income tax purposes (other than interest paid to holders of the Series 2021B Bonds that are a "substantial user" of the facilities financed with the Series 2021B Bonds or a "related person" within the meaning of Section 147(a) of the Code) and shall take no action that would result in such interest being included in gross income for federal income tax purposes (other than interest paid to holders of the Series 2021B Bonds that are a "substantial user" of the facilities financed with the Series 2021B Bonds or a "related person" within the meaning of Section 147(a) of the Code).

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Ninth Supplemental Subordinate Indenture or the Series 2021 Bonds must be in writing except as expressly provided otherwise in this Ninth Supplemental Subordinate Indenture or the Series 2021 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 U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Global Corporate Trust.

Section 6.02. Modification of Master Subordinate Indenture and this Ninth 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 Ninth Supplemental Subordinate Indenture in the manner set forth in Article X of the Master Subordinate Indenture.

Section 6.03. 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 Ninth 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 2021 Bonds or any Holder or Beneficial Owner of the Series 2021 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 6.04. Parties Interested Herein. Nothing in this Ninth 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 2021 Bonds, any right, remedy or claim under or by reason of this Ninth Supplemental Subordinate Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ninth 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 2021 Bonds.

Section 6.05. Severability. If any provision of this Ninth Supplemental Subordinate Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Ninth Supplemental Subordinate Indenture.

Section 6.06. 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 6.07. Governing Law. This Ninth Supplemental Subordinate Indenture shall be governed by and construed in accordance with the laws of the State of California.

Section 6.08. Captions. The captions in this Ninth Supplemental Subordinate Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Ninth Supplemental Subordinate Indenture.

Section 6.09. Counterparts. This Ninth Supplemental Subordinate Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[Remainder of page intentionally left blank; signature page follows]

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

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ______________________________
Kimberly J. Becker,
President and CEO

Attest:

By ______________________________
Tony R. Russell,
Director, Board Services/Authority Clerk

Approved as to form:

By ______________________________
Amy Gonzalez
General Counsel

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By ______________________________
Authorized Representative

[Signature page to Ninth Supplemental Subordinate Trust Indenture]

EXHIBIT A

FORM OF SERIES 2021 BOND

San Diego County Regional Airport Authority
Subordinate Airport Revenue [Refunding] Bond
Series 2021[A/B/C]
[(Governmental/Non-AMT)][(Private Activity/AMT)][(Federally Taxable)]

No. R-___ Principal Amount: $_______________

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AS DEFINED IN THE HEREINAFTER DEFINED NINTH SUPPLEMENTAL SUBORDINATE INDENTURE) TO THE TRUSTEE (AS HEREINAFTER DEFINED) FOR REGISTRATION OF, TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2021[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__	[December •], 2021	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 ex 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.

SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY

By ____________________________________
President and CEO

Attest:

By: ___________________________________
Director, Board Services/Authority Clerk

CERTIFICATE OF AUTHENTICATION

U.S. Bank National Association, as Trustee, hereby certifies that this is one of the Subordinate Obligations referred to in the Master Subordinate Indenture and the Ninth Supplemental Subordinate Indenture

Date of Authentication: ____________, 20___

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By ____________________________________
Name __________________________________
Title ___________________________________

1. **Master Subordinate Indenture; Ninth Supplemental Subordinate Indenture.** The Authority has entered into a Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), with U.S. Bank National Association, as

successor 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 Ninth Supplemental Subordinate Indenture.

This Bond is part of a series of Subordinate Obligations of the Authority issued under the Master Subordinate Indenture and the Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021 (the "Ninth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee, and authorized by Resolution No. 2021-[•] adopted by the board of directors of the Authority on November [4], 2021. The series of Subordinate Obligations of which this Bond is a part is being issued in the original principal amount of $[[PARA]/[PARB]/[PARC]] and designated as San Diego County Regional Airport Authority Subordinate Airport Revenue [Refunding] Bonds, Series 2021[A/B/C] [(Governmental/Non-AMT)][(Private Activity/AMT)][(Federally Taxable)] (the "Series 2021[A/B/C] Bonds"). Simultaneously with the issuance of the Series 2021[A/B/C] Bonds, the Authority is issuing its (i) $[[PARA]/[PARB]/[PARC]] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021[A/B] [(Governmental/Non-AMT)][(Private Activity/AMT)], and (ii) $[[PARA]/[PARB]/[PARC]] San Diego County Regional Airport Authority Subordinate Airport Revenue [Refunding] Bonds, Series 2021[A/B/C] [(Governmental/Non-AMT)][(Private Activity/AMT)][(Federally Taxable)].

The Series 2021[A/B/C] Bonds are being issued with a pledge of and lien on Subordinate Net Revenues on a parity with the other Subordinate Obligations issued on a parity with the Series 2021[A/B/C] Bonds under the terms and provisions of the Master Subordinate Indenture.

The terms of the Series 2021[A/B/C] Bonds include the terms set forth in the Master Subordinate Indenture and the Ninth Supplemental Subordinate Indenture. Holders are referred to the Master Subordinate Indenture, as amended and supplemented from time to time, and the Ninth 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 2021[A/B/C] Bonds are, as provided in the Master Subordinate Indenture and the Ninth 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 July 1, 2022 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 Ninth 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 Ninth Supplemental Subordinate Indenture, interest will be paid as provided in the Ninth 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 2021[A/B/C] Bonds being redeemed, plus interest accrued since the most recent interest payment date.

(a) ***Optional Redemption***. [The Series 2021[A/B] Bonds maturing on or before July 1, 20[•] are not subject to optional redemption prior to maturity. The Series 2021[A/B] Bonds maturing on or after July 1, 20[•] 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, 20[•] at a redemption price equal to [100]% of the principal amount of the Series 2021[A/B] Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.]

[Prior to July 1, 20[•], the Series 2021C 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 and, at a redemption price equal to the Series 2021C Make-Whole Redemption Price. The Authority shall provide or cause to be provided to the Trustee the Series 2021C Make-Whole Redemption Price.]

[On and after July 1, 20[•], the Series 2021C Bonds maturing on and after July 1, 20[•] 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, at a redemption price equal to 100% of the principal amount of the Series 2021C Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.]

(b) ***Mandatory Sinking Fund Redemption***. [The Series 2021[A/B] Bonds maturing July 1, 20[•] 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, 20[•] and each July 1 thereafter, to and including July 1, 20[•] in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Ninth Supplemental Subordinate Indenture.]

[The Series 2021[A/B] Bonds maturing July 1, 20[•] 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, 20[•] and each July 1 thereafter, to and including July 1, 20[•] in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Ninth Supplemental Subordinate Indenture.]

[The Series 2021C Bonds maturing on July 1, 20[•] 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 the Ninth Supplemental Subordinate Indenture), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 20[•] and each July 1 thereafter, to and including July 1, 20[•] in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Ninth 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 Ninth Supplemental Subordinate Indenture to each owner of a Series 2021[A/B/C] 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 2021[A/B/C] Bond in respect of which no failure occurs. Any notice sent as provided in the Ninth 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 2021[A/B/C] Bonds to be redeemed ceases to accrue as of the redemption date.

7. **Denominations; Transfer; Exchange.** The Series 2021[A/B/C] Bonds are available in denominations of $5,000 and integral multiples thereof. A Holder may transfer or exchange Series 2021[A/B/C] Bonds in accordance with the Master Subordinate Indenture and the Ninth 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 2021[A/B/C] Bond during the period established by the Registrar for

selection of Series 2021[A/B/C] Bonds for redemption of any Series 2021[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 2021[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 2021[A/B/C] Bonds, such Series 2021[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 Ninth Supplemental Subordinate Indenture and the Series 2021[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 Master Subordinate 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 Ninth Supplemental Subordinate Indenture. Holders may not enforce the Master Subordinate Indenture or this Bond except as provided in the Master Subordinate Indenture and the Ninth 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 2021[A/B/C] Bonds (determined in accordance with the terms of the Master Subordinate Indenture and the Ninth 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 Ninth 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. **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.

15. **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 2021A
(Governmental/Non-AMT)

Date	Principal	Interest	Total

Date	Principal	Interest	Total

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/AMT)

Date	Principal	Interest	Total

Date	Principal	Interest	Total

San Diego County Regional Airport Authority
Subordinate Airport Revenue Refunding Bonds
Series 2021C
(Federally Taxable)

Date	Principal	Interest	Total

Date	Principal	Interest	Total

EXHIBIT C-1

SERIES 2021A PROJECTS

EXHIBIT C-2

SERIES 2021B PROJECTS

EXHIBIT D-1

FORM OF SERIES 2021A CONSTRUCTION FUND REQUISITION

Requisition No. __________

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

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021A Construction Fund

The amount requisitioned: $ ______________________________

Payment to be made to: ___________________________________

Manner in which payment is to be made: _____________________

Description of Costs of Series 2021A 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 U.S. Bank National Association, as successor trustee, as trustee (the "Trustee"), as supplemented by the Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021 (the "Ninth 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 2021A Construction Fund held under the Ninth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2021A Project and does not represent Costs of Issuance associated with the issuance of the Series 2021A 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 [December •], 2021 and relating to the Series 2021A Bonds. Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Ninth Supplemental Subordinate Indenture.

Dated: __________________.

By ____________________________________
Authorized Authority Representative

EXHIBIT D-2

FORM OF SERIES 2021B CONSTRUCTION FUND REQUISITION

Requisition No. __________

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

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B Construction Fund

The amount requisitioned: $ ______________________________

Payment to be made to: ___________________________________

Manner in which payment is to be made: ____________________

Description of Costs of Series 2021B 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 U.S. Bank National Association, as successor trustee, as trustee (the "Trustee"), as supplemented by the Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021 (the "Ninth 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 2021B Construction Fund held under the Ninth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2021B Project and does not represent Costs of Issuance associated with the issuance of the Series 2021B 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 [December •], 2021 and relating to the Series 2021B Bonds. Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Ninth Supplemental Subordinate Indenture.

Dated: __________________.

By ____________________________________
Authorized Authority Representative

EXHIBIT D-3

FORM OF SERIES 2021 COSTS OF ISSUANCE FUND REQUISITION

Requisition No. ___

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

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021 Costs of Issuance Fund

The amount requisitioned: $________________

Payment to be made to: ____________________

Manner in which payment is to be made: __________________

Description of Costs of Issuance: __________________

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the San Diego County Regional Airport Authority (the "Authority") and U.S. Bank National Association, as successor trustee (the "Trustee"), as supplemented by the Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021 (the "Ninth 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 **[check one]**

[_____] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021A Costs of Issuance Account

[_____] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B Costs of Issuance Account

[_____] San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds Series 2021C Costs of Issuance Account

of the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021 Costs of Issuance Fund held under the Ninth 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 2021[A/B] 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 [December •], 2021 and relating to the Series 2021[A/B] Bonds.] Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Ninth Supplemental Subordinate Indenture.

Dated: ___________________.

By ____
Authorized Authority Representative

EXHIBIT E

REFUNDED SENIOR SERIES 2013 BONDS

Refunded Senior Series 2013A Bonds

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013A

Maturity Date (July 1)	Principal to be Paid/Redeemed	Redemption Price	Payment/ Redemption Date	CUSIP Number
2022	$ 2,420,000	N/A	July 1, 2022	79739GDL7
2023	2,540,000	N/A	July 1, 2023	79739GDM5
2024	2,670,000	100%	July 1, 2023	79739GDN3
2025	2,805,000	100	July 1, 2023	79739GDP8
2026	2,945,000	100	July 1, 2023	79739GDQ6
2027	3,090,000	100	July 1, 2023	79739GDR4
2028	3,210,000	100	July 1, 2023	79739GDS2
2029	3,340,000	100	July 1, 2023	79739GDT0
2030	3,475,000	100	July 1, 2023	79739GDU7
2043	15,000,000	100	July 1, 2023	79739GDV5
2043	51,455,000	100	July 1, 2023	79739GDW3

Refunded Senior Series 2013B Bonds

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013B

Maturity Date (July 1)	Principal to be Paid/Redeemed	Redemption Price	Payment/ Redemption Date	CUSIP Number
2022	$ 6,305,000	N/A	July 1, 2022	79739GEE2
2023	6,630,000	N/A	July 1, 2023	79739GEF9
2024	6,955,000	100%	July 1, 2023	79739GEG7
2025	7,300,000	100	July 1, 2023	79739GEH5
2026	7,670,000	100	July 1, 2023	79739GEJ1
2027	8,055,000	100	July 1, 2023	79739GEK8
2028	8,455,000	100	July 1, 2023	79739GEL6
2029	8,870,000	100	July 1, 2023	79739GEM4
2030	9,325,000	100	July 1, 2023	79739GEN2
2031	4,070,000	100	July 1, 2023	79739GEP7
2032	4,585,000	100	July 1, 2023	79739GEQ5
2033	5,075,000	100	July 1, 2023	79739GER3
2038	36,645,000	100	July 1, 2023	79739GES1
2043	139,620,000	100	July 1, 2023	79739GET9

EXHIBIT F

ISSUE PRICES OF SERIES 2021C BONDS

San Diego County Regional Airport Authority
Subordinate Airport Revenue Refunding Bonds
Series 2021C
(Federally Taxable)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER [•], 2021

NEW ISSUE **Ratings: See "RATINGS" herein.**
BOOK-ENTRY ONLY

In the opinion of Kutak Rock LLP, Bond Counsel to the Airport Authority, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Subordinate Series 2021A/B Bonds is excluded from gross income for federal income tax purposes, except for interest on any Subordinate Series 2021B Bond for any period during which such Subordinate Series 2021B Bond is held by a "substantial user" of the facilities financed by the Subordinate Series 2021B Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that (a) interest on the Subordinate Series 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and (b) interest on the Subordinate Series 2021B Bonds constitutes an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Subordinate Series 2021C Bonds is included in gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Subordinate Series 2021 Bonds is exempt from present State of California personal income taxes. See "TAX MATTERS" herein.

[Logo] [Logo]

$[PAR]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

$[PARA]	**$[PARB]**	**$[PARC]**
Subordinate Airport Revenue Bonds Series 2021A (Governmental/Non-AMT)	**Subordinate Airport Revenue Bonds Series 2021B (Private Activity/AMT)**	**Subordinate Airport Revenue Refunding Bonds Series 2021C (Federally Taxable)**

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

The San Diego County Regional Airport Authority (the "Airport Authority") is issuing its (i) Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "Subordinate Series 2021A Bonds"), (ii) Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "Subordinate Series 2021B Bonds"), and (iii) Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "Subordinate Series 2021C Bonds," and collectively with the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, the "Subordinate Series 2021 Bonds"), to (a) pay and/or reimburse the Airport Authority for certain capital improvements at San Diego International Airport associated with the New T1 program, (b) refund and defease the Refunded Senior Series 2013 Bonds to realize debt service savings, (c) fund a portion of the interest accruing on the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, (d) make a deposit to the Subordinate Reserve Fund, and (e) pay the costs of issuance of the Subordinate Series 2021 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Subordinate Series 2021 Bonds are special obligations of the Airport Authority, payable solely from and secured by a pledge of (a) Subordinate Net Revenues, which include certain income and revenue received by the Airport Authority from the operation of the Airport System, less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System and less all amounts necessary to pay debt service on and fund the reserves for the Senior Bonds; and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. The Subordinate Series 2021 Bonds will be issued with a pledge of and lien on Subordinate Net Revenues on parity with the Airport Authority's Existing Subordinate Bonds, which, as of November 1, 2021, were outstanding in the aggregate principal amount of $957,935,000, and the Airport Authority's Subordinate Revolving Obligations, which are authorized to be outstanding in the aggregate principal amount of $200,000,000 at any one time, and which were outstanding in the aggregate principal amount of $80,100,000 as of November 1, 2021.

NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SUBORDINATE SERIES 2021 BONDS, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE AIRPORT AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SUBORDINATE SERIES 2021 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS."

The Subordinate Series 2021 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Subordinate Series 2021 Bonds may be made in book-entry-form only in denominations of $5,000 and integral multiples thereof. Interest on the Subordinate Series 2021 Bonds will be payable on January 1 and July 1, commencing on July 1, 2022. So long as the Subordinate Series 2021 Bonds are held by DTC, the principal of and interest on the Subordinate Series 2021 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Subordinate Series 2021 Bonds, as more fully described herein. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES." For information on minimum unit sales for purchasers outside the United States, see "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES."

Maturity Schedules on Inside Front Cover

The Subordinate Series 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SUBORDINATE SERIES 2021 BONDS—Redemption Provisions."

The purchase and ownership of Subordinate Series 2021 Bonds involve investment risk and may not be suitable for all investors. This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Subordinate Series 2021 Bonds. Investors are advised to read the entire Official Statement, including any portion hereof included by reference, to obtain information essential to the making of an informed decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS." Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Subordinate Series 2021 Bonds are offered when, as and if issued by the Airport Authority, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to the Airport Authority, and to certain other conditions. Certain matters will be passed upon for the Airport Authority by its General Counsel and by Kutak Rock LLP, Disclosure Counsel to the Airport Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. Frasca & Associates, LLC, has served as Municipal Advisor to the Airport Authority. It is expected that the delivery of the Subordinate Series 2021 Bonds will be made through the facilities of DTC on or about December [•], 2021.

BofA Securities | **Siebert Williams Shank & Co., LLC**

Academy Securities, Inc. | **Jefferies** | **Morgan Stanley**
Ramirez & Co., Inc. | **Stern Brothers & Co.**

Date of Official Statement:

MATURITY SCHEDULES*

$[PARA]*
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021A
(Governmental/Non-AMT)

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Numbers†

$__________ ____% Term Bonds due July 1, 20___; Yield ____%; Price _____; CUSIP No.†:

$__________ ____% Term Bonds due July 1, 20___; Yield ____%; Price _____; CUSIP No.†:

* Preliminary; subject to change.
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$[PARB]*
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/AMT)

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Numbers†

$__________ ____% Term Bonds due July 1, 20___; Yield ____%; Price _____; CUSIP No.†:

$__________ ____% Term Bonds due July 1, 20___; Yield ____%; Price _____; CUSIP No.†:

* Preliminary; subject to change.

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$[PARC][*]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Refunding Bonds
Series 2021C
(Federally Taxable)

Maturity Date (July 1)[*]	Principal Amount[*]	Interest Rate	Price	CUSIP Numbers[†]

$__________ ____% Term Bonds due July 1, 20___; Yield ____%; Price _____; CUSIP No.[†]:

[*] Preliminary; subject to change.
[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Airport Authority, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

BOARD OF DIRECTORS

Guillermo Cabrera (Chair)*
Paul Robinson (Vice Chair)*
Robert T. Lloyd*
Catherine S. Blakespear
Mary Casillas Salas
Paul McNamara
Johanna Schiavoni
Nora E. Vargas
Marni von Wilpert
Colonel Thomas M. Bedell, *Ex-Officio* Member
Gustavo Dallarda, *Ex-Officio* Member
Gayle Miller, *Ex-Officio* Member

*Member of the Executive Committee.

EXECUTIVE MANAGEMENT

Kimberly J. Becker, President and CEO
Scott M. Brickner. Vice President, Chief Financial Officer
Angela Shafer-Payne, Vice President, Chief Operations Officer
Dennis Probst, Vice President, Chief Development Officer
Hampton Brown, Vice President, Chief Revenue Officer
Lee Parravano, Chief Auditor
Amy Gonzalez, General Counsel

SENIOR TRUSTEE/ ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A

SUBORDINATE TRUSTEE

U.S. Bank National Association

BOND COUNSEL AND DISCLOSURE COUNSEL

Kutak Rock LLP

MUNICIPAL ADVISOR

Frasca & Associates, LLC

INDEPENDENT AUDITOR

BKD, LLP

FEASIBILITY CONSULTANT

Unison Consulting, Inc.

VERIFICATION AGENT

Robert Thomas CPA, LLC

No dealer, broker, salesperson or other person has been authorized by the Airport Authority to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Airport Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Subordinate Series 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Subordinate Series 2021 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See "INTRODUCTION—Forward-Looking Statements" herein.

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

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Airport Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Subordinate Series 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE SUBORDINATE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE SUBORDINATE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. THE SUBORDINATE SERIES 2021 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY COMMISSION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

THE UNDERWRITERS MAY OFFER AND SELL THE SUBORDINATE SERIES 2021 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE "ISSUER" MEAN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AND REFERENCES TO "SUBORDINATE SERIES 2021C BONDS" OR "SECURITIES" MEAN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUBORDINATE AIRPORT REVENUE REFUNDING BONDS, SERIES 2021C (FEDERALLY TAXABLE).

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE ISSUER MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE SUBORDINATE SERIES 2021C BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE ISSUER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT THE OFFERING OR SALE OF THE SUBORDINATE SERIES 2021C BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE SUBORDINATE SERIES 2021C BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE SUBORDINATE SERIES 2021C BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE SUBORDINATE SERIES 2021C BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE SUBORDINATE SERIES 2021C BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 SUBORDINATE SERIES 2021C BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE SUBORDINATE SERIES 2021C BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE SUBORDINATE SERIES 2021C BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE

PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS ("NI 33-105"), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA") OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE ISSUER NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN "QUALIFIED INVESTORS" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE ISSUER OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

EACH SUBSCRIBER FOR OR PURCHASER OF THE SUBORDINATE SERIES 2021C BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

PROHIBITION OF SALES TO EEA OR THE UNITED KINGDOM RETAIL INVESTORS – THE SUBORDINATE SERIES 2021C BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SUBORDINATE SERIES 2021C BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE SUBORDINATE SERIES 2021C BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE "FINSA"), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE SUBORDINATE SERIES 2021C BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER

THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SUBORDINATE SERIES 2021C BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SUBORDINATE SERIES 2021C BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE SUBORDINATE SERIES 2021C BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ("SFO"). THE SUBORDINATE SERIES 2021C BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SUBORDINATE SERIES 2021C BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SUBORDINATE SERIES 2021C BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE SUBORDINATE SERIES 2021C BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE "FIEA"). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE SUBORDINATE SERIES 2021C BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO.14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE SUBORDINATE SERIES 2021C BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FSCMA"). THE SUBORDINATE SERIES 2021C BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FETL")) WITHIN ONE YEAR OF THE ISSUANCE OF THE SUBORDINATE SERIES 2021C BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE SUBORDINATE SERIES 2021C BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA ("TAIWAN") AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE SUBORDINATE SERIES 2021C BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

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INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices, is to provide certain information concerning the sale and delivery by the San Diego County Regional Airport Authority (the "Airport Authority") of its (a) $[PARA]* San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "Subordinate Series 2021A Bonds"), (b) $[PARB]* San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "Subordinate Series 2021B Bonds"), and (c) $[PARC]* San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "Subordinate Series 2021C Bonds," and collectively with the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, the "Subordinate Series 2021 Bonds"). Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX C-1—CERTAIN DEFINITIONS."

The Airport Authority

The Airport Authority is a local government entity of regional government, with jurisdiction extending throughout the County of San Diego (the "County"). The Airport Authority was organized and exists pursuant to the provisions of the Constitution of the State of California and Section 170000 et seq. of the California Public Utilities Code (the "Act"). The Airport Authority was formed for the purposes of: (a) operating the Airport System (the main asset of which is San Diego International Airport ("SDIA," "SAN" or the "Airport")); (b) planning and operating any future airport that could be developed as a supplement or replacement to SDIA; (c) developing comprehensive land use plans as they may relate to the Airport System for the entire County; and (d) serving as the region's airport land use commission.

San Diego International Airport and Airport System

SDIA was owned and operated by the San Diego Unified Port District (the "Port District") until January 2003 at which time SDIA was transferred by long-term lease to the Airport Authority (the "Transfer"). The Transfer included all obligations associated with SDIA, including bonds and commercial paper notes issued for the improvement of SDIA. SDIA is the busiest single-runway commercial airport in the United States based on passenger levels and is classified as a large air traffic hub by the Federal Aviation Administration (the "FAA"). According to Airports Council International ("ACI") statistics, for each of the calendar years ended December 31, 2019 and December 31, 2020, SDIA was ranked as the 24th busiest

* Preliminary; subject to change.

airport in the country as measured by total number of enplaned and deplaned passengers. For the fiscal year ended June 30, 2019 ("Fiscal Year 2019"), approximately 12.4 million passengers were enplaned at SDIA; for the fiscal year ended June 30, 2020 ("Fiscal Year 2020"), approximately 9.2 million passengers were enplaned at SDIA; and for the fiscal year ended June 30, 2021 ("Fiscal Year 2021"), approximately 4.9 million passengers were enplaned at SDIA. The significant decreases of enplaned passengers at SDIA in Fiscal Years 2020 and 2021 were a direct result of the COVID-19 pandemic. See "—Impact of COVID-19 on SDIA" and "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT." However, for the first three months of Fiscal Year 2022 (July 2021 through September 2021), enplanements at SDIA increased by [•] ([•]%) compared to the first three months of Fiscal Year 2021 (July 2020 through September 2020). See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT." For the calendar year ended December 31, 2020, approximately 96% of the passengers using SDIA were origination and destination ("O&D") passengers (passengers beginning or ending their trips at SDIA, as opposed to passengers connecting through SDIA to other cities). Over the last five Fiscal Years, on average, approximately 96% of all enplanements at SDIA have been domestic enplanements. See "THE AIRPORT AUTHORITY" and "SAN DIEGO INTERNATIONAL AIRPORT" herein.

In addition to operating SDIA, the Airport Authority is responsible for operating the entire "Airport System," which includes all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Airport Authority, including SDIA, and any successor entities thereto, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Airport Authority or in which the Airport Authority has other rights or from which the Airport Authority derives revenues at such location; and including or excluding, as the case may be, such property as the Airport Authority may either acquire or which shall be placed under its control, or divest or have removed from its control. Currently, SDIA is the only airport in the Airport System.

Impact of COVID-19 on SDIA

The worldwide outbreak of novel coronavirus SARS-CoV-2 (together with all variants thereof "COVID-19") has caused significant disruption to domestic and international air travel, including passenger operations, and has had significant negative and adverse effects on the economies of the nation and the world. The information in this Official Statement that describes revenues, financial affairs, operations and general economic conditions of the Airport Authority and SDIA for Fiscal Years 2020 and 2021 should be considered in light of the negative and adverse impacts from COVID-19 subsequent to the dates of such data. The effects of COVID-19 and actions taken at the state and national levels to halt its spread have had, and may continue to have, a significant adverse effect on the revenues, financial condition and operations of the Airport Authority. COVID-19 developments, and associated governmental and regulatory responses, are rapidly changing and cannot be predicted with any assurance. For a more detailed discussion of the current and projected impacts of COVID-19 on the Airport Authority's revenues, financial condition and operations, see "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Capital Program and New T1

Capital Program. The Airport Authority maintains a capital program (the "Capital Program"), which is a rolling five-year program that provides for critical improvements and asset preservation for the Airport Authority. The Capital Program contains two main components: (1) the New T1 program that consists of the replacement of the current Terminal 1 with a larger, more efficient facility, certain airfield enhancements and roadway and parking improvements, and a new administration building for the Airport Authority (see "New T1" below), and (2) the Capital Improvement Program (the "CIP") that addresses airfield safety and capacity, environmental protection, terminal enhancements, landside infrastructure and access improvements. The Capital Program includes the New T1 that is expected to be designed and constructed between Fiscal Year 2021 and Fiscal Year 2029 and all approved open projects anticipated to be completed between Fiscal Years 2021 through 2026 for the CIP. The Capital Program has an estimated cost of $4.024 billion (as of June 30, 2021, $300 million of this cost had been incurred), of which approximately $3.464 billion is the estimated cost of the New T1. The Capital Program (including the New T1) will be financed with a combination of proceeds of the Subordinate Series 2021A Bonds, the Subordinate Series 2021B Bonds, previously-issued Subordinate Series 2019 Bonds (as defined herein), Additional Senior Bonds and/or Additional Subordinate Obligations, federal grants, Passenger Facility Charges ("PFCs"), and certain other available moneys of the Airport Authority. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS," "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

New T1. In 2012, the Airport Authority embarked on a new master-planning effort for SDIA known as the "New T1" (previously known as the "Airport Development Plan"), to identify the facilities anticipated to be needed to meet the Airport's passenger demand through 2035. Between Fiscal Years 2015 and 2019, SDIA had record-breaking growth with approximately 24.7 million passengers being served in Fiscal Year 2019; the highest number of passengers ever served by SDIA. Activity levels at the Airport are estimated to surpass 39 million passengers and 280,000 aircraft operations in 2035, based on the aviation planning forecast completed by the Airport Authority in April 2019 and approved by the FAA in June 2019. The cornerstone of the New T1 is the replacement of Terminal 1, which is over 50 years old, with a more modern, comfortable, and efficient terminal facility. The new terminal will have 30 gates (11 more gates than the existing Terminal 1) and be able to accommodate both narrow-body and wide-body aircraft. The new Terminal 1 will be served by a dual-level curbside, a new close-in parking structure (approximately 5,200 parking spaces), and new entry and circulation roadways. Other components that are part of the New T1 include a new Airport Authority administration building and multiple airfield improvements, such as a new apron area for the new terminal, a new Taxiway A, relocation of Taxiway B and reconfigured remain-overnight aircraft parking positions.

The total cost of the New T1 is currently estimated by the Airport Authority to be approximately $3.464 billion. The Airport Authority expects to finance the costs of the New T1 from various sources including, but not limited to, the proceeds of the Subordinate Series 2021A Bonds, the Subordinate Series 2021B Bonds, the Subordinate Series 2019 Bonds, Additional Senior Bonds and/or Additional Subordinate Obligations, federal grants, PFCs and Airport Authority funds. The New T1 is being procured through the use of "design-build" and "design-bid-build" delivery methods. The terminal and roadway components of the New T1 will be designed and built by Turner-Flatiron, A Joint Venture; the airside improvement components of the New T1 were designed by Jacobs and will be built by Griffith Company; and the administration building component of the New T1 will be designed and built by Sundt Construction, Inc. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS," "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Plan of Finance

The Subordinate Series 2021 Bonds are being issued to (a) pay and/or reimburse the Airport Authority for certain capital improvements at SDIA associated with the New T1, (b) refund and defease the Refunded Senior Series 2013 Bonds (as defined herein) to realize debt service savings, (c) fund a portion of the interest accruing on the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, (d) make a deposit to the Subordinate Reserve Fund (as defined herein), and (e) pay the costs of issuance of the Subordinate Series 2021 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS" and "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT."

Subordinate Series 2021 Bonds and Pledge of Subordinate Net Revenues

The Subordinate Series 2021 Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Airport Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"), and the Ninth Supplemental Subordinate Trust Indenture, to be dated as of December 1, 2021 (the "Ninth Supplemental Subordinate Indenture," and collectively with the Master Subordinate Indenture, and all supplements thereto, the "Subordinate Indenture"), by and between the Airport Authority and the Subordinate Trustee; the Act; and certain other provisions of California State law (including Section 53580 *et seq*. of the California Government Code). The board of directors of the Airport Authority (the "Board") authorized the issuance of the Subordinate Series 2021 Bonds pursuant to a resolution adopted by the Board on November [4], 2021 (the "Resolution"). See "DESCRIPTION OF THE SUBORDINATE SERIES 2021 BONDS."

The Subordinate Series 2021 Bonds are secured by a pledge of and first lien on Subordinate Net Revenues (as defined herein) on a parity with the Existing Subordinate Obligations (as defined herein), and any additional bonds or obligations issued or incurred on a parity with the Subordinate Series 2021 Bonds under the terms and provisions of the Master Subordinate Indenture (the "Additional Subordinate Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Flow of Funds," "—Pledge of Subordinate Net Revenues" and "—Use of PFCs to Pay Debt Service" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE."

The Subordinate Series 2021 Bonds are special obligations of the Airport Authority, payable solely from and secured by a pledge of (a) "Subordinate Net Revenues," which include Revenues (as defined herein), less all amounts which are required to be used to pay the Operation and Maintenance Expenses of the Airport System (as defined herein), less the debt service on the Senior Bonds (as defined herein), if any are outstanding, and less the reserve and replenishment requirements on and relating to the Senior Bonds, if any, and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2021 Bonds, and neither the full faith and credit nor the taxing power of the Airport Authority, the City of San Diego (the "City"), the County, the State of California (the "State") or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2021 Bonds.

Outstanding Subordinate Obligations

Pursuant to the Subordinate Indenture, the Airport Authority previously issued, and as of November 1, 2021, there was $957,935,000 aggregate principal amount outstanding of its Subordinate Airport Revenue Bonds, Series 2017A (Non-AMT) (the "Subordinate Series 2017A Bonds"), Subordinate Airport Revenue Bonds, Series 2017B (AMT) (the "Subordinate Series 2017B Bonds," and together with the Subordinate Series 2017A Bonds, the "Subordinate Series 2017 Bonds"), Subordinate Airport Revenue and Revenue Refunding Bonds, Series 2019A (Governmental/Non-AMT) (the "Subordinate Series 2019A Bonds"), Subordinate Airport Revenue Bonds, Series 2019B (Private Activity/AMT) (the "Subordinate Series 2019B Bonds," and together with the Subordinate Series 2019A Bonds, the "Subordinate Series 2019 Bonds"), Subordinate Airport Revenue Refunding Bonds, Series 2020A (Governmental/Non-AMT) (the "Subordinate Series 2020A Bonds"), Subordinate Airport Revenue Refunding Bonds, Series 2020B (Private Activity/Non-AMT) (the "Subordinate Series 2020B Bonds"), and Subordinate Airport Revenue Refunding Bonds, Series 2020C (Private Activity/AMT) (the "Subordinate Series 2020C Bonds," and collectively with the Subordinate Series 2020A Bonds and the Subordinate Series 2020B Bonds, the "Subordinate Series 2020 Bonds"). The Subordinate Series 2017 Bonds, the Subordinate Series 2019

Bonds and the Subordinate Series 2020 Bonds are collectively referred to in this Official Statement as the "Existing Subordinate Bonds."

Pursuant to the Master Subordinate Indenture, the Eighth Supplemental Subordinate Trust Indenture, dated as of July 1, 2021 (the "Eighth Supplemental Subordinate Indenture"), by and between the Airport Authority and the Subordinate Trustee, and the Revolving Credit Agreement, dated as of July 19, 2021 (the "Subordinate Credit Agreement"), by and between the Airport Authority and Bank of America, N.A. (the "Subordinate Revolving Obligations Bank"), the Airport Authority is authorized to issue and have outstanding, from time to time, up to $200,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations (collectively, the "Subordinate Revolving Obligations"). As of November 1, 2021, the Airport Authority had $80,100,000 aggregate principal amount of Subordinate Revolving Obligations outstanding.

The Existing Subordinate Bonds and the Subordinate Revolving Obligations are collectively referred to in this Official Statement as the "Existing Subordinate Obligations"; and the Subordinate Series 2021 Bonds, the Existing Subordinate Obligations and any Additional Subordinate Obligations are collectively referred to in this Official Statement as "Subordinate Obligations." The Subordinate Obligations are secured by a pledge of Subordinate Net Revenues and certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Flow of Funds," and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations."

Senior Bonds

Pursuant to the Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Senior Indenture"), by and between the Airport Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), and the Third Supplemental Trust Indenture, dated as of January 1, 2013 (the "Third Supplemental Senior Indenture," and collectively with the Master Senior Indenture and all supplements thereto, the "Senior Indenture"), by and between the Airport Authority and the Senior Trustee, the Airport Authority has previously issued and, as of November 1, 2021, there was outstanding $352,510,000 aggregate principal amount of its Senior Airport Revenue Bonds, Series 2013A (the "Senior Series 2013A Bonds"), and Senior Airport Revenue Bonds, Series 2013B (the "Senior Series 2013B Bonds," and together with the Senior Series 2013A Bonds, the "Senior Series 2013 Bonds"). Subject to market conditions, a portion of the proceeds of the Subordinate Series 2021C Bonds, along with certain other available moneys, will be used to refund and defease all or a portion of the Senior Series 2013 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding of the Refunded Senior Series 2013 Bonds."

The Senior Series 2013 Bonds are secured by a pledge of and first lien on Net Revenues senior to the Subordinate Obligations (including the Subordinate Series 2021 Bonds). "Net Revenues" include Revenues less Operation and Maintenance Expenses of the Airport System. For purposes of this Official Statement, "Senior Bonds" means the Senior Series 2013 Bonds and any additional bonds or obligations issued or incurred under the terms and provisions of the Master Senior Indenture that are secured on a parity basis by the Net Revenues (the "Additional Senior Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Senior Bonds."

If all of the Senior Series 2013 Bonds are refunded and defeased as described under "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds," there will be no Senior Bonds outstanding subsequent to the issuance of the Subordinate Series 2021 Bonds. Following the issuance of the Subordinate Series 2021 Bonds and the refunding and defeasance of the Senior Series 2013 Bonds, the Airport Authority will continue to have the authority to issue Additional Senior Bonds. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program" for a discussion of the Airport Authority's plans to issue Additional Senior Bonds and/or Additional Subordinate Obligations to fund additional costs of the New T1.

Financial Feasibility Report

Included as Appendix A to this Official Statement is a Financial Feasibility Report dated November [•], 2021 (the "Financial Feasibility Report"), prepared by Unison Consulting, Inc. (the "Feasibility Consultant"), in conjunction with the issuance of the Subordinate Series 2021 Bonds. The Financial Feasibility Report includes, among other things, a description of the underlying economic base of SDIA's air service area; a description of historical air traffic activity at SDIA; the Feasibility Consultant's projections for air traffic activity at SDIA through Fiscal Year 2027 and a description of the assumptions on which such projections were based; a description of existing and planned facilities at SDIA, including the New T1; and the Feasibility Consultant's projections of debt service (including the assumption that all of the Senior Series 2013 Bonds are refunded with proceeds of the Subordinate Series 2021C Bonds), debt service coverage, expenses and revenues through Fiscal Year 2027 and a description of the assumptions upon which such projections were based. Inevitably, some assumptions used to develop the projections in the Financial Feasibility Report will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. The projections contained in the Financial Feasibility Report are not necessarily indicative of future performance, and neither the Feasibility Consultant nor the Airport Authority assume any responsibility for the failure to meet such projections. The Financial Feasibility Report is an integral part of this Official Statement and should be read in its entirety. "FINANCIAL FEASIBILITY REPORT," and "CERTAIN INVESTMENT CONSIDERATIONS—Financial Feasibility Report" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Continuing Disclosure

The Airport Authority will covenant for the benefit of the owners and beneficial owners of the Subordinate Series 2021 Bonds to annually provide, or cause to be provided, certain financial information and operating data concerning the Airport Authority and the Airport System, and to provide, or cause to be provided, notices of certain enumerated events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (the "EMMA System") or any successor method designated by the MSRB, pursuant to the requirements of Rule 15c2-12 of the Securities Exchange Commission. See "CONTINUING DISCLOSURE," "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Investment Considerations

The purchase and ownership of the Subordinate Series 2021 Bonds involve investment risks. Prospective purchasers of the Subordinate Series 2021 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Subordinate Series 2021 Bonds, see "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT" and "CERTAIN INVESTMENT CONSIDERATIONS."

Forward-Looking Statements

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding the Airport Authority's expectations, hopes, intentions or strategies regarding the future. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “intend” or other similar words. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Airport Authority on the date hereof, and the Airport Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Airport Authority’s actual financial and operating results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Airport Authority. Any such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Additional Information

Brief descriptions of the Subordinate Series 2021 Bonds, the Senior Indenture, the Subordinate Indenture, the Airline Lease Agreements (as defined herein) and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, laws, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, law, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Airport Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Airport Authority and the purchasers or owners of any of the Subordinate Series 2021 Bonds. The Airport Authority maintains a website, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Subordinate Series 2021 Bonds. Additionally, any information on any websites referred to in this Official Statement is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Subordinate Series 2021 Bonds.

IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT

General

The worldwide outbreak of COVID-19 that began at the end of 2019 and continues as of the date of this Official Statement has caused significant disruptions to domestic and international air travel, including both passenger and cargo operations, as well as the conduct of day-to-day business in the United States and internationally. The COVID-19 pandemic and the related restrictions have had, and continue to have, an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and rental car companies serving the Airport. Passenger airlines have experienced a significant downturn in demand, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement. Retail, food and other service concessionaires located in terminal facilities at the Airport have reported significant declines in sales and, at the beginning of the pandemic, the majority of the locations were temporarily closed as the result of reduced passenger levels. In addition, the reduction in air travel has had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, the revenues of the Airport Authority.

In 2020, the World Health Organization characterized COVID-19 as a pandemic. In response to the COVID-19 pandemic, the U.S. government and governments of other countries closed borders to non-essential travel and issued other travel restrictions and warnings. The President of the United States issued the Coronavirus Guidelines for America, calling upon Americans to take actions to slow the spread of COVID-19 in the United States, including, among other things, avoiding discretionary travel. Various state and local governments and agencies and others imposed restrictions on travel, and restricted public gatherings and large group events, ordered residents to stay at home, promoted or required working from home, and ordered closure of schools, restaurants, bars, and other public venues.

Many of the restrictions that were put in place in 2020 have been subsequently terminated or modified.

On January 21, 2021, President Biden signed an executive order promoting COVID-19 safety in domestic and international travel. This order, which was recently renewed, instructs various federal officials, including the Secretary of Transportation and the Administrator of the FAA, to require that masks be worn in or on airports, commercial aircraft, trains, public maritime vessels, and intercity bus services in compliance with Centers for Disease Control and Prevention ("CDC"). The Transportation Security Administration ("TSA") is authorized to fine individuals who refuse to wear masks, which fines may range between $250 to $1,500. The order also requires that foreign nationals produce proof of a recent negative COVID-19 test prior to entry and comply with CDC guidelines, including self-quarantine, after entry into the United States. On May 13, 2021, the CDC advised that fully vaccinated people can resume activities without wearing a mask or physically distancing, except where required by federal, state, local, tribal, or territorial laws, rules, and regulations, including local business and workplace guidance.

The Food and Drug Administration ("FDA") authorized emergency use in the United States of three COVID-19 vaccines: the Pfizer Vaccine, made by Pfizer Inc. and BioNTech (the "Pfizer Vaccine"), the Moderna Vaccine made by ModernaTX, Inc. (the "Moderna Vaccine"), and the Janssen vaccine made by Janssen Biotech Inc., a Janssen Pharmaceutical Company of Johnson & Johnson (the "Johnson & Johnson Vaccine" and, together with the Pfizer Vaccine and Moderna Vaccine, the "COVID-19 Vaccines"). The FDA granted full authorization for the Pfizer Vaccine on August 23, 2021. Persons that have received two doses of either the Pfizer or Moderna Vaccine or one dose of the Johnson & Johnson Vaccine are considered by the CDC to be fully vaccinated. All persons age twelve and older are eligible in every U.S. state to receive a COVID-19 Vaccine. On September 22, 2021, the FDA approved single dose booster shots of the Pfizer Vaccine for certain at risk groups, including, individuals 65 and older, individuals 18 through 64 at high risk of severe COVID-19, and individuals 18 through 64 whose frequent institutional or occupational exposure to CODIV-19 puts them at high risk of serious complications of COVID-19. As of October [•], 2021, approximately [•]% of the State's population ([•] million residents) were fully vaccinated and approximately [•]% of San Diego County's vaccine eligible population were fully vaccinated.

As of June 15, 2021 the Governor of California (the "Governor") terminated certain pandemic related executive orders including the stay at home order and eliminated the requirements for physical distancing and capacity limits for most businesses. The Governor also eliminated the county tier system, which had placed restrictions on each county depending on the county's test positivity and adjusted case rate. The State does not require fully vaccinated individuals to wear masks except on public transit and in transportation hubs (including on airplanes and in airports, respectively); youth settings such as schools and childcare; healthcare settings; and congregant environments such as correctional facilities and homeless shelters. [Masks continue to be required for unvaccinated persons in all indoor public settings and recommended for everyone. Vaccine verification and/or negative testing is required for indoor "mega events" and recommended for outdoor mega events.] Subject to these restrictions, the State has fully reopened California's economy. Even without government mandate, many California businesses including certain bars, restaurants and gyms have adopted "vaccination proof for entry" policies.

San Diego County is following the State of California Department of Public Health guidance that recommends everyone wear a face covering in indoor public settings, for both vaccinated and unvaccinated people. San Diego County also still requires face coverings for individuals using public transit such as buses, trains, airplanes, ferries, taxis and ride services, and in the areas that serve those, such as airports, transit stations, etc.; indoors in K-12 schools, childcare and other youth settings; adult and senior care facilities; healthcare settings, including long-term care facilities; detention facilities; and homeless shelters, emergency shelters and cooling centers.

In response to the "delta" variant of COVID-19, in July 2021, the CDC added a recommendation for fully vaccinated people to wear a mask in public indoor settings in areas of the United States categorized as areas of substantial or high transmission by the CDC. The CDC also recommends universal indoor masking for all teachers, staff, students, and visitors to schools, regardless of vaccination status.

The widespread distribution of effective vaccines is expected to have a positive impact on demand for domestic and international air travel. The length of the pandemic itself will likely depend on the effectiveness of the COVID-19 Vaccine roll-outs in the United States and abroad (where certain other vaccines have also become available) and the vaccines' ability to protect against new variants of the virus, a number of which have already been identified. The Airport Authority cannot predict the ultimate impact of the COVID-19 Vaccines and other vaccines on domestic or international air travel. The longer the COVID-19 pandemic persists, the greater its ultimate effect on the Airport and airline industry is likely to be.

Enplanements

Beginning in March 2020, as a result of the impact of the COVID-19 pandemic, enplanements at the Airport decreased significantly. However, beginning in March 2021, enplanements at the Airport began to slowly recover, although enplanements are still not back to the levels from Fiscal Year 2019. The following table shows monthly enplanements at the Airport for calendar years 2019, 2020 and 2021.

TABLE 1
San Diego County Regional Airport Authority
Monthly Enplanements
Calendar Years 2019, 2020 and 2021

Month	Calendar Year 2019	Calendar Year 2020	2020 as a Percent of 2019	Calendar Year 2021	2021 as a Percent of 2019
January	895,859	953,280	106.4%	244,572	27.3%
February	847,912	899,877	106.1	248,128	29.3
March	1,056,861	486,659	46.0	436,193	41.3
April	1,052,524	36,839	3.5	529,012	50.3
May	1,070,628	95,386	8.9	651,279	60.8
June	1,147,974	210,238	18.3	804,398	70.1
July	1,210,061	305,716	25.3	903,768	74.7
August	1,174,905	333,490	28.4	859,559	73.2
September	1,034,475	311,244	30.1		
October	1,070,451	348,206	32.5		
November	1,003,157	341,782	34.1		
December	1,060,131	306,911	29.0		
Total	12,624,938	4,629,628	36.7%		

Source: San Diego County Regional Airport Authority

Financial Condition and Liquidity

General. The Airport Authority's revenues depend on aviation activity and passenger traffic at the Airport, and the financial health of the airlines, concessionaires and rental car companies serving the Airport and the airline and travel industries as a whole. Beginning in March 2020, the Airport Authority experienced a significant decrease in airline and non-airline revenues as a result of the COVID-19 pandemic. With the approval of the COVID-19 Vaccines in late 2020 and early 2021, airline and non-airline revenues began to slowly improve.

Airport Authority Responses. In response to the COVID-19 pandemic, beginning in March 2020, the Airport Authority took various actions in accordance with its Financial Resilience Plan (some of which have ended), including, among others:

(i) the Airport Authority instituted a hiring freeze on all Airport Authority positions and the CEO's approval was required for all new hires; as of September 2021, due to increased enplanements, the Airport Authority's recruitment of vacant positions included in the Airport Authority's Fiscal Year 2022 budget no longer require CEO approval and can be approved by the Vice Presidents of the Airport Authority;

(ii) Capital Program – the Airport Authority initially delayed or reduced in scope or phased in at a slower spend rate approximately $229 million of capital projects (except the New T1) and non-mission critical project spending. As of October 2021, the Airport Authority had (1) reinstated approximately $139 million of these projects into the Capital Program to address safety issues and regulations or to begin early planning and design efforts, (2) cancelled or reduced in scope $12 million of these projects, and (3) continued to keep on hold approximately $78 million of projects in the Capital Program; and

(iii) the Airport Authority delayed or reduced non-essential expenditures (i.e., travel, training, shuttle services, consulting services, certain major maintenance, equipment, supplies, marketing and landscaping). The Airport Authority continues to closely monitor expenses for additional savings and restrict expenses to essential work only.

In addition to the Financial Resilience Plan, with respect to the physical assets of the Airport, the Airport Authority has been taking the following steps: (i) the Airport Authority's 24-hour contract janitorial provider has placed additional emphasis on cleaning and disinfecting high touch point areas and electrostatic spraying of public and tenant spaces, including but not limited to elevators and escalators, recycling and waste stations, kiosks and touchscreens, charging stations, seating areas, and handrails; and (ii) rental car shuttles are regularly cleaned and sanitized twice daily by shuttle management staff and parking lot touchpoints and elevators are cleaned by parking management personnel.

Temporary Relief Programs Provided to Airlines, Concessionaires and Rental Car Companies. Since the beginning of the COVID-19 pandemic, the Airport Authority received numerous requests from the airlines, the concessionaires and the rental car companies operating at the Airport for rate relief and the Airport Authority provided the airlines, the concessionaires and the rental car companies operating at the Airport certain relief as described below.

The Airport Authority provided the following relief to the airlines beginning in May 2020:

- Three months of revenue deferrals and approximately $38 million of CARES Act (as defined below) funding used to offset Airline rates, fees, and charges (such deferrals and offsets were included in the final Fiscal Year 2020 airline rates and charges settlement in November 2020)

- Twenty-Eight months (ending on June 30, 2022) of deferrals of contributions to the Major Maintenance Fund, totaling $70 million (such deferrals will be repaid by the airlines over the remaining term of the Airline Lease Agreement (through June 30, 2029), beginning in Fiscal Year 2023). See "AGREEMENTS FOR THE USE OF THE AIRPORT FACILITIES—Agreements with Passenger Airlines and All-Cargo Carriers—Airline Lease Agreements" for additional information with respect to an amendment to the Airline Lease Agreement in connection with the funding of the Major Maintenance Fund.

The Airport Authority provided the following relief to the concessionaires and passenger services beginning in May 2020:

- Twenty-one months (ending on December 31, 2021) of waivers totaling approximately $28.9 million, which includes waivers for:

  - Minimum Annual Guarantees

  - Cost Recovery (Receiving and Distribution, Pest Control, Grease Traps, Hood Cleaning, Common Area Maintenance). The waivers range from 50% to 100%

  - Marketing Fees

The Airport Authority provided the following relief to the rental car companies beginning in May 2020 (which waivers have now ended):

- Fifteen months of waivers totaling approximately $19.7 million, which included waivers for:

  - Minimum Annual Guarantees

  - Small Market Operator Tenant Improvements

The Airport Authority provided the following relief to the inflight services beginning in October 2020:

- Eighteen months (ending on March 31, 2022) of waivers of the Minimum Annual Guarantees totaling approximately $0.7 million

In December 2020, the Airport Authority provided the following relief to certain international air carriers:

- Waiver of 10% joint use fees and exclusive use rent due to certain Presidential Proclamations that prohibited, and continue to prohibit, the entry of foreign nationals into the United States because of the COVID-19 pandemic. As of August 2021, the Airport Authority had waived approximately $500,000 in joint use fees and exclusive use rent for qualifying air carriers operating international flights to or from areas affected by the prohibited entry of foreign nationals. The waiver will continue through the duration of the respective Presidential Proclamations.

Federal Aid Related to COVID-19. The United States government took legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic.

The first legislative action taken by the United States government was the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), approved by the United States Congress and signed by the President on March 27, 2020. The CARES Act includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Airport Authority was awarded $91,221,894 in CARES Act grants (the "CARES Act Funds"), not including additional amounts (estimated to be at least $3 million) representing the increase in the federal share for federal fiscal year 2020 AIP grants. The Airport Authority drew approximately $36.9 million of the CARES Act Funds in Fiscal Year 2020 and drew the remaining $54.3 million of the CARES Act Funds in Fiscal Year 2021. In Fiscal Year 2020, the Airport Authority used approximately $20.8 million of the CARES Act Funds to make debt service payments and approximately $16.1 million of the CARES Act Funds to fund Operation and Maintenance Expenses. In Fiscal Year 2021, the Airport Authority used approximately $26.0 million of the CARES Act Funds to make debt service payments and approximately $28.3 million of the CARES Act Funds to fund Operation and Maintenance Expenses.

The Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSAA"), which became law on December 27, 2020, provides additional direct aid for airports. This includes a total of $1.75 billion in federal funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at airports (including capital improvements related to combating the spread of pathogens), and debt service payments, and a total of $200 million for airports to provide relief from rent and minimum annual guarantees to on-airport car rental, on-airport parking, and in-terminal airport concessions located at "primary" airports, such as SDIA. The funding for concessions relief is to be distributed based on the eligible concession's proportionate share of total rent for all eligible concessions, with prioritization given to minority-owned businesses. In February 2021, the FAA announced that SDIA was eligible to receive up to $22,892,379 of Airport Coronavirus Response Grant

Program funds pursuant to CRRSAA (the "CRRSAA Funds"). In September 2021, the FAA announced that SDIA would receive an additional $18,254 of CRRSAA Funds, bringing the Authority Authority's total CRRSAA Funds to $22,910,633. The CRRSAA Funds may be drawn from the FAA on a reimbursement basis for eligible expenditures as described above. The CRRSAA Funds may also be used to reimburse airports for rent and minimum annual guarantee relief programs for concessions as described above, and the Airport Authority may retain up to two percent of the allocation amount for relief program administration costs. Of the total $22.9 million in CRRSAA Funds which SDIA is eligible, $20.2 million must be used for operational relief and $2.7 million for concessions relief. [As of the date of this Official Statement, the Airport Authority has drawn and received $20.2 million of its eligible CRRSAA Funds from the FAA. The Airport Authority has applied for the remaining $2.7 million of CRRSAA Funds from the FAA, but is currently awaiting receipt of such funds.] In Fiscal Year 2021, the Airport Authority used approximately $20.2 million of the CRRSAA Funds to pay Operation and Maintenance Expenses. The Airport Authority has complied with all requirements of the Airport Coronavirus Response Grant Program, including continued employment of at least 90.0% of the Airport Authority's workforce from March 27, 2020 to February 15, 2021.

The American Rescue Plan Act ("ARPA"), which became law on March 11, 2021, provides additional direct aid for airports. In June 2021, the FAA announced $8 billion in Airport Rescue Grants under ARPA to keep U.S. airport workers employed and construction projects going and to help U.S. airports recover from the impacts of the COVID-19 pandemic. The FAA announced that SDIA is eligible to receive $89,626,429 in American Rescue Grants pursuant to ARPA (the "ARPA Funds," and collective with the CARES Act Funds and the CRRSAA Funds, the "COVID-19 Federal Relief Funds"). Closely paralleling the structure and requirements of the Airport Coronavirus Response Grant Program, the ARPA Funds may be drawn from the FAA on a reimbursement basis for eligible expenditures, such as costs for operations, personnel, cleaning, sanitization, combating the spread of pathogens at airports (including capital improvements related to combating the spread of pathogens) and debt service payments. The ARPA Funds also allow for the reimbursement to airports of rent relief programs targeted to in-terminal airport concessions. Unlike CRRSAA, on-airport car rental and parking concessionaires are not eligible for rent relief under ARPA; provided that, per the FAA, an on-airport car rental concessionaire may be eligible for rent relief under ARPA if it has a service desk located within the terminal. Furthermore, ARPA does not provide for the reimbursement of administrative expenses for providing relief to airport concessionaires, though such expenses are eligible for reimbursement under CRRSAA. Of the total $89.6 million in ARPA Funds for which SDIA is eligible, $78.8 million must be used for operational relief and $10.8 million for concessions relief. As of the date of this Official Statement, the Airport Authority has drawn $[•] of its eligible ARPA Funds from the FAA. [The Airport Authority has complied with all requirements of the ARPA grant program to date, and it plans to retain at least 90.0% of the Airport Authority's workforce from March 27, 2020 to September 30, 2021.]

The following table sets forth the total amount of COVID-19 Federal Relief Funds the Airport Authority has been awarded and the actual and expected application by the Airport Authority of such funds.

TABLE 2
San Diego County Regional Airport Authority
Federal Aid Related to the COVID-19 Pandemic

	CARES Act Funds	CRRSAA Funds	ARPA Funds	Total
Total Award	$91,221,894	$22,910,633	$89,626,429	$203,758,957
Uses				
Fiscal Year 2020				
O&M Expenses	$16,080,061	$ –	$ –	$16,080,061
Debt Service	20,815,428	–	–	20,815,428
Total	$36,895,489	$ –	$ –	$36,895,489
Fiscal Year 2021				
O&M Expenses	[$28,326,406]	[$20,201,613]	$ –	$48,528,019
Debt Service	26,000,000	–	–	26,000,000
Concessions	–	2,709,020 [1]	–	2,709,000 [1]
Total	[$54,326,406]	[$22,910,633]	$ –	$77,237,039
Fiscal Year 2022				
O&M Expenses	$–	$–	$60,390,418	$60,390,418
Debt Service	–	–	18,400,000	18,400,000
Concessions	–	–	10,836,011 [2]	10,836,011 [2]
Total	$–	$–	$89,626,429	$89,626,429

[1] The Airport Authority has applied for the remaining $2.7 million of CRRSAA Funds from the FAA, but is currently awaiting receipt of such funds.
[2] The FAA allocated $10,836,011 of ARPA Funds related to concessions to the Airport Authority, but as of the date of this Official Statement, such amount has not been officially awarded to the Airport Authority.
Source: San Diego County Regional Airport Authority

The Airport Authority continues to evaluate and seek other available sources of State and federal aid as they become available.

Estimated Financial Results for Fiscal Year 2021; Liquidity and Available Funds for Operations and Debt Service.

Estimated Financial Results for Fiscal Year 2021. Although each of the actions listed under the captions "*Airport Authority Responses*" and "*Temporary Relief Programs Provided to Airlines, Concessionaires and Rental Car Companies*" above were appropriate under the circumstances, some of them will have a significant impact on the Airport Authority's financial performance in Fiscal Year 2021. Total operating revenues for Fiscal Year 2021 are estimated to be approximately $215.9 million, which is approximately $30.2 million below the Airport Authority's Fiscal Year 2021 budget (the "***Fiscal Year 2021 Budget***"). Airline revenues for Fiscal Year 2021 are estimated to be approximately $133.9 million, which is approximately $10.4 million below the Fiscal Year 2021 Budget, and non-airline revenues are estimated to be approximately $82.1 million, which is approximately $19.8 million below the Fiscal Year 2021 Budget. Operating expenses for Fiscal Year 2021, after adjusting for costs savings undertaken by the Airport Authority in response to the COVID-19 pandemic, are estimated to be approximately $9.9 million below the Fiscal Year 2021 Budget. Passenger Facility Charge ("***PFC's***) revenue for Fiscal Year 2021 is estimated to be approximately $22.1 million, which is approximately $2.1 million below the Fiscal Year 2021 Budget. Notwithstanding the reduced operating revenues in Fiscal Year 2021, the Airport Authority expects that the combined debt service coverage on its Senior Series 2013 Bonds and its Existing Subordinate Bonds will be approximately 3.17x for Fiscal Year 2021, which includes the use of PFCs and CARES Act Funds to pay a portion of the debt service on the Senior Series 2013 Bonds and the Existing Subordinate Bonds and the use of CARES Act moneys and CRRSAA moneys to pay a portion of the operating expenses. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Subordinate Rate Covenant."

Liquidity and Available Funds for Operations and Debt Service on Senior and Subordinate Bonds. As of June 30, 2021, the Airport Authority had the following unrestricted funds and investments on hand that could be used for all operating expenses of the Airport Authority and to pay debt service on the Senior and Subordinate Bonds.

Unrestricted Cash and Investments

Cash and investments	$200,862,213
Cash designated for capital projects	22,494,253
Major Maintenance Fund	24,422,083
Operation and Maintenance Reserve Subaccount	14,245,003
Operation and Maintenance Subaccount	42,735,010
Renewal and Replacement Account	5,400,000
Small Business Bond Guarantee	2,222,300
Investments – long-term portion	121,438,057
Total Unrestricted Cash and Investments	$433,818,919
Discretionary Cash[*]	$371,438,906

[*] Excludes Operation and Maintenance Reserve Subaccount, Operation and Maintenance Subaccount, and Renewal and Replacement Account.

As of June 30, 2021, the Airport Authority's "days-cash-on-hand" was 1,065 days, which was calculated using Total Unrestricted Cash and Investments (minus the deposits to the Major Maintenance Fund and minus the Small Business Bond Guarantee) set forth in the table above and the Operation and Maintenance Expenses of the Airport System for Fiscal Year 2021 ($139.6 million).

In addition to the unrestricted funds and investments, the Airport Authority had the following restricted funds and investments on hand (or held by the Senior Trustee and the Subordinate Trustee) as of June 30, 2021:

Restricted Cash and Investments (excluding CFCs)

Passenger Facility Charges	$ 51,233,055
Bond proceeds held by Trustee – Construction	200,334,157
Bond proceeds held by Trustee – Capitalized Interest	61,770,262
Debt Service Funds held by Trustee	6,797,250
Debt Service Reserve Funds held by Trustee – Senior Bonds	34,307,365
Debt Service Reserve Funds held by Trustee – Subordinate Bonds	74,919,850
Total Restricted Cash and Investments	$429,361,939

Fiscal Year 2022 Budget

On June 3, 2021, the Board adopted the Airport Authority's Fiscal Year 2022 budget (the "***Fiscal Year 2022 Budget***"). In the process of developing the Fiscal Year 2022 Budget, the Airport Authority engaged in numerous industry discussions regarding the expected impacts the COVID-19 pandemic will have on the aviation industry, including the Airport. The revenues and expenses included in the Fiscal Year 2022 Budget assume that enplanements at the Airport will be approximately 6.3 million in Fiscal Year 2022 (a 29.1% increase over Fiscal Year 2021 enplanements and a 49.2% decrease from Fiscal Year 2019 enplanements). Following are some of the key components of the Fiscal Year 2022 Budget:

- Operating and non-operating revenues are budgeted to be $397.3 million (an increase of $21.2 million or 5.6% compared to the Fiscal Year 2021 Budget)
- Airline revenues are budgeted to be $140.9 million (a decrease of $3.3 million or 2.3% compared to the Fiscal Year 2021 Budget).
- Non-airline revenues are budgeted to be $96.1 million (a decrease of $5.7 million or 5.6% compared to the Fiscal Year 2021 Budget).
- Non-operating revenues are budgeted to be $149.8 million (a net increase of $27.5 million or 22.5% compared to the Fiscal Year 2021 Budget).
- Operating expenses are budgeted to be $167.2 million (an increase of $7.2 million or 4.2% compared to the Fiscal Year 2021 Budget).

PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS

General

Proceeds from the sale of the Subordinate Series 2021 Bonds will be used to (a) pay and/or reimburse the Airport Authority for the costs of certain capital improvements at SDIA associated with the New T1, (b) refund and defease the Refunded Senior Series 2013 Bonds to realize debt service savings, (c) fund a portion of the interest accruing on the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds through [January/July] 1, 20[•], (d) make a deposit to the Subordinate Reserve Fund, and (e) pay the costs of issuance of the Subordinate Series 2021 Bonds.

Financing of New T1

A portion of the proceeds of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds will be used to pay and/or reimburse the Airport Authority for costs related to the design, construction, improvement and equipping of the New T1. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Refunding of the Refunded Senior Series 2013 Bonds

A portion of the proceeds of the Subordinate Series 2021C Bonds, along with certain other available moneys of the Airport Authority, will be used to advance refund and defease all or a portion of the Senior Series 2013A Bonds and all or a portion of the Senior Series 2013B Bonds described in the following table to realize debt service savings.

Series	Maturity Date (July 1)	Principal Amount	CUSIP Number[1]	Payment/ Redemption Date	Redemption Price
2013A	2022	$ 2,420,000	79739GDL7	July 1, 2022	N/A
2013A	2023	2,540,000	79739GDM5	July 1, 2023	N/A
2013A	2024	2,670,000	79739GDN3	July 1, 2023	100%
2013A	2025	2,805,000	79739GDP8	July 1, 2023	100
2013A	2026	2,945,000	79739GDQ6	July 1, 2023	100
2013A	2027	3,090,000	79739GDR4	July 1, 2023	100
2013A	2028	3,210,000	79739GDS2	July 1, 2023	100
2013A	2029	3,340,000	79739GDT0	July 1, 2023	100
2013A	2030	3,475,000	79739GDU7	July 1, 2023	100
2013A	2043	15,000,000	79739GDV5	July 1, 2023	100
2013A	2043	51,455,000	79739GDW3	July 1, 2023	100
2013B	2022	$ 6,305,000	79739GEE2	July 1, 2022	N/A
2013B	2023	6,630,000	79739GEF9	July 1, 2023	N/A
2013B	2024	6,955,000	79739GEG7	July 1, 2023	100%
2013B	2025	7,300,000	79739GEH5	July 1, 2023	100
2013B	2026	7,670,000	79739GEJ1	July 1, 2023	100
2013B	2027	8,055,000	79739GEK8	July 1, 2023	100
2013B	2028	8,455,000	79739GEL6	July 1, 2023	100
2013B	2029	8,870,000	79739GEM4	July 1, 2023	100
2013B	2030	9,325,000	79739GEN2	July 1, 2023	100
2013B	2031	4,070,000	79739GEP7	July 1, 2023	100
2013B	2032	4,585,000	79739GEQ5	July 1, 2023	100
2013B	2033	5,075,000	79739GER3	July 1, 2023	100
2013B	2038	36,645,000	79739GES1	July 1, 2023	100
2013B	2043	139,620,000	79739GET9	July 1, 2023	100

[1] CUSIP number is provided only for the convenience of the reader. Neither the Airport Authority nor the Underwriters undertake any responsibility for the accuracy of such CUSIP number or for any changes or errors in the CUSIP number.

The specific principal amount, if any, of each maturity of (i) the Senior Series 2013A Bonds listed above to be refunded (the "Refunded Senior Series 2013A Bonds") and (ii) the Senior Series 2013B Bonds listed above to be refunded (the "Refunded Senior Series 2013B Bonds," and together with the Refunded Senior Series 2013A Bonds, the "Refunded Senior Series 2013 Bonds") will be determined by the Airport Authority at the time the Airport Authority and the Underwriters (as defined herein) sign the Purchase Contract (as defined herein). The issuance of any of the Subordinate Series 2021C Bonds and the refunding of the Refunded Senior Series 2013 Bonds are subject to market conditions, and the Airport Authority will only issue the Subordinate Series 2021C Bonds to refund the Refunded Senior Series 2013 Bonds if such issuance and refundings result in acceptable debt service savings to the Airport Authority.

A portion of the proceeds of the Subordinate Series 2021C Bonds, together with certain available moneys of the Airport Authority, will be deposited into separate escrow funds for the Refunded Senior Series 2013A Bonds and the Refunded Senior Series 2013B Bonds (the "Senior Series 2013A/B Escrow Funds") to be established under the terms of an escrow agreement to be entered into by the Airport Authority and the Senior Trustee, as trustee and escrow agent. Certain amounts deposited into the Senior Series 2013A/B Escrow Funds will be invested in direct, noncallable obligations of the United States Treasury and all remaining amounts deposited into the Senior Series 2013A/B Escrow Funds will be held uninvested in cash. Amounts, including investment earnings, on deposit in the Senior Series 2013A/B Escrow Funds will be used (a) on January 1, 2022 to pay the interest due and payable on the Refunded Senior Series 2013 Bonds, (b) on July 1, 2022 to pay the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2022 and the interest due and payable on the Refunded Senior Series 2013 Bonds, (c) on January 1, 2023 to pay the interest due and payable on the Refunded Senior Series 2013 Bonds, and (d) on July 1, 2023 to pay the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2022, the redemption price of the Refunded Senior Series 2013 Bonds maturing on and after July 1, 2024 and the interest due and payable on the Refunded Senior Series 2013 Bonds.

Upon delivery of the Subordinate Series 2021C Bonds, Robert Thomas CPA, LLC, the verification agent, will deliver a report stating that it has verified the mathematical accuracy of the computations contained in the schedules provided to them to determine that the amounts to be held in the Senior Series 2013A/B Escrow Funds will be sufficient to pay (a) on January 1, 2022 the interest due and payable on the Refunded Senior Series 2013 Bonds, (b) on July 1, 2022 the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2022 and the interest due and payable on the Refunded Senior Series 2013 Bonds, (c) on January 1, 2023 the interest due and payable on the Refunded Senior Series 2013 Bonds, and (d) on July 1, 2023 the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2023, the redemption price of the Refunded Senior Series 2013 Bonds maturing on and after July 1, 2024 and the interest due and payable on the Refunded Senior Series 2013 Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Subordinate Series 2021 Bonds:

	Subordinate Series 2021A Bonds	**Subordinate Series 2021B Bonds**	**Subordinate Series 2021C Bonds**	**Total**
Sources				
Principal Amount				
Original Issue Premium/(Discount)				
Release from Principal Accounts of Senior Series 2013 Debt Service Funds				
Release from Interest Accounts of Senior Series 2013 Debt Service Funds				
Release from Senior Reserve Fund				
Total Sources				
Uses				
Deposit to Subordinate Series 2021A/B Construction Funds				
Deposit to Subordinate Series 2021A/B Capitalized Interest Accounts				
Deposit to Senior Series 2013A/B Escrow Funds				
Deposit to Subordinate Reserve Fund				
Costs of Issuance[1]				
Total Uses				

[1] Includes Underwriters' discount, legal and other costs of issuance.

DESCRIPTION OF THE SUBORDINATE SERIES 2021 BONDS

General

The Subordinate Series 2021 Bonds will bear interest at the rates and mature on the dates set forth on the inside cover pages of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Subordinate Series 2021 Bonds will be dated their date of delivery, and will bear interest from such date, payable semi-annually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing on July 1, 2022. Interest due and payable on the Subordinate Series 2021 Bonds on any Interest Payment Date will be paid to the registered owner as of the Record Date (Cede & Co., so long as the book-entry system with The Depository Trust Company ("DTC") is in effect). Each Subordinate Series 2021 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Subordinate Series 2021 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Subordinate Series 2021 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before June 15, 2022, in which event such Subordinate Series 2021 Bond will bear interest from its date of delivery. If interest on the Subordinate Series 2021 Bonds is in default, Subordinate Series 2021 Bonds issued in exchange for Subordinate Series 2021 Bonds surrendered for transfer or exchange will bear interest from the Interest Payment Date to which interest has been paid in full on the Subordinate Series 2021 Bonds surrendered.

The Subordinate Series 2021 Bonds will be issued in denominations of $5,000 or integral multiples thereof. The Subordinate Series 2021 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Subordinate Series 2021 Bonds. Individual purchases may be made in book-entry-form only. Purchasers will not receive certificates representing their interest in the Subordinate Series 2021 Bonds purchased. So long as Cede & Co., as a nominee of DTC, is the registered owner of the Subordinate Series 2021 Bonds, references herein to the Holders or registered owners means Cede & Co., and does not mean the Beneficial Owners of the Subordinate Series 2021 Bonds.

So long as Cede & Co. is the registered owner of the Subordinate Series 2021 Bonds, principal of and interest on the Subordinate Series 2021 Bonds will be payable by wire transfer by the Subordinate Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants, for subsequent disbursement to the Beneficial Owners. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES."

Redemption Provisions

Optional Redemption.

<u>Subordinate Series 2021A Bonds</u>. The Subordinate Series 2021A Bonds maturing on or before July 1, 20___ are not subject to optional redemption prior to maturity. The Subordinate Series 2021A Bonds maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Airport Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after ___________ 1, 20___, at a redemption price equal to ____% of the principal amount of the Subordinate Series 2021A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

<u>Subordinate Series 2021B Bonds</u>. The Subordinate Series 2021B Bonds maturing on or before July 1, 20___ are not subject to optional redemption prior to maturity. The Subordinate Series 2021B Bonds

maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Airport Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after ___________ 1, 20___, at a redemption price equal to ____% of the principal amount of the Subordinate Series 2021B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Subordinate Series 2021C Bonds at Par Call (On and After ___________ 1, 20___). On or after ____________ 1, 20___ the Subordinate Series 2021C Bonds are subject to redemption prior to maturity, at the option of the Airport Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date, at a redemption price equal to 100% of the principal amount of the Subordinate Series 2021C Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Subordinate Series 2021C Bonds at Subordinate Series 2021C Make-Whole Redemption Price (Prior to ___________, 20___). Prior to ____________ 1, 20___, the Subordinate Series 2021C Bonds are redeemable at the option of the Airport Authority, in whole or in part at any time, from any moneys that may be provided for such purpose and, at a redemption price equal to the Subordinate Series 2021C Make-Whole Redemption Price (as defined below).

"Subordinate Series 2021C Make-Whole Redemption Price" means the greater of (a) the issue price as shown on the inside front cover pages of this Official Statement relating to the Subordinate Series 2021C Bonds to be redeemed (but not less than 100% of the principal amount of the Subordinate Series 2021C Bonds to be redeemed); or (b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Subordinate Series 2021C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Subordinate Series 2021C Bonds are to be redeemed, discounted to the date on which the Subordinate Series 2021C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus the number of basis points set forth in the table below corresponding to the maturity of the Subordinate Series 2021C Bonds to be redeemed, plus, in each case, accrued and unpaid interest on the Subordinate Series 2021C Bonds to be redeemed on the redemption date.

Maturity Date(s) of Subordinate Series 2021C Bonds to be Redeemed	**Basis Points for Make-Whole Redemption Calculation**
July 1, 20___	
July 1, 20___ through and including July 1, 20___	
July 1, 20___ through and including July 1, 20___	
July 1, 20___ through and including July 1, 20___	

"Treasury Rate" means, with respect to any redemption date for the Subordinate Series 2021C Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (as defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (as defined below), as calculated by the Designated Investment Banker (as defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for the Subordinate Series 2021C Bonds, the United States Treasury security or securities (excluding inflation indexed securities) selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Subordinate Series 2021C Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Subordinate Series 2021C Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for the Subordinate Series 2021C Bonds, (a) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (as defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the Airport Authority.

"Reference Treasury Dealer" means each of the four firms, specified by the Airport Authority from time to time, any or all of which may also be an Underwriter for the Series 2021C Bonds, that are primary United States government securities dealers in The City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the Airport Authority will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for the Subordinate Series 2021C Bonds, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on a date selected by the Airport Authority that is no less than three Business Days and no more than 45 Business Days preceding such redemption date.

Mandatory Sinking Fund Redemption. The Subordinate Series 2021A Bonds maturing on July 1, 20___ (the "Subordinate Series 2021A Term Bonds") 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:

Redemption Date (July 1)	Principal Amount

† Final Maturity.

The Subordinate Series 2021B Bonds maturing on July 1, 20___ (the "Subordinate Series 2021B Term Bonds") 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:

Redemption Date (July 1)	**Principal Amount**

† Final Maturity.

The Subordinate Series 2021C Bonds maturing on July 1, 20___ (the "Subordinate Series 2021C Term Bonds," and collectively with the Subordinate Series 2021A Term Bonds and the Subordinate Series 2021B Term Bonds, the "Subordinate Series 2021 Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part (on a pro-rata pass-through distribution of principal basis in accordance with the procedures described under "Selection of Subordinate Series 2021C Bonds for Redemption; Subordinate Series 2021C Bonds Redeemed in Part" below), 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:

Redemption Date (July 1)	**Principal Amount**

† Final Maturity.

At the option of the Airport Authority, to be exercised by delivery of a written certificate to the Subordinate Trustee on or before the 60th day next preceding any mandatory sinking fund redemption date for the Subordinate Series 2021 Term Bonds, it may (a) deliver to the Subordinate Trustee for cancellation Subordinate Series 2021 Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Airport Authority or (b) specify a principal amount of Subordinate Series 2021 Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Subordinate Trustee at the request of the Airport Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Subordinate Series 2021A Term Bond or Subordinate Series 2021B Term Bond or portion thereof so purchased or otherwise acquired or redeemed and delivered to the Subordinate Trustee for cancellation will be credited by the Subordinate Trustee at 100% of the principal amount thereof against the obligation of the Airport Authority to pay the principal of such applicable Subordinate Series 2021A Term Bond or Subordinate Series 2021B Term Bond on such mandatory sinking fund redemption date. In the event that a portion, but not all of the Subordinate Series 2021C Term Bonds, are so purchased, acquired or optionally redeemed and delivered to the Subordinate Trustee for cancellation, then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Subordinate Series 2021C Term Bonds shall be proportionally reduced (subject to the Subordinate Trustee making such adjustments as it deems necessary to be able to effect future redemptions of the Subordinate Series 2021C Term Bonds in Authorized Denominations).

Notices of Redemption to Holders; Conditional Notice of Optional Redemption. The Subordinate Trustee will give notice of redemption, in the name of the Airport Authority, to Holders affected by redemption (or DTC, so long as the book-entry system with DTC is in effect) at least 30 days but not more than 60 days before each redemption date and send such notice of redemption by first class mail (or with respect to Subordinate Series 2021 Bonds held by DTC via electronic means or by an express delivery service for delivery on the next following Business Day or by such other means as permitted or required by DTC's procedures) to each Holder of a Subordinate Series 2021 Bond to be redeemed; each such notice will be sent to the Holder's registered address.

Each notice of redemption will specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Subordinate Series 2021 Bond to be redeemed, if less than all Subordinate Series 2021 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Subordinate Series 2021 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, provided a supplemental notice of redemption is delivered prior to the redemption date setting forth the actual redemption price), the place or places of payment, the Subordinate Trustee's name, that payment will be made upon presentation and surrender of the Subordinate Series 2021 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 Airport Authority may provide that, if at the time of mailing of notice of an optional redemption there has not been deposited with the Subordinate Trustee moneys sufficient to redeem all the Subordinate Series 2021 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Subordinate Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be canceled and on such cancellation date notice will be mailed to the Holders of such Subordinate Series 2021 Bonds called for redemption.

Failure to give any required notice of redemption as to any particular Subordinate Series 2021 Bonds will not affect the validity of the call for redemption of any Subordinate Series 2021 Bonds in respect of which no failure occurs. Any notice sent as provided in the Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Subordinate Series 2021 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 Subordinate Trustee sufficient for redemption, interest on the Subordinate Series 2021 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

Effect of Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Subordinate Indenture and as described above and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, the Subordinate Series 2021 Bonds called for redemption will become and be due and payable on the redemption date, interest on such Subordinate Series 2021 Bonds will cease to accrue from and after such redemption date, such Subordinate Series 2021 Bonds will cease to be entitled to any lien, benefit or security under the Subordinate Indenture and the Holders of such Subordinate Series 2021 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Subordinate Series 2021 Bonds which have been duly called for redemption and for which moneys for the payment of the redemption price are held in trust for the Holders thereof, all as provided in the Ninth Supplemental Subordinate Indenture, will not be deemed to be Outstanding under the provisions of the Subordinate Indenture.

Selection of Subordinate Series 2021A/B Bonds for Redemption; Subordinate Series 2021A/B Bonds Redeemed in Part. Redemption of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds will only be in Authorized Denominations. The Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds are subject to redemption in such order of maturity and interest rate within a Series (except mandatory sinking fund payments on the Subordinate Series 2021A Term Bonds and the Subordinate Series 2021B Term Bonds) as the Airport Authority may direct, and by lot within such maturity and interest rate selected in such manner as the Subordinate Trustee (or DTC, as long as DTC is the securities depository for the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds), deems appropriate.

Except as otherwise provided under the procedures of DTC, on or before the 45th day prior to any mandatory sinking fund redemption date, the Subordinate Trustee will proceed to select for redemption (by lot in such manner as the Subordinate Trustee may determine), from the applicable Subordinate Series 2021A Term Bonds or the Subordinate Series 2021B Term Bonds, as applicable, subject to such redemption, an aggregate principal amount of such applicable Subordinate Series 2021A Term Bonds or the Subordinate Series 2021B Term Bonds, as applicable, equal to the amount for such year as set forth in the applicable table under "Mandatory Sinking Fund Redemption" above and will call such Subordinate Series 2021A Term Bonds or Subordinate Series 2021B Term Bonds, as applicable, or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

Selection of Subordinate Series 2021C Bonds for Redemption; Subordinate Series 2021C Bonds Redeemed in Part. Redemption of the Subordinate Series 2021C Bonds will only be in Authorized Denominations. The Subordinate Series 2021C Bonds are subject to redemption in such order of maturity as the Airport Authority may direct (except mandatory sinking fund payments on the Subordinate Series 2021C Term Bonds). If less than all of the Subordinate Series 2021C Bonds of a maturity are redeemed prior to their stated maturity date, the particular Subordinate Series 2021C Bonds to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with the rules and procedures of DTC. It is the Airport Authority's intent that redemption allocations made by DTC, the Participants or such other intermediaries that may exist between the Airport Authority and the beneficial owners of the Subordinate Series 2021C Bonds will be made on a pro-rata pass-through distribution of principal basis. However, so long as the Subordinate Series 2021C Bonds are Book-Entry Bonds, the selection for redemption of such Subordinate Series 2021C Bonds shall be made in accordance with the operational arrangements of DTC then in effect. Neither the Airport Authority nor the Subordinate Trustee will provide any assurance or shall have any responsibility or obligation to ensure that DTC, the Participants or any other intermediaries allocate redemptions of the Subordinate Series 2021C Bonds among beneficial owners on a pro-rata pass-through distribution of principal basis. If the DTC operational arrangements do not allow for the redemption of the Subordinate Series 2021C Bonds on a pro-rata pass-through distribution of principal basis, the Subordinate Series 2021C Bonds shall be selected for redemption, in accordance with DTC procedures, by lot.

If the Subordinate Series 2021C Bonds are not Book-Entry Bonds and less than all of the Subordinate Series 2021C Bonds of a maturity are to be redeemed, the Subordinate Series 2021C Bonds to be redeemed will be selected by the Subordinate Trustee on a pro-rata pass-through distribution of principal basis among all of the Bondholders of the Subordinate Series 2021C Bonds based on the principal amount of Subordinate Series 2021C Bonds owned by such Bondholders.

Upon surrender of a Subordinate Series 2021C Bond to be redeemed in part only, the Subordinate Trustee will authenticate for the Bondholder a new Subordinate Series 2021C Bond or Subordinate Series 2021C Bonds of the same maturity date and interest rate equal in principal amount to the unredeemed portion of the Subordinate Series 2021C Bond surrendered.

SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS

Flow of Funds

The application of Revenues of the Airport Authority is governed by the Master Senior Indenture and the Master Subordinate Indenture. Pursuant to the Master Senior Indenture, the Airport Authority covenanted to establish and maintain an account designated as the "Revenue Account" within the Revenue Fund and to deposit all Revenues, when and as received, in the Revenue Account.

"Revenues" are generally defined in the Master Senior Indenture to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the Airport Authority from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to: (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Airport Authority for the use or availability of the Airport System; and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Airport Authority, including rental or business interruption insurance proceeds received by, held by, accrued to or entitled to be received by the Airport Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Airport Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto. Revenues also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a supplemental indenture to fund a construction fund) from the investment of amounts held in the Revenue Account, any construction fund, any debt service fund (except Capitalized Interest on deposit therein), any debt service reserve fund and such additional revenues, if any, as are designated as "Revenues" under the terms of a supplemental indenture. Unless otherwise designated as "Revenues" under the terms of a Supplemental Senior Indenture or pursuant to a certificate of the Airport Authority, PFCs, grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, Senior Capitalized Interest, Subordinate Capitalized Interest, Customer Facility Charges ("CFCs"), Federal Direct Payments and COVID-19 Federal Relief Funds are specifically excluded from Revenues. The Airport Authority has not designated, pursuant to a Supplemental Senior Indenture or a certificate of the Airport Authority, PFCs, grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, Senior Capitalized Interest, Subordinate Capitalized Interest, CFCs, Federal Direct Payments or COVID-19 Federal Relief Funds as Revenues. However, the Airport Authority expects to apply a portion of the PFCs it receives to the payment of debt service on certain Senior Bonds and Subordinate Obligations that are PFC Eligible Bonds (as defined herein) (see "—Use of PFCs to Pay Debt Service" below). Additionally, in Fiscal Years 2020 and 2021, the Airport Authority applied CARES Act Funds to the payment of a portion of the debt service on the Senior Series 2013 Bonds and the Existing Subordinate Obligations, and in Fiscal Year 2022, the Airport Authority expects to apply ARPA Funds to the payment of a portion of the debt service on [the Senior Series 2013 Bonds and] the Existing Subordinate Obligations. Also, although not included in Revenues, the Subordinate Capitalized Interest on deposit in the debt service funds for the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds is subject to a lien on and security interest in favor of the Holders of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, respectively.

Pursuant to the Master Senior Indenture, all Revenues will be deposited in the Revenue Account and will be set aside for the payment of the following amounts or deposited or transferred to the following funds and subaccounts in the order listed:

(1) *Operation and Maintenance Subaccount*. On or prior to the 20th day of each month, the Airport Authority will deposit in the Operation and Maintenance Subaccount an amount equal to one-twelfth of the estimated Operation and Maintenance Expenses of the Airport System for the then current Fiscal Year as set forth in the budget of the Airport Authority for such Fiscal Year as finally approved by the Airport Authority. In the event that the balance in the Operation and Maintenance Subaccount at any time is insufficient to make any required payments therefrom, additional amounts at least sufficient to make such payments will immediately be deposited in the Operation and Maintenance Subaccount from the Revenue Account, and such additional amounts will be credited against the next succeeding monthly deposit from the Revenue Account.

(2) *Senior Debt Service Funds*. On or prior to the 15th day of each calendar month, Revenues will be transferred by the Airport Authority to the Senior Trustee for deposit in the debt service funds established in respect of each series of Senior Bonds (the "Senior Debt Service Funds") equal to: (a) 1/6 of the interest coming due on the Senior Bonds on the next interest payment date for the Senior Bonds, provided that at least the full amount required to pay the interest on the Senior Bonds, as it becomes due, will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date each installment of interest becomes due, (b) 1/12 of the principal amount of the Senior Bonds maturing on the next principal payment date, provided that at least the full amount required to pay the principal amount of the Senior Bonds, as it becomes due, will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date such principal amount becomes due, and (c) 1/12 of the sinking installment payments, if any, with respect to the Senior Bonds subject to mandatory sinking fund redemption (the "Senior Term Bonds") on the next redemption date, provided that at least the full amount required to pay the sinking installment payment, if any, with respect to the Senior Term Bonds will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date such sinking installment payment becomes due. Additionally, if provided for in a Supplemental Senior Indenture, regularly scheduled swap payments on a qualified swap may be payable from Net Revenues on a parity basis with the outstanding Senior Bonds.

If all of the Senior Series 2013 Bonds are refunded and defeased as described under "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds," there will be no Senior Bonds outstanding subsequent to the issuance of the Subordinate Series 2021 Bonds, and, therefore, no Revenues will be required to be deposited to any Senior Debt Service Funds until such time as the Airport Authority issues Additional Senior Bonds.

Following the issuance of the Subordinate Series 2021 Bonds and the refunding and defeasance of the Senior Series 2013 Bonds, the Airport Authority will continue to have the authority to issue Additional Senior Bonds. See " DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program" for a discussion of the Airport Authority's plans to issuance Additional Senior Bonds and/or Additional Subordinate Obligations to fund additional costs of the New T1.

(3) *Senior Debt Service Reserve Funds*. A sufficient amount of Revenues will be transferred by the Airport Authority, without priority and on an equal basis, except as to timing of payment to the Senior Trustee for deposit into the respective Senior Debt Service Reserve Funds established pursuant to the Senior Indenture, if any, at the times and in such amounts as required to be used to pay or replenish such Senior Debt Service Reserve Funds or reimburse a Credit Provider of a Senior Debt Service Reserve Fund Surety Policy.

As of the date of this Official Statement, the Senior Debt Service Reserve Fund for the Senior Series 2013 Bonds is the only Senior Debt Service Reserve Fund established for Senior Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds" for a discussion of the planned refunding and defeasance of all or a portion of the Senior Series 2013 Bonds. If all of the Senior Series 2013 Bonds are refunded and defeased as described under "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds," all amounts on deposits in the Senior Debt Service Reserve Fund established for the Senior Series 2013 Bonds will be transferred to the Senior Series 2013A/B Escrow Funds, and subsequent to the issuance of the Subordinate Series 2021 Bonds, no Revenues will be required to be deposited to any Senior Debt Service Reserve Fund until such time as the Airport Authority issues Additional Senior Bonds supported by a Senior Debt Service Reserve Fund. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program" for a discussion of the Airport Authority's plans to issuance Additional Senior Bonds and/or Additional Subordinate Obligations to fund additional costs of the New T1.

(4) *Subordinate Obligations Debt Service Funds*. On or prior to the 20th day of each calendar month, Revenues will be transferred by the Airport Authority to the Subordinate Trustee for deposit in the debt service funds established in respect of each series of Subordinate Obligations (the "Subordinate Debt Service Funds") equal to: (a) 1/6 of the interest coming due on the Subordinate Obligations on the next interest payment date for the Subordinate Obligations, provided that at least the full amount required to pay the interest on the Subordinate Obligations, as it becomes due, will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date each installment of interest becomes due, (b) 1/12 of the principal amount of the Subordinate Obligations maturing on the next principal payment date, provided that at least the full amount required to pay the principal amount of the Subordinate Obligations, as it becomes due, will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date such principal amount becomes due, and (c) 1/12 of the sinking installment payments, if any, with respect to the Subordinate Obligations subject to mandatory sinking fund redemption (the "Subordinate Term Obligations") on the next redemption date, provided that at least the full amount required to pay the sinking installment payment, if any, with respect to the Subordinate Term Obligations will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date such sinking installment payment becomes due.

(5) *Subordinate Obligations Debt Service Reserve Funds*. On or prior to the 20th day of each month, upon any deficiency in any Subordinate Debt Service Reserve Fund established by or for the benefit of the Airport Authority in connection with the Subordinate Obligations, the Airport Authority will deposit in such Subordinate Debt Service Reserve Fund an amount equal to: (a) one-twelfth of the aggregate amount of each unreplenished prior withdrawal from such Subordinate Debt Service Reserve Fund; and (b) the full amount of any deficiency in such Subordinate Debt Service Reserve Fund due to any required valuations of the investments in such Subordinate Debt Service Reserve Fund until the balance in such Subordinate Debt Service Reserve Fund is at least equal to the debt service reserve requirement with respect to such Subordinate Obligations. See "—Subordinate Reserve Fund" below.

(6) *Operation and Maintenance Reserve Subaccount.* On or prior to the 20th day of each month, to the payment of the amounts required to be deposited in the Operation and Maintenance Reserve Subaccount which are payable from Net Revenues as specified in the Master Senior Indenture.

(7) *Renewal and Replacement Subaccount*. On or prior to the 20th day of each month, to the payment of the amounts required to be deposited in the Renewal and Replacement Subaccount as specified in the Master Senior Indenture.

All moneys and investments on deposit in the Revenue Account and not on deposit in any of the funds or subaccounts provided for as described in (1) through (7) above, are required under the Master Senior Indenture, on the last Business Day of each Fiscal Year, to be transferred from the Revenue Account to the Revenue Fund, unless and to the extent the Airport Authority directs otherwise.

Following is a graphic description of the flow of funds described above, and the flow of PFC Revenues. See "—Use of PFCs to Pay Debt Service."

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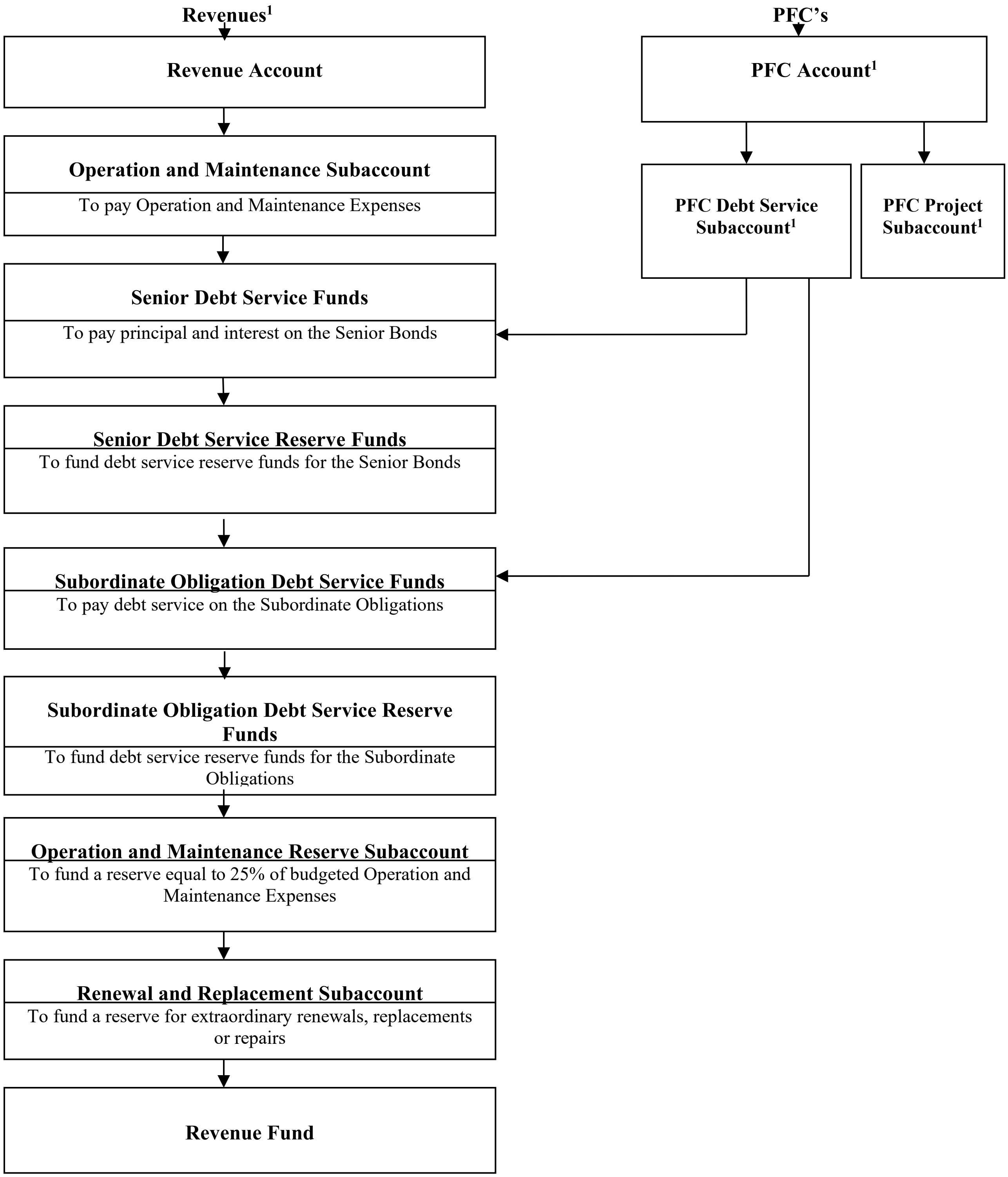
San Diego County Regional Airport Authority
Flow of Funds



[1] Revenues do not include PFC revenues, grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, Senior Capitalized Interest, Subordinate Capitalized Interest, CFCs, Federal Direct Payments or COVID-19 Federal Relief Funds unless otherwise included in Revenues pursuant to a Supplemental Senior Indenture or a certificate of the Airport Authority; which has not occurred as of the date of this Official Statement.

Pledge of Subordinate Net Revenues

The Subordinate Series 2021 Bonds are special obligations of the Airport Authority payable solely from and secured by a pledge of Subordinate Net Revenues. The Subordinate Series 2021 Bonds also are secured by a pledge of amounts held by the Subordinate Trustee in certain funds and accounts pursuant to the Subordinate Indenture, as further described herein.

"Subordinate Net Revenues" are, for any given period, Revenues for such period, less all amounts which are required to be used to pay the Operation and Maintenance Expenses of the Airport System for such period, the debt service on the Senior Bonds for such period, and the reserve and replenishment requirements on and relating to the Senior Bonds for such period, if any. See "—Flow of Funds" above.

"Operation and Maintenance Expenses of the Airport System" are, for any given period, the total operation and maintenance expenses of the Airport System as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues (including, but not limited to, any non-cash items that are required to be treated as operation and maintenance expenses of the Airport System in accordance with generally accepted accounting principles).

None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2021 Bonds, and neither the full faith and credit nor the taxing power of the Airport Authority, the City, the County, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2021 Bonds.

Subordinate Net Revenues are available for the equal and proportionate benefit and security of all Subordinate Obligations (including the Subordinate Series 2021 Bonds). The Subordinate Series 2021 Bonds are secured by a pledge of and lien on Subordinate Net Revenues on parity with the Existing Subordinate Bonds, the Subordinate Revolving Obligations and any Additional Subordinate Obligations issued in the future. See "—Additional Subordinate Obligations" below.

Subordinate Rate Covenant

(a) Under the Master Subordinate Indenture, the Airport Authority has covenanted that while any Subordinate Obligations remain Outstanding (but subject to all prior existing contracts and legal obligations of the Airport Authority), it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Subordinate Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the interest on and principal of the Outstanding Subordinate Obligations required to be funded by the Airport Authority in such Fiscal Year as required by the Master Subordinate Indenture or any Supplemental Subordinate Indenture with respect to the Outstanding Subordinate Obligations;

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

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

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

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

(b) The Airport Authority has further agreed that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Subordinate Net Revenues will be equal to at least 110% of the total Subordinate Annual Debt Service on the Outstanding Subordinate Obligations for such Fiscal Year.

The Airport Authority has covenanted that if Subordinate Net Revenues in any Fiscal Year are less than the amounts described in paragraphs (a) and (b) above, the Airport Authority will retain and direct a Consultant to make recommendations as to the revision of the Airport Authority's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Airport Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Airport Authority will take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to produce Subordinate Net Revenues in the next succeeding Fiscal Year sufficient to comply with paragraphs (a) and (b) above.

In the event Subordinate Net Revenues for any Fiscal Year are less than the amounts described in paragraphs (a) and (b) above, but the Airport Authority has promptly taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, fees and charges as described in the preceding paragraph, such deficiency in Subordinate Net Revenues will not constitute a Subordinate Event of Default under the Master Subordinate Indenture. However, if after taking the measures described in the preceding paragraph to revise the schedule of rentals, rates, fees and charges, Subordinate Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Airport Authority for such Fiscal Year) are less than the amounts described in paragraphs (a) and (b) above, such deficiency in Subordinate Net Revenues will constitute a Subordinate Event of Default under the Master Subordinate Indenture.

Pursuant to the Master Subordinate Indenture, the Airport Authority may exclude from its calculation of Operation and Maintenance Expenses of the Airport System and Subordinate Aggregate Annual Debt Service with respect to the Subordinate Obligations, for the purpose of determining compliance with the rate covenant described above, the payment of Operation and Maintenance Expenses of the Airport System, and the payment of debt service or portions thereof on Subordinate Obligations whose debt service is payable, from amounts not included in Revenues, including, but not limited to PFC revenues, Federal Direct Payments, Subordinate Capitalized Interest and COVID-19 Federal Relief Funds. The exclusion of such Operation and Maintenance Expenses of the Airport System and debt service could result in higher debt service coverage ratios. In Fiscal Years 2020 and 2021, the Airport Authority used, and in Fiscal Year 2022 the Airport Authority expects to use, CARES Act Funds, CRRSAA Funds and ARPA Funds, as applicable, to pay Operation and Maintenance Expenses of the Airport System and debt service on the Senior Series 2013 Bonds and the Existing Subordinate Obligations. See "Table 2—San Diego County Regional Airport Authority—Federal Aid Related to the COVID-19 Pandemic" for additional information on the Airport Authority's use of COVID-19 Federal Relief Funds. Additionally, the Airport Authority has previously used and expects to use in the future, as applicable (a) PFC revenues to pay a portion of the debt service on the Senior Series 2013 Bonds, the Subordinate Series 2019A Bonds, the Subordinate Series 2020 Bonds, the Subordinate Series 2021C Bonds and Additional Senior Bonds and/or Additional Subordinate Obligations that are PFC Eligible Bonds, and (b) Subordinate Capitalized Interest to pay a portion of the interest on the Subordinate Series 2019 Bonds through July 1, 2022, and a portion of the interest on the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds through [•] 1, 20[•]. The Airport Authority does not expect to use any PFCs to pay debt service on the Subordinate Series 2019B Bonds, the Subordinate Series 2021A Bonds or the Subordinate Series 2021B Bonds. See "—Use of PFCs to Pay Debt Service," "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges" and "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources—Availability of PFCs" for additional information about the Airport Authority's expected use of PFC revenues. See also "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Subordinate Reserve Fund

Pursuant to the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture, the Airport Authority established a Subordinate Debt Service Reserve Fund (the "Subordinate Reserve Fund") with the Subordinate Trustee to secure any Subordinate Obligations the Airport Authority elects to participate in the Subordinate Reserve Fund. At the time of issuance of the Subordinate Series 2017 Bonds, the Subordinate Series 2019 Bonds and the Subordinate Series 2020 Bonds, the Airport Authority elected to have the Subordinate Series 2017 Bonds, the Subordinate Series 2019 Bonds and the Subordinate Series 2020 Bonds participate in the Subordinate Reserve Fund. Additionally, at the time of issuance of the Subordinate Series 2021 Bonds, the Airport Authority will elect to have the Subordinate Series 2021 Bonds participate in the Subordinate Reserve Fund. The Subordinate Series 2017 Bonds, the Subordinate Series 2019 Bonds, the Subordinate Series 2020 Bonds, the Subordinate Series 2021 Bonds and any Additional Subordinate Obligations the Airport Authority elects to have participate in the Subordinate Reserve Fund are collectively referred to in this Official Statement as the "Subordinate Reserve Fund Participating Bonds."

Moneys and investments held in the Subordinate Reserve Fund may only be used to pay the principal of and interest on the Subordinate Reserve Fund Participating Bonds (including the Subordinate Series 2021 Bonds). Moneys and investments held in the Subordinate Reserve Fund are not available to pay debt service on the Senior Bonds, the Subordinate Revolving Obligations or any Subordinate Obligations for which the Airport Authority has decided will not participate in the Subordinate Reserve Fund. The Subordinate Reserve Fund may be drawn upon if the amounts in the respective Subordinate Debt Service Funds for the Subordinate Reserve Fund Participating Bonds are insufficient to pay in full any principal or interest then due on the Subordinate Reserve Fund Participating Bonds. In the event any amounts are required to be withdrawn from the Subordinate Reserve Fund, such amounts will be withdrawn and deposited pro rata to meet the funding requirements of the Subordinate Reserve Fund Participating Bonds.

Except as otherwise described below, the Subordinate Reserve Fund is required to be funded at all times in an amount equal to the "Subordinate Reserve Requirement." The Subordinate Reserve Requirement is equal to the lesser of (a) Subordinate Maximum Aggregate Annual Debt Service for the Subordinate Reserve Fund Participating Bonds; (b) 10% of the principal amount of the Subordinate Reserve Fund Participating Bonds, less the amount of original issue discount with respect to such Subordinate Reserve Fund Participating Bonds if such original issue discount exceeded 2% on such Subordinate Reserve Fund Participating Bonds at the time of their original sale; and (c) 125% of the average Subordinate Aggregate Annual Debt Service for the Subordinate Reserve Fund Participating Bonds. At the time of issuance of any Additional Subordinate Obligations which the Airport Authority elects to have participate in the Subordinate Reserve Fund, the Airport Authority will be required to deposit an amount to the Subordinate Reserve Fund sufficient to cause the amount then on deposit in the Subordinate Reserve Fund to equal the Subordinate Reserve Requirement. Such deposit to the Subordinate Reserve Fund can be made at the time of issuance of such Additional Subordinate Obligations or within 12 months of the date of issuance of such Additional Subordinate Obligations (such deposit being made in 12 substantially equal monthly installments). At the time of issuance of the Subordinate Series 2021 Bonds, a portion of the proceeds of the Subordinate Series 2021 Bonds will be deposited to the Subordinate Reserve Fund in order to satisfy the Subordinate Reserve Requirement, which will be $___________ at the time of issuance of the Subordinate Series 2021 Bonds.

The Airport Authority may fund all or a portion of the Subordinate Reserve Requirement with a Subordinate Reserve Fund Insurance Policy. A Subordinate Reserve Fund Insurance Policy may be an insurance policy, letter of credit, qualified surety bond or other financial instrument deposited in the Subordinate 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 bonds or other financial instrument, in one of the two highest long term rating categories by one or more of the Rating Agencies. Any such Subordinate Reserve Fund Insurance Policy must either extend to the final maturity of the Series of Subordinate Obligations for which the Subordinate Reserve Fund Insurance Policy was issued, or the Airport Authority must agree, by Supplemental Subordinate Indenture, that the Airport Authority will replace such Subordinate Reserve Fund Insurance Policy prior to its expiration with another Subordinate Reserve Fund Insurance Policy, or with cash. Any such Subordinate Reserve Fund Insurance Policy will be required to secure all of the Subordinate Reserve Fund Participating Bonds.

The Subordinate Reserve Fund is currently, and will be at the time of issuance of the Subordinate Series 2021 Bonds, funded with cash and securities. No portion of the Subordinate Reserve Fund has been, or will be at the time of issuance of the Subordinate Series 2021 Bonds, funded with a Subordinate Reserve Fund Insurance Policy.

Additional Subordinate Obligations

The Master Subordinate Indenture provides the Airport Authority with flexibility as to establishing the nature and terms of any Additional Subordinate Obligations. Additional Subordinate Obligations may be issued under the Master Subordinate Indenture on a parity with the Subordinate Series 2021 Bonds, provided, among other things, that there is delivered to the Subordinate Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Subordinate Obligations being issued and the date of delivery of such Subordinate Obligations (both dates inclusive), prepared by an Authorized Airport Authority Representative showing the Subordinate Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations or preceding the first issuance of the proposed Subordinate Program Obligations were at least equal to 110% of Subordinate Maximum Aggregate Annual Debt Service with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and the proposed Series of Subordinate Obligations, calculated as if the proposed Series of Subordinate Obligations and the full Subordinate Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding; or

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

(i) the Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations or the establishment of a Subordinate Program, were at least equal to 110% of the sum of Subordinate Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations for such applicable period;

(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 Subordinate Debt Service Fund or such other fund or account is expected to be funded from the proceeds thereof, the Consultant estimates that the Airport Authority will be in compliance with the rate covenant under the Master Subordinate Indenture (see "—Subordinate Rate Covenant" above); 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 Subordinate 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 Subordinate 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 Subordinate 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.

The certificate described in (b) above is expected to be delivered by the Feasibility Consultant at the time of issuance of the Subordinate Series 2021 Bonds.

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

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

Neither of the certificates described above in (a) or (b) will be required if:

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

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

(C) if the Subordinate Obligations being issued are to pay costs of completing a Project for which Subordinate Obligations have previously been issued and the principal amount of such Subordinate Obligations being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Subordinate Obligations originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Authority Representative and there is delivered to the Subordinate Trustee (1) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (2) a certificate of an Authorized Authority Representative to the effect that (y) all of the proceeds (including investment earnings on amounts in the Subordinate Construction Fund allocable to such Project) of the original Subordinate Obligations issued to finance such Project have been or will be used to pay Costs of the Project and (z) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Subordinate Construction Fund established for the Project (including unspent proceeds of Subordinate Obligations previously issued for such purpose).

Use of PFCs to Pay Debt Service

The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 PFC with certain qualifying airports permitted to charge a maximum PFC of $4.50. Under the PFC Act, the proceeds from PFCs are required to be used to finance eligible airport-related projects (including paying the debt service on bonds issued to finance such projects) that serve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers. The Airport Authority currently charges all enplaning passengers at SDIA a PFC of $4.50. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges" for additional information about PFCs collected by the Airport Authority.

The definition of Revenues does not include PFCs, except to the extent included in Revenues pursuant to a Supplemental Senior Indenture or a certificate of any Authorized Authority Representative, which has not occurred to date. However, pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture, if PFCs have been irrevocably committed or are held by the Senior Trustee and/or the Subordinate Trustee, as the case may be, or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on specified Senior Bonds and/or Subordinate Obligations, as applicable, then such principal and/or interest may be excluded from the calculation of aggregate annual debt service on such specified Senior Bonds and/or Subordinate Obligations, as applicable; thus decreasing aggregate annual debt service on the Senior Bonds and/or the Subordinate Obligations, and increasing debt service coverage for purposes of the rate covenants and the additional bonds tests under the Master Senior Indenture and the Master Subordinate Indenture, as applicable. As of the date of this Official Statement, the Airport Authority has not irrevocably committed any PFCs to the payment of debt service on Senior Bonds and/or Subordinate Obligations.

Even though PFCs are not included in Revenues and the Airport Authority has not irrevocably committed any PFCs to the payment of debt service on the Senior Bonds or the Subordinate Obligations, the Airport Authority has in the past, and expects to in the future, use PFCs to pay debt service on certain PFC Eligible Bonds. "PFC Eligible Bonds" are Senior Bonds and Subordinate Obligations the principal of and/or interest on which may be paid with PFCs pursuant to the provisions of the PFC Act. In Fiscal Year 2022, the Authority expects to use approximately $30 million of PFCs to pay debt service on certain PFC Eligible Bonds (a portion of the Senior Series 2013 Bonds, a portion of the Subordinate Series 2019A Bonds and a portion of the Subordinate Series 2020 Bonds). Additionally, in the Financial Feasibility Report, the Feasibility Consultant has assumed that PFCs will be used to pay portions of the debt service on the Subordinate Series 2019A Bonds, the Subordinate Series 2020 Bonds, the Subordinate Series 2021C Bonds and Additional Senior Bonds and Additional Subordinate Obligations that are issued to finance portions of the New T1 and that are Eligible PFC Bonds. Consequently, debt service on Senior Bonds and Subordinate Obligations paid with PFCs is excluded from the calculation of the rate covenants for the Senior Bonds and the Subordinate Obligations, which results in higher debt service coverage ratios. The Airport Authority does not expect to use any PFCs to pay debt service on the Subordinate Series 2019B Bonds, the Subordinate Series 2021A Bonds or the Subordinate Series 2021B Bonds. See also "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for the Capital Program—Passenger Facility Charges," and "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources—Availability of PFCs."

Permitted Investments

Moneys and funds held by the Airport Authority that are subject to the provisions of the Master Senior Indenture and/or the Subordinate Indenture will be invested in Senior Permitted Investments and Subordinate Permitted Investments, subject to any restrictions set forth in the Master Senior Indenture and the Subordinate Indenture, respectively, and subject to restrictions imposed upon the Airport Authority. Moneys and funds held by the Subordinate Trustee under the Subordinate Indenture, including moneys in the respective Subordinate Debt Service Funds (and the accounts therein) and in the Subordinate Reserve Fund, may be invested as directed by the Airport Authority in Subordinate Permitted Investments, subject to the restrictions set forth in the Subordinate Indenture, and subject to restrictions imposed upon the Airport Authority. See "FINANCIAL INFORMATION—Summary of Financial Operations—Investment Practices."

Subordinate Events of Default and Remedies; No Acceleration

Events of default under the Subordinate Indenture and related remedies are described in "APPENDIX C-3—SUMMARY OF MASTER SUBORDINATE INDENTURE—Subordinate Defaults and Remedies." The occurrence of a Subordinate Event of Default under the Subordinate Indenture (or a Senior Event of Default under the Senior Indenture) does not grant any right to accelerate payment of the Subordinate Obligations (including the Subordinate Series 2021 Bonds) or the Senior Bonds to either the Subordinate Trustee or the Senior Trustee, or the Holders of the Subordinate Obligations (including the Subordinate Series 2021 Bonds) or the Senior Bonds. The Subordinate Trustee is authorized to take certain actions upon the occurrence of a Subordinate Event of Default under the Subordinate Indenture, including proceedings to enforce the obligations of the Airport Authority under the Subordinate Indenture. If there is a Subordinate Event of Default under the Subordinate Indenture, payments, if any, on the Subordinate Obligations will be made after Operation and Maintenance Expenses of the Airport System and payments of debt service and reserve requirements on and relating to the Senior Bonds.

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Outstanding Senior Bonds

The following table sets forth the principal amounts and final maturity dates of the Senior Series 2013 Bonds outstanding as of November 1, 2021.

TABLE 3
San Diego County Regional Airport Authority
Senior Series 2013 Bonds
(as of November 1, 2021)

Existing Senior Bonds	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2013A[1]	$107,285,000	$ 92,950,000	7/1/2043
Series 2013B[1]	272,300,000	259,560,000	7/1/2043
Total	$379,585,000	$352,510,000	

[1] See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds" for a discussion of the planned refunding and defeasance of all or a portion of the Senior Series 2013 Bonds.
Source: San Diego County Regional Airport Authority

Outstanding Subordinate Obligations

Existing Subordinate Bonds. The following table sets forth the principal amounts and final maturity dates of the Existing Subordinate Bonds as of November 1, 2021.

TABLE 4
San Diego County Regional Airport Authority
Existing Subordinate Bonds
(as of November 1, 2021)

Existing Subordinate Bonds	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2017A	$146,040,000	$136,530,000	7/1/2047
Series 2017B	145,170,000	135,385,000	7/1/2047
Series 2019A	338,775,000	335,600,000	7/1/2049
Series 2019B	124,905,000	123,425,000	7/1/2049
Series 2020A	26,145,000	24,115,000	7/1/2040
Series 2020B	189,090,000	177,955,000	7/1/2040
Series 2020C	26,405,000	24,925,000	7/1/2040
Total	$996,530,000	$957,935,000	

Source: San Diego County Regional Airport Authority

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Indenture, the Eighth Supplemental Subordinate Indenture and the Subordinate Credit Agreement, the Airport Authority is authorized to issue and have outstanding, from time to time, up to $200,000,000 in aggregate principal amount of Subordinate Revolving Obligations. As of November 1, 2021, the Airport Authority had $80,100,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. All Subordinate Revolving Obligations issued by the Airport Authority are purchased by the Subordinate Revolving Obligations Bank (Bank of America, N.A.) in accordance with the terms of the Subordinate Credit Agreement. Except as otherwise provided in the Subordinate Credit Agreement, the principal of all Subordinate Revolving Obligations outstanding pursuant the Master Subordinate Indenture, the Eighth Supplemental Subordinate Indenture and the Subordinate Credit Agreement are due and payable on July 19, 2024. However, subject to the terms of the Subordinate Credit Agreement, on July 19, 2024, the Airport Authority can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable in four equal quarterly installments beginning 90 days following July 19, 2024, with the final payment being due on July 19, 2025.

[Remainder of page intentionally left blank.]

Debt Service Requirements

The following table sets forth the debt service requirements on the Senior Series 2013 Bonds (including the Refunded Senior Series 2013 Bonds), the Existing Subordinate Bonds and the Subordinate Series 2021 Bonds.

TABLE 5
San Diego County Regional Airport Authority
Debt Service Requirements
Senior and Subordinate Bonds[1]

Year Ended July 1	Total Debt Service Senior Series 2013 Bonds[2]	Total Debt Service Existing Subordinate Bonds[3,4,]	Subordinate Series 2021A Bonds[5]		Subordinate Series 2021B Bonds[5]		Subordinate Series 2021C Bonds[5]		Total Debt Service Subordinate Bonds	Total Debt Service Senior and Subordinate Bonds
			Principal	Interest[6]	Principal	Interest[7]	Principal	Interest		
2022	$ 25,994,350	$ 71,346,600								
2023	26,003,100	72,772,600								
2024	25,999,600	72,776,600								
2025	25,998,350	66,138,100								
2026	26,003,100	66,130,850								
2027	26,002,350	66,141,350								
2028	25,996,000	66,140,850								
2029	25,989,850	66,141,850								
2030	26,002,750	66,136,100								
2031	16,667,500	73,645,600								
2032	16,979,000	73,616,100								
2033	17,239,750	73,672,100								
2034	17,606,000	73,644,600								
2035	18,016,250	73,627,600								
2036	18,551,750	73,600,350								
2037	19,104,500	73,572,850								
2038	19,691,500	73,528,650								
2039	20,293,750	73,492,100								
2040	20,923,000	73,472,600								
2041	67,600,250	37,341,000								
2042	67,600,250	37,338,750								
2043	67,597,500	37,332,650								
2044	–	37,335,050								
2045	–	37,332,500								
2046	–	37,334,000								
2047	–	37,333,500								
2048	–	18,417,250								
2049	–	18,417,000								
Total	$621,860,450	$1,647,779,150								

Footnotes are on the following page.

1 Numbers may not total due to rounding to nearest dollar.
2 Includes debt service on the Refunded Senior Series 2013 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding the Refunded Senior Series 2013 Bonds." The Senior Series 2013 Bonds have a priority lien on Net Revenues. Principal of and interest on the Senior Series 2013 Bonds does not reflect the application of PFCs or ARPA Funds to the payment of debt service on the Senior Series 2013 Bonds in Fiscal Year 2022.
3 The Existing Subordinate Bonds have a lien on Subordinate Net Revenues on parity with the other Subordinate Obligations (including the Subordinate Series 2021 Bonds). Principal of and interest on the Existing Subordinate Bonds does not reflect the application of PFCs or ARPA Funds to the payment of debt service on the Existing Subordinate Bonds. Includes a portion of the interest on the Subordinate Series 2019 Bonds through July 1, 2022 to be paid from a portion of the proceeds of the Subordinate Series 2019 Bonds.
4 Debt Service on the Subordinate Revolving Obligations (which may be outstanding from time to time in an aggregate principal amount of up to $200 million at any one time) is not reflected in this table. As of November 1, 2021, $80,100,000 aggregate principal amount of Subordinate Revolving Obligations were outstanding.
5 The Subordinate Series 2021 Bonds have a lien on Subordinate Net Revenues on parity with the other Subordinate Obligations.
6 Includes a portion of the interest on the Subordinate Series 2021A Bonds through [January/July] 1, 20[__] to be paid from a portion of the proceeds of the Subordinate Series 2021A Bonds.
7 Includes a portion of the interest on the Subordinate Series 2021B Bonds through [January/July] 1, 20[__] to be paid from a portion of the proceeds of the Subordinate Series 2021B Bonds.

Source: San Diego County Regional Airport Authority; and Frasca & Associates, LLC (only with respect to debt service on the Subordinate Series 2021 Bonds).

Future Financings

After the issuance of the Subordinate Series 2021 Bonds, the Airport Authority expects to issue approximately $[•] billion of Additional Senior Bonds and/or Additional Subordinate Obligations between Fiscal Years 2023 and 2025 to finance additional costs of the New T1. The dates of issuance of the Additional Senior Bonds and/or Additional Subordinate Obligations to finance additional costs of the New T1 will be dependent on when the Airport Authority needs additional funds to finance the design and construction of the New T1. The See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—New T1" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT." Additionally, the Airport Authority continuously evaluates refunding opportunities and, when economically beneficial, may refund one or more Series of Senior Bonds and/or Subordinate Obligations.

Other Obligations

Lease Commitments.

Operating Leases. In connection with the Transfer, the Airport Authority entered into several lease agreements with the Port District pursuant to which the Airport Authority is leasing certain properties from the Port District. The Airport Authority is leasing from the Port District the land used for SDIA for $1 per year, for 66 years, through December 31, 2068. In addition, the Airport Authority leases from the Port District 90.67 acres of the former General Dynamics property on Pacific Highway adjacent to SDIA for 66 years commencing January 1, 2003 (the "General Dynamics Lease"). The General Dynamics Lease calls for rent payments of $6,826,656 annually through December 31, 2068. A portion of the land is leased back to the Port District for employee parking for Port District administration building employees and is leased back by the Port District at the same fair market unit value per square-foot as paid by the Airport Authority. The Airport Authority and the Port District also have entered into a lease for 47.54 acres on North Harbor Drive (the "TDY Property"), commencing January 1, 2005 and expiring December 31, 2068 (the "TDY Lease"). The Airport Authority pays the Port District $3 million annually to lease the TDY Property.

As of July 1, 2021, the Airport Authority estimated that its future rental commitments under the operating lease agreements described in the previous paragraph will be in the amounts described in the following table.

TABLE 6
San Diego County Regional Airport Authority
Future Rental Commitments

Fiscal Year	Rental Payments
2022	$10,605,882
2023	10,605,882
2024	10,605,882
2025	10,605,882
2026	10,605,882
2027-2031	53,029,410
2032-2036	53,029,410
2037-2041	53,029,410
2042-2046	53,029,410
2047-2051	53,029,410
2052-2056	53,029,410
2057-2061	53,029,410
2062-2066	53,029,410
2067-2069	15,694,212
Total	

[1] Total rental payments due during five Fiscal Year period. Rental payments are $10,605,882 in each Fiscal Year.
[2] The current expiration date of the leases is December 31, 2068.
Source: San Diego County Regional Airport Authority

In addition to the General Dynamics Lease and the TDY Lease, the Airport Authority has entered into several other leases, including the following:

- The Airport Authority entered into a lease with the Port District, commencing September 1, 2006, for property located at 2415 Winship Lane, known as the "Sky Chef" property. The term of the lease is 60 years with $350,000 in annual rental.

- On February 15, 2021, the Airport Authority assumed a lease for property located at 2554-2610 California Street. The term of the lease is through December 31 2022 with annual rental payments of $114,732 in 2021 and $118,176 in 2022. [On October 7, 2021, the Board approved the purchase of this property for $3,250,000. The Airport Authority expects to close on the purchase in October 2021.] The Airport Authority plans to use this property for parking of its shuttle fleet.

- On July 8 2021, the Airport Authority entered into a sub-lease agreement with Hertz for property located at 3202 North Harbor Drive. The term of the sub-lease is from June 1 2021 through May 31 2023 with an option to extend through May 31, 2026. Annual rental payments are $240,000. The Airport Authority plans to use this property for temporary construction trailers associated with the New T1.

- The Airport Authority entered into a lease with the Port District, commencing June 1, 2021, for property located at 2535 Pacific Highway. The term of the lease is 20 years with

$314,490 in annual rental payments for the first five years with Consumer Price Index adjustments each subsequent 5 year lease period. The Airport Authority plans to use this property for parking of its shuttle fleet.

- The Airport Authority entered into a lease with the Port District, commencing June 1, 2021, for property located on the east side of Harbor Island Drive. The term of the lease is 51 months with $966,264 in annual rental payments. The Airport Authority plans to use this property for parking.

- The Airport Authority entered into a lease with the Port District, commencing June 1, 2021, for property located at 3032 North Harbor Drive. The term of the lease is 5 years with an option to extend for 2 additional one-year periods, with $406,560 in annual rental payments. The Airport Authority plans to use the property for temporary construction trailers and parking during construction of the New T1.

Under current law, in the event SDIA is relocated and the current location is no longer used by SDIA for airport purposes, all of the Airport Authority's leases with the Port District would terminate and the right to use the property subject to those leases would revert to the Port District. See "CERTAIN INVESTMENT CONSIDERATIONS—State Tidelands Trusts."

Lease payments pursuant to the Airport Authority's operating lease agreements constitute Operation and Maintenance Expenses of the Airport System, and thus payment thereof is senior in priority to payment of the Senior Bonds and the Subordinate Obligations (including the Subordinate Series 2021 Bonds).

RDC Installment Purchase Agreement. The Airport Authority and AFCO CRDC SAN LLC ("AFCO") entered into an Installment Purchase Agreement, dated March 15, 2011 (the "RDC Installment Purchase Agreement"), pursuant to which AFCO agreed to design, build and finance a receiving and distribution center ("RDC") at SDIA, and the Airport Authority agreed to lease the RDC from AFCO for a term of 20 years commencing in November 2012 (the date of completion of the RDC). The RDC is a 21,000 square-foot building that provides a single receiving point for most goods delivered to SDIA. Distribution of these goods to various locations at SDIA is conducted by a single delivery service provided by Bradford Logistics. Pursuant to the RDC Installment Purchase Agreement, the Airport Authority pays AFCO a monthly installment payment of $73,108. The installment payments are payable from any legally available moneys of the Airport Authority after the payment of the Operation and Maintenance Expenses of the Airport System, the debt service and reserve fund requirements on the Senior Bonds and the Subordinate Obligations (including the Subordinate Series 2021 Bonds), and the required deposits to the Operation and Maintenance Reserve Subaccount and the Renewal and Replacement Subaccount.

Special Facility Obligations. Pursuant to the Master Senior Indenture, the Airport Authority may designate an existing facility or a planned facility as a "Special Facility" and may incur indebtedness in order to acquire, construct, renovate or improve such facility or to finance the acquisition, construction, renovation or improvement thereof by a third party. Additionally, the Airport Authority may provide that all contractual payments derived by the Airport Authority from such Special Facility, together with other income and revenues available therefrom (but only to the extent such payments, income and revenue are necessary to make the payments of principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Airport Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due), will constitute "Special Facilities Revenue" and will not be included in Revenues, Net Revenues or Subordinate Net Revenues. Such indebtedness will constitute a "Special Facility Obligation" and will be payable solely from the Special Facilities Revenue. When Special Facility Obligations issued for a Special Facility are fully paid or otherwise discharged, all revenues received by the Airport Authority from such facility will be included as Revenues. To the extent Special Facility Revenues exceed the amounts required to pay the principal of and interest on Special Facility Obligations when due, to the extent not otherwise encumbered, the excess may constitute Revenues as determined by the Airport Authority.

In February 2014, the Airport Authority issued $305,285,000 aggregate principal amount of its Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) Series 2014A and Series 2014B (the "Series 2014 Special Facilities Bonds") to finance a portion of the costs of the development and construction of a consolidated rental car facility (the "Rental Car Center") and related improvements at SDIA. As of November 1, 2021, the Series 2014 Special Facilities Bonds were outstanding in the aggregate principal amount of $282,005,000. The Series 2014 Special Facilities Bonds are special limited obligations of the Airport Authority, payable solely from and secured by a pledge of (a) the CFCs collected by the rental car companies operating at SDIA, (b) under certain circumstances, "Bond Funding Supplemental Consideration" payable by the rental car companies operating at SDIA, and (c) certain funds and accounts. *The Series 2014 Special Facility Bonds are not, in any way, secured by, or payable from, Revenues*. See "SAN DIEGO INTERNATIONAL AIRPORT—Existing Facilities" and "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES—Rental Car Agreements."

Senior and Subordinate Repayment Obligations. Under certain circumstances, the obligation of the Airport Authority, pursuant to a written agreement, to reimburse the provider of a Credit Facility or a Liquidity Facility (a "Repayment Obligation") may be secured by a pledge of and lien on Net Revenues on parity with the Senior Bonds or secured by a pledge of and lien on the Subordinate Net Revenues on parity with the Subordinate Obligations (including the Subordinate Series 2021 Bonds). If a Credit Provider or Liquidity Provider advances funds to pay principal of or purchase Senior Bonds, all or a portion of the Airport Authority's Senior Repayment Obligation may be afforded the status of a Senior Bond under the Senior Indenture. If a Credit Provider or Liquidity Provider advances funds to pay principal of or purchase Subordinate Obligations, all or a portion of the Airport Authority's Subordinate Repayment Obligation may be afforded the status of a Subordinate Obligation under the Subordinate Indenture. As of the date of this Official Statement, the Airport Authority has no outstanding Senior Repayment Obligations or Subordinate Repayment Obligations. See "APPENDIX C-2—SUMMARY OF MASTER SENIOR INDENTURE—Senior Repayment Obligations Afforded the Status of Senior Bonds" and "APPENDIX C-3—SUMMARY OF MASTER SUBORDINATE INDENTURE—Subordinate Repayment Obligations Afforded the Status of Subordinate Obligations."

THE AIRPORT AUTHORITY

General

The Port District operated SDIA from 1963 until December 31, 2002. Pursuant to the Act, the California Legislature created the Airport Authority and transferred, by long-term lease, the operations of SDIA to the Airport Authority effective January 1, 2003.

The Airport Authority is vested with four principal responsibilities: (a) operating the Airport System (the main asset of which is SDIA); (b) planning and operating any future airport that could be developed as a supplement or replacement to SDIA; (c) developing comprehensive land use compatibility plans as they may relate to the Airport System for the entire County; and (d) serving as the region's airport land use commission.

Board of Directors

The Airport Authority is governed by a nine-member board of directors (the "Board"), with two or more additional members serving as non-voting, *ex-officio* board members. Board members serve three-year terms. Three members of the Board serve as the Executive Committee. Pursuant to the Act, the members of the Board are appointed as follows: the Mayor of the City San Diego appoints three members (two of which are subject to confirmation by the San Diego City Council); the Chair of the Board of Supervisors of the County appoints two members (subject to confirmation by the Board of Supervisors of the County); the mayors of the east county cities (El Cajon, La Mesa, Lemon Grove and Santee) appoint one member; the mayors of the north county coastal cities (Carlsbad, Del Mar, Encinitas, Oceanside and Solana Beach) appoint one member; the mayors of the north county inland cities (Escondido, Poway, San Marcos and Vista) appoint one member; and the mayors of the south county cities (Chula Vista, Coronado, Imperial Beach and National City) appoint one member. The Board also consists of two non-voting, *ex-officio* members, the District Director of the State Department of Transportation for the San Diego region and the State Department of Finance representative for the State Lands Commission, both of whom are appointed by the Governor. The Board also may provide for additional non-voting, *ex-officio* members, including, but not limited to, representatives of the United States Navy and the United States Marine Corps.

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The current members of the Board are set forth below.

Board Members	Occupation	Appointing Authority	Current Term Expires
Executive Committee			
Guillermo Cabrera (Chair)	Attorney	Mayor, City of San Diego	January 31, 2024
Paul Robinson (Vice Chair)	Attorney	Chair, San Diego County Board of Supervisors	January 31, 2023
Robert Lloyd	President/CEO, Lloyds Collision Center	Mayors, East County Cities	January 31, 2022
General Members			
Catherine S. Blakespear	Mayor, City of Encinitas; Attorney	Mayors, North County Coastal Cities	January 31, 2023
Mary Casillas Salas	Mayor, Chula Vista	Mayors, South County Cities	January 31, 2024
Paul McNamara	Mayor, City of Escondido	Mayors, North County Inland City Mayors	January 31, 2024
Johanna Schiavoni (Chair)	Attorney	Mayor, City of San Diego	January 31, 2023
Nora E Vargas	Vice-Chair, San Diego County Board of Supervisors	Chair, San Diego County Board of Supervisors	January 31, 2022
Marni von Wilpert	Councilmember, City of San Diego	Mayor, City of San Diego	January 31, 2022
Ex-Officio Members			
Colonel Thomas M. Bedell	Commander, Marine Corps Air Station Miramar	United States Navy/United States Marine Corps	N/A
Gustavo Dallarda	District Director for the California Department of Transportation, San Diego Region	Governor, State of California	N/A
Gayle Miller	Chief Deputy Director, Policy at the Department of Finance, State of California	Governor, State of California	N/A

The fundamental powers and functions of the Airport Authority are established by the Act. The Act empowers the Board to adopt more specific rules to guide the conduct of the Board, officers and employees of the Airport Authority, and those persons and entities that interact with the Airport Authority or utilize the premises and property of the Airport Authority. The Board has exercised that power by adopting codes that govern and regulate the conduct of persons, organizations and other third parties that use the facilities under the Airport Authority's jurisdiction; and policies that address the Airport Authority's internal operations and governance.

Pursuant to its policies, the Board has established the following standing committees with the following functions:

Audit Committee. The Audit Committee serves as a guardian of the public trust, acting independently and charged with oversight responsibilities for reviewing the Airport Authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior and regular attention to cash flows, capital expenditures, regulatory compliance and operations. In addition to the Board members that serve on the Audit Committee, three members of the public, appointed by the Board, serve on the Audit Committee. The Audit Committee's responsibilities are as follows: (a) review regularly the Airport Authority's accounting, audit and performance monitoring processes; (b) at the time of renewal, recommend to the Executive Committee and the full Board its nomination for an external auditor and the compensation of the auditor, and consider at least every three years, whether there should be a rotation of the audit firm or the lead audit partner to ensure continuing auditor independence; (c) advise the Executive Committee and the Board regarding the selection of the auditor; (d) be responsible for oversight and monitoring of internal and external audit functions, and monitoring performance of, and internal compliance with, Airport Authority policies and procedures; (e) be responsible for overseeing the annual audit by the external auditors and internal audits; and (f) make recommendations to the full Board with regard to all of the foregoing.

Executive Committee. The Executive Committee is responsible for overseeing the implementation of the administrative policy of the Airport Authority. The Executive Committee members may not be included in the direct operation of the facilities and the airports under the jurisdiction of the Airport Authority, nor may they be included in the chain of command for purposes of emergency procedures. The Executive Committee is required to conduct monthly meetings with the President/CEO and his or her staff to review the operations of the Airport Authority. Any policy recommendation from the Executive Committee must be forwarded to the Board for consideration at a public meeting of the Board.

Executive Personnel and Compensation Committee. The Executive Personnel and Compensation Committee evaluates the President/CEO, Auditor and General Counsel and makes recommendations to the Board concerning their compensation. The Executive Personnel and Compensation Committee also reviews and makes recommendations regarding Board Member compensation.

Finance Committee. The Finance Committee is established to oversee the financial performance and condition of the Airport Authority and review the operating and capital budget and financial plan, and major financial policies or actions of the Airport Authority. The Finance Committee is required to meet at least quarterly each year.

Capital Improvement Program Oversight Committee. The Capital Improvement Program Oversight Committee oversees the implementation of the Capital Improvement Program, which includes the investigation and evaluation of the physical/functional, financial, environmental, community aspects, intergovernmental coordination, and public communication/outreach related to all Capital Improvement Program activities.

All committee appointments are for a one-year term. The Board may establish or maintain additional Board committees from time to time as necessary or appropriate in accordance with the Airport Authority's policies.

Executive Management

Kimberly J. Becker, President and CEO. Kimberly J. Becker was appointed President and CEO of the Airport Authority on May 1, 2017. As President/CEO, Ms. Becker is responsible for the fiscal and operating management and oversight of the Airport Authority and SDIA and the Airport Authority's annual operating budget and five-year capital budget. Prior to joining the Airport Authority, Ms. Becker served as Director of Aviation for the Norman Y. Mineta San José International Airport ("San José International Airport") from 2013 to 2017. Prior to being appointed the Director of Aviation for San José International Airport, she was appointed the Chief Operating Officer for the San José International Airport in 2011, and the Assistant Director of Aviation at San José International Airport in 2008. Ms. Becker's career in aviation and airport management spans more than 30 years and has included operations and environmental positions at Lockheed Air Terminal in Burbank, California, and Teterboro Airport in New Jersey. Currently, she serves as a board member for the San Diego Chamber of Commerce and the San Diego Regional Economic Development Corporation, and she is vice-chair of the San Diego Tourism Authority and co-chair of the

Kyoto Symposium Organization. Ms. Becker is actively engaged with ACI, for which she serves on the board of directors (including the large hub, commercial management, nominating, and audit committees) and as a U.S. Policy Council member. She also is the policy committee chair of Gateway Airports Council, a policy review committee member of the American Association of Airport Executives and serves on the board of directors of California Airports Council. Ms. Becker holds a bachelor's degree in business administration from Indiana University of Pennsylvania, and a master's degree in business administration/aeronautics from Embry-Riddle Aeronautical University, in Daytona Beach, Florida.

Scott M. Brickner, Vice President, Chief Financial Officer. Scott Brickner is the Vice President, Chief Financial Officer of the Airport Authority. He currently leads the Airport Authority's Accounting, Airline Relations, Finance, Risk Management, Information Technology and Procurement functions. Prior to joining the Airport Authority in 2009, Mr. Brickner held various senior management positions in the private sector. He serves on the Board of the San Diego Chapter of Financial Executives International ("FEI") and served a four-year term on the Finance Steering Committee of ACI. In 2019, he was named ACI's Financial Professional of the Year for large hub airports and was also nominated for FEI's Financial Executive of the Year. Mr. Brickner was nominated for San Diego Business Journal's CFO of the Year in 2019 and 2016, being honored with the award in 2016. He received a Bachelor of Business Administration from Benedictine College in Kansas, an MBA from St. Louis University, and has an active CPA license in the state of California.

Angela Shafer-Payne, Vice President, Chief Operations Officer. Angela Shafer-Payne is the Vice President, Chief Operations Officer of the Airport Authority. Ms. Shafer-Payne oversees airside and landside operations, aviation security and public safety, ground transportation and facilities maintenance. She has been with SDIA since 1995, during which time she has held various leadership positions. One of Ms. Shafer-Payne's most notable achievements was her instrumental role in establishing and setting up the Airport Authority, effectually separating SDIA from its previous owner, the Port District. She has a bachelor's degree in Business Administration with a concentration in Aeronautical Studies and Meteorology from the University of North Dakota. She also holds an Instrument Rated pilot license.

Dennis Probst, Vice President, Chief Development Officer. Dennis Probst is the Vice President, Chief Development Officer of the Airport Authority. Mr. Probst oversees all aspects of planning, environmental affairs, capital improvements and facilities development. Major projects completed under his leadership include the new Federal Inspection Services ("FIS") facility and the Terminal 2 Parking Plaza. Mr. Probst is currently overseeing the largest planned development program in the Airport Authority's history, the New T1. Prior to joining the Airport Authority in December 2017, he was the Chief Operating Officer for the Minneapolis-St. Paul Metropolitan Airports Commission. In that role, Mr. Probst was responsible for airport planning and development activities, information technology functions, and management and operation of Minneapolis-St. Paul International Airport and six general aviation airports in the Twin Cities metropolitan area. Mr. Probst holds a Bachelor of Science degree in civil engineering, a Bachelor of Arts degree in architecture and a master of architecture degree from Iowa State University.

Hampton Brown, Vice President, Chief Revenue Officer. Hampton Brown is the Vice President, Chief Revenue Officer of the Airport Authority. Mr. Brown oversees the Revenue Generation, Innovation, Marketing and Air Service Development functions of the Airport Authority. Additionally, he is responsible for the Airport's data analytics and public arts programs. Prior to joining the Airport Authority, Mr. Brown was in private sector aviation consulting and project logistics planning for the telecommunications industry. He holds a Bachelor of Arts degree from Allegheny College and a master's degree from the University of Maryland. He also attended the Universität Würzburg where he passed the PNdS German proficiency examination. Mr. Brown also has graduated from the joint ACI International Civil Aviation Organization Airport Management Accreditation program.

Lee Parravano, Chief Auditor. Lee Parravano is the Chief Auditor for the Airport Authority. Prior to joining the Airport Authority on April 4, 2018, Mr. Parravano served for five years as the Internal Auditor at the San Diego City Employees' Retirement System, the Airport Authority's pension plan administrator. He also worked for White Nelson Diehl Evans, an accounting, audit, and tax management advisory firm, as a senior audit manager for 11 years. With over 18 years of auditing experience, Mr. Parravano's professional skills include fraud investigations, compliance audits, performance audits, financial audits, consulting, and information technology analysis. He holds a Bachelor of Arts degree with a major in business economics from the University of California Santa Barbara and is a licensed Certified Public Accountant, a Certified Internal Auditor, and a Chartered Global Management Accountant.

Amy Gonzalez, General Counsel. Amy Gonzalez serves as the General Counsel for the Airport Authority. She has served as an attorney representing the Airport Authority since 2003. Prior to joining the Airport Authority, Ms. Gonzalez served as a Deputy City Attorney for the Department of Airports of the City of Los Angeles, California, operator of Los Angeles International Airport, Van Nuys and Palmdale Regional Airports. She has over 20 years of experience representing public entities, and, for the past 19 years, her practice has specialized in airport matters dealing with aircraft noise, rates and charges, transportation, the environment, eminent domain, contracts, concessions, revenue diversion and real property. Ms. Gonzalez graduated from St. Louis University and received a Juris Doctor from Pepperdine University School of Law. She is an adjunct professor of law at California Western School of Law and the University of San Diego School of Law.

Employees and Labor Relations

The Airport Authority employs approximately 377 full-time employees. Approximately 119 of these employees (primarily maintenance workers, airport traffic officers and certain supervisors) are members of the Teamsters Local 911 labor union. Labor relations with respect to those 119 employees are governed by a labor agreement between the Airport Authority and Teamsters Local 911, which will expire on September 30, 2022. Contract negotiations between the Airport Authority and Teamsters Local 911 are expected to begin in early calendar year 2022.

The Airport Authority has never experienced any disruption in its operations due to labor related matters.

SAN DIEGO INTERNATIONAL AIRPORT

Introduction

SDIA is located approximately three miles northwest of downtown San Diego on 661 acres of land. SDIA is bounded by San Diego Bay, military facilities and residential areas. Dedicated on August 16, 1928, SDIA was originally named "San Diego Municipal Airport—Lindbergh Field." SDIA gained international airport status in 1934 when it became the first federally certified airfield to serve all aircraft types, including seaplanes. World War II brought significant change to the airfield when the U.S. Army Air Corps took it over in 1942 to support the war effort. The infrastructure of SDIA was improved to handle the heavy bombers being manufactured in the region during the war. This transformation, including an 8,750-foot runway (now 9,401 feet), made SDIA jet-ready long before jet passenger planes came into widespread service.

SDIA is located on land leased from the Port District. The leases for most of the land leased from the Port District expire in 2068. The land upon which SDIA is located is held in trust by the Port District pursuant to certain tideland land grants from the State to the Port District. Under current law, in the event SDIA is relocated and the current location is no longer used by the Airport Authority for airport purposes, all of the Airport Authority's leases with the Port District would terminate and the right to use the property subject to those leases would revert to the Port District.

According to ACI statistics, SDIA is the busiest single-runway commercial airport in the United States based on passenger levels. SDIA is classified by the FAA as a "large air traffic hub" (an airport that enplanes over 1.0% of the total domestic passengers in the United States). As of October 31, 2021, SDIA handled air transportation for 16 passenger airlines. In Fiscal Year 2019, SDIA enplaned approximately 12.4 million passengers (which represented an approximately 5.3% increase in enplaned passengers from the fiscal year ended June 30, 2018). As a direct result of the COVID-19 pandemic that began in March 2020, enplanements at SDIA decreased significantly in Fiscal Year 2020 to approximately 9.2 million enplanements, and decreased further in Fiscal Year 2021 to approximately 4.9 million enplanements. However, for the first three months of Fiscal Year 2022 (July 2021 through September 2021), enplanements at SDIA increased by [•] ([•]%) compared to the first three months of Fiscal Year 2021 (July 2020 through September 2020), and were at [•]% of the enplanements for the first three months of Fiscal Year 2020 (July 2019 through September 2019). See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT." For each of the calendar years ended December 31, 2019 and December 31, 2020, approximately 96% of the passengers using SDIA were O&D passengers. According to ACI statistics, for each of the calendar years ended December 31, 2019 and December 31, 2020, SDIA was ranked as the 24th busiest airport in the country as measured by total number of enplaned and deplaned passengers.

Pursuant to the Act, the Airport Authority was required to study alternative sites for relocating SDIA and proposing a county-wide ballot measure regarding the relocation of SDIA. After a thorough study, the Airport Authority concluded that the best alternative for relocating SDIA was to obtain approximately 3,000 acres at Marine Corps Air Station-Miramar and to construct a new airport on this site. In November 2006, the voters of the County voted against the Airport Authority's proposal to move SDIA to Marine Corps Air Station-Miramar. At this time, the Board does not plan to pursue relocation of SDIA from its current location.

Existing Facilities

The existing airfield consists of one east-west runway (Runway 9/27), which is 9,401 feet long and 200 feet wide. Runway 9/27 has sufficient capacity and is of sufficient strength to permit the operation of most existing commercial aircraft, including most large widebody aircraft. However, natural and man-made obstructions, including rising terrain, trees and buildings to the west and east of SDIA limit the effective length of the runway for certain aircraft. This limitation reduces range and/or payload capability depending on the aircraft type and the operating rules of a given carrier. Each aircraft is different with respect to, among other things, its empty weight, engine type, thrust variant, desired payload capability, and desired range. For example, the Boeing 787 is not affected by these runway limitations due to improved airfield performance capabilities. Runway 9/27 is equipped with high-intensity runway lighting and supports both precision and non-precision approaches. SDIA has a system of taxiways leading to and from the terminal area on the south side of SDIA, and to and from the north side of SDIA which is used by cargo and general aviation aircraft. See "CERTAIN INVESTMENT CONSIDERATIONS—Restrictions on Airport Facilities and Operations." See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—New T1" for a discussion of the construction of certain airfield projects associated with the New T1 program.

Passenger services at SDIA are currently located in two terminals, Terminal 1 and Terminal 2 (consisting of Terminal 2 East and Terminal 2 West). Terminals 1 and 2 provide a total of 51 aircraft gates. Terminal 1, the oldest terminal at the Airport, was opened in 1967 and renovated in 1994 and 1997. Terminal 1 is approximately 257,500 square-feet, with 19 aircraft gates. See "DEVELOPMENT OF SAN

DIEGO INTERNATIONAL AIRPORT—New T1" for a discussion of the complete replacement of Terminal 1 as part of the New T1 program. The new terminal that will contain 30 gates; 11 more gates than the existing Terminal 1. Terminal 2 East was opened in 1979 and is a two-story, approximately 225,700 square-foot facility with 13 aircraft gates. Terminal 2 West was opened in 1998 and expanded in 2013 and is a three-story, approximately 786,600 square-foot facility with 19 aircraft gates.

Approximately 5,200 public parking spaces, operated by the Airport Authority, are currently available at the Airport, including (a) approximately 2,980 parking spaces located in the new Terminal 2 Parking Plaza that opened in 2018, (b) approximately 1,100 parking spaces located in a surface parking lot in front of Terminal 1, (c) approximately 1,080, parking spaces located in a surface parking lot in front of Terminal 2-West, and (d) approximately 80 spaces in a free cell phone lot located east of the Airport Authority's administration offices. Prior to the start of the COVID-19 pandemic, the Airport Authority operated surface parking lots on Pacific Highway and Harbor Drive consisting of 3,300 spaces. These lots were closed and will not reopen to the public. The parking lot on Pacific Highway will be used for employee parking and the parking lot on Harbor Drive will be used as part of the New T1 airside development. Additionally, prior to the start of the COVID-19 pandemic, valet parking services were offered with curb-side drop-off in front of Terminals 1 and 2 and utilized 500 parking spaces. During the COVID-19 pandemic, the Airport Authority suspended valet parking, but the Airport Authority expects to resume valet parking in January 2022 utilizing spaces in front of Terminals 1 and 2. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—New T1" for a discussion of the construction of a new parking structure adjacent to Terminal 1 as part of the New T1 program that will contain approximately 5,200 parking spaces. Upon completion of the New T1, there will be approximately 9,100 public parking spaces, operated by the Airport Authority, available at the Airport; an addition of approximately 100 new, permanent public parking spaces at the Airport, since the start of the design and construction of the New T1.

The on-Airport rental car companies operate from the "Rental Car Center" that opened in January 2016 and consists of a customer service building, ready/return, "quick turnaround" and staging/storage areas with approximately 5,400 parking spaces, and fueling, car wash and light maintenance facilities. The Rental Care Center is located on approximately 24.8 acres on the north-side of the Airport. A shuttle bus system transports passengers from the terminals to the Rental Car Center. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—Special Facility Obligations" and "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES—Rental Car Agreements."

In July 2021, the Airport Authority opened a new passenger airline belly cargo and provisioning facility consisting of approximately 81,790 square feet of warehouse and office space located on approximately eight acres of land on the south side of the Airport. The Airport Authority signed 5-year leases with Southwest Airlines, United Airlines, American Airlines and Delta Air Lines. The facility is managed by a third party who manages day-to-day operations. International and smaller carriers are required to have arrangements with one of the four primary tenants in order to process cargo through the facility.

Various other facilities are located at the Airport or on land located near the Airport, including, among others, a control tower, facilities operated by the integrated cargo carriers (i.e., DHL, FedEx and UPS) (see "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Third-Party Financed Projects" for information on the development of new cargo facilities at the Airport for the integrated cargo carriers), central utilities plant and fuel facilities. The previous Commuter Terminal, a three-story building with approximately 133,000 square-feet, currently serves as the offices of the Airport Authority. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—New T1" for a discussion of the Airport Authority's plans to construct new administrative offices as a result of the demolition of the Commuter Terminal in connection with construction of the new Terminal 1.

Air Carriers Serving SDIA

As of October 31, 2021, 16 passenger airlines provided service from SDIA to a total of 67 U.S. cities and 8 international cities, and six air carriers provided scheduled all-cargo service at SDIA. The following table sets forth the air carriers serving SDIA as of October 2021. See "AIRLINE INDUSTRY INFORMATION."

TABLE 7
San Diego International Airport
Air Carriers Serving San Diego International Airport
(As of October 31, 2021)

U.S. Carriers	Foreign Flag Carriers	All-Cargo Carriers
Alaska Airlines[1]	Air Canada[5]	Ameriflight
Allegiant Air	British Airways	Atlas Air
American Airlines[2]	Japan Airlines	FedEx
Delta Air Lines[3]	Swoop	Swift Air
Frontier Airlines	WestJet Airlines	United Parcel Service
Hawaiian Airlines		West Air
JetBlue Airways		
Southwest Airlines		
Spirit Airlines		
Sun Country Airlines		
United Airlines[4]		

[1] Operated by Alaska Airlines and Horizon Air, separately certificated airlines owned by Alaska Air Group, Inc. ("Alaska Air Group") and regional affiliate, SkyWest Airlines.
[2] Operated by American Airlines and regional affiliate, SkyWest Airlines.
[3] Operated by Delta Air Lines and regional affiliate, SkyWest Airlines.
[4] Operated by United Airlines and regional affiliate, SkyWest Airlines.
[5] Operated by affiliates, Air Canada Jazz and Air Canada Jazz Rouge.
Source: San Diego County Regional Airport Authority

As of January 2020, prior to the start of the COVID-19 pandemic, 17 passenger airlines provided service from SDIA to a total of 64 U.S. cities and nine international cities, and five air carriers provided scheduled all-cargo service at SDIA. The only passenger airlines no longer operating from SDIA that operated in January 2020, are Edelweiss Air and Lufthansa (which historically enplaned less than 1% of the passengers at the Airport).

Aviation Activity

In Fiscal Year 2019, SDIA enplaned approximately 12.4 million passengers (which represented an approximately 5.3% increase in enplaned passengers from the fiscal year ended June 30, 2018). As a direct result of the COVID-19 pandemic that began in March 2020, enplanements at SDIA decreased significantly in Fiscal Year 2020 to approximately 9.2 million enplanements, and decreased further in Fiscal Year 2021 to approximately 4.9 million enplanements. However, for the first three months of Fiscal Year 2022 (July 2021 through September 2021), enplanements at SDIA increased by [•] ([•]%) compared to the first three months of Fiscal Year 2021 (July 2020 through September 2020). See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT." For each of the calendar years ended December 31, 2019 and December 31, 2020, approximately 96% of the passengers using SDIA were O&D passengers. During October 2021, passenger airlines and cargo carriers were operating approximately [•] departures daily at SDIA.

The following table sets forth the total domestic and international enplanements and total deplanements at SDIA for the last ten Fiscal Years and the first three months of Fiscal Years 2020, 2021 and 2022. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT."

TABLE 8
San Diego International Airport
Total Enplanements and Deplanements

	Enplanements						Deplanements			
Fiscal Year	**Domestic Enplanements**	**Percent of Total**	**International Enplanements**	**Percent of Total**	**Total Enplanements**	**Percent Change**	**Total Deplanements**	**Percent Change**	**Total Enplanements and Deplanements**	**Percent Change**
2012	8,323,734	97.1%	251,741	2.9%	8,575,475	1.6%	8,562,938	1.6%	17,138,413	1.6%
2013	8,460,959	96.8	276,658	3.2	8,737,617	1.9	8,703,351	1.6	17,440,968	1.7
2014	8,745,640	96.3	336,604	3.7	9,082,244	3.9	9,062,886	4.1	18,145,130	4.0
2015	9,381,259	96.6	331,807	3.4	9,713,066	6.9	9,696,617	7.0	19,409,683	7.0
2016	9,848,924	96.5	357,298	3.5	10,206,222	5.1	10,190,948	5.1	20,397,170	5.1
2017	10,194,718	96.2	401,765	3.8	10,596,483	3.8	10,543,584	3.5	21,140,067	3.6
2018	11,257,939	96.0	473,894	4.0	11,731,833	10.7	11,702,560	11.0	23,434,393	10.9
2019	11,832,512	95.8	523,774	4.2	12,356,286	5.3	12,335,387	5.4	24,691,673	5.4
2020	8,865,028	96.0	370,431	4.0	9,235,459	(25.3)	9,215,140	(25.3)	18,450,599	(25.3)
2021	4,809,965	99.0	50,966	1.0	4,860,931	(47.4)	4,841,626	(47.5)	9,702,557	(47.4)
First Three Months[1]										
2020	3,277,970	95.9%	141,471	4.1%	3,419,441	4.6%	3,406,598	4.1%	6,826,039	4.4%
2021	941,563	99.1	8,887	0.9	950,450	(72.2)	953,078	(72.0)	1,903,528	(72.1)
2022	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

[1] July 1 through September 30. Results for the first three months of Fiscal Year 2022 may not be indicative of results for the full Fiscal Year 2022.
Source: San Diego County Regional Airport Authority

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The following table sets forth total revenue operations (landings and takeoffs) at SDIA for Fiscal Years 2012 through 2021 and the first three months of Fiscal Years 2019, 2020 and 2021.

TABLE 9
San Diego International Airport
Revenue Operations

Fiscal Year	Total Operations[1]	Operations Growth
2012	186,196	0.0%
2013	187,322	0.6
2014	187,757	0.2
2015	195,268	4.0
2016	194,151	(0.6)
2017	201,011	3.5
2018	218,671	8.8
2019	227,931	4.2
2020	190,746	(16.4)
2021	130,017	(31.8)
First Three Months[2]		
2020	61,305	3.2%
2021	30,869	(49.6)
2022 [3]	[•]	[•]

[1] For revenue-related departures and arrivals.
[2] July 1 through September 30. Results for the first three months of Fiscal Year 2022 may not be indicative of results for the full Fiscal Year 2022.
[3] Estimated.
Source: San Diego County Regional Airport Authority

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Air Cargo

The following table sets forth information concerning cargo traffic (enplaned and deplaned cargo) over the last ten Fiscal Years and the first three months of Fiscal Years 2019, 2020 and 2021.

TABLE 10
San Diego International Airport
Historical Enplaned and Deplaned Freight and U.S. Mail Cargo
(in tons)

Fiscal Year	Freight	Annual Percentage Change	U.S. Mail	Annual Percentage Change	Total	Annual Percentage Change
2012	136,036	11.3%	17,335	3.2%	153,370	10.3%
2013	138,760	2.0	18,265	5.4	157,025	2.4
2014	145,831	5.1	19,135	4.8	164,966	5.1
2015	157,229	7.8	21,386	11.8	178,614	8.3
2016	165,046	5.0	20,609	(3.6)	185,656	3.9
2017	166,446	0.8	22,161	7.5	188,606	1.6
2018	167,352	0.5	24,198	9.2	191,550	1.6
2019	162,231 [1]	(3.1)	24,238	1.0	186,469	(2.5)
2020	146,030	(10.0)	8,350 [3]	(65.5)	154,380	(17.2)
2021	147,140	0.8	7,365 [3]	(11.8)	154,505	0.1
First Three Months[2]						
2020	37,926	(10.2)%	3,160 [3]	(48.3)%	41,086	(15.0)%
2021	36,802	(3.0)	1,875 [3]	(40.7)	38,677	(5.9)
2022 [3]	[•]	[•]	[•] [3]	[•]	[•]	[•]

1 In October 2018, Amazon opened a new "air gateway" near Ontario International Airport. Amazon transports cargo through Ontario International Airport and then uses ground transportation to delivery items into the San Diego area.
2 July 1 through September 30. Results for the first three months of Fiscal Year 2022 may not be indicative of results for the full Fiscal Year 2022.
3 In accordance with new rules imposed by the U.S. Postal Service, as of August 2019, FedEx ceased reporting U.S. Mail tonnage. Over the last several years, FedEx carried approximately two-thirds of all U.S. Mail out of SDIA.
Source: San Diego County Regional Airport Authority.

Enplanements by Air Carriers

The following table presents total enplanements for each air carrier serving SDIA for the last five Fiscal Years. For Fiscal Year 2021, Southwest accounted for approximately 33.5% of the enplanements at SDIA, 29.3% of the landed weight at SDIA and 15.3% of the operating revenues of the Airport Authority. Over the past five Fiscal Years, Southwest has enplaned about one-third of the passengers at SDIA. Since approximately 96% of the passengers using SDIA are O&D passengers (based on calendar year 2020 enplanements), and the Airport Authority relies very little on connecting enplanements, the Airport Authority believes that any reduction in service by Southwest would probably be absorbed by one or more other airlines operating at SDIA.

TABLE 11
San Diego International Airport
Enplanements By Air Carriers
(Ranked on 2021 Results)[1]

Air Carrier	Fiscal Year 2017	2017 Percent Share	Fiscal Year 2018	2018 Percent Share	Fiscal Year 2019	2019 Percent Share	Fiscal Year 2020	2020 Percent Share	Fiscal Year 2021	2021 Percent Share
Southwest	3,967,487	37.4%	4,457,984	38.0%	4,656,029	37.7%	3,474,860	37.6%	1,627,594	33.5%
Alaska[2]	1,326,087	10.7	1,578,470	13.5	1,702,289	13.8	1,325,147	14.3	806,949	16.6
American[3]	1,454,495	13.7	1,492,627	12.7	1,467,899	11.9	1,128,443	12.2	767,833	15.8
United[4]	1,396,671	13.2	1,501,572	12.8	1,593,244	12.9	1,105,820	12.0	600,216	12.3
Delta[5]	1,268,737	10.3	1,362,135	11.6	1,504,544	12.2	1,168,462	12.7	567,589	11.7
Frontier	180,235	1.7	254,760	2.2	277,320	2.2	201,280	2.2	180,181	3.7
Spirit	287,208	2.7	318,201	2.7	323,623	2.6	225,279	2.4	111,604	2.3
JetBlue	224,700	2.1	248,325	2.1	230,909	1.9	195,279	2.1	90,332	1.9
Hawaiian	107,776	1.0	108,971	0.9	149,744	1.2	102,759	1.1	61,754	1.3
Sun Country	40,109	0.4	41,466	0.4	40,167	0.3	37,073	0.4	23,461	0.5
Allegiant	49,480	0.5	44,934	0.4	30,750	0.2	13,162	0.1	22,391	0.5
Japan Airlines	59,916	0.6	62,034	0.5	66,688	0.5	43,596	0.5	1,027	0.0
Air Canada[6]	93,274	0.9	110,684	0.9	130,404	1.1	90,425	1.0	0 [8]	0.0
British Airways	90,200	0.9	82,543	0.7	83,492	0.7	57,998	0.6	0 [8]	0.0
WestJet	41,043	0.4	39,285	0.3	42,939	0.3	28,905	0.3	0 [8]	0.0
Others[7]	9,065	0.0	27,842	0.2	56,245	0.51	36,971	0.4	0	0.0
Total Enplanements	10,596,483	100.0%	11,731,833	100.0%	12,356,286	100.0%	9,235,459	100.0%	4,860,931	100.0%

[1] Totals may not add due to rounding.
[2] In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. Enplanements are for Alaska, Virgin America and Alaska's regional carrier service provided by Horizon and SkyWest.
[3] Enplanements are for both American and its regional carrier service provided by Compass and SkyWest. Compass ceased operating in April 2020..
[4] Enplanements are for United and its regional carrier service provided by SkyWest.
[5] Enplanements are for Delta and its regional carrier service provided by Compass and SkyWest. Compass ceased operating in April 2020.
[6] Enplanements are for Air Canada Rouge and Jazz Aviation, both affiliates for Air Canada.
[7] "Others" includes airlines that ceased operating at SDIA during the period shown in the table.
[8] As a result of the COVID-19 pandemic and the resulting travel restrictions to foreign countries, Air Canada, British Airways and WestJet did not operate from the Airport in Fiscal Year 2021. Air Canada resumed service from the Airport in August 2021, and British Airways and WestJet resumed service from the Airport in October 2021.

Source: San Diego County Regional Airport Authority

Landed Weight

The following table sets forth the total revenue landed weight for the largest passenger airlines and cargo carriers serving SDIA for the last five Fiscal Years, ranked on Fiscal Year 2021 results.

TABLE 12
San Diego International Airport
Total Revenue Landed Weight
(Ranked on Fiscal Year 2021 Results)
(in thousands of lbs.)[1]

Airline/Cargo Carrier	2017	2018	2019	2020	2021	2021% of Total
Southwest	4,470,104	4,924,451	5,180,064	4,422,096	2,277,011	29.3%
Alaska[2]	1,545,488	1,828,522	1,995,130	1,672,207	1,342,664	17.3
Delta[3]	1,416,839	1,484,342	1,616,827	1,373,938	1,049,374	13.5
American[4]	1,576,026	1,627,081	1,566,041	1,298,505	917,691	11.8
United[5]	1,515,672	1,611,065	1,701,559	1,285,393	770,742	9.9
FedEx	398,017	396,143	382,879	401,386	474,155	6.1
Frontier	167,590	232,794	247,145	204,924	199,836	2.6
JetBlue	244,364	293,160	281,715	260,940	171,957	2.2
United Parcel Service	146,778	143,678	138,860	146,624	138,926	1.8
Spirit	286,162	328,424	331,366	230,911	125,589	1.6
Hawaiian	147,568	161,486	237,560	155,345	122,574	1.6
ABX Air[6]	–	–	–	42,542	83,216	1.1
Allegiant	57,227	47,516	31,927	19,387	38,889	0.5
Japan Airlines	139,626	138,745	138,700	104,500	32,680	0.4
Sun County	48,589	49,687	44,972	39,589	30,643	0.4
British Airways	217,360	208,926	210,432	141,615	0 [9]	0.0
Air Canada[7]	101,552	116,381	138,417	100,851	0 [9]	0.0
Others[8]	137,104	177,544	237,636	152,328	3,582	0.0
Total	12,616,066	13,769,945	14,481,229	12,053,081	7,779,528	100.0%
Annual % Change	3.0%	4.6%	4.7%	(16.8)%	(35.5)%	

[1] Totals may not add due to rounding.
[2] In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018. Landed weight is for Alaska, Virgin America and Alaska's regional carrier service provided by Horizon and SkyWest.
[3] Landed weight is for Delta and its regional carrier service provided by Compass and SkyWest. Compass Air ceased operating in April 2020.
[4] Landed weight is both American and American's regional carrier service provided by Compass and Sky West. Compass Air ceased operating in April 2020.
[5] Landed weight is for United and its regional carrier service provided by SkyWest.
[6] ABX Air provided service for DHL until July 2021. In July 2021, Swift Air began providing service for DHL.
[7] Landed weight is for Air Canada Rouge and Jazz Aviation, both affiliates for Air Canada.
[8] "Others" includes airlines/cargo carriers that ceased operating at SDIA during the period shown in the table, and airlines/cargo carriers with a Fiscal Year 2021 market share of less than 0.4%.
[9] As a result of the COVID-19 pandemic and the resulting travel restrictions to foreign countries, British Airways and Air Canada did not operate from the Airport in Fiscal Year 2021. British Airways resumed service from the Airport in October 2021, and Air Canada resumed service from the Airport in August 2021.

Source: San Diego County Regional Airport Authority

Emergency Preparedness

The Airport Authority has an approved Airport Emergency Plan ("AEP") as required under FAA regulations. The AEP addresses essential emergency-related and deliberate actions planned to ensure the safety of and emergency services of the populace of SDIA and the surrounding communities. The AEP is reviewed with stakeholders on a regular basis and exercises (i.e. tabletop or full-scale field) are conducted annually to test the readiness of the plan.

The Airport Authority also has prepared a Business Continuity Plan ("BCP") to assist the organization in managing (a) minor events - business disruptions impacting a single Airport Authority function/department, (b) moderate events – business disruptions impacting multiple Airport Authority functions/department, and (c) major events – business disruptions impacting the entire Airport Authority/SDIA. The plan contains information on emergency contact details, strategies to mitigate impact, procedures to be implemented and communication processes to be followed in response to business disruptions. The BCP is to be initiated at the outset of a disruptive event and includes operating SDIA during the emergency situation and business recovery steps to return the operation back over to regular management after the BCP leader deems the recovery to be complete.

All employees of the Airport Authority are responsible for maintaining the continuous operation of the organization in the event of a disaster. While the BCP does not include recovery activities that are part of the AEP, it is the intent of management that both plans work in tandem with each other during an emergency incident. The Airport Authority's internal Audit department periodically reviews the BCP and provides comments and suggestions for its improvement.

The Airport Authority has developed, tested and evaluated a comprehensive set of emergency procedures for a probable disruptive event. These procedures and precautions seek to minimize the operational and financial impact on SDIA and the Airport Authority. However, the Airport Authority cannot predict whether SDIA would need to cease operations in the event of an emergency or what types of emergencies would cause SDIA to cease operating. The Airport Authority is not able to predict for how long SDIA would be closed and whether the Airport Authority's reserves would be adequate to return SDIA to full operation in the event of a cessation of operations due to an emergency.

AGREEMENTS FOR THE USE OF AIRPORT FACILITIES

The Airport Authority has entered into, and receives payments under, different agreements with various airlines and other parties, including operating and lease agreements relating to landing fees and the leasing of space in terminal buildings, other building and miscellaneous leases regarding the leasing of cargo and hangar facilities, and concession agreements relating to the sale of goods and services at SDIA.

Agreements with Passenger Airlines and All-Cargo Carriers

Airline Lease Agreements. The Airport Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements, as amended (the "Airline Lease Agreements") with 14 passenger airlines operating at SDIA (the "Signatory Passenger Airlines") and 3 all-cargo carriers (the "Signatory Cargo Carriers," and together with the Signatory Passenger Airlines, the "Signatory Airlines"). The Signatory Passenger Airlines are currently Air Canada, Alaska, American, British Airways, Delta, Frontier, Hawaiian, Japan Airlines, JetBlue, Southwest, Spirit, Sun Country, United and WestJet. During Fiscal Year 2021, the Signatory Airlines enplaned approximately 99.6% of the passengers at the Airport. The Signatory Cargo Carriers are currently Atlas, FedEx and UPS. The Airline Lease Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SDIA. The Airline Lease Agreements have a term that commenced on July 1, 2019 and terminates on June 30, 2029, unless terminated earlier pursuant to their terms.

Under the Airline Lease Agreements, the Signatory Passenger Airline operating in Terminal 1-East (Southwest) has exclusive rights to use the "Exclusive Use Premises" which consist of ticket counters, free-standing self-service kiosks, skycab podiums, curbside positions, and associated passenger queuing areas (on a transitional basis until the new Terminal 1 facilities are constructed), ticket and baggage service offices and operational support areas. Under the Airline Lease Agreements, the Signatory Passenger Airlines operating in Terminal 1-West (Frontier, JetBlue, Spirit, and WestJet) and Terminal 2 (Air Canada, Alaska, American, Delta, Hawaiian, Japan Airlines and United) operate under "Common Use Premises" for ticket counters, free-standing self-service kiosks, skycap podiums, curbside positions and queuing areas, and "Exclusive Use Premises" for ticket and baggage offices and operation support offices. The Signatory Passenger Airlines in both Terminals 1 and 2 also receive the nonexclusive right to use "Joint-Use Premises," which include passenger hold rooms, passenger screening, baggage claim areas, passenger loading bridges, baggage handling systems, and information displays and paging; "Public Areas," which include sidewalks, concourses, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Airport Authority from time to time; and "Airfield Areas," which include (1) facilities, equipment, improvements, runways, taxiways, and control towers, for the purpose of controlling or assisting arrivals, departures and operations of aircraft, (2) all airline apron areas not leased exclusively, including without limitation Aircraft Parking Positions (3) other airport-related facilities operated and maintained by the FAA or any other federal agency, (4) security fences and service roads located on the Airport and related to the rest of the Airfield Area, (5) signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located away from but related to the rest of the Airfield Area, (6) aircraft rescue and fire-fighting services, (7) aircraft fueling systems, and (8) noise monitoring/mitigation program costs.

Pursuant to the Airline Lease Agreements, the landing fees at SDIA are calculated based on a residual rate-setting methodology and the terminal rental rates at SDIA are calculated based on a compensatory rate-setting methodology. Each Signatory Airline is required to pay landing fees on a monthly basis equal to the landed weight of each such Signatory Airline's planes which landed at SDIA for such month multiplied by the landing fee rate. The landing fee rate is set at the beginning of each Fiscal Year by first determining the airfield area requirement. The airfield area requirement is calculated as: (a) the sum of Operation and Maintenance Expenses of the Airport System, annual net debt service, amortization charges, reserve deposits, coverage charges, Major Maintenance Fund deposits and bad debt expenses attributable or allocable to the airfield, and fuel system costs; minus (b) the sum of fuel flowage fee revenue, fingerprinting revenue, ground handling concession revenue, 70% of inflight catering revenue and any federal, State or local grants that are attributable or allocable to the airfield. The landing fee rate is then calculated by subtracting the sum of non-signatory landing fees, aircraft parking position rentals, aircraft parking position turn fees and aircraft parking position overnight fees from the airfield area requirement and then dividing such result by the cumulative maximum gross landed weight of the Signatory Airlines for the Fiscal Year.

Each Signatory Passenger Airline is required to pay terminal rentals on a monthly basis equal to the total area of the terminals allocable to each such Signatory Passenger Airline multiplied by the terminal rental rate. The terminal rental rate is set at the beginning of each Fiscal Year by first determining the base terminal area rental rate and the supplemental terminal rental rate. The base terminal area rental rate is calculated as: (a) the sum of Operation and Maintenance Expenses of the Airport System, annual net debt service, amortization charges and reserve deposits attributable or allocable to the terminal, minus (b) FIS fee revenues and any federal, State or local grants received to offset Operation and Maintenance Expenses of the Airport System, annual net debt service or reserve deposits attributable or allocable to the terminal, divided by (c) the total square footage of leasable space in the terminal. The supplemental terminal rental rate is calculated as (i) the sum of coverage charges, Major Maintenance Fund deposits and bad debt expenses attributable or allocable to the terminal, divided by (ii) the square footage of space leased by the airlines in the terminal. The base terminal area rental rate and the supplemental terminal rental rate are then added together to calculate the terminal rental rate.

Pursuant to the Airline Lease Agreements, in addition to landing fees and terminal rentals, the Signatory Passenger Airlines are required to pay other fees and charges, including among others, aircraft parking position fees, aircraft parking position turn fees, aircraft parking position overnight fees, joint use fees and common use fees. As described above, as part of the landing fee rate and the terminal rental rate, the Signatory Airlines have agreed to pay coverage charges which are equal to the sum of (a) 140% of the debt service on the Senior Bonds, the Subordinate Obligations and any other indebtedness of the Airport Authority, plus (b) the Operation and Maintenance Expenses of the Airport System, minus (c) Revenues, PFCs and Federal Direct Payments used to pay debt service on the Senior Bonds, the Subordinate Obligations and any other indebtedness of the Airport Authority.

Pursuant to the Airline Lease Agreements, for each Fiscal Year, the Airport Authority is required to develop budgeted landing fee rates, terminal rental rates, aircraft parking position rentals and fees, joint use fees, and common use fees. Before formally adopting the budget, and any resulting rental, fees, or charges, the Airport Authority must consult with the Signatory Airlines and consider their comments regarding the budget and the calculation of the estimated rents, fees, and charges. Pursuant to the Airline Lease Agreements, the Airport Authority will review the rents, fees, and charges at least once during the Fiscal Year. If during any review the Airport Authority finds that the estimated rents, fees, and charges vary by more than 5% from those originally budgeted or previously estimated by the Airport Authority, the Airport Authority may, after consultation with the Signatory Airlines, adjust the rents, fees, and charges.

Within six months after the close of each Fiscal Year, the Airport Authority will calculate the final rent, fees and charges based on actual results for the Fiscal Year. Any difference between the budgeted rents, fees, and charges paid by the Signatory Airlines and the actual rents, fees, and charges chargeable to the Signatory Airlines based on actual results shall be either refunded by the Airport Authority or the Signatory Airlines shall pay the Airport Authority the difference. If the actual rents, fees and charges paid by a Signatory Airline in a Fiscal Year are less than $500,000 (for a Signatory Passenger Airline) or $250,000 (for a Signatory Cargo Airline), such Signatory Airline will be required to make a supplemental payment to the Airport Authority so that total payments for the Fiscal Year are at least $500,000 (for a Signatory Passenger Airline) or $250,000 (for a Signatory Cargo Airline). Any amount due the Signatory Airlines as a result of such final accounting will be paid in the form of a cash payment to the Signatory Airlines in the next ensuing month. Any amount due the Airport Authority as a result of such final accounting will be invoiced to the Signatory Airlines and due and payable within 30 days of the invoice.

Except as described below with respect to Off-Airport Public Transportation Projects, the Airline Lease Agreements do not require the Airport Authority to receive the approval of the Signatory Airlines for the construction of the projects included in the Master Plan, the CIP or the New T1. Under the Airline Lease Agreements, the Signatory Airlines have agreed that the Airport Authority can fund one or more Off-Airport Public Transportation Projects that are approved by the FAA. The Signatory Airlines have agreed to $75 million in funding of Off-Airport Public Transportation Projects with no contribution from other agencies, an additional $125 million with $200 million in legally binding commitments from third parties, and an additional $150 million with an additional $150 million in legally binding commitments from third parties. The aggregate Airport Authority contribution cannot exceed $350 million without Signatory Airline approval.

In accordance with the Airline Lease Agreement, the Airport Authority has established the Major Maintenance Fund to fund capital projects in the airfield area, the terminal area, for common use systems and airline terminal support costs centers and capital projects in indirect cost centers to the extend allocable to the airfield area, the terminal area, for common use systems and for airline terminal support cost centers. Each Fiscal Year, the Airport Authority had agreed to deposit $40 million to the Major Maintenance Fund from the following revenue sources: $15 million from the airfield area; $15 million from the terminal area; and $10 million from non-airline revenues. However, in order to mitigate the effects of the required funding of the Major Maintenance Fund on airline rates and charges during the COVID-19 pandemic, the Airport Authority and the Signatory Airlines agreed to amend the Airline Lease Agreement. [status of signed amendments to come] The amended requirement for the funding of the Major Maintenance Fund under the Airline Lease Agreement provides as follows:

- For Fiscal Year 2020, the Airport Authority will deposit $30,000,000 into the Major Maintenance Fund and allocate the costs of the deposits to the following cost centers: $10,000,000 to the airfield cost center; $10,000,000) to the terminal cost center; and $10,000,000 to a combination of the landside cost center and the ancillary cost center, as determined in the discretion of the Airport Authority.

- For Fiscal Year 2021, the Airport Authority will deposit $10,000,000 into the Major Maintenance Fund and allocate the costs of the deposits to the following cost centers: $10,000,000 to a combination of the landside cost center and the ancillary cost center, as determined in the discretion of the Airport Authority.

- For Fiscal Year 2022, the Airport Authority will deposit $10,000,000 into the Major Maintenance Fund and allocate the costs of the deposits to the following cost centers: $10,000,000 to a combination of the landside cost center and the ancillary cost center, as determined in the discretion of the Airport Authority.

- Each subsequent Fiscal Year, beginning in Fiscal Year 2023 and continuing through Fiscal Year 2029, the Airport Authority will deposit $50,000,000 into the Major Maintenance Fund and allocate the costs of the deposits to the following cost centers: $20,000,000 to the airfield cost center; $20,000,000 to the terminal cost center; and $10,000,000 to a combination of the landside cost center and the ancillary cost center, as determined in the discretion of the Airport Authority.

See also "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT—Financial Conditions and Liquidity—Temporary Relief Programs Provided to Airlines, Concessionaires and Rental Car Companies" for a discussion of the Airport Authority's approval of a deferral of the funding of the Major Maintenance Fund by the airlines.

See "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF AIRLINE LEASE AGREEMENT" for a more detailed description of certain terms of the Airline Lease Agreements.

Affiliate Airline Operating Agreements. In an effort to better match capacity with demand in some markets, certain Signatory Passenger Airlines have entered into agreements with affiliated airlines to operate smaller aircraft on behalf of those Signatory Passenger Airlines. "Affiliate Airlines" are airlines that (a) have been designated by a Signatory Passenger Airline to operate at SDIA as its Affiliate, (b) have executed an Affiliate Airline Operating Agreement with the Airport Authority and the Signatory Passenger Airline, (c) fly in or out of the Airport solely for the benefit of a Signatory Airline and providing transportation of property or passengers for the Signatory Airline under the name of the Signatory Airline, (d) if flying under its own name, not selling any seats in its own name and all seats are being sold in the name of the Signatory Airline or (e) a wholly-owned subsidiary of the Signatory Airline or a subsidiary of the same corporate parent as the Signatory Airline. Generally, the same rates, fees and charges applicable to the Signatory Passenger Airline's operations at SDIA also apply to the Affiliate Airline's operations at SDIA. In the event an Affiliate Airline fails to pay fees and charges to the Airport Authority, the applicable Signatory Passenger Airline is responsible for the fees and charges billed to its Affiliate Airline. The following table sets forth the Affiliate Airlines currently operating at the Airport and their affiliated Signatory Passenger Airlines.

TABLE 13
San Diego International Airport
Signatory Passenger Airlines and Their
Affiliate Airlines

Signatory Passenger Airline	Affiliate Airline
Air Canada	Air Canada Rouge
Air Canada	Jazz Aviation
Alaska Airlines	Horizon Air
Alaska Airlines	SkyWest Airlines
American Airlines	SkyWest Airlines
Delta Air Lines	SkyWest Airlines
United Airlines	SkyWest Airlines
FedEx	West Air

Source: San Diego County Regional Airport Authority

Non-Signatory Airline Operating Agreements. Passenger airlines and cargo carriers operating at SDIA that are not a party to an Airline Lease Agreement or an Affiliate Airline Operating Agreement (the "Non-Signatory Airlines"), operate at the Airport pursuant to a Non-Signatory Airline Operating Agreement. The Non-Signatory Airlines are currently Allegiant, Ameriflight, [Swift,] and Swoop. The terms of the Non-Signatory Airline Operating Agreements are generally the same as the terms of the Airline Lease Agreements, except that the landing fees and terminal rentals paid by the Non-Signatory Airlines are higher than the fees and rates paid by the Signatory Airlines under the Airline Lease Agreements (20% higher), except for FIS fees.

See "FINANCIAL INFORMATION—Summary of Financial Results" for information with respect to aviation revenues collected by the Airport Authority in Fiscal Year 2021.

Parking Agreement

The Airport Authority has entered into an agreement with ACE Parking Management Inc. ("ACE Management") for the management of the parking facilities at SDIA. The term of the agreement with ACE Management is from October 1, 2018 through September 30, 2021, with 2 one-year options to extend the agreement solely at the Airport Authority's discretion. The Airport Authority exercised its first option to extend the agreement until September 30, 2022. The Airport Authority has one more option, at its sole discretion, to extend the agreement for one additional year until September 30, 2023. The agreement requires ACE Management to remit the gross revenues from the parking facilities it operates, on a daily basis, to the Airport Authority. As compensation for ACE Management's performance under the agreement, the Airport Authority pays ACE Management a fixed annual management fee and reimburses ACE Management for expenses incurred in the management and operation of the parking facilities.

The Airport Authority sets rates for parking in the Airport Authority's public parking lots and can modify those rates at any time at its discretion. For Fiscal Year 2022, parking rates are $6 for the first hour and a maximum of $32 for the first day, with every additional day being $32 per day (the daily rate is as low as $21 per day with an advance reservation). Prior to the start of the COVID-19 pandemic, for Fiscal Year 2020, parking rates were $6 for the first hour and a maximum of $32 for the first day, with every additional day being $32 per day (the daily rate was $19 per day with an advance reservation). Additionally, in Fiscal Year 2020, the Airport Authority charged $20 per day ($15 per day with an advance reservation) for parking at the surface parking lots on Pacific Highway and Harbor Drive that are now closed.

When valet parking returns in January 2022, valet parking rates will be $40 per day. Customers who reserve parking in advance of arriving at SDIA pay a discounted rate for valet parking ($35 per day). Public parking accounted for approximately $46.6 million of operating revenues in Fiscal Year 2019, equal to approximately 15.9% of operating revenues or approximately 29.3% of nonairline revenues. Public parking accounted for approximately $36.4 million of operating revenues in Fiscal Year 2020, equal to approximately 13.9% of operating revenues or approximately 27.8% of nonairline revenues. Public parking accounted for approximately $22.2 million of operating revenues in Fiscal Year 2021, equal to approximately 10.3% of operating revenues or approximately 27.1% of nonairline revenues.]

Rental Car Agreements

As of July 1, 2021, there were eight rental car companies (operating a total of 15 brands) authorized by the Airport Authority to provide rental car services at SDIA. Most of the major national brands are represented at SDIA (Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, Sixt, Thrifty and ZipCar), as well as local brands (Ace, Mex Rent a Car and NuCar). Twelve of the brands lease space within and operate from the Rental Car Center (the "On-Airport Rental Car Companies"). The remaining three brands operate off-Airport by shuttling passenger between the Rental Car Center and their off-Airport facilities (the "Off-Airport Rental Car Companies"). All rental car companies operating at the Airport must use the busing system to transport passengers to the terminals.

The Airport Authority and each of the On-Airport Rental Car Companies have entered into a Non-Exclusive On-Airport Rental Car Concession Agreement (each a "Rental Car Concession Agreement"), pursuant to which the Airport Authority has granted to each of the Rental Car Companies the right to operate a rental car concession at the Airport from the Rental Car Center on a nonexclusive basis for the purpose of arranging rental car services for the benefit of Airport customers where such rental car service is furnished by or on behalf of the Rental Car Company. Pursuant to the Rental Car Concession Agreements, each of the On-Airport Rental Car Companies pay the Airport Authority a monthly concession fee equal to the greater of (a) a minimum monthly guarantee set forth in the Rental Car Concession Agreements or (b) 10% of the monthly gross revenues of such On-Airport Rental Car Company. Each of the Rental Car Concession Agreements expire on June 30, 2026. The On-Airport Rental Car Companies have agreed that the Airport Authority will have, at the Airport Authority's sole discretion, the option to extend the Rental Car Concession Agreements for four separate 5-year periods. Each additional 5-year term for which this option is exercised will commence at the expiration of the immediately preceding term. The Off-Airport Rental Car Companies operated at the Airport pursuant to a Non-Exclusive Off-Airport Rental Car Concession Agreement.

In addition to the Rental Car Concession Agreements, the Airport Authority and each of the On-Airport Rental Car Companies have entered into a "Rental Car Center Lease Agreement." Pursuant to the terms of the Rental Car Center Lease Agreements, the Airport Authority agreed to construct the Rental Car Center and the On-Airport Rental Car Companies have agreed to collect CFCs, pay Bond Funding Supplemental Consideration in the event CFCs are not sufficient to pay debt service on the Series 2014 Special Facilities Bonds, pay ground rent with respect to the respective space leased in the Rental Car Center, and certain reimbursable operating and maintenance costs of the Rental Car Center. Only Rental Car Companies that have entered into a Rental Car Concession Agreement are allowed to enter into a Rental Car Lease Agreement.

Pursuant to Section 1936 of the California Civil Code, on October 4, 2012, the Board authorized the following CFC collection rates on rental cars rented from the rental car companies operating at SDIA: $6.00 per transaction day, effective November 1, 2012; $7.50 per transaction day, effective January 1, 2014; and $9.00 per transaction day, effective January 1, 2017 (each such rate limited to 5 transaction days per transaction). The CFC is collected by the rental car companies from their customers and subsequently transferred to the Airport Authority (or the trustee for the Series 2014 Special Facilities Bonds). The CFC revenues were used and are being used to pay the debt service on the Series 2014 Special Facilities Bonds, to fund certain funds and accounts associated with the Series 2014 Special Facilities Bonds and the costs of the operation and maintenance of the Rental Car Center, and to provide for the busing system between the terminals and the Rental Car Center. CFC revenues are not included in Revenues and are not available for the payment of debt service on the Senior Bonds or the Subordinate Obligations (including the Subordinate Series 2021 Bonds).

In Fiscal Year 2019, the Airport Authority received approximately $34.3 million in payments (not including CFCs) from the On-Airport Rental Car Companies and Off-Airport Rental Car Companies, and recorded the receipt of approximately $41.9 million of CFC revenues. In Fiscal Year 2020, the Airport Authority received approximately $26.0 million in payments (not including CFCs) from the On-Airport Rental Car Companies and Off-Airport Rental Car Companies, and recorded the receipt of approximately $30.2 million of CFC revenues. In Fiscal Year 2021, the Airport Authority received approximately $17.0 million in payments (not including CFCs) from the On-Airport Rental Car Companies and Off-Airport Rental Car Companies, and recorded the receipt of approximately $15.8 million of CFC revenues. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT—Financial Conditions and Liquidity—Temporary Relief Programs Provided to Airlines, Concessionaires and Rental Car Companies" for a discussion of certain relief provided by the Airport Authority to the rental car companies as a result of the COVID-19 pandemic. The CFC revenues are not pledged to or available to pay the Subordinate Series 2021 Bonds. The CFC revenues are pledged to and are used to pay the Series 2014 Special Facilities Bonds and other costs related to the Rental Car Center.

TNC Permits

Transportation Network Companies (i.e, Uber, Lyft and similar companies) ("TNCs") are allowed to pick-up and drop-off passengers at the Airport only if they have entered into a "Non-Exclusive Permit and Agreement to Use Airport Property to Conduct TNC Services at San Diego International Airport (a "TNC Permit") with the Airport Authority. The TNC Permits allow each TNC's approved drivers' access to designated Airport property in connection with the provision of transportation services for airport customers, employees, and passengers with their personal baggage. Subject to the terms of the TNC Permits, TNCs are required (except in limited circumstances) to drop-off passengers only in designated areas in front of Terminals 1 and 2, and are otherwise only allowed to use Airport property within the designated TNC airport assignment area and designated TNC staging areas at the Airport. The TNC Permits have a term of one year, unless suspended, revoked or terminated sooner in accordance with the terms of the TNC Permit. Each TNC Permit must be renewed each year. Pursuant to the TNC Permits, for Fiscal Year 2022, TNCs are required to pay $3.50 for each pick-up and $3.50 for each drop-off. The Airport Authority has the discretion to change the pick-up and drop-off fees each Fiscal Year. In Fiscal Year 2021, TNCs recorded nearly [•] million (estimated) Airport pick-ups and [•] million (estimated) Airport drop-offs resulting in $[•] million in fee revenue for the Airport Authority (pick-up and drop-off fees were each $3.50 during Fiscal Year 2021). In Fiscal Year 2020, TNCs recorded nearly [•] million (estimated) Airport pick-ups and [•] million (estimated) Airport drop-offs resulting in $[•] million in fee revenue for the Airport Authority (pick-up and drop-off fees were each $3.50 during Fiscal Year 2020). In Fiscal Year 2019, TNCs recorded nearly 2.1 million (estimated) Airport pick-ups and 2.4 (estimated) Airport drop-offs resulting in $13.5 million in fee revenue for the Airport Authority (pick-up and drop-off fees were each $3.00 during Fiscal Year 2019). See "AIRPORT ENVIRONMENTAL MATTERS—Air Quality and Carbon Management Planning—TNC GHG Emissions Reduction Program."

Terminal Concessions, Advertising and Other Agreements

In March 2015, the Airport Authority completed its concession development program, which involved a complete revamp of the shopping and dining options in the passenger terminals. As part of its concessions development program, the Airport Authority entered into [18] leases with a variety of vendors for 83 food, beverage and retail units at SDIA. The leases with respect to the food and beverage units commenced on the date the applicable concession space was available for beneficial use by the vendor and expires on a date 10 years after such date of available use. The leases with respect to the retail units commenced on the date the applicable concession space was available for beneficial use by the vendor and expires on a date 7 years after such date of available use. As of the date of this Official Statement, most of the retail concession leases have expired and the retail concessionaires are operating at SDIA on a month-by-month basis under the terms of the expired leases. The Airport Authority expects to solicit for new retail concessions in 2022. The leases provide for rental payments equal to the greater of a minimum annual guarantee ("MAG") or a percentage of gross income. However, as a result of the COVID-19 pandemic, beginning in May 2020, the Airport Authority waived the MAG provisions under the leases for the concessionaires. The waivers will continue through the end of calendar year 2021. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT—Financial Conditions and Liquidity—Temporary Relief Programs Provided to Airlines, Concessionaires and Rental Car Companies" for a discussion of certain relief provided by the Airport Authority to the concessionaires as a result of the COVID-19 pandemic.

For Fiscal Year 2019, gross sales for food and beverage outlets were $96.1 million, providing approximately $14.0 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for food and beverage outlets). For Fiscal Year 2020, gross sales for food and beverage outlets were $70.5 million, providing approximately $10.8 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for food and beverage outlets). For Fiscal Year 2021, gross sales for food and beverage outlets were $29.7 million, providing approximately $4.2 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for food and beverage outlets).

For Fiscal Year 2019, gross sales for gift, news and specialty retail outlets were $50.7 million, providing approximately $8.2 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for gift, news and specialty retail outlets). For Fiscal Year 2020, gross sales for gift, news and specialty retail outlets were $36.6 million, providing approximately $6.3 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for gift, news and specialty retail outlets). For Fiscal Year 2021, gross sales for gift, news and specialty retail outlets were $21.0 million, providing approximately $3.2 million in operating revenues to the Airport Authority (which equaled a percentage of the gross sales for gift, news and specialty retail outlets).

Effective November 1, 2018, the Airport Authority entered into a new in-terminal advertising lease with Clear Channel. The in-terminal advertising lease has a ten-year term and provides for payments from Clear Channel equal to the greater of a MAG or a percentage of gross income received by Clear Channel from advertisements at SDIA. However, as a result of the COVID-19 pandemic, beginning in May 2020, the Airport Authority waived the MAG provisions under the lease with Clear Channel. The waiver will continue through the end of calendar year 2021. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT." For Fiscal Year 2019, gross advertising income was $1.9 million, providing approximately $1.1 million in operating revenues to the Airport Authority. For Fiscal Year 2020, gross advertising income was $4.0 million, providing approximately $2.6 million in operating revenues to the Airport Authority. For Fiscal Year 2021, gross advertising income was $1.1 million, providing approximately $837,000 in operating revenues to the Airport Authority.

The Airport Authority also has entered into agreements with operators of vending machines, airport carts, ATMs and certain other concessionaires. Most of these operators pay the Airport Authority the greater of a MAG or a percentage of gross income. Additionally, the Airport Authority recovers certain costs of operating the concession program and collects a marketing fee from the concessionaires to promote the program.

The following table summarizes the gross sales for the terminal concessions and the operating revenues collected by the Airport Authority from the terminal concessions for Fiscal Years 2019, 2020 and 2021.

TABLE 14
San Diego County Regional Airport Authority
Terminal Concessions Gross Sales and Airport Authority Operating Revenues

	Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
Concession	Gross Concession Sales	Airport Authority Operating Revenues	Gross Concession Sales	Airport Authority Operating Revenues	Gross Concession Sales	Airport Authority Operating Revenues
Food & Beverage	$96,121,336	$13,949,528	$70,543,701	$10,753,084	$29,681,398	$4,206,180
Retail	50,661,377	8,186,875	36,566,892	6,343,380	20,969,455	3,245,777
Other	6,496,238	1,867,656	4,469,392	1,258,702	1,813,629	796,504
Advertising	1,897,442	1,233,337	3,994,082	2,596,153	1,144,186	836,836
Total	$155,176,393	$25,237,397	$115,574,068	$20,951,320	$53,608,668	$9,085,298

Source: San Diego County Regional Airport Authority.

The Airport Authority is currently soliciting for a tenant to operate a new common passenger lounge in Terminal 2 West. Additionally, the Airport Authority expects to solicit for terminal concessions for the new Terminal 1 beginning in 2023.

FINANCIAL INFORMATION

Summary of Financial Operations

Budgeting Process. The Airport Authority operates on a July 1 through June 30 Fiscal Year. The annual budget cycle includes the preparation of two budgets: one to be adopted by the Board for the next Fiscal Year and a conceptual budget for the subsequent Fiscal Year that the Board approves but does not adopt. The budget process usually begins in October with senior management collaborating with the Board to update, review and formulate the strategies and initiatives that will drive business performance. From October to January, the management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to align divisional requirements with the Airport Authority's overall strategies and initiatives. The Board is briefed continually to solicit input and direction throughout the process. As appropriate, strategic planning workshops and detailed briefings on the proposed operating and capital program budgets are held with the Board.

In January, the budget staff reviews financial results of the first six months of the then-current Fiscal Year. In February and March departments submit budget requests reflecting operating needs and programs to achieve the Airport Authority's strategies and initiatives. Meetings are held with each division to review their budget requests and weigh the cost/benefit impact, where appropriate.

To ensure that the budget is funded adequately and to maintain the Airport Authority's financial condition, the Financial Management team prepares an airline revenue budget that incorporates budget expenditure requests into the rate setting formula to determine projected rates, fees and charges to the airlines and other tenants.

From April to June, proposed operational and capital program budgets are distributed to the Board and a budget workshop is held to review the materials for input and guidance. The Board adopts the budget as a whole, and it may be amended as required, with Board approval, at any time during the year.

On June 3, 2021, the Board adopted the budget for Fiscal Year 2022 and approved, in concept, the budget for Fiscal Year 2023. The conceptual budget for Fiscal Year 2023 approved by the Board will be brought back to the Board in 2022 for review, any needed revisions and final adoption.

In 2021, the Airport Authority received its 16th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada ("GFOA") for its annual budget for Fiscal Year 2021.

Fiscal Year 2022 Budget. Budgeted operating and non-operating revenues for Fiscal Year 2022 are $397.3 million, an increase of $21.2 million (or 5.6%) over Fiscal Year 2021 budgeted operating and non-operating revenues. This increase can be primarily attributed to the receipt of federal relief funds (ARPA) and an increase in interest income. Budgeted expenses for Fiscal Year 2022 are projected to increase $7.5 million, or 2.6%, over Fiscal Year 2021 budgeted expenses (which were $[306.3] million). This increase is primarily attributable to increases in parking and shuttle operating costs, as well as safety and security expenses. The Fiscal Year 2022 budget assumes 6.28 million enplaned passengers, as compared to (a) 6.33 million enplaned passengers in the Fiscal Year 2021 budget (a 0.8% decrease), and (b) 4.86 million actual enplaned passengers for Fiscal Year 2021 (a 29.2% increase).

Conceptual Fiscal Year 2023 Budget. Budgeted operating and non-operating revenues for Fiscal Year 2023 are $462.9 million, an increase of $65.7 million (or 6.5%) over Fiscal Year 2022 budgeted operating and non-operating revenues. This increase can be primarily attributed to an increase in airline and non-airline revenues due to an anticipated increase in enplanements. Budgeted expenses for Fiscal Year 2023 are projected to increase $17.9 million, or 6.0%, over Fiscal Year 2022 budgeted expenses (which are $313.8 million). This increase is primarily attributable to increases in personnel costs, safety and security costs and contractual services. The Fiscal Year 2023 budget assumes 8.83 million enplaned passengers, versus 6.28 million enplaned passengers in the Fiscal Year 2022 budget (a 40.7% increase).

Internal Controls. The Airport Authority's Vice President, Chief Financial Officer establishes a system of internal controls that provides reasonable assurance regarding the achievement of objectives in the following categories: safeguarding assets; ensuring validity of financial records and reports; promoting adherence to policies, procedures, regulations and laws; and promoting effectiveness and efficiency of operations. A Chief Auditor heads the internal audit department that conducts financial reviews and audits on a periodic basis, and reports directly to the Board. In addition, the Airport Authority has external auditors who review the annual financial statements of the Airport Authority and express an opinion that the contents present fairly, in all material respects, the financial condition of the Airport Authority.

Debt Issuance and Management Policies. The Airport Authority has established formal debt issuance and management policies (the "Debt Policies") that were last amended by the Board in 2021. The Debt Policies contain the policies of the Airport Authority that govern its existing and anticipated debt obligations. The Debt Policies contain, among other things, several goals and targets with respect to the Airport Authority's outstanding debt coverage ratios, airline costs per enplaned passenger, debt to enplaned passenger ratios and available liquidity. The Debt Policies include: (a) a debt service coverage target (Net

Revenues (which, for purposes of the Debt Policies, includes PFCs used to pay debt service and the Federal Direct Payments) divided by annual debt service) of 1.40 times for combined debt service on Senior Bonds and Subordinate Obligations; and (b) a target of unrestricted reserves of 600 days of budgeted operating and maintenance expenses for the current fiscal year. Prior Debt Policies of the Airport Authority also included a goal that the debt to enplaned passenger ratio would not exceed $150 per enplaned passenger. This goal was suspended in the 2021 Debt Policies due to the impacts of the COVID-19 pandemic. The Airport Authority expects to evaluate this goal and potentially once again include it in its Debt Policies as the New T1 program advances and passenger levels stabilize. The Debt Policies are only the internal goals and targets of the Airport Authority. A failure of the Airport Authority to meet any of these goals and targets are not Events of Default under the Master Senior Indenture or the Subordinate Indenture.

Investment Practices. It is the policy of the Airport Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Airport Authority. The investment policies and practices of the Airport Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds. The Airport Authority is authorized by California Government Code Section 53600 *et seq*. and Section 53630 *et seq*. to invest in investments listed therein. Prohibited investments include but are not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages and common stock. Investments that exceed five years to maturity require authorization by the Board at least 30 days prior to purchase.

The following table sets forth a summary of the Airport Authority's investments as of June 30, 2021:

TABLE 15
San Diego County Regional Airport Authority
Investments
(As of June 30, 2021)

Security Type	Market Value as of June 30, 2021	Percentage of Portfolio
U.S. Agency Securities	$129,789,047	25.2%
U.S. Treasuries	111,996,739	21.7
Local Area Investment Fund (LAIF)	63,278,312	12.3
San Diego County Investment Pool	58,454,381	11.3
Medium Term Notes	49,483,673	9.6
Collateralized Bank Demand Deposits	28,723,911	5.6
Money Market Fund	27,676,943	5.4
Certificates of Deposit	16,562,355	3.2
Cal Trust	16,410,450	3.2
Supranationals	7,605,395	1.5
Municipal Bonds	5,232,218	1.0
Total	$515,214,424	100.0%

Source: San Diego County Regional Airport Authority June 30, 2021 Investment Report.

Derivatives Policy. In September 2007, the Board adopted a derivatives policy which provides guidelines to be used by the Airport Authority when entering into derivative financial products, including, but not limited to, interest rate swaps, interest rate caps and rate locks. As of the date of this Official Statement, the Airport Authority has not entered into any contracts for derivative financial products.

Summary of Financial Results

Financial Results for Fiscal Years 2017 through 2020 (audited) and Fiscal Year 2021 (unaudited). The following table summarizes the financial results from operations for the Airport Authority for Fiscal Years 2017 through 2020 (audited) and Fiscal Year 2021 (unaudited). See "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019." BKD, LLP, the Airport Authority's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included in Appendix B attached hereto, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement. As of the date of this Official Statement, the Airport Authority expects its audited financial statements for the Fiscal Year ended June 30, 2021 will be released on or about December [•], 2021. Upon the release of its Fiscal Year 2021 audited financial statements, the Airport Authority will provide such statements on the MSRB's EMMA website.

TABLE 16
San Diego County Regional Airport Authority
Statements of Revenues, Expenses and Change in Net Position
(Dollars in Thousands)[1]

	2017	2018[2]	2019	2020	2021 (unaudited)[3]
Operating revenue:					
Aviation revenue					
Landing fees	$ 24,612	$ 23,900	$ 24,816	$ 33,242	$34,046
Aircraft parking fees	2,927	3,236	3,471	8,354	8,542
Building rentals	56,575	62,241	70,912	82,453	83,090
Security surcharge	29,468	32,303	33,559	–	–
Other aviation revenue	2,799	1,476	1,596	7,789	8,192
Concession revenue	61,256	65,610	71,256	57,243	31,097
Parking and ground transportation revenue	49,407	53,254	62,818	50,751	27,447
Ground rentals	20,053	22,109	22,810	21,386	21,849
Other operating revenue	1,750	1,949	2,440	1,818	1,682
Total operating revenue	248,847	266,079	293,679	263,036	215,944
Operating expenses:					
Salaries and benefits	46,874	47,866	49,578	51,667	52,922
Contractual services	44,372	45,249	49,903	37,694	24,977
Safety & security	28,422	30,733	31,397	29,457	35,086
Space rental	10,190	10,190	10,191	10,207	10,267
Utilities	10,736	12,509	13,194	12,748	11,730
Maintenance	14,270	12,603	13,436	11,584	9,111
Equipment and systems	506	598	375	336	425
Material and supplies	611	656	657	651	450
Insurance	956	1,098	1,200	1,308	1,519
Employee development & support	1,347	1,248	1,045	967	442
Business development	2,347	3,246	2,630	2,033	209
Equipment rental and repair	3,095	3,124	3,614	3,598	3,380
Total operating expenses before depreciation and amortization	163,726	169,120	177,219	162,250	150,516
Income from operations before depreciation and amortization	85,121	96,959	116,460	100,786	65,429
Depreciation and amortization	95,229	105,532	124,329	131,587	132,834
Operating (loss)	(10,108)	(8,573)	(7,869)	(30,801)	(67,405)
Non-operating revenues (expenses):					
Passenger facility charges	42,200	46,953	49,198	34,393	22,110
Customer facility charges	36,528	41,037	41,919	30,240	15,755
[Federal Relief Grants (COVID-19)]	–	–	–	36,895	77,219
Quieter Home Program, net	(785)	(2,747)	(3,192)	(3,295)	(3,233)
Joint Studies Program	–	(114)	(99)	–	–
Interest income	5,689	9,426	25,533	32,430	4,175
Interest expense	(58,179)	(68,411)	(74,501)	(73,612)	(68,067)
"Build America Bond" rebate	4,651	4,666	4,686	–	–
Other revenues (expenses), net	(14,676)	(9,281)	(510)	1,442	(705)
Non-operating revenue, net	15,428	21,529	43,033	58,493	47,254
Income before capital grant contributions	5,321	12,956	35,164	27,692	(20,151)
Capital grant contributions	1,904	13,079	8,213	4,072	13,932
Change in net position	7,224	26,035	43,378	31,764	(6,219)
Prior Period Adjustment	–	717	–	–	
Net position, beginning of year	775,949	783,173	809,925	853,302	885,066
Net position, end of year	$783,173	$809,925	$853,302	$885,066	$878,847

[1] Totals may not add due to rounding.

[2] Certain amounts for Fiscal Year 2018 were restated in accordance with Governmental Accounting Standards Board Statement No.75.

[3] As of the date of this Official Statement, the Airport Authority expects its audited financial statements for the Fiscal Year ended June 30, 2021 will be released on or about December [•], 2021. Upon the release of its Fiscal Year 2021 audited financial statements, the Airport Authority will provide such statements on the MSRB's EMMA website.

Source: Fiscal Years 2017 through 2020 numbers are derived from the audited financial statements of the Airport Authority. Fiscal Year 2021 numbers are derived from the records of the Airport Authority.

Management's Discussion of Fiscal Year 2021 Financial Results. Total operating revenue for Fiscal Year 2021 was $215.9 million, a decrease of $47.1 million or 17.9% over Fiscal Year 2020. Airline revenue for Fiscal Year 2021 increased $2.0 million or 1.5% over Fiscal Year 2020. The increase in total airline revenue was primarily due to an increased cost recovery for the airlines. The increase in cost recovery was a result of higher debt service and lower federal relief grants applied towards airlines cost centers, offset by a decrease in recoverable operating expenses. Non-Airline revenue decreased $49.1 million in Fiscal Year 2021 or 37.4%. Concession revenue decreased by $26.1 million or 45.7% reflecting the Airport Authority's Rent Forbearance and Abatement Program, which was available to qualifying non-airline tenants because of the continued impact of the COVID-19 pandemic. The program primarily provided short-term abatement of monthly MAG payments for tenants that satisfied the terms and conditions during the program. Parking and ground transportation revenue decreased by $23.3 million or 45.7%, due to lower enplanements.

Operating expenses, before depreciation, for Fiscal Year 2021 was $150.5 million, a decrease of $11.7 million, or 7.2%, from Fiscal Year 2020. The Airport Authority continued to operate under its Financial Resilience Plan, as described under "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT," that was activated in March 2020 and eliminated, delayed, or reduced non-essential operating and capital expenditures. Contractual services decreased by $12.7 million or 33.7%, mainly due to lower expenses parking and shuttle operations, planning & environmental services, terminal operation costs, legal services, and IT support. Utilities decreased by $1.0 million or 8.0% due to decreased gas and electric usage. Maintenance expenses decreased by $2.5 million, or 21.4%, due to a decrease in annual and major maintenance. Business development decreased by $1.8 million or 89.7% due to decreased Airport Authority marketing and promotional activity expenses. Partially offsetting the decrease in operating expenses described above, salaries and benefits, increased by $1.3 million or 2.4%, due to additional pension expense, and safety and security increased by $5.6 million or 19.1%.

Non-operating revenue (net) decreased by $11.2 million or 19.2% in Fiscal Year 2021. Investment income decreased by $28.2 million; a portion of the decrease was as a result of unrealized gain in Fiscal Year 2020 on investments of $12.7 million changing to an unrealized loss of $9.3 million in Fiscal Year 2021 reflecting a $22.0 million decrease in investment income. The remaining decrease in investment income was mainly due to lower investment rates of return on Airport Authority investments. There were decreases in PFCs and CFCs due to reduced enplaned passengers caused by the COVID-19 pandemic. PFCs decreased by $12.3 million or 35.7%, and CFCs decreased by $14.5 million or 47.9%. These decreases in non-operating revenues were partially offset by an increase of $40.3 million in Federal Relief Grants and a decrease in interest expense of $5.5 million, which is made up of increased bond amortization (which offsets interest expense) and reduced debt issue costs in Fiscal Year 2021. In Fiscal Year 2021 capital grant contributions increased by $9.9 million compared to Fiscal Year 2020. This was primarily due to a delay from Fiscal Year 2020 to Fiscal Year 2021 of a cross taxiway project and additional grants received for other airfield projects.

Revenue Diversity

The following table sets forth the top ten operating revenue providers at SDIA for Fiscal Year 2021.

TABLE 17
San Diego County Regional Airport Authority
Top Ten Operating Revenue Providers
(Fiscal Year 2021)

	Revenue Provider	Revenues	Percent of Total Operating Revenue
1.	Southwest Airlines	$32,981,547	15.3%
2.	Alaska Airlines	19,163,465	8.9
3.	American Airlines	17,009,804	7.9
4.	Delta Air Lines	16,637,440	7.7
5.	United Airlines	16,629,587	7.7
6.	Enterprise Holdings	5,913,051	2.7
7.	Hertz Global Holdings	5,303,020	2.5
8.	Signature Flight Support	4,919,025	2.3
9.	Avis Rent-A-Car	4,666,097	2.2
10.	FedEx	3,889,735	1.8

Source: San Diego County Regional Airport Authority

The following table sets forth the top ten operating revenue sources at SDIA for Fiscal Year 2021.

TABLE 18
San Diego County Regional Airport Authority
Top Ten Operating Revenue Sources
(Fiscal Year 2021)

	Source	Revenue	Percent of Total Operating Revenue
1.	Building Rentals	$83,090,211	38.5%
2.	Landing Fees	34,046,302	15.8
3.	Parking Revenue	22,237,610	10.3
4.	Ground Rentals	19,259,872	8.9
5.	Rental Car License Fees[1]	16,973,062	7.9
6.	Terminal Concessions	10,754,373	5.0
7.	Aircraft Parking Fees	8,541,663	4.0
8.	Common Use System Support Charges	7,369,019	3.4
9.	Ground Transportation Permits and Citations	5,209,068	2.4
10.	License Fees - Other	3,369,435	1.6

[1] Excludes CFC revenues, of which the Airport Authority recorded the receipt of $15.8 million in Fiscal Year 2021.
Source: San Diego County Regional Airport Authority

Historical Debt Service Coverage

The following table shows historical senior and subordinate debt service coverage for Fiscal Years 2017 through 2021.

TABLE 19
San Diego County Regional Airport Authority
Historical Senior and Subordinate Debt Service Coverage

	2017	2018	2019	2020	2021
Net Revenues					
Revenues[1]	$255,540,858	$276,983,726	$306,683,097	$280,572,988	$227,573,517
Operating and Maintenance Expenses	(151,455,699)	(157,246,523)	(165,925,555)	(152,377,707)	(139,258,325)
Plus: CARES Act/CRRSAA Funds Applied to Operating and Maintenance Expenses	–	–	–	16,080,061	[51,237,039]
Net Operating and Maintenance Expenses	*(151,455,699)*	*(157,246,523)*	*(165,925,555)*	*(136,297,647)*	*(88,334,935)*
Net Revenues Available for Debt Service	$101,085,159	$119,737,204	$140,757,542	$144,275,342	$139,552,231
Senior Debt Service[2]					
Senior Bonds[3]					
Principal	$ 2,155,000	$ 2,240,000	$ 2,320,000	$ 7,925,000	$8,315,000
Interest	18,349,950	18,263,750	18,174,150	18,081,350	17,685,100
Less: PFCs Applied to Senior Debt Service	(9,548,626)	(9,547,482)	(9,544,262)	(11,260,741)	(11,172,249)
Less: CARES Act Funds Applied to Senior Debt Service	–	–	–	(6,501,585)	(3,406,934)
Total Senior Debt Service	$10,956,324	10,956,268	10,949,889	8,244,024	11,420,917
Senior Debt Service Coverage	9.23x	10.93x	12.85x	17.50x	12.22x
Subordinate Debt Service[4]					
Subordinate Net Revenues Available for Debt Service	$90,128,835	$108,780,936	$129,807,653	$136,031,318	$128,131,313
Subordinate Bonds[5]					
Principal	$ 9,430,000	$14,830,000	$15,895,000	$17,745,000	$22,315,000
Interest[6]	26,085,029	37,197,656	37,917,500	39,404,449	41,720,733
Variable Rate Debt[7]	7,000,066	7,335,123	7,497,649	1,894,813	–
Less: PFCs Applied to Subordinate Debt Service	(20,456,707)	(20,457,851)	(20,461,071)	(18,744,592)	(8,833,085)
Less: CARES Act Funds Applied to Subordinate Debt Service	–	–	–	(14,313,843)	(22,593,066)
Total Subordinate Debt Service	$22,058,389	$38,904,928	$40,849,078	$25,985,827	$32,609,582
Subordinate Debt Service Coverage	4.09x	2.80x	3.18x	5.23x	3.93x
Aggregate Senior and Subordinate Debt Service					
Net Revenues Available for Debt Service	$101,085,159	$119,737,204	$140,757,542	$144,275,342	$139,552,231
Aggregate Debt Service (Bonds)					
Principal	11,585,000	17,070,000	18,215,000	25,670,000	30,630,000
Interest[6]	44,434,979	55,461,406	56,091,650	57,485,799	59,405,833
Variable Rate Debt[7]	7,000,066	7,335,123	7,497,649	1,894,813	–
Less: PFCs Applied to Senior and Subordinate Debt Service	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)	(20,005,333)
Less: CARES Act Funds Applied to Senior and Subordinate Debt Service	–	–	–	(20,815,428)	(26,000,000)
Total Aggregate Debt Service	$33,014,712	$49,861,196	$51,798,966	$34,229,851	$44,030,500
Aggregate Debt Service Coverage	3.06x	2.40x	2.72x	4.21x	3.17x

[1] Does not include grants which are otherwise included in the definition of Revenues. Grants which are not otherwise restricted by their terms to the payment of debt service on Senior Bonds and/or Subordinate Obligations are included in the definition of Revenues.

2 Senior Debt Service is calculated pursuant to the provisions of the Master Senior Indenture.
3 Includes principal of and interest paid on the Senior Series 2013 Bonds.
4 Subordinate Debt Service is calculated pursuant to the provisions of the Master Subordinate Indenture.
5 Includes principal of and interest paid on the Airport Authority's Subordinate Airport Revenue Bonds, Series 2010A, Series 2010B and Series 2010C (which were defeased in whole in Fiscal Year 2020), the Subordinate Series 2017 Bonds, the Subordinate Series 2019 Bonds and the Subordinate Series 2020 Bonds.
6 Net of interest paid with proceeds of the Subordinate Series 2017 Bonds through January 1, 2019, proceeds of the Subordinate Series 2019 Bonds through January 1, 2021 and the Federal Direct Payments received by the Airport Authority with respect to the Subordinate Series 2010C Bonds.
7 Includes principal and interest paid on certain Subordinate revolving obligations and commitment fees paid to the providers of certain Subordinate revolving lines of credit and purchasers of certain Subordinate drawdown bonds.
Source: San Diego County Regional Airport Authority

Historical Airline Cost Per Enplaned Passenger

The following table sets forth historical airline costs (landing fees, terminal building rentals, airport police/security reimbursement fees and fuel and other franchise fees) of operating at SDIA for the past five Fiscal Years.

TABLE 20
San Diego International Airport
Airline Derived Revenue Per Passenger

Airline Revenues	2017	2018	2019	2020	2021
Joint Use Fees[1]	$ –	$ –	$ –	$ 49,426,560	$ 55,229,873
Landing Fees[2]	24,856,800	24,001,147	24,973,853	31,605,811	31,342,218
Terminal Rentals[2,3]	54,235,615	59,578,125	65,819,807	28,107,630	25,372,323
Common Use Fees	1,181,660	1,292,569	1,407,707	7,627,629	7,369,019
Aircraft Parking Fees[4]	2,926,972	3,235,788	3,471,363	6,800,018	6,859,419
FIS Use Charges	845,360	997,616	3,532,491	3,261,820	984,860
Security Surcharge[5]	29,468,089	32,303,267	33,558,621	–	–
Incentive Program	–	–	–	–	(62,080)
Total Airline Revenue	$113,514,483	$121,408,512	$132,763,842	$126,829,468	127,095,631
Enplaned Passengers	10,596,483	11,728,880	12,356,286	9,235,459	4,860,931
Airline Derived Revenue Per Passenger	$10.71	$10.35	$10.74	$13.73	$26.15

1 Joint Use Fees became effective with the commencement of the current Airline Lease Agreement on July 1, 2019. The Joint Use Fees include charges for terminal premises used jointly with other tenants and the use by the airlines of passenger loading bridges, baggage handling systems, flight information displays, gate information displays, baggage information displays, paging, and Airport Authority provided staffing, contractual services, facilities, equipment, and other support systems that provide security and other resources supporting passenger carrier operations.
2 Excludes rebates.
3 Excludes Executive Lounge rent of approximately $1.4 million in Fiscal Year 2016, $1.5 million in Fiscal Year 2017, $1.7 million in Fiscal Year 2018, and $1.8 million in Fiscal Year 2019.
4 Amount excludes general aviation remote overnight parking.
5 Beginning on July 1, 2019 (the commencement date of the current Airline Lease Agreement), the Security Surcharge is included in the Joint Use Fees and the Landing Fees.
Source: San Diego County Regional Airport Authority

Pension and Retirement Plans

Airport Authority Pension Plan. All full-time employees of the Airport Authority are required to participate in the Airport Authority's defined-benefit pension plan, the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2013 (the "Airport Authority Pension Plan"), which provides retirement and disability benefits, annual cost-of-living adjustments, a deferred retirement option plan for eligible employees, and death benefits to plan members and beneficiaries. The Airport Authority Pension Plan is administered by the San Diego City Employees' Retirement System ("SDCERS"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the City, the Port District and the Airport Authority, and is administered by the Retirement Board of Administration (the "Retirement Board"). Each of the Airport Authority, the City and the Port District has a separate plan and each employer's contributions are held in trust, although all contributions to SDCERS are pooled for investment purposes, managed and invested by the Retirement Board.

SDCERS uses actuarial developed methods and assumptions to determine what level of contributions are required to achieve and maintain an appropriate funded status for the Airport Authority Pension Plan. Member contribution rates, as a percentage of salary, vary according to age at entry, benefit tier level, and certain negotiated contracts which provide for the Airport Authority to pay a portion of the employees' contributions. For Fiscal Year 2021, the Airport Authority's contribution rate was 27.2% as a percentage of covered payroll, as compared to 25.5% for Fiscal Year 2020. These contribution rates were greater than the actuarially determined contribution rates. For Fiscal Year 2021 the Airport Authority contributed approximately $9.8 million to the Airport Authority Pension Fund, and for Fiscal Year 2020, the Airport Authority contributed approximately $8.7 million to the Airport Authority Pension Fund. For Fiscal Year 2022, the Airport Authority [has budgeted/expects to contribute] approximately $10.0 million to the Airport Authority Pension Fund. The Airport Authority has always made its full required contributions to the Airport Authority Pension Plan. The Airport Authority cannot predict the levels of funding that will be required in the future.

See "Note 6. Defined-Benefit Plan" in the Airport Authority's financial statements for the year ended June 30, 2020 attached hereto as "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019" for more information on the Airport Authority's Pension Plan. Additionally, complete copies of SDCERS' comprehensive annual financial reports and the actuarial reports with respect to the Airport Authority Pension Plan can be obtained from SDCERS by writing to the San Diego City Employees' Retirement System, Suite 400, 401 West A Street, San Diego, California 92101 and from the SDCERS website at www.sdcers.org. No information contained on such website is incorporated into this Official Statement.

Postemployment Health Benefits. In addition to the pension benefits provided under the Airport Authority Pension Plan, the Airport Authority provides medical, dental, vision and life insurance postretirement benefits ("Postemployment Health Benefits") for nonunion employees hired prior to May 1, 2006, and union employees hired prior to October 1, 2008. The employees are eligible for these benefits if they retire from active employment after age 55 with 20 years of service or age 62 with five years of service. In May 2009, the Board approved an agreement with the California Employers' Retiree Benefit Trust ("CERBT") fund, which is managed by the California Public Employees Retirement System ("CalPERS"), to administer the Airport Authority's Postemployment Health Benefits.

For Fiscal Year 2021, the Airport Authority paid approximately $677,300 for Postemployment Health Benefits, as compared to $704,300 for Fiscal Year 2020. For Fiscal Year 2022, the Airport Authority budgeted approximately $764,000 for Postemployment Health Benefits.

Nonunion employees hired after May 1, 2006 and union employees hired after October 1, 2008 are not eligible to receive the Postemployment Health Benefits described above, but they are eligible to participate in a retiree funded health reimbursement arrangement ("R-FHRA"). Currently, approximately 260 employees of the Airport Authority participate in R-FHRA. The Airport Authority contributes approximately $600 per year to R-FHRA for each eligible employee, and each eligible employee can irrevocably elect within the first 30 days of employment, to contribute an additional must contribute $300 per year. Upon their separation of employment from the Airport Authority, participants in R-FHRA may use the amounts deposited to R-FHRA by the Airport Authority and the participant to pay for eligible medical expenses.

See "Note 9. Other Postemployment Benefits" in the Airport Authority's financial statements for the year ended June 30, 2020 attached hereto as "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019" for more information on the Airport Authority's Postemployment Health Benefits.

Risk Management and Insurance

Pursuant to the Senior Indenture and the Subordinate Indenture the Airport Authority is required to procure and maintain commercial insurance with respect to the facilities constituting the Airport System and public liability insurance in the form of commercial insurance if such insurance is obtainable at reasonable rates and upon reasonable terms and conditions. The amounts and risks required to be insured under the Senior Indenture and the Subordinate Indenture are subject to the Airport Authority's prudent judgment taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports. The Airport Authority may satisfy some of these insurance requirements through qualified self-insurance or self-insured retentions.

The Airport Authority maintains a robust insurance program, including insurance for commercial general liability, property, public officials and employment practices, privacy and cyber network security, crime, fiduciary, automobile, and workers compensation. Construction activity is insured through Owner Controlled Insurance Programs ("OCIPs") that provide general liability coverage. This is achieved either by placing a stand-alone OCIP for large projects or a flexible or "rolling" OCIP program designed to encompass all the smaller capital improvement projects together

The Airport Authority maintains airport owners and operators primary general liability insurance with coverage of $500 million for losses arising out of liability for airport operations.

The Airport Authority maintains a property insurance policy with limits of $750 million providing all risk and flood coverage on physical assets. The cost of earthquake insurance coverage for the Airport remains cost prohibitive and is not available in significant amounts. Effective July 1, 2007, the Airport Authority removed the purchase of commercial earthquake insurance from its Risk Management program and increased reliance on the laws designed to assist public entities through the Federal Emergency Management Agency ("FEMA") and the California Disaster Assistance Act ("CDDA"). As of July 1, 2021, the Airport Authority had designated approximately $12 million from its net position as an insurance contingency in the event of damage caused to the Airport by an earthquake. In the future, the Airport Authority could decide to increase or decrease the amount of this reserve.

Additionally, a $2 million contingency reserve has been established, within unrestricted net position, by the Airport Authority's management to respond to uninsured and underinsured catastrophic losses. This fund is maintained pursuant to Board action only; there is no other requirement that it be maintained. Management considers this contingency reserve to be designated to cover the cost of future retentions, deductibles and uninsured claims.

The overall insurance portfolio as well as each individual line of coverage renews annually. Prior to renewal, the Airport Authority works with its team of insurance brokers, currently Willis Towers Watson, to analyze adequacy of coverage, limits, terms and conditions, market conditions and new market offerings.

During Fiscal Year 2021, except for the property insurance policy, there were no reductions in insurance coverage from the prior year. During Fiscal Year 2021, the Airport Authority reduced its property insurance policy limit from $1 billion to $750 million. In previous years, the Airport Authority purchased property insurance coverage greater than what was necessary to provide full coverage of its property because the premiums were relatively low. In 2021, the premiums for property insurance increased and the Airport Authority decided to lower its property insurance coverage to a level that provided full coverage, but did not provide additional excess coverage.

For the New T1 program, the Airport Authority will maintain an owner controlled insurance program, which the Airport Authority expects to be in place by the end of November 2021.

The Airport Authority also has an active loss prevention program staffed by a Risk Manager, a Manager of Employee Safety and Wellness, a Risk Analyst, a Safety & Loss Prevention Analyst and two Administrative Assistants. All employees receive regular safety training. Loss control engineers from the Airport Authority's property and casualty insurers conduct annual safety survey and site inspections. Claims are monitored and administered by Willis Towers Watson, with Airport Authority oversight and control.

DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT

Master Plan

In May 2008, the Board approved the Airport Master Plan for San Diego International Airport (the "Master Plan"), which was developed to address requirements for accommodating near term passenger growth at the Airport through 2015 and to consider conceptual improvements through 2030. The Master Plan's primary goals included, among others, the improvement of air service and customer service, the improvement of safety and security at the Airport, the efficient utilization of property and facilities, and the enhancement of the Airport access as part of the region's transportation system.

The Master Plan consisted of four components: airfield, terminal, ground transportation and airport support. The airfield component included aircraft movement areas such as runway, taxiways and aircraft parking apron. The terminal component included passenger processing areas including ticket counters, security facilities, hold rooms and baggage claim. The ground transportation component included the roadway/transit circulation system, parking areas and rental car facilities. The airport support component included the Airport/airline maintenance, cargo and general aviation facilities.

The five primary steps of the Master Plan process included: (a) preparation of an aviation forecast; (b) development of facility requirements and draft preliminary concepts; (c) preparation of the preferred development concept (including development of an array of concepts for the Airport facilities, coordination of the Airport tenants and airlines, development of an off-airport transit plan); (d) preparation of a preliminary financial analysis, including development of a cost estimate on preliminary concepts and the financial feasibility of major project components; and (e) State/federal environmental analyses and State coastal permitting.

The Master Plan identified several near-term improvement needs for SDIA. The Airport Authority developed its Green Build Program to implement certain of these near-term improvements at SDIA. The Green Build Program, which was substantially completed in August 2013 for approximately $811 million, consisted of, among other improvements: (i) constructing 10 new gates on Terminal 2 West, (ii) constructing a new aircraft parking apron and aircraft taxi lane, (iii) expanding vehicle circulation serving Terminal 2 East and West by constructing a dual-level roadway featuring an arrivals curb on level one and a departures curb on level two, (iv) expanding concession areas in Terminal 2 West by providing more dining and shopping options, (v) constructing an improved/expanded security checkpoint in Terminal 2 West, and (vi) constructing new holding areas at the gates in Terminal 2 West.

In addition to the Green Build Program, the Airport Authority's planning and development of the northside of the Airport was part of the Master Plan near-term improvements, which included the Rental Car Center and the new general aviation facilities.

Capital Program

The Airport Authority maintains the Capital Program, which is a rolling five-year program that provides for critical improvements and asset preservation for the Airport Authority. The Capital Program contains two main components: (1) the New T1 program that consists of the replacement of the current Terminal 1 with a larger, more efficient facility, certain airfield enhancements and roadway and parking improvements and a new administration building for the Airport Authority, and (2) the CIP, that addresses airfield safety and capacity, environmental protection, terminal enhancements, landside infrastructure and access improvements. The Capital Program includes the New T1 that is expected to be designed and constructed between Fiscal Year 2021 and Fiscal Year 2029, and all approved open projects anticipated to be completed between Fiscal Years 2021 through 2026 for the CIP. The Capital Program has an estimated cost of $4.024 billion (as of June 30, 2021, $300 million of this cost had been incurred), of which approximately $3.464 billion is the estimated cost of the New T1.

New T1. In 2012, the Airport Authority embarked on a new master-planning effort for SDIA, known as the "New T1" (previously known as the "Airport Development Plan"), to identify the facilities needed to meet the Airport's anticipated passenger demand through 2035. Between fiscal Years 2015 and 2019, SDIA had record-breaking passenger growth with approximately 24.7 million passengers being served in Fiscal Year 2019. Activity levels at the Airport are estimated to surpass 39 million passengers and 280,000 aircraft operations in 2035, based on the aviation planning forecast completed by the Airport Authority in April 2019 and approved by the FAA in June 2019.

The cornerstone of the New T1 is the replacement of Terminal 1, which is over 50 years old, with a more modern, comfortable, and efficient terminal facility. The new terminal will have 30 gates (11 more gates than the existing Terminal 1) and be able to accommodate both narrow-body and wide-body aircraft. The new Terminal 1 will be served by a dual-level curbside, a new close-in parking structure (approximately 5,200 parking spaces), and new entry and circulation roadways. Other components that are part of the New T1 include a new Airport Authority administration building and multiple airfield improvements, such as a new apron area for the new terminal, a new Taxiway A, relocation of Taxiway B and reconfigured remain-overnight aircraft parking positions. Additional mobility-focused project components include new pedestrian and bicycle infrastructure, a dedicated airport shuttle service between the Old Town Transit Center and SDIA, and designation of a "transit-ready" area adjacent to the new parking structure for a potential future connection to the region's fixed-rail system. See "APPENDIX A—FINANCIAL FEASIBILITY REPORT" for additional details on various components of the New T1.

Construction activities for the New T1 are expected to begin in November 2021. The first phase of the new Terminal 1 (19 gates) is expected to open in July 2025, and full completion of the new facility (30 gates) and associated roadway and airfield improvements in October 2027. The total cost of the New T1 is currently estimated by the Airport Authority to be approximately $3.464 billion (including $451.5 million of total contingencies and allowances). The Airport Authority expects to finance the costs of the New T1 from various sources including, but not limited to, the proceeds of the Subordinate Series 2021A Bonds, the Subordinate Series 2021B Bonds, the Subordinate Series 2019[A/B] Bonds, Additional Senior Bonds and/or Additional Subordinate Obligations, federal grants, PFCs and Airport Authority funds.

Design and Construction of the New T1. The New T1 consists of three components: (1) Terminal and Roadways (the "Terminal and Roadways Component"), (2) Airside Improvements (the "Airside Component") and (3) Administration Building (the "Administration Building Component").

The New T1 is being procured utilizing "design-build" and "design-bid-build" delivery methods. The Terminal and Roadways Component is being undertaken pursuant to a Design-Build Agreement (the "Terminal and Roadway Agreement") between the Authority and Turner-Flatiron, A Joint Venture (the "Terminal and Roadway Contractor"). On October 7, 2021, the Board approved a maximum contract price of approximately $2,610,400,000 under the Terminal and Roadway Agreement for the design and construction of the Terminal and Roadways Component. Over the next several months, the Airport Authority and the Terminal and Roadway Contractor will continue to refine the total cost of the Terminals and Roadways Component, and will agree on a guaranteed maximum price (which must be no greater than the maximum contract price of $2,610,400,000).

Design of the Airside Component was undertaken pursuant to a design contract between the Authority and Jacobs. The design of the Airside Component has been completed. Construction of the Airside Component is being undertaken pursuant to a construction contract (the "Airside Construction Agreement") between the Authority and Griffith Company (the "Airside Contractor"). On October 7, 2021, the Board approved a contract price of $251,671,315 under the Airside Construction Agreement for the construction of the Airside Component.

The Administration Building Component is being undertaken pursuant to a construction contract (the "Administration Building Agreement") between the Authority and Sundt Construction, Inc. (the "Administration Building Contractor"). On July 1, 2021, the Board approved a maximum contract price of $91,379,967 under the Administration Building Agreement for the design and construction of the Administration Building Component. Over the next several months, the Airport Authority and the Administration Building Contractor will continue to refine the total cost of the Administration Building Component, and will agree on a guaranteed maximum price (which must be no greater than the maximum contract price of $91,379,967).

As of November 1, 2021 (i) the Terminal and Roadway Contractor was authorized to complete work under the Terminal and Roadway Component valued at approximately $2.6 billion, (ii) the Airside Contractor was authorized to complete work under the Airside Component valued at approximately $251.7 million, and (iii) the Administration Building Contractor was authorized to complete work under the Administration Building Component valued at approximately $91.4 million. As of October 1, 2021, design of (i) the Terminal and Roadway Component was approximately 30% complete, (ii) the Airside Component was 100% complete, and (iii) the Administration Building Component was approximately 30% complete.

Environmental Approvals. In March 2017, the Board approved the development of environmental review documents for the New T1. A draft Environmental Impact Report ("EIR") for the proposed project was subsequently released in the summer of 2018 for public review, as required under the California Environmental Quality Act. The Airport Authority received numerous comment letters, and between October 2018 and July 2019, the Airport Authority participated in over 100 meetings with key stakeholders to further refine the proposed project and its associated environmental review documents. As result of this additional stakeholder engagement, the Airport Authority recirculated a draft EIR in September 2019 for public review. On January 9, 2020, the Board certified the Final EIR for the New T1. Additionally, in September 2021, the California Coastal Commission (the "Coastal Commission") approved the New T1, subject to certain conditions, including, among others, implementation of a shuttle system between the Old Town Transit Center and the Airport, providing a comprehensive transit and roadway improvement status report to the Coastal Commission documenting the Airport Authority's efforts to add or improve mass transit linkages to the Airport for Airport employees and the public and roadway mitigation for traffic impacts, provide a plan to the Coastal Commission that will identify, evaluate and development greenhouse gas emissions reduction measures for incorporation into the design, construction and operation of the New T1, and provide the Coastal Commission with a revised stormwater pollution prevention plan. The Airport Authority also has coordinated with the FAA to conduct the federal environmental review in accordance with the National Environmental Policy Act ("NEPA"). The Airport Authority prepared a draft Environmental Assessment that was available for public review and comment through August 2, 2021. [On October [•], 2021, the Airport Authority received a "Finding of No Significant Impact" from the United States Environmental Protection Agency ("EPA") pursuant to NEPA with respect to the New T1. The Airport Authority has received all material environmental approvals for the New T1.]

CIP. In addition to the Master Plan and the New T1, the Board has adopted a capital improvements program policy (the "CIP Policy"), which requires the Airport Authority to establish a CIP for the orderly maintenance and development of SDIA. Pursuant to the CIP Policy, each year the Airport Authority's President and CEO is required to submit to the Board a development program of desirable capital improvements that are within the Airport Authority's financial funding capability. The Airport Authority's current CIP sets forth projects that were completed and are anticipated to be completed at SDIA between Fiscal Years 2021 and 2026. The projects in the CIP include, among others, a new facilities maintenance building, new airline provisioning and cargo facilities, storm water capture and reuse projects, a remain-overnight aircraft parking facility on the north side of SDIA, and various other airfield, terminal and landside projects. The CIP has an estimated cost of approximately $560.5 million (approximately $230 million of such costs have already been incurred by the Airport Authority as of June 30, 2021).

Funding Sources for Capital Program

General. The Airport Authority anticipates financing the design, construction and equipping of the New T1 and the CIP with a combination of proceeds of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds (approximately $[1.0] billion); proceeds of the Subordinate Series 2019 Bonds (approximately $287.7 million); proceeds of Additional Senior Bonds and/or Additional Subordinate Obligations (approximately $[2.1] billion); internally generated cash of the Airport Authority (approximately $331.2 million); moneys on deposit in the Major Maintenance Fund (approximately $140.1 million); PFC revenues on a pay-as-you-go basis (approximately $9.2 million); federal Airport Improvement Program ("AIP") grants (approximately $100.6 million); and other sources (approximately $47.1 million). As of June 30, 2021, approximately $70 million had been spent on the New T1 and approximately $230 million had been spent on the CIP projects. The following table sets forth the anticipated sources of funding for the Capital Program. Also see "Table 1: Estimated Capital Program Costs and Funding Plan for FY 2021-2026" in "APPENDIX A—FINANCIAL FEASIBILITY REPORT" for additional information on the funding sources of the Capital Program.

TABLE 21
San Diego County Regional Airport Authority
Funding Sources for Capital Program
($000)

	Estimated Cost	Series 2021A/B Bonds	Future Senior/Sub. Bonds	Series 2019 Bonds	Authority Fund	Major Maintenance. Fund	AIP	PFC	Other
New T1									
Terminal & Roadway	$2,813,284	$ 882,122	$1,698,074	$ –	$220,000	$ –	$13,086	$ –	$ –
Airside	306,000	73,784	110,020	30,417	–	19,585	64,478	7,716	–
Administration Building	102,000	34,950	67,050	–	–	–	–	–	–
Shuttle Lot Relocation	15,764	5,389	10,376	–	–	–	–	–	–
Contingency	227,252	9,070	218,182	–	–	–	–	–	–
Total New T1	$3,464,300	$1,005,315	$2,103,703	$30,417	$220,000	$19,585	$77,564	$7,716	$ –
CIP									
Fac. Maintenance Bldg.	$ 49,112	$ –	$ –	$ 49,112	$ –	$ –	$ –	$ –	$ –
Belly Cargo Facility	39,445	–	–	39,445	–	–	–	–	–
Stormwater Capture & Reuse	35,566	–	–	35,565	–	–	–	–	–
Northside RON	33,513	–	–	3,500	–	30,013	–	–	–
Roadway Vehicle Monitoring	31,800	–	–		31,800	–	–	–	–
Solid & Liquid Waste Facilities	35,501	–	–	19,650	13,050	2,800	–	–	–
Fuel Facility Projects	25,192	–	–	–	–	–	–	–	25,192
Tenant Improvements at Airline Support Building	–	–	–	–	–	–	–	–	21,300
Other	310,441	–	–	112,978	29,970	87,746	23,030	1,466	600
Total CIP	$ 560,570	$ –	$ –	$257,251	$111,173	$120,559	$ 23,030	$1,466	$47,092
Total Capital Program	$4,024,870	$1,005,315	$2,103,703	$287,668	$331,173	$140,144	$100,594	$9,181	$47,092

Source: San Diego County Regional Airport Authority

Subordinate Series 2021 Bonds, Subordinate Series 2019 Bonds and Additional Senior Bonds and/or Additional Subordinate Obligations.

The Airport Authority will use approximately $1.005 billion of the proceeds of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds and $287.7 million of the proceeds of the Subordinate Series 2019 Bonds to finance the New T1 and the CIP. Based on the various current estimates and assumptions related to the New T1 and the CIP and the Airport Authority's operations, the Airport Authority currently anticipates that, after the issuance of the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, it expects to issue approximately [•] billion of Additional Senior Bonds and/or Additional Subordinate Obligations between Fiscal Years 2023 and 2025 to finance additional costs of the New T1. The dates of issuance of the Additional Senior Bonds and/or Additional Subordinate Obligations to finance additional costs of the New T1 will be dependent on when the Airport Authority needs additional funds to finance the design and construction of the New T1.

Airport Authority Funds and Other Sources. The Airport Authority will use approximately $331.2 million of available funds of the Airport Authority, approximately $140.1 million of moneys on deposit in the Major Maintenance Fund and approximately $47.1 million of other moneys (consisting of funds received from the consortium of airlines funding the fuel facility projects ($25.2 million), moneys advance by the Airport Authority, which will be reimbursed by tenants, for tenant improvements in the Airline Support Building ($21.3), and local grant funding for electric supply equipment ($600,000) to finance a portion of the costs of the New T1 and the CIP.

Passenger Facility Charges. The PFC Act, as implemented by the FAA pursuant to the PFC Regulations, permits public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 PFC with certain qualifying airports permitted to charge a maximum PFC of $4.50. Regardless of the number of PFC applications which have been approved by the FAA, an airport can only collect a maximum of $4.50 on each enplaning passenger. Public agencies wishing to impose and use these PFCs must apply to the FAA for such authority and satisfy the requirements of the PFC Act.

The purpose of the PFC is to develop an additional capital funding source to provide for the expansion of the national airport system. Under the PFC Act, the proceeds from PFCs are required to be used to finance eligible airport-related projects that serve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers.

The Port District initially received approval from the FAA to impose a $3.00 PFC at SDIA. The approval for the PFC was transferred by the FAA to the Airport Authority, effective January 1, 2003. On May 20, 2003, the FAA approved the Airport Authority's PFC application to increase the charge per enplaned passenger from $3.00 to $4.50 beginning August 1, 2003. The Airport Authority has received approval from the FAA, pursuant to 11 separate applications, to collect, and use, a PFC on each enplaning passenger at SDIA totaling approximately $1.6 billion. The Airport Authority has closed six of the PFC Applications; these applications having been fully funded and the projects they financed having been completed. As of June 30, 2021, there were five active PFC Applications.

As of June 30, 2021, the Airport Authority had recorded the receipt of approximately $823.1 million of PFCs (consisting of $803.5 million of PFCs collections and $19.6 million of interest). As of June 30, 2021, the Airport Authority had disbursed a total of $771.8 million of PFCs on approved capital projects expenditures.

The following table sets forth a summary of the Airport Authority's approved PFC applications through June 30, 2021.

TABLE 22
San Diego County Regional Airport Authority
Approved PFC Applications

PFC Applications	Approval Date	Amended Approval Amount[1,2]
1-5, 7 and 11[3,4]	Various	$ 357,703,762
8	2010	1,118,567,229
10 [5]	2012	29,227,174
12	2016	43,795,768
13	2019	51,100,000
Total		$1,600,393,933

[1] Includes the amount of PFCs the FAA has authorized the Airport Authority to collect and use at SDIA.
[2] Authorization to collect PFCs under all of the applications and amendments expires on November 1, 2039, however, such authorization to collect PFCs could expire earlier if the total authorized amount is collected prior to November 1, 2039.
[3] The Airport Authority withdrew PFC Application #6.
[4] The Airport Authority has closed PFC Applications 1-5, 7 and 11; these applications having been fully funded and the projects they financed having been completed
[5] PFC Application #9 was skipped due to internal FAA system processing.
Source: San Diego County Regional Airport Authority

The PFCs collected pursuant to the PFC Applications have been and will be used to finance all or a portion of certain capital improvements at SDIA including, among other things, the Airport Authority's noise mitigation program, and projects associated with the Green Build Program, the New T1 and the CIP. As described in additional detail in the Feasibility Report, between Fiscal Years 2022 and 2027, the Airport Authority expects to use approximately $17.3 million of PFCs on a pay-as-you-go basis to finance costs of the "Quieter Home Program" (as described under "AIRPORT ENVIRONMENTAL MATTERS—Airport Noise—Community Sound Attenuation Program") and approximately $9.2 million of PFCs on a pay-as-you-go basis to finance a portion of the costs of the New T1 and the CIP. Additionally, as described in additional detail in the Feasibility Report, in Fiscal Years 2022, 2026 and 2027, the Airport Authority expects to use approximately $150 million of PFCs to pay debt service on PFC Eligible Bonds (including a portion of the Senior Series 2013 Bonds (only in Fiscal Year 2022), a portion of the Subordinate Series 2019A Bonds, a portion of the Subordinate Series 2020 Bonds, a portion of the Subordinate Series 2021C Bonds and certain Additional Senior Bonds and/or Additional Subordinate Obligations expected to be issued to finance a portion of the New T1). Pursuant to the Airline Lease Agreements, the Airport Authority has agreed to set aside $30 million of PFCs each Fiscal Year during the three Fiscal Years prior to the opening of the first phase of the new Terminal 1 to be constructed as part of the New T1 (expected in July 2025), and to use those PFCs in the three Fiscal Years following the opening of the first phase of the new Terminal 1 to pay debt service on Senior Bonds and/or Subordinate Obligations the proceeds of which are expected to be used to finance the construction of the new Terminal 1. The Airport Authority has agreed to consult with the Signatory Airlines on an annual basis regarding the use of the PFCs set aside, but the Authority, at its discretion, may adjust the schedule for their use.

The following table sets forth the amount of PFCs received by the Airport Authority in Fiscal Years 2017 through 2021.

TABLE 23
San Diego County Regional Airport Authority
Annual Receipt of PFCs[1]

Fiscal Year	PFCs Collected
2017	$42,199,763
2018	46,952,755
2019	49,197,716
2020	34,392,981
2021	22,109,906 [2]

[1] The information in this table is presented on an accrual basis. Does not include interest earnings.
[2] Estimated.
Source: San Diego County Regional Airport Authority

Airport Improvement Program Grants. The Airport Authority receives federal grants from the FAA each year. The Airport and Airway Improvement Act of 1982, as amended, created the Airport Improvement Program ("AIP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. Under the AIP, the FAA awards grant moneys to airports around the country for capital improvement projects. The Airport and Airway Trust Fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon the number of enplaned passengers and the aggregate landed weight of all-cargo aircraft; and discretionary funds are available at the discretion of the FAA based upon a national priority system. Before federal approval of any AIP grants can be given, eligible airports must provide written assurances that they will comply with a variety of statutorily specified conditions. See "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources—Availability of Federal Grants."

The Airport Authority anticipates receiving both FAA entitlement and discretionary grants to fund a portion of the costs of certain portions of the New T1 and certain capital projects in the CIP. In Fiscal Year 2021, the Airport Authority received approximately $13.9 million of AIP grants.

As described above, the FAA has granted the Airport Authority approval to collect PFCs at SDIA. In accordance with the PFC Act and the PFC Regulations, since the Airport Authority imposes a $4.50 PFC, the amount of AIP entitlement grants which the Airport Authority is permitted to receive annually may be reduced up to 75%.

The Airport Authority's financial plan for funding the Capital Program assumes that AIP entitlement and discretionary grant funds will be available to fund the grant eligible portion of certain projects. In the event the Airport Authority does not receive AIP grants in the amounts expected, it would need to use alternative sources of funding for such projects, including the issuance of Additional Senior Bonds and/or Additional Subordinate Obligations. See "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources."

Third-Party Financed Projects

In addition to projects financed by the Airport Authority, certain projects at SDIA are expected to be financed and constructed by outside third-parties, including the North Cargo Facility (as defined below).

In 2019, the Airport Authority selected a developer to design, build, finance, operate and maintain a new, 100,000 square foot, integrated cargo operator facility and an aircraft ramp on the Northside of the Airport for DHL, Fed-Ex, UPS and the other cargo carriers at the Airport. However, this development was later terminated because of, among other issues, potential line-of-sight issues with FAA Airport Traffic Control and aircraft movement areas. Recently, the Airport Authority has developed a new concept, that consists of 150,000 square feet of warehouse space, aircraft parking apron that can accommodate approximately nine aircraft parking positions, and 160,000 square feet of landside apron for truck access and loading (the "North Cargo Facility"). The full build-out of the North Cargo Facility will require a shift to Taxilane F to the west to allow for aircraft parking and provide the appropriate setbacks from the cargo facility. The FAA has concluded that the new concept for the North Cargo Facility would have no line-of-sight issues. The Airport Authority anticipates releasing a request-for-information (the "North Cargo Facility RFI") in early 2022 to solicit interest from potential developers and/or tenants desiring to build and manage, finance, lease, sell, and/or operate the North Cargo Facility. The North Cargo Facility RFI is anticipated to be released once an ongoing comprehensive planning study for the Airport's Northside has been completed. Environmental entitlements associated with the North Cargo Facility also need to be obtained by the Airport Authority.

Airport Land Use Commission

State law requires counties in which there is a commercial and/or a public use airport to have an airport land use commission. Pursuant to the Act, the Airport Authority is vested with responsibility, among other things, to serve as the region's Airport Land Use Commission ("ALUC"). The purpose of the ALUC is to protect public health, safety and welfare by ensuring the orderly development of land in the vicinity of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The ALUC prepares and adopts Airport Land Use Compatibility Plans ("ALUCPs") and reviews certain local agency land use actions and airport plans for consistency with the compatibility plans.

The ALUCP contains compatibility criteria and ALUC review procedures for projects proposed within delineated Airport Influence Areas ("AIA") and addresses land use compatibility around airports in terms of noise, overflight, safety and airspace protection for all 16 public-use and military airports in the County. The ALUCP is not a plan for airport development and does not require any changes to existing land uses, but rather, State law requires future land use near airports to be consistent with compatibility criteria included in an ALUCP. Land use actions including adoption or amendment of general plans, specific plans, zoning ordinances and building regulations affecting land within an AIA must be referred to the ALUC for review. Referral and review by the ALUC of other local actions, primarily individual development projects, is required in some instances, but voluntary in others.

In addition to an ALUCP for SDIA, the Airport Authority, acting as the region's ALUC, has developed and adopted ALUCPs for six rural general aviation airports (Agua Caliente, Borrego Valley, Fallbrook Airpark, Jacumba Airport, Ocotillo Airport, and Ramona Airport) and five urban commercial and general aviation airports (Brown Field Municipal Airport, Gillespie Field, McClellan-Palomar Airport, Montgomery-Gibbs Executive Airport, and Oceanside Municipal Airport). ALUCPs also have been finalized for military airports located within the County (Naval Air Station North Island, Marine Corps

Base Camp Pendleton, Marine Corps Air Station Miramar, and Naval Outlying Landing Field Imperial Beach).

FINANCIAL FEASIBILITY REPORT

General

The Airport Authority has retained Unison Consulting, Inc., which is recognized as an expert in its field, to prepare a report in connection with the issuance of the Subordinate Series 2021 Bonds. The Financial Feasibility Report is included as Appendix A hereto, with the Feasibility Consultant's consent. The information regarding the analyses and conclusions contained in the Financial Feasibility Report is included in the Official Statement in reliance upon the expertise of the Feasibility Consultant.

The financial forecasts in the Financial Feasibility Report are based on certain information and assumptions that were provided by, or reviewed and agreed to by, the Airport Authority's management. In the opinion of the Feasibility Consultant, these assumptions provide a reasonable basis for the forecasts.

The Financial Feasibility Report should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that these or any of the other assumptions contained in the Financial Feasibility Report will occur. As noted in the Financial Feasibility Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also "INTRODUCTION—Forward-Looking Statements," and "CERTAIN INVESTMENT CONSIDERATIONS—Financial Feasibility Report."

Estimated and Projected Net Revenues, Debt Service Coverage and Cost Per Enplanement

The following table sets forth the estimated and projected Net Revenues, debt service requirements for the Senior Bonds and the Subordinate Obligations [(assuming that all of the Senior Series 2013 Bonds are refunded and defeased with proceeds of the Subordinate Series 2021C Bonds)], the coverage of such debt service requirements based upon the Net Revenues and the cost per enplanement, as forecast by the Feasibility Consultant, for the Fiscal Years 2022 through 2027.

The Net Revenues provided in the following table exclude Operations and Maintenance Expenses paid with COVID-19 Federal Relief Funds and the debt service numbers provided in the following table exclude the debt service on the Senior Bonds and the Subordinate Obligations projected to be paid with PFCs and COVID-19 Federal Relief Funds. For a discussion of the calculation of debt service on the Senior Bonds and the Subordinate Obligations paid with PFCs, see "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Use of PFCs to Pay Debt Service." Additionally, see the Feasibility Consultant's cover letter and "Section 3.3 - Forecast Commercial Aviation Activity" in "APPENDIX A—FINANCIAL FEASIBILITY REPORT" for a discussion of the assumptions used by the Feasibility Consultant to develop its passenger forecast and its forecasted financial results.

The forecasted financial information in the following table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forecasted financial information, but, in the view of the Airport Authority's management, was prepared on a reasonable basis, to reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Airport Authority. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information.

Neither the Airport Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted financial information.

The assumptions and estimates underlying the forecasted financial information are inherently uncertain and, though considered reasonable by the management of the Airport Authority as of the date of this Official Statement, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecasted financial information, including, among others, the risks and uncertainties described under "CERTAIN INVESTMENT CONSIDERATIONS" below. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of the Airport Authority or SDIA or that actual results will not be materially higher or lower than those contained in the forecasted financial information. Inclusion of the forecasted financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

TABLE 24
San Diego County Regional Airport Authority
Estimated and Projected Debt Service Coverage and Cost Per Enplanement

Fiscal Year	Net Revenues	Senior Debt Service Requirements[3]	Senior Debt Service Coverage	Subordinate Debt Service Requirements[3,4]	Total Debt Service Coverage[5]	Cost Per Enplanement
2021E[1]						
2022B[2]						
2023P						
2024P						
2025P						
2026P						
2027P						

[Footnotes to come]
Source: Unison Consulting, Inc.

AIRPORT ENVIRONMENTAL MATTERS

There are several significant environmental matters which have direct and indirect impacts on the Airport Authority and SDIA, some of which are described below. These include aircraft noise reduction, clean air requirements and hazardous substance cleanup. SDIA is heavily regulated, in part due to its proximity to San Diego Bay. The Airport Authority holds numerous regulatory permits, including permits for storm water, air quality, hazardous materials, industrial waste, landfill remediation and wildlife.

Environmental Stewardship

The Airport Authority has made environmental stewardship a hallmark of operations at SDIA. The Airport Authority instituted one of the first sustainability policies for a major airport in the U.S. The Planning and Environmental Affairs Department of the Airport Authority (the "Environmental

Department") manages all environmental-related programs, including airport planning and environmental review, regulatory compliance, water and air quality, site remediation, hazardous material handling and natural resources protection. The Environmental Department interfaces with other Airport Authority departments to assess potential environmental impacts of all proposed projects. The Environmental Department also is responsible for long-range airport facility planning, including the Master Plan.

As part of its ongoing commitment to sustainability, in 2011, SDIA was the first airport in the U.S. to issue a sustainability report based on the internationally recognized criteria of the Global Reporting Initiative. The Authority's latest annual sustainability report – "2020-21 Sustainability Report: Sustainability Matters" – is available at www.sustain.san.org (the information on such site is not part of this Official Statement, and has not and is not incorporated by reference herein). The Airport Authority has developed a Sustainability Management Plan (the "Sustainability Plan") that sets forth the Airport Authority's framework for advancing and measuring its environmental sustainability progress. The Sustainability Plan is comprised of seven overarching elements including the areas of water stewardship, sustainable energy, carbon neutrality, clean transportation, zero waste, climate resilience, and biodiversity. The Airport Authority sets goals and stand-alone strategies that it aims to achieve by 2035 in each of these programmatic areas. The seven elements of the Sustainability Plan are described in more detail below:

Water Stewardship Plan - Establishes the Airport Authority's vision for the stewardship of water resources and provides a framework for rethinking how the Airport Authority manages its water resources while it prepares to accommodate passenger growth, new airport developments, and a changing climate. Specifically, the plan addresses issues of water conservation, water quality, and flood-risk considerations.

Strategic Energy Plan - Establishes the Airport Authority's approach to the provision of cost-effective, energy resilience strategies that are environmentally responsible and fully aligned with airport operations and development. It addresses key issues of energy efficiency and conservation including on-site energy generation and storage, enhanced monitoring of key energy metrics, and mechanisms through which to actively engage the broad spectrum of Airport stakeholders.

Carbon Neutrality Plan - Establishes the strategy for managing air quality and greenhouse gas emissions over which the Airport Authority has control and provides a framework for the Airport to achieve carbon neutrality under the ACI-Airport Carbon Accreditation program. On September 18, 2019, SDIA become only the second airport in the U.S. to reach carbon neutral accreditation from ACI. SDIA was certified "Level 3+," the highest level of certification through ACI's Airport Carbon Accreditation program.

Clean Transportation Plan - Provides the Airport Authority's strategy and plan for managing various ground transportation issues at SDIA. Covers all ground transportation emission sources, including all vehicles and equipment accessing and operating at the Airport, whether owned and operated by the Airport Authority or by third parties.

Zero Waste Plan ("ZWP") - Serves as the Airport Authority's strategy and plan for managing various waste issues and covers all waste generated at SDIA. The ZWP provides an organized framework for eliminating or reducing waste generation and responsibly managing materials that are produced at SDIA. The Airport Authority sees zero waste as addressing five primary focus areas, including sustainable materials management, infrastructure and development, training and education, metrics and reporting, and leadership and influence.

Climate Resilience Plan - Provides the Airport Authority's strategy for achieving uninterrupted business continuity in future climate conditions. The Airport Authority is proactively working toward long-term solutions that would allow for improvements in areas related to climate resilience that go beyond complying with existing regulations. This plan builds off existing initiatives ranging from improving storm drainage capacity in low-lying areas to collaborating with regional stakeholders to explore large-scale coastal flood protection strategies. The Airport Authority now designs 100% of its capital projects to ensure that they can adapt to climate change stressors, such as coastal flooding and extreme heat events. For example, the building pad elevation for the Airport's new Airline Support Building was purposely raised to withstand sea level conditions that are expected in 2100. Resiliency design features being considered for the new Terminal 1 include dual-plumbing restrooms to utilize non-potable water for toilet flushing; upsized HVAC systems to accommodate higher-than-normal cooling demands; and additional onsite solar photovoltaic and battery energy storage systems. The new Terminal 1 and the associated airfield improvements also will drain to an expanded cistern system, which will eventually be able to annually divert nearly 40 million gallons of rainwater away from the City's stormwater conveyance system, which can be negatively impacted by above-average tidal levels in San Diego Bay. Finally, SDIA's new administration building will be one of the first airport projects in the nation to pursue certification under the U.S. Green Building Council's RELi rating system, which takes a holistic approach to resilient design.

Biodiversity Plan - Establishes the Airport Authority's vision for the stewardship of plants and wildlife. Provides a framework for how the Airport Authority manages onsite habitat for the endangered California Least Tern (a species of bird), reduces the use of biocides through the Airport Authority's Integrated Pest Management program, and identifies robust drought-tolerant plant species for its campus-wide xeriscape landscape program.

The development and implementation of the Sustainability Plan is a cornerstone of the Airport Authority's work to achieve an enduring and resilient enterprise while considering its environmental, financial, and social obligations, risks, and opportunities. Each year, the Airport Authority reports its progress toward its Sustainability Plan goals through its sustainability report.

Airport Noise

Airport Noise and Capacity Act of 1990. In 1990, Congress adopted the Airport Noise and Capacity Act of 1990 (the "ANCA"), which provided, among other things, for a phase-out of Stage 2 aircraft by December 31, 1999, and which also limited the scope of an airport operator's regulatory discretion for adopting new aircraft operational restrictions for noise purposes. The FAA subsequently adopted regulations implementing ANCA under Part 161 of the Federal Aviation Regulations ("Part 161"). From 1990 forward, airport proprietors considering the adoption of restrictions or prohibitions on the operation of Stage 2 and Stage 3 aircraft are required to conduct studies which detail the economic costs and benefits of proposed restrictions, as well as seeking affirmative approval of the FAA under defined statutory criteria before they may legally be implemented. ANCA and Part 161 make the adoption of many traditional aircraft operating restrictions by local airport proprietors on the operation of Stage 3 aircraft infeasible without the concurrence of the FAA, the air carriers or other operators affected by the restrictions. Nonetheless, the Airport Authority has various rules and regulations to address aircraft noise, including a prohibition on the operation at SDIA of any air carrier commercial aircraft not complying with Stage 3 noise levels.

There also are direct restrictions on aircraft departures at SDIA, primarily relating to noise abatement. Specifically, the Airport Authority prohibits departures from SDIA between 11:30 p.m. and 6:30 a.m. (the "Curfew"), and no airline may schedule or advertise for a departure between 11:15 p.m. and 6:15 a.m. These restrictions are subject only to limited exceptions including emergency and mercy flights. Landings at SDIA are not prohibited during the Curfew.

California Noise Standards. SDIA operates under a variance pursuant to the California Noise Standards (CCR Title 21, Division 2.5, Subchapter 6). The California Noise Standards identify an exterior 65 decibel ("dB") Community Noise Equivalent Level ("CNEL") contour at an airport as the "Noise Impact

Area." Within the Noise Impact Area, the airport proprietor is required to ensure that all land uses are compatible with the California Noise Standards, or the airport proprietor must secure variances from the Division of Aeronautics of Caltrans, under the California Noise Standards until full compatibility is accomplished. Under California Noise Standards, residential land uses may be deemed compatible through land acquisition, sound insulation sufficient to achieve an interior noise level of 45 dB CNEL, or by obtaining an avigation easement for the incompatible land use.

To obtain a variance, an airport must demonstrate to the State of California that it is making good faith efforts to achieve compliance with the state noise standards. The most recent variance for SDIA issued by Caltrans took effect in September 2019 and is valid for three years. During the term of the variance, the Airport Authority is required to continue facilitation of an Airport Noise Advisory Committee, staffing of an Airport Noise Management Office, maintaining a noise monitoring system, submittal of a quarterly noise report, and implementation of its residential sound attenuation program, among other requirements.

Community Sound Attenuation Program. In 1997, the Port District initiated a residential sound attenuation program (the "RSAP") with respect to eligible residences surrounding SDIA that are located within the approved 65 CNEL contour. In connection with the renewal of its noise variance in 2001, the Port District agreed to enhance its then current RSAP. The Airport Authority's current residential sound insulation program (the "RSIP" or the "Quieter Home Program") is an ongoing program that provides acoustical insulation to all eligible single- and multi-family dwellings located in SDIA's noise impact area. The Airport Authority mainly uses AIP grant revenues and PFC revenues to pay for the RSIP. To date, the RSIP has sound-attenuated approximately 4,600 residences. From its inception to June 30, 2021, the Airport Authority has spent approximately $254 million ($204 million of which has been paid with AIP grant revenues and $50 million of PFC revenues) on RSIP. In 2020, the Airport Authority expanded its sound insulation program to include noise-sensitive, non-residential land uses, such as schools and places of worship, within the 65 CNEL contour.

Fuel Storage Tanks

Underground fuel storage tanks are present on the property occupied by the Rental Car Center. The On-Airport Rental Car Companies have agreed in the Rental Car Center Lease Agreements to pay for remediation costs associated with any leakage of the underground fuel storage tanks.

The Airport Authority owns the above-ground tanks that store airline fuel, which is transported to the airfield via underground fuel lines. The fuel lines that supply fuel to the storage tanks are owned by a third party. Airlines operating at SDIA that use these storage tanks and the fuel lines to the airfield have entered into a lease agreement pursuant to which they are required to indemnify the Airport Authority against any liability associated therewith.

Air Quality and Carbon Management Planning

Memorandum of Understanding with State. In May 2008, the Airport Authority entered into a Memorandum of Understanding (the "MOU") with the Attorney General of the State regarding the Master Plan. Pursuant to the MOU, the Airport Authority agreed to certain specific measures to reduce the amount of greenhouse gas emissions from aviation and other operations conducted at SDIA. In December 2009, the Board approved the San Diego County Regional Airport Authority Air Quality Management Plan (the "Air Quality Management Plan"), which sets forth the Airport Authority's specific plan for implementing the provisions of the MOU. Some of the specific measures the Airport Authority agreed to take in the MOU include, among others, providing landside power and preconditioned air to the gates at the terminals and in the cargo facilities, replacing vehicles operating at SDIA with electric or alternative fuel vehicles, and using "green" materials for the construction of the projects included in the Master Plan. Many of the elements of the Air Quality Management Plan have been incorporated into the Capital Program (including the New T1). Following are certain key achievements of the Airport Authority in meeting the provisions of the MOU:

- MOU Provision: provide power (400 hertz) and pre-conditioned air ("PCA") at all gates
  - All gates provide 400 Hz ground power and PCA for aircraft use
  - The Airport Authority is requiring ground power and PCA for any new projects

- MOU Provision: replace ground service equipment ("GSE") with alternative fuel vehicles at end of useful equipment life
  - The Airport Authority has 71 airside charging ports and approximately 200 airline-owned alternative-fuel GSE
  - The Airport Authority is requiring airside charging ports for any new projects

- MOU Provision: replace shuttles with electric or alternative fuel vehicles
  - 100% of Airport Authority-controlled shuttles use alternative fuels
  - Over 95% of taxis accessing SDIA use hybrid vehicles

- MOU Provision: achieve "Leadership in Energy and Environmental Design" ("LEED") Certification (at least Silver level) for all new development and renovation
  - At least LEED Gold has been achieved on all major construction projects
  - Approximately 85% of SDIA's electricity comes from renewables, including 5.5 megawatts from onsite solar panels

- MOU Provision: use green construction methods and equipment
  - Standard contract language includes use of low- and zero-emitting equipment

- MOU Provision: engage tenants in recycling and emissions reduction efforts
  - SDIA has a robust waste diversion program, including post-consumer food waste
  - 54 concessions at SDIA (approximately 72% of all concessions) are certified through the Airport Authority's "Green Concessions" sustainability program

Ground Transportation Vehicle Conversion Incentive-Based Program. The Board adopted a Ground Transportation Vehicle Conversion Incentive-Based Program (the "Incentive Program") in accordance with the terms and conditions of the MOU. For various eligible ground transportation providers at SDIA, the Incentive Program provides incentive payments, reduced permit fees, and/or reduced trip fees for Alternative Fuel Vehicles ("AFVs") and Clean Air Vehicles ("CAVs") through Fiscal Year 2021, but increased user fees for non-AFVs and non-CAVs beginning in Fiscal Year 2015. The Incentive Program cost approximately $150,000 in Fiscal Year 2021. The Incentive Program has been carried forward with the same vehicle categories through the current operating year. The fees and any incentives are determined in the budget process each year and approved by the Board.

TNC GHG Emissions Reduction Program. Additionally, in June 2018, a TNC greenhouse gas ("GHG") emissions reduction program was implemented to target cleaner fuel vehicles, higher efficiency vehicles, and carpooling of passengers. The program is based on a performance parameters to measure grams of CO_2 emissions generated from TNC trips to lower carbon emissions. The TNCs in general have met the Airport Authority's GHG goals resulting in no significant GHG penalties. It is expected that the TNCs will continue to meet GHG goals to minimize any future GHG penalties.

State Legislation. In 2016, the California legislature passed Senate Bill 32 that codifies the State's commitment to reduce GHG emissions 40% below 1990 levels by 2030. In July 2016, the California Air Resources Board ("CARB") released two policy documents, the Sustainable Freight Action Plan and the

Mobile Source Strategy [(in October 2021, CARB approved an updated plan, the "2020 Mobile Source Strategy")], to assist with achieving this carbon reduction goal. These documents identify emissions from airport shuttles and ground support equipment as priority action areas. As such, the Airport Authority has been engaging CARB on the potential structure of any incentives or rules that may be developed as a result. To prepare for these pending regulations and to continue to proactively address GHG emission sources at the Airport, the Airport Authority developed a "Carbon Neutrality Plan" in 2019. In addition to inventorying baseline conditions, the Carbon Neutrality Plan identifies a variety of potential climate mitigation initiatives and tactics within five primary focus areas:

- *Airlines & Aircraft*: Potential action items include forming a biofuel task force to engage airlines about options to increase onsite biofuel use; leveraging gate optimization software; and installing an underground fuel hydrant system at all aircraft gates.

- *Transportation*: Potential action items include reducing emissions from construction equipment; converting Airport Authority fleet and encouraging third parties to use zero or low emission vehicles; and strengthening inter-agency collaboration regarding regional transit and ground access to the Airport.

- *Energy*: Potential action items include participating in direct access or community choice energy programs; installing renewable energy systems in a cost-effective manner; and evaluating alternative fuel options for stationary sources.

- *Other Emissions*: Potential action items include updating tenant improvement guidelines to emphasize water conservation and resilient design; applying best practices for preventing refrigerant leaks; and expanding the food recovery program to include all applicable tenants and airlines.

- *Carbon Leadership*: Potential action items include prioritizing LEED/Envision credits related to carbon and air emissions; expanding passenger participation in "The Good Traveler" carbon offset program; and leveraging the implementation of aviation-specific offset programs (such as the Carbon Offsetting and Reduction Scheme for International Aviation).

Local Regulations. Additionally, the Airport Authority worked with the San Diego Air Pollution Control District to include the projects in the Capital Program (including the New T1) and certain other projects that may be undertaken at the Airport over the next 20 years into the region's updated State Implementation Plan ("SIP") for ozone. The SIP outlines the measures that will be implemented in the region to attain and maintain air quality standards as required by the federal Clean Air Act and is used by the Airport Authority to demonstrate general conformity for future improvements at SDIA.

See "CERTAIN INVESTMENT CONSIDERATIONS—Climate Change Issues."

Storm Water Management

Under the Federal Clean Water Act and EPA regulations, the Airport Authority is required to obtain certain storm water runoff discharge permits. The Airport Authority has received permits from the San Diego Regional Water Quality Control Board (the "SDRWQCB") and the State Water Resources Control Board (the "SWRCB"). The Airport Authority is currently in compliance with all of its storm water runoff discharge permits.

Certain portions of the SDIA, fueling, maintenance and wash areas, are regulated under California's Industrial General Permit, adopted on July 1, 2015 by the SWRCB. As part of the new permit, industrial facilities' storm water discharges need to be below certain "numeric action levels" for water quality parameters. SDIA is currently categorized as a Level 2 facility for copper and a Level 1 facility for zinc, meaning that the Airport Authority has had to develop exceedance response action plans to identify varying levels of additional best management practices that will be implemented to reduce concentrations of these heavy metals in storm water runoff. Similarly, the Airport Authority's compliance with the Municipal Separate Storm Sewer System (MS4) permit is focused on reducing the frequency of heavy metals exceedances during wet weather events. As such, the Airport Authority has expanded its own requirements to prioritize storm water infiltration and/or capture and reuse systems within new development projects. For example, the Terminal 2 Parking Plaza includes a 100,000-gallon storage system that can collect, treat, and reuse over 2 million gallons of storm water annually, while the new FIS facility utilizes modular wetlands to bio-filtrate its runoff. A 3-million gallon storm water cistern has been installed on SDIA's north side and a 1.5-million gallon cistern is planned to be constructed on the south side as part of the New T1, which greatly expands the Airport Authority's storm water harvesting opportunities.

On June 18, 2014, the SDRWQCB issued an Investigative Order directing the Airport Authority, General Dynamics and the Port District to submit technical reports pertaining to an investigation of sediment chemistry in the Laurel Hawthorn Central Embayment in San Diego Bay. The Investigative Order alleged that an unauthorized discharge of wastes occurred as evidenced by the presence of polychlorinated biphenyl, total petroleum hydrocarbons, volatile organic compounds, polycyclic aromatic hydrocarbons, metals and pesticides in the bay sediments. Although the Airport Authority believes it is not legally responsible for any harmful discharges at the identified location, it agreed with the other parties to participate in and share in the funding of the investigation and study. The Final Sediment Chemistry Report was provided to the SDRWQCB and that investigation was completed. In August 2017, the SDRWQCB sent the parties a new administrative draft investigative order that gave the Airport Authority, the Port District and General Dynamics an opportunity to provide comments to the SDRWQCB prior to the formal issuance of another investigative order. In January 2018, the parties submitted the work plans for both land and water that were accepted by the SDRWQCB. On October 2, 2019, the SDRWQCB issued new investigative orders to several parties, to investigate sediment in the Laurel Hawthorne Embayment, however, the Airport Authority was not named in any of these new orders. On November 1, 2019, the Airport Authority received notice of a Petition to the SDRWQCB from General Dynamics requesting that the Airport Authority, the City and the Port District be added to the investigative order issued on October 2, 2019, which was subsequently denied by the SDRWQCB. On March 27, 2020, General Dynamics served a Petition for Writ of Mandate and Complaint for Declaratory Relief ("Writ") on the Airport Authority. The Writ challenged the SDRWQCB's October 2, 2019 investigative order seeking, among other things, to require the SDRWQCB to add the Airport Authority and others as parties to the new investigative order. In response to a demurrer filed by the SDRWQCB, the Superior Court dismissed General Dynamics Writ without leave to amend and General Dynamics did not appeal.

In December 2016, the U.S. Department of the Navy released a draft Record of Decision for a Final Remedial Action Plan in order to cleanup chemically-impacted sediments in the former Naval Training Center San Diego Boat Channel immediately adjacent to SDIA. In a letter to the Airport Authority dated December 28, 2016, the Department of the Navy alleged that the Airport Authority was a responsible party under the federal Comprehensive Environmental Response, Compensation, and Liability Act due to past contributions of metals and other contaminants into the Boat Channel. The Department of the Navy sent another letter to the Airport Authority on May 6, 2021 offering to resume settlement discussions concerning alleged contamination and response costs incurred in the Boat Channel. The Department of the Navy reported, as of December 31, 2020, that it had incurred at least $16,040,005 in unreimbursed response costs related to the site. Settlement discussions are expected to begin soon between the Department of the Navy, the City, the Port District and the Airport Authority. The Airport Authority cannot predict whether or to what extent it may be liable for the costs of any past or future remediation.

Per- and Polyfluoroalkyl Substances

Per- and Polyfluoroalkyl Substances ("PFAS") are a group of more than 3,000 synthetic chemicals that have been in use since the 1940s. PFAS are found in many products such as dental floss, food packaging materials, non-stick products, water repellant textiles, and fire-fighting foams. PFAS are used in the aerospace, automotive, chemical, electronics, metal coatings and plating, and textiles industries. The FAA requires airport operators to use Aqueous Film Forming Foam ("AFFF") containing PFAS in their aircraft rescue and firefighting vehicles and fire suppression operating systems.

The EPA has determined that, due to the widespread use and persistence in the environment of PFAS, most people in the United States have been exposed to PFAS. The EPA also found evidence that continued exposure above specific levels to certain PFAS may lead to adverse health effects. Currently, the key PFAS classes of concern are perfluoroalkyl sulfonic acids, such as perfluorooctanesulfonate ("PFOS") and perfluorooctanoic acid ("PFOA"). The EPA released a statement in November 2016 summarizing available peer-reviewed studies on laboratory animals and epidemiological evidence in human populations as indicating that exposure to PFOA and PFOS over certain levels may result in adverse health effects including cancer, reproductive and developmental effects, liver effects, immune effects and other effects. In February 2019, the EPA issued a PFAS Action Plan. The PFAS Action Plan outlines EPA's strategy to better understand the health risks associated with PFAS and to develop tools for characterizing PFAS in the environment, cleanup approaches, and enforcement mechanisms.

On March 20, 2019, the SWRCB issued "Water Code Section 13267 Order WQ-2019-0005-DWQ for the Determination of the Presence of PFAS" (the "Airport Order") to numerous airports in California, including the Airport. The Airport Order identifies the Airport as a facility that accepted, stored, or used materials that may contain PFAS. The Airport uses AFFF containing PFAS, as required by the FAA. The Airport Order required the Airport Authority to test soil and groundwater for 23 PFAS analytes, including PFOA and PFOS. The Airport Authority completed sampling at 12 different locations on the Airport and submitted a formal completion report to the SWRCB on December 10, 2019, noting that PFAS analytes were detectable in all of the collected groundwater samples, but were only detectable in soil samples at 8 of 12 locations. On June 10, 2021, the SDRWQCB issued an additional Investigative Order requiring the Airport Authority to submit a Supplemental Work Plan to further delineate the vertical and lateral extents of PFAS-impacted media (soil, groundwater, and surface water). The Supplemental Work Plan was submitted by the Airport Authority on September 10, 2021 and it is awaiting SDRWQCB approval before initiating additional sampling work.

Additionally, in October 2019, the SWRCB issued "Water Code Sections 13267 and 13383 Order for the Determination of the Presence of PFAS Substances at Chrome Plating Facilities Order WQ-2019-0045-DWQ" (the "Chrome-Plating Order") in connection with chrome plating facilities located throughout the State. The Chrome-Plating Order identifies the former General Dynamics property on Pacific Highway, which the Airport Authority leases from the Port District, as a site of a previous chrome-plating facility. PFAS are used in the chrome-plating processes. As of the date of this Official Statement, the Chrome-Plating Order has not been officially served on the Airport Authority, but it may eventually require the Airport Authority to respond to a questionnaire or, similar to the Airport Order, it may require testing of the affected site for the presence of PFAS.

At this time, the SWRCB has not established cleanup standards for PFAS or otherwise indicated what actions will be required for PFAS found in soil and groundwater at the Airport. Further, the extent to which PFAS poses a risk to human health and the environment is not yet well understood.

AIRPORT AUTHORITY SOCIAL AND GOVERNANCE EFFORTS

Central to the Airport Authority's mission is to promote equality, diversity, connectedness, and a good quality of life for its employees and the community at-large. The Airport Authority strives to exceed its customers' expectations by introducing innovative service and facility enhancements. It aims to achieve the highest level of internal and external customer satisfaction and to strive to develop leaders and a workforce aligned that reflects the diversity of the community and assure the highest level of commitment and productivity. The Airport Authority endeavors to be a responsive member of the community, working with surrounding neighborhoods and key groups to address the impacts from aircraft noise, traffic congestion, and other impacts. As part of its annual sustainability report (see "AIRPORT ENVIRONMENTAL MATTERS—Environmental Stewardship" above), the Airport Authority measures social key performance indicators to gauge progress in social efforts undertaken.

Diversity, Equity and Inclusion Policy

In September 2021, the Board adopted Policy – 2.03 Diversity, Equity and Inclusion. The policy statement reaffirms and formalizes the Board's commitment to diversity, equity and inclusion ("DEI") and provides a clear vision of how DEI values can be integrated into Airport operations and the Airport Authority's business practices. The policy statement also highlights the important role that the Airport, as the region's main air transportation gateway, plays in fostering DEI in the broader community. Finally, the policy statement creates a mechanism through which the Airport Authority can track and report its DEI initiatives. The Airport Authority has held DEI principles core to its operations and business activities since its inception in 2003. The Airport Authority's first set of core values included the statement "Everyone counts, and we count on everyone." To further advance DEI, the Board directed the creation of a Diversity, Equity and Inclusion Ad Hoc Committee. Concurrent with this action, Airport Authority President/CEO and her Executive Leadership Team appointed staff to a cross-divisional DEI Steering Committee to spearhead the Airport Authority's DEI efforts. The President/CEO identified five priority work streams as part of the Steering Committee's work plan – Employee, Small Business, Procurement, Environmental Justice, and Arts.

Small and Disadvantaged Business

The Airport Authority is committed to the growth of the San Diego region and works to ensure that local, small, disadvantaged, disabled veteran and emerging businesses have every opportunity to work with the Airport Authority. The Airport Authority established Policy 5.12 in April 2009 which allows for preference to small businesses, veteran owned small businesses and local businesses in the award of Airport Authority contracts. In addition to make certain that small businesses have everything they need to compete, the Airport Authority has a strategy to build relationships with the business community that encourages conversation and participation, and provides education, training, and outreach both in person and online. This strategy includes:

The Airport Authority, in partnership with Turner Construction, hosts the Turner School of Construction Management. This seven-week program is a community outreach and education program offered twice a year to businesses. Participants gain needed technical, administrative and managerial skills to help develop new and strategic business relationships and target their business for quality growth.

The Airport Authority launched a Bonding and Contract Financing Assistance Program in December 2007 that assists small, disadvantaged contractors in establishing first-time bonding or increasing their current bonding capacity and financing for airport contract work. The Airport Authority focuses on developing the contractors enrolled in the program by encouraging enrollees to attend the Airport Authority's educational contractor workshops. Examples of topics covered are procurement 101, OSHA

30-Hours and Cal OSHA injury and illness prevention, prevailing wage and labor compliance, and many more.

The Airport Authority has a Disadvantaged Business Enterprise Program ("DBE") and Airport Concession Disadvantaged Business Enterprise ("ACDBE") Program. It is a goal of the Airport Authority to ensure DBEs and ACDBEs have an equal opportunity to receive and participate in construction, professional services and concession opportunities through the implementation of race-neutral measures to meet overall DBE and ACDBE goals. Such measures include community outreach, attending pre-submittal meetings, unbundling large projects into smaller contractors, maintaining a directory of ACDBE and DBEs, hosting training seminars, hosting the Supplier Diversity Outreach Day, webinars and panels on important topics such as Concessionaire and ACDBE Panel, ACDBE and DBE certifications, ACDBE joint venture compliance, and other important topics.

In furthering outreach to assist small, disadvantaged, local and veteran owned small businesses and maximize their participation on Airport Authority contracts, the Airport Authority applies the "Inclusionary Approach" to large contracts that requires prime contractors to submit an Inclusionary Outreach Plan.

The Airport Authority introduced an outreach initiative by hosting "Meet the Primes" which is an event for businesses to connect with and learn from the Airport Authority, prime contractors and concessionaires, San Diego's small business support service centers and public agencies. Businesses learn about the Airport Authority's Small Business Development Program, upcoming contract opportunities, and need-to-know topics that can help their business.

The Airport Authority hosts a Veteran Appreciation Panel that provides information about new opportunities and programs for veteran businesses and helps the Airport Authority explore how to work together with the veteran-business community.

Employee Development

The Airport Authority is committed to employee development. The Airport Authority not only believes in but acts on the core value of learning which states, "We believe that continuous learning and personal involvement are job responsibilities." Examples of learning opportunities include: monthly one hour career development sessions; performance management and coaching plans are created and reviewed every four months; and frequent wellness and health and safety activities. In addition to these activities, the Airport Authority provides specific training to the Airport Traffic Officers ("ATO") known as ATO University. The ATO University program is designed to coordinate specific lessons with activities in the field such as customer interactions, citations, and taxi hold lot operations. The Facilities Maintenance Department ("FMD") offers specific training for plumbing, electrical, mechanical and carpentry skills that has enabled FMD to empower the employees hired on as maintenance workers to understand that other opportunities within the department are possible if training and educational requirements are met. The Airport Authority also offers a Tuition Reimbursement Program that is available to all employees who are working towards a college degree or are upgrading their skill set in an accredited program.

Airport Authority Governance

See "THE AIRPORT AUTHORITY" above for a discussion of governance at the Airport Authority.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Subordinate Series 2021 Bonds involve investment risk and may not be suitable for all investors. The factors set forth below, among others, may affect the security of the Subordinate Series 2021 Bonds. Prospective investors are urged to read this Official Statement, including its appendices, in its entirety. The factors set forth in this Official Statement, among others, may affect the security for and/or trading value of the Subordinate Series 2021 Bonds. The information contained in this Official Statement relates solely to the Subordinate Series 2021 Bonds and speaks only as of the date of this Official Statement. The information in this Official Statement does not purport to be a comprehensive or complete discussion of all risks or other considerations that may be relevant to an investment in the Subordinate Series 2021 Bonds. Other factors may exist which may be material to investors based on their respective individual characteristics. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. Additional risk factors relating to the purchase of Subordinate Series 2021 Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, Revenues, Net Revenues and Subordinate Net Revenues or individual investors. In addition, although the various risks discussed in this Official Statement are generally described separately, prospective investors of the Subordinate Series 2021 Bonds should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There can be no assurance that other risks or considerations not discussed in this Official Statement are or will not become material in the future.

COVID-19 Pandemic and Related Matters

The COVID-19 pandemic and resulting restrictions on human activities have severely disrupted, and continue to disrupt the economies of the United States and other countries. The COVID-19 pandemic has and may continue to have a material adverse effect on the demand for passenger air travel, although some recovery in air travel volume has occurred over the last several months. The length of the COVID-19 pandemic itself will likely depend on the speed and effectiveness of the various COVID-19 Vaccine roll-outs in the United States and abroad and their ability to protect against new variants of the virus, a number of which have emerged. An additional consideration is the general public's perception of the efficacy of the COVID-19 Vaccines and the public's willingness to receive a COVID-19 Vaccine, including prior to full FDA approval. The longer the COVID-19 pandemic persists, the greater the ultimate effect is likely to be on the airline industry and on the Airport Authority's operations and financial condition.

In addition, the continuing impacts of the COVID-19 pandemic have resulted in operational difficulties for certain airlines as they increase capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

The Airport Authority cannot predict the outcome of many factors that can materially adversely affect its finances or operations, including but not limited to: (a) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic or force majeure event; (b) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the extent to which airlines will continue reduced services at SDIA, or whether airlines will cease operations at SDIA or shut down in response to such restrictions or warnings; (c) what effect any COVID-19 pandemic-related or another outbreak- or pandemic-related restrictions or warning may have on air travel, including to and from SDIA, the retail and services provided by SDIA concessionaires, SDIA costs or SDIA revenues; (d) whether and to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport Authority-related construction, the cost, source of funds, schedule or implementation of the New T1, or other Airport Authority operations; (e) the extent to which the COVID-19 pandemic or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economies, may result in changes in demand for air travel, including long-term changes in consumer behavior (including a permanent reduction in business travel brought about by the accelerated adoption of technology for virtual meetings and conferences) and the operations of other businesses, or may have an impact on the airlines or concessionaires serving SDIA or the airline and travel industry, generally; (f) whether or to what extent the Airport Authority may provide additional deferrals, forbearances, adjustments or other changes to the Airport Authority's arrangements with airline tenants and SDIA concessionaires; or (g) whether any of the foregoing may have a material adverse effect on the finances and operations of the Airport Authority. Prospective purchasers should assume that certain restrictions and limitations related to the COVID-19 pandemic may be continued and that full recovery of air travel may be prolonged, causing an adverse impact on Airport Authority revenues. Future outbreaks, pandemics or events outside the Airport Authority's control may further reduce demand for air travel, which in turn could cause a decrease in passenger activity at SDIA and declines in Airport Authority revenues. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT" regarding additional COVID-19 pandemic-related risks.

Subordinate Series 2021 Bonds Are Special Obligations

The Subordinate Series 2021 Bonds are special obligations of the Airport Authority, payable solely from and secured by a pledge of (a) Subordinate Net Revenues, which include certain income and revenue received by the Airport Authority from the operation of the Airport System less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System and less all amounts necessary to pay debt service on and fund the reserves for the Senior Bonds; and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2021 Bonds, and neither the full faith and credit nor the taxing power of the Airport Authority, the City, the County, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2021 Bonds.

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at SDIA and the financial condition of the airlines, and, therefore, the amount of Subordinate Net Revenues available for payment of the Subordinate Series 2021 Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; accidents involving commercial passenger aircraft; changes in law, local, State and federal regulations and the application thereof; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of SDIA and competition from other airports for connecting traffic; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, the economic recession that occurred between 2008 and 2009 and the ongoing COVID-19 pandemic. Other business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at SDIA and could have a more pronounced effect in the future.

In addition to revenues received from the airlines, the Airport Authority derives a substantial portion of its revenues from concessionaires including parking operations, food and beverage concessions, retail concessions, car rental companies, and others. See "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES" and "FINANCIAL INFORMATION." Declines in passenger traffic at SDIA may adversely affect the commercial operations of many of these concessionaires. While the Airport Authority's agreements with concessionaires require the concessionaires to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire. See "IMPACT OF COVID-19 PANDEMIC ON SAN DIEGO INTERNATIONAL AIRPORT" with respect to the Airport Authority's waiver of certain fees and rents during the ongoing pandemic.

Many of these factors are outside the Airport Authority's control. Changes in demand, decreases in aviation activity and their potential effect on enplaned passenger traffic at SDIA may result in reduced Revenues and PFCs. Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, threats of terrorism, costs of aviation fuel, and airline concentration. See also "—Aviation Security Concerns" below for additional discussion on the costs of security.

Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. See "APPENDIX A—FINANCIAL FEASIBILITY REPORT—3.4 Forecast Uncertainty and Risk Factors."

Threats of Terrorism. Recent and ongoing terrorist attacks and threats of terrorism have had, and may continue to have, a negative impact on air travel. The Airport Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001 or the terrorist attacks that occurred in Nice, Munich, Paris, Brussels and Istanbul in 2015 and 2016, the likelihood of future air transportation disruptions or the impact on the Airport Authority or the airlines operating at SDIA from such incidents or disruptions.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the growth of economies around the world, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. According to Airlines for America, for the first quarter of 2021, jet fuel accounted for approximately [•]% of the airline industry's operating expenses. The price of aviation fuel rose to an all-time high of approximately $3.75 per gallon in July 2008. According to the U.S. Bureau of Transportation Statistics, the price of aviation fuel averaged approximately $[•] per gallon during the first 6 months of 2021. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

Airline Concentration; Effect of Airline Industry Consolidation. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving SDIA could consolidate operations through acquisition, merger, alliances and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle (now known as Endeavor) and Compass Airlines; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; (d) on December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc., and American and US Airways began operating as a single airline (under the American brand) in October 2015; and (e) in December 2016, Alaska Air Group acquired Virgin America. To date none of these mergers have had any material impact on airline service or enplanements at SDIA. While these prior mergers have not had any material impact on airline service or enplanements at SDIA or on Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced PFC collections and/or increased costs for the other airlines serving SDIA.

Pilot and Mechanics Shortage. Pilot shortage is an industry-wide issue, and especially for smaller regional airlines. In 2017, Horizon Air had to cancel more than 300 flights systemwide, and in 2018, Great Lakes Airlines completely ended service, because of pilot shortages. There are several causes for the pilot shortage that affect all airlines. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines were required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. As a result, small regional airlines have a particularly difficult time hiring qualified new pilots, despite increased incentives. The shortage of pilots available to regional airlines may result in reduced service to some smaller U.S. markets.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is as a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

Bankruptcy by Airlines and Concessionaires

A bankruptcy of an airline or of another tenant or tenants operating from SDIA could result in delays or reductions in payments on the Subordinate Series 2021 Bonds.

Since December 2000, several airlines that currently operate at SDIA, including, among others, United Airlines, Delta Air Lines, American Airlines and Frontier Airlines, have filed for and reorganized under bankruptcy protection. Certain concessionaires and rental car companies also have filed for bankruptcy protection over the last several years, including Hertz Corporation in 2020. Additional bankruptcy filings may occur in the future. The bankruptcy of an airline with significant operations at SDIA could have a material adverse effect on operations of SDIA, Revenues, and the cost to the other airlines operating at SDIA.

In the event of a bankruptcy by an airline or other tenant operating from SDIA, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by an airline or other tenant to the Airport Authority or any action to enforce any obligation of an airline or other tenant to the Airport Authority. With the authorization of the bankruptcy court, an airline or other tenant may be able to repudiate some or all of its agreements with the Airport Authority and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation also could excuse the other parties to such agreements from performing any of their obligations. An airline or other tenant may be able, without the consent and over the objection of the Airport Authority to alter the terms, including the payment terms, of its agreements with the Airport Authority, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, an airline or other tenant may be able to assign its rights and obligations under any of its agreements with the Airport Authority to another entity, despite any contractual provisions prohibiting such an assignment. The Subordinate Trustee and the holders of the Subordinate Series 2021 Bonds may be required to return to an airline or other tenant as preferential transfers any money that was used to make payments on the Subordinate Series 2021 Bonds and that was received by the Airport Authority or the Subordinate Trustee from such airline or other tenant during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the Airport Authority under any lease with an airline or agreement with another tenant may be subject to limitations.

As described under "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges," the airlines serving SDIA also are required to pay to the Airport Authority PFCs collected from enplaned passengers at SDIA. The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Airport Authority) imposing the PFCs, except for any handling or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFC collections with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Airport Authority cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at SDIA. The PFC Act requires an airline in bankruptcy protection to segregate PFC collections from all of its other revenues. It is possible that the Airport Authority could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Airport Authority cannot predict whether an airline operating at SDIA that files for bankruptcy protection would have properly accounted for the PFCs owed to the Airport Authority or whether the bankruptcy estate would have sufficient moneys to pay the Airport Authority in full for the PFCs owed by such airline. PFCs are not pledged to the repayment of any Senior Bonds or Subordinate Obligations (including the Subordinate Series 2021 Bonds), however, the Airport Authority has in the past and expects to in the future use PFCs to pay debt service on PFC Eligible Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Use of PFCs to Pay Debt Service."

Each Non-Signatory Airline operating at SDIA is required to provide the Airport Authority with a letter of credit equal to approximately three months of estimated obligations payable by the airline to the Airport Authority. In the event of bankruptcy of a Non-Signatory Airline, the Airport Authority would be able to draw on any such letter of credit to pay obligations owed by the bankrupt airline. Payments under any letter of credit may not be sufficient to pay the Airport Authority all amounts owed by the bankrupt airline. Signatory Airlines are not required to provide a letter of credit or any other form of security deposit with the Airport Authority. However, in the event a Signatory Airlines were to file for bankruptcy protection and subsequently failed to pay any obligations owed to the Airport Authority, pursuant to the terms of the Airline Lease Agreement, the Airport Authority would be allowed to collect those unpaid obligations from the Signatory Airlines that continue to operate from the Airport as part of the landing fees and terminal rentals charged to the Signatory Airlines.

There may be delays in payments to the Airport Authority and resulting delays in the payment of principal of and interest on the Subordinate Series 2021 Bonds while the court considers any of the issues described above. There may be other possible effects of a bankruptcy of an airline or other tenant that could result in delays or reductions in payments on the Subordinate Series 2021 Bonds. Regardless of any specific adverse determinations in an airline or other tenant bankruptcy proceeding, the fact of an airline or other tenant bankruptcy proceeding could have an adverse effect on the liquidity and value of the Subordinate Series 2021 Bonds.

Southwest Airlines – SDIA's Largest Carrier

In Fiscal Year 2021, Southwest Airlines accounted for approximately 33.5% of the total enplaned passengers at SDIA. Where an airport has a sizable market share accounted for by a single airline, there is risk associated with the potential for that airline to reduce or discontinue service. However, in the case of Southwest Airlines at SDIA, this risk is mitigated by the following factors: (a) Southwest Airlines is a consistently profitable airline; and (b) the development of service by Southwest Airlines at SDIA has demonstrated a large O&D passenger demand that could be served by other airlines at SDIA in the unlikely event Southwest Airlines were to reduce service at SDIA. Nevertheless, the Airport Authority cannot predict what effect a reduction or discontinuation of service by Southwest would have on the Airport Authority or Revenues, or whether another airline would absorb the service provided by Southwest.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks (see "—Factors Affecting the Airline Industry—Threats of Terrorism" above), increased threat levels declared by the Department of Homeland Security may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

The Airport Authority cannot predict whether SDIA will be targets of terrorists in the future. Additionally, the Airport Authority cannot predict the effect of any future government-required security measures on passenger activity at SDIA.

Regulations and Restrictions Affecting SDIA

The operations of SDIA are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Lease Agreements, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, SDIA also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security and Airport management.

It is not possible to predict whether future restrictions or limitations on operations at SDIA will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for SDIA, whether additional requirements will be funded by the federal government or require funding by the Airport Authority, or whether such restrictions or legislation or regulations would adversely affect Revenues. See "—Aviation Security Concerns" above.

State Tidelands Trusts

Nearly all of the land on which SDIA's facilities are located is held in trust by the Port District pursuant to tidelands grants from the State. Generally, the use of lands subject to the trust is limited under the terms of the grants to harbor and airport uses and other uses of statewide interest, such as fishing, public recreation and enjoyment of the waterfront. Pursuant to the Act, the Port District has leased the land on which SDIA is located to the Airport Authority until 2069. There also are certain limitations on the use of funds generated from facilities located on this land. However, none of the various restrictions are expected to affect the operations of SDIA or the finances of the Airport Authority. The grants may be subject to amendment or revocation by the State legislature, as grantor of the trust and as representative of the beneficiaries (the people of the State). Under the law, any such amendment or revocation could not impair the accomplishment of trust purposes, or abrogate the existing covenants and agreements between the Port District, as trustee, the Airport Authority, as lessee, and the Airport Authority's bondholders. The Airport Authority does not anticipate that the State will revoke the tidelands grants.

Federal Law Affecting Airport Rates and Charges

In general, federal aviation law requires that airport fees charged to airlines and other aeronautical users be reasonable and that in order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. The Airport Authority is not aware of any formal dispute involving SDIA over any existing rates and charges. The Airport Authority believes that the rates and charges methodology it utilizes and the rates and charges it imposes upon air carriers, foreign air carriers and other aeronautical users are reasonable and consistent with applicable law. However, there can be no assurance that a complaint will not be brought against the Airport Authority in the near-term or in the future, challenging such methodology and the rates and charges established by the Airport Authority, and if a judgment is rendered against the Airport Authority, there can be no assurance that rates and charges paid by aeronautical users of SDIA will not be reduced. An adverse determination in a future challenge could limit the ability of the Airport Authority to charge airlines rates sufficient to meet the rate covenants in the Master Senior Indenture and the Master Subordinate Indenture and could have a material adverse impact on the receipt of Revenues.

Additionally, the policies of the FAA prohibit an airport from making direct or indirect payments that exceed the fair and reasonable value of the respective services and facilities provided to the airport. The Port District provides certain services to the Airport Authority and leases several parcels of land to the Airport Authority. If the FAA were to rule that the Airport Authority's payments to the Port District for the services provided by the Port District and/or for the lease of the several parcels of land to the Airport Authority violate the policies of the FAA, the Airport Authority would be solely responsible for correcting any such violations. If the Airport Authority violates the policies of the FAA, the FAA may withhold payment of AIP grants or rescind the Airport Authority's ability to collect PFCs until the Airport Authority corrects such violation. The Airport Authority is not aware of any challenges by the FAA to the payments being made by the Airport Authority to the Port District.

Restrictions on Airport Facilities and Operations

There are restrictions on the Airport Authority's ability to expand and develop facilities at SDIA. Current conditions at SDIA make the addition of a runway difficult. Obstacles to runway expansion include significant geographic obstructions, major land acquisition requirements, extensive infrastructure impacts, increased noise impacts and community resistance. Geographic obstructions include high terrain to the northeast and southwest of SDIA and manmade obstructions, such as office buildings, to the northeast, east and southeast of SDIA. See "SAN DIEGO INTERNATIONAL AIRPORT—Existing Facilities."

There also are direct restrictions on aircraft departures at SDIA, primarily relating to noise abatement. Specifically, the Airport Authority prohibits departures from SDIA between 11:30 p.m. and 6:30 a.m. (the "Curfew"), and no airline may schedule or advertise for a departure between 11:15 p.m. and 6:15 a.m. These restrictions are subject only to limited exceptions including emergency and mercy flights. Landings at SDIA are not prohibited during the Curfew. See "AIRPORT ENVIRONMENTAL MATTERS—Airport Noise."

These restrictions on facilities and operations may limit the number of passengers and flights which SDIA can accommodate in the future which, in turn, may limit the amount of Revenues the Airport Authority can generate.

Factors Affecting Capital Program

As described herein, the Airport Authority is undertaking a significant capital development program at SDIA. The Airport Authority has entered into and will enter into agreements for the construction of such capital improvements. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT." The Airport Authority anticipates that such contracts will be subject to adjustment for a variety of circumstances, including higher than anticipated costs of labor and materials or subcontractor bids, changes in scope, unforeseen site conditions and force majeure events. The estimated costs of, and the projected schedule for, the capital development program are subject to a number of uncertainties. The ability of the Airport Authority to complete the New T1 may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) changes to the scope of the projects, including changes to federal security regulations; (d) delays in contract awards; (e) material and/or labor shortages; (f) unforeseen site conditions; (g) adverse weather conditions and other force majeure events; (h) contractor defaults; (i) labor disputes; (j) unanticipated levels of inflation; and (k) environmental issues. No assurance can be made that the New T1 will not cost more than the current budget. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the airlines, thereby making SDIA less economically competitive. There can be no assurances that significant increases in costs over the amounts projected by the Airport Authority will not materially adversely affect the financial condition or operations of SDIA.

Unavailability of, or Delay in, Anticipated Funding Sources

As described herein, the Airport Authority anticipates that funding for the New T1 and the CIP has been and will be provided through a combination of proceeds of the Subordinate Series 2021A Bonds, the Subordinate Series 2021B Bonds, the previously issued Subordinate Series 2019 Bonds, Additional Senior Bonds and/or Additional Subordinate Obligations, internally generated cash of the Airport Authority, PFC revenues on a pay-as-you-go basis, AIP grants, and other sources. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT" for a description of the financing plan for the New T1 and the CIP. In the event that any of such sources are unavailable for any reason, including unavailability of internally generated cash flow; reduction in the amount of PFCs or AIP grants available to the Airport Authority; non-appropriation of, or delay in payment of, federal funds or grants; the inability of the Airport Authority to issue or sell Additional Senior Bonds and/or Additional Subordinate Obligations; or any other reason, the completion of the New T1 and the projects included in the CIP could be substantially delayed and financing costs could be higher than projected. There can be no assurances that such circumstances will not materially adversely affect the financial condition or operations of SDIA and the Airport Authority.

Availability of PFCs. The Airport Authority expects to use approximately $17.3 million of PFCs on a pay-as-you-go basis to finance costs of the "Quieter Home Program" and approximately $9.2 million of PFCs on a pay-as-you-go basis to finance a portion of the costs of the New T1 and the CIP. Additionally, in Fiscal Years 2022, 2026 and 2027, the Airport Authority expects to use approximately $150 million of PFCs to pay debt service on PFC Eligible Bonds (including a portion of the Senior Series 2013 Bonds (only in Fiscal Year 2022), a portion of the Subordinate Series 2019A Bonds, a portion of the Subordinate Series 2020 Bonds, a portion of the Subordinate Series 2021C Bonds and certain Additional Senior Bonds and/or Additional Subordinate Obligations expected to be issued to finance a portion of the New T1). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Use of PFCs to Pay Debt Service" and "APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF AIRLINE LEASE AGREEMENT."

The amount of PFCs received by the Airport Authority in future years will vary based upon the actual number of PFC-eligible passenger enplanements at SDIA. No assurance can be given that any level of enplanements will be realized. See "—Factors Affecting the Airline Industry" above. Additionally, the FAA may terminate the Airport Authority's ability to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the PFC Regulations; or (b) the Airport Authority otherwise violates the PFC Act or the PFC Regulations. Its authority to impose the PFC may also be terminated if the Airport Authority violates certain provisions of ANCA and its implementing regulations. The regulations under ANCA also contain procedural safeguards to ensure that the Airport Authority's ability to impose a PFC would not be summarily terminated. No assurance can be given that the Airport Authority's ability to impose the PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Airport Authority or that the Airport Authority will not seek to decrease the amount of the PFC to be collected.

A shortfall in PFC revenues, as a result of the FAA or Congress reducing or terminating the Airport Authority's ability to collect PFCs or as a result of any other actions, may cause the Airport Authority to increase rates and charges at SDIA to meet the debt service requirements on the PFC Eligible Bonds that the Airport Authority plans to pay with PFCs, and/or require the Airport Authority to identify other sources of funding to pay for the costs of the Capital Program projects currently expected to be paid with PFC revenues, including issuing Additional Senior Bonds and/or Additional Subordinate Obligations.

Availability of Federal Funds. See also "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Federal Funding," for a discussion of the assumptions with respect to AIP grant funding. Although the Airport Authority considers these assumptions to be reasonable, assumptions are inherently subject to certain uncertainties and contingencies. Actual AIP funding levels and the timing of the receipt of such funds vary and such differences may be material. Funds obligated for the AIP are drawn from SDIA and Airway Trust Fund that is supported by user fees, fuel taxes, and other similar revenue sources that must be authorized and approved by Congress.

If there is a reduction in the amount of AIP grants awarded to the Airport Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Airport Authority would need to fund from other sources (including operating revenues, Additional Senior Bonds or Additional Subordinate Obligations), (ii) result in cancellation of certain Capital Program projects or (iii) extend the timing for completion of certain projects.

Cyber and Data Security

Airport Authority. The Airport Authority, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Airport Authority faces multiple cyber threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computers and other sensitive digital networks and systems (collectively, "Systems Technology"). There have been cyber-attack attempts on the Airport Authority's computer system, but not any resulting in a material compromise of the system, data loss or breach that the Airport Authority has identified.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Airport Authority's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

The Airport Authority has taken extensive measures to safeguard its Systems Technology against cybersecurity threats. To name a few, the Airport Authority has obtained PCI (Payment Card Industry) compliance for all systems processing, storing, or transmitting credit card data; the Airport Authority has implemented the NIST (National Institute of Standards Technology) framework consisting of standards, guidelines, and best practices to manage cybersecurity related risk; the Airport Authority has engaged the Department of Homeland Security to conduct risk and vulnerability assessments of its Systems Technology; and annually, the Airport Authority conducts incident response table top exercises to simulate a data breech and provide Airport Authority wide training to staff and contractors on cybersecurity best practices.

No assurances can be given that the Airport Authority's security and operational control measures will ensure against any and all cybersecurity threats and attacks. A cybersecurity incident or breach could damage the Airport Authority's Systems Technology and cause disruption to Airport Authority and/or Airport services, operations and finances. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Airport Authority to material litigation and other legal risks, which could cause the Airport Authority to incur material costs related to such legal claims or proceedings. The Airport Authority will continue to assess cyber threats and protect its data and systems

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

Federal Funding; Impact of Federal Sequestration

The Airport Authority receives certain federal funds including from the AIP fund. Additionally, certain operations at the Airport are supported by federal agencies including flight traffic controllers, FAA, TSA, FBI, Customs and Border Security, among others. Federal agencies also have regulatory and review authority over, among other things, certain Airport operations, construction at the Airport and the airlines operating at the Airport.

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

AIP) and other federal appropriations and spending. The current FAA reauthorization became effective on October 5, 2018, with the passage of the "FAA Reauthorization Act of 2018" (the "2018 FAA Act"). The 2018 FAA Act provides funding for the FAA and AIP through September 30, 2023.

Failure to adopt such legislation may have a material, adverse impact on, among other things, (i) federal funding received by the Airport Authority, including under the AIP; (ii) federal agency budgets, hiring, furloughs, operations and availability of Federal employees to support certain operations at the Airport, provide regulatory and other oversight, review and provide required approvals, in each case at the Airport and over the airlines serving the Airport; (iii) flight schedules, consumer confidence, operational efficiency at the Airport and in the air transportation system generally. In addition, the anticipated federal spending could be affected by, among other things, the automatic across-the-board spending cuts, known as sequestration.

There can be no assurance that the Congress will enact and the President will sign federal appropriation legislation or future FAA reauthorization which may require the Airport Authority to fund capital expenditures forecast to come from such federal funds and from other sources (including operating revenues, Additional Senior Bonds and/or Additional Subordinate Obligations), result in decreases to the CIP or extend the timing for completion of certain projects and the Airport Authority is also unable to predict future impact of any federal spending cuts or appropriation impasses or the impact of such actions on airline traffic at the Airport or the Airport Authority's revenues.

Technological Innovations in Ground Transportation

One significant category of non-airline revenues for the Airport Authority is generated from ground transportation activity, including use of on-Airport parking garages; fees paid by taxis, limousines and TNCs, such as Uber and Lyft; and rental car transactions by Airport passengers. Prior to the COVID-19 pandemic, passenger levels were increasing but the relative market share of these sources of revenue were shifting. As one example, the popularity of TNCs increased because of the increasing number of cities where TNCs operate, convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing. See "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES—TNC Permits." Pick-ups and drop-offs at the Airport by TNCs have declined during the COVID-19 pandemic, but the Airport Authority expects that post-COVID-19 pandemic the use of TNCs will again be popular and become a large portion of non-airline revenues.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode. While the Airport Authority makes every effort to anticipate demand shifts, there may be times when the Airport Authority's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The Airport Authority cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Airport Authority also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such new technologies or innovative business strategies.

Financial Feasibility Report

The Financial Feasibility Report included as Appendix A to this Official Statement contains certain assumptions and forecasts. The Financial Feasibility Report should be read in its entirety for a discussion of historical and forecasted results of enplanements, operations and debt service coverage and the assumptions and rationale underlying the forecasts. As noted in the Financial Feasibility Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material.

Accordingly, the projections contained in the Financial Feasibility Report or that may be contained in any future certificate of the Airport Authority or a consultant are not necessarily indicative of future performance, and neither the Feasibility Consultant nor the Airport Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Airport Authority are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Subordinate Series 2021 Bonds are cautioned not to place undue reliance upon the Financial Feasibility Report or upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Subordinate Net Revenues, PFCs and federal funds and grants may be materially less than expected and consequently, the ability of the Airport Authority to make timely payment of the principal of and interest on the Subordinate Series 2021 Bonds may be materially adversely affected.

Neither the Airport Authority's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the Subordinate Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Subordinate Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Subordinate Net Revenues forecast.

Impact of Potential Earthquakes

Although the San Diego area has not experienced any significant damage from seismic activities, the geographical area in which SDIA is located is subject to unpredictable seismic activity. Southern California is characterized by a number of geotechnical conditions which represent potential safety hazards, including expansive soils and areas of potential liquefaction. The San Andreas, Rose Canyon, Elsinore and San Jacinto fault zones are all capable of producing earthquakes in the San Diego area. SDIA has not experienced any significant losses of facilities or services as a result of earthquakes.

The main terminal buildings of SDIA were seismically upgraded in the mid-1990s and comply with applicable building codes. However, SDIA's facilities could sustain extensive damage in a major seismic event, ranging from total destruction of SDIA, to destabilization or liquefaction of the soils, to little or no damage at all. There can be no assurances that damage resulting from an earthquake will not materially adversely affect the financial condition or operations of SDIA or the ability of the Airport Authority to generate Net Revenues and Subordinate Net Revenues in the amounts required by the Senior Indenture and the Subordinate Indenture, as applicable. The Airport Authority does not currently maintain earthquake insurance, but as of June 30, 2021, the Airport Authority had designated approximately $12 million from its net position as an insurance contingency, which could be used in the event of damage to the Airport from an earthquake, among other things. See "FINANCIAL INFORMATION—Risk Management and Insurance." In addition to damage to the Airport facilities, an earthquake also could cause damage to the infrastructure surrounding the Airport (i.e,, roads), which could make going to and leaving the Airport difficult for travelers wanting to use the Airport.

The Airport Authority is unable to predict when another earthquake may occur and what impact, if any, it may have on SDIA or the finances of the Airport Authority or whether the Airport Authority will have sufficient resources to rebuild or repair damaged facilities following a major earthquake.

Climate Change

Possible Increased Regulations. Climate change concerns are leading to new laws and regulations at the federal and state levels that could have a material adverse effect on airlines operating at SDIA and also could affect ground operations at SDIA.

According to the EPA, aircraft account for 12% of all U.S. transportation GHG emissions and approximately 3% of total U.S. GHG emissions. On January 11, 2021, the EPA issued a final rule entitled "Control of Air Pollution from Airplanes and Airplane Engines: GHG Emission Standards and Test Procedures, 86 Fed. Reg. 2136 (Jan. 11, 2021)." The rule adopts GHG standards equivalent to those adopted by the International Civil Aviation Organization ("ICAO") in 2017 for certain civil subsonic jet airplanes and larger subsonic propeller-driven airplanes with turboprop engines. The standards generally apply to new type design airplanes with certification applications submitted on or after January 11, 2021 (January 1, 2023 for certain, smaller new designs) and in-production airplanes starting on January 1, 2028 — but not to existing airplanes already in service. In its analysis of costs and benefits in the preamble to the rule, the EPA explained that many airplanes manufactured in the United States "already met the ICAO standards at the time of their adoption" or would be expected to do so by 2028. The impact to the Airport is not expected to be significant, and the rule does not require modifications to airports.

In January 2021, a coalition of states including California filed a petition to review, challenging the final rule as unlawful and requesting remand to the EPA. The petitioners argued that the rule will not reduce aircraft emissions and cause no action by aircraft manufacturers. The case remains in abeyance in the United States Court of Appeals for the District of Columbia pending review of the final rule pursuant to President Biden's Executive Order 13990. Executive Order 13990 directs agency review of regulations promulgated, issued, or adopted between January 20, 2017 and January 20, 2021.

In March 2017, ICAO, a specialized agency within the United Nations, adopted GHG carbon neutral growth targets applicable to (i) new aircraft type designs as of 2020 and (ii) new deliveries of current in-production aircraft models from 2023. The global standard includes a cutoff date of 2028 for production of non-compliant aircraft. Separate from the ICAO standards discussed above, in October 2016, the ICAO also passed a global market-based mechanism to achieve carbon-neutral growth for international aviation after 2020, the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), which can be achieved through airline purchases of carbon offset credits.

Originally, 2019 and 2020 were modeled to be the baseline years for the CORSIA emissions reductions; however, in July 2020, the ICAO decided to implement a change to the CORSIA emissions baseline, disregarding 2020 emissions, to account for the significant impact of the COVID-19 pandemic artificially reducing emissions compared to the 2016 levels. While the change in baseline did not change the timeline for the above implementation phases, the altered baseline could delay until 2026 the effectiveness of the requirement for airlines to purchase carbon offset credits. The United States is participating in the CORSIA pilot, which did commence in 2021 as scheduled, and covers approximately 36% of international flights. Alongside the country's commitment, virtually all U.S.-based airlines agreed to participate in CORSIA. Additionally, participating nations are developing a monitoring, reporting and verification system for GHG emissions from international flights. It remains unclear whether CORSIA will have any impact, economically or on climate.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including California, and have been proposed on the federal level. California passed Assembly Bill 32, the California Global Warming Solutions Act of 2006 ("AB 32"), which requires the statewide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, CARB made the final adjustments to its implementation of AB 32: the California cap-and-trade program (the "California Cap-and-Trade Program"). In August 2016, Senate Bill 32 was enacted and extends the California Cap-and-Trade Program and CARB to ensure that California-wide GHG emissions are reduced by at least 40% below the California-wide emissions limit not later than December 31, 2030. CARB is in the process of preparing a 2022 Scoping Plan Update to assess progress toward the 2030 target and to prepare a plan to achieve carbon neutrality by 2045. The California Cap-and-Trade Program was implemented for certain entities emitting 25,000 metric tons of carbon dioxide equivalent per year or more, with non-covered entities allowed to voluntarily participate. Entities emitting between 10,000 and 25,000 metric tons (including the Airport) are required to report stationary source emissions, but are not required to participate in the Program. The California Cap-and-Trade Program, and additional State and local regulations related to climate change (including CARB's Low Carbon Fuel Standard, California's State Implementation Plan, the Sustainable Freight Action Plan, and regional GHG Emissions Reduction Targets) may require the airlines serving the Airport, other Airport tenants, and on-Airport operations to meet new compliance obligations that increase operational, utility and fuel costs (such as CARBs adoption of a requirement for all airport shuttles to be zero emission by 2035 and its similar proposed regulations regarding ground support equipment). In some cases, these policies provide financial incentives for GHG reduction or air quality improvements through expanded or improved infrastructure and/or vehicle electrification or alternative fuels replacement. In other cases, they prevent the airport, equipment owner, or operator from accessing grants where a key eligibility requirement is that an investment must be voluntary. Additional regulations on a State and local level are pending and foreseeable (including expanding emissions mitigation measures aimed at commercial airports).

See "AIRPORT ENVIRONMENTAL MATTERS—Air Quality and Carbon Management Plan" for a discussion of the Airport Authority's plans to reduce GHG emissions at SDIA.

The Airport Authority is unable to predict what federal and/or state laws and regulations with respect to GHG emissions will be adopted, or what effects such laws and regulations will have on airlines serving SDIA or on SDIA operations. The effects, however, could be material.

Possible Sea-Level Rise. SDIA is located less than 100 yards from San Diego Bay, which is located approximately two miles from the Pacific Ocean. It is anticipated that the San Diego area, including SDIA, will be exposed to rising sea levels as a result of climate change. In April 2017, the California Ocean Protection Council released an update on sea level rise science entitled "*Rising Seas in California: An Update on Sea-level Rise Science*." The paper posits that sea level increases in the San Diego region by 2050 will likely be between 0.7 – 2.0 feet above historical levels. The paper was updated in March 2018 and expanded to include various sea level rise scenarios (coupled with 100-year storm surge events) through 2100 and their relative probability. These estimates guided additional flood modeling that was included in a new Climate Resilience Plan for SDIA

In 2015, the Airport Authority conducted a hydrologic and hydraulic base model of runoff and discharges from Airport watersheds for both existing and future conditions in multiple storm scenarios. The assessment concluded that certain of the Airport's most critical infrastructure, such as the runway, the majority of the taxiways and the air traffic control tower, did not appear to face major risk of flooding, even in scenarios that account for future sea level rise. This assessment was expanded with the development of a Climate Resilience Plan in 2019. The plan formally evaluated SDIA's vulnerability to potentially higher sea levels, more intense rainfall, and more extreme heat and identifies strategies to address predicted climate conditions through the end of the century. The plan's strategies are generally grouped around the following goals: (1) reduce risks associated with climate change to ensure business continuity, and to maintain a quality passenger experience; (2) integrate climate resilience into airport operations and development decisions; and (3) provide regional and industry leadership in climate resilience. The Airport Authority is unable to predict whether sea-level rise or other impacts of climate change will occur while the Subordinate Series 2021 Bonds are outstanding, and if any such events occur, whether there will be an adverse impact, material or otherwise, on Revenues.

Ability To Meet Rate Covenant

As discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Subordinate Rate Covenant," the Airport Authority has covenanted in the Master Subordinate Indenture to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the rate covenant set forth in the Master Subordinate Indenture is met. In addition to Subordinate Net Revenues, the Airport Authority has in the past, and expects to in the future, to use PFCs to pay debt service on the PFC Eligible Bonds. Additionally, the Airport Authority also has used other non-Revenues (i.e,, COVID-19 Federal Relief Funds) to pay the Operation and Maintenance Expenses of the Airport System and the debt service on the Senior Bonds and the Subordinate Obligations. If PFCs or other non-Revenues are used to pay principal of and/or interest on Senior Bonds and/or Subordinate Obligations or Operation and Maintenance Expenses of the Airport System, such amounts are excluded from the calculation of debt service on such Senior Bonds and Subordinate Obligations and the Operation and Maintenance Expenses of the Airport System; thus decreasing debt service and Operation and Maintenance Expenses of the Airport System and increasing debt service coverage for purposes of the rate covenants under the Master Senior Indenture and the Master Subordinate Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Use of PFCs to Pay Debt Service." Also see "—Availability of PFCs" above.

If Subordinate Net Revenues were to fall below the levels necessary to meet the rate covenant set forth in the Master Subordinate Indenture, the Master Subordinate Indenture provides for procedures under which the Airport Authority would retain and direct a Consultant to make recommendations as to the revision of the Airport Authority's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Airport Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Airport Authority is required to take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Airport Authority in connection with the Airport System is subject to contractual, statutory and regulatory restrictions (see "—Regulations and Restrictions Affecting SDIA" above). Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of SDIA could have a detrimental impact on the operation of SDIA by making the cost of operating at SDIA unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of SDIA.

Enforceability of Remedies; Limitation on Remedies

As discussed above under "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS—Subordinate Events of Default and Remedies; No Acceleration," there is no right to acceleration of payments to bondholders under the Subordinate Indenture, and bondholders may be required to make a separate claim for each semiannual payment not paid. Enforceability of the rights and remedies of the owners of the Subordinate Series 2021 Bonds, and the obligations incurred by the Airport Authority, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the Federal or State government, if initiated, could subject the owners of the Subordinate Series 2021 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights

Legal opinions to be delivered concurrently with the delivery of the Subordinate Series 2021 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Subordinate Series 2021 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

Potential Limitation of Tax Exemption of Interest on Subordinate Series 2021A/B Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Subordinate Series 2021A/B Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Subordinate Series 2021A/B Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Subordinate Series 2021A/B Bonds. Prospective purchasers of the Subordinate Series 2021A/B Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See "TAX MATTERS—Changes in Federal and State Tax Law."

Risk of Tax Audit

The Internal Revenue Service (the "IRS") includes a subdivision that is specifically devoted to tax-exempt bond compliance. If the IRS undertook an examination of the Subordinate Series 2021 Bonds or other bonds issued by the Airport Authority as tax-exempt bonds, it may have a material adverse effect on the marketability or the market value of the Subordinate Series 2021 Bonds. See "LITIGATION AND EXAMINATIONS—Internal Revenue Service Examination of Senior Series 2013B Bonds" with respect to the current IRS audit of the Senior Series 2013B Bonds.

Income Taxation Risk Upon Defeasance of the Subordinate Series 2021C Bonds

In the event the Airport Authority were to defease all or a portion of the Subordinate Series 2021C Bonds, for federal income tax purposes, the Subordinate Series 2021C Bonds that are the subject of such a defeasance may be deemed to be retired and "reissued" as a result of the defeasance. In such an event, a bondholder who owns such a Subordinate Series 2021C Bond may recognize gain or loss on the Subordinate Series 2021C Bond at the time of defeasance. Holders who own Subordinate Series 2021C Bonds should consult their own tax advisors regarding the tax consequences of a defeasance of the Subordinate Series 2021C Bonds. See "TAX MATTERS—Subordinate Series 2021C Bonds (Federally Taxable)—Defeasance."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. See "INTRODUCTION—Forward-Looking Statements."

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Airport Authority's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Airport Authority's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Airport Authority's independent auditors assume no responsibility for its content.

AIRLINE INDUSTRY INFORMATION

Certain of the airlines or their parent corporations operating at SDIA are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements can be inspected and copies obtained at prescribed rates in the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, DC 20549. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the DOT. Such reports can be inspected at the following location: Bureau of Transportation Statistics, Research and Innovation Technology Administration, Department of Transportation, 1200 New Jersey Avenue, SE, Washington, DC 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

The Airport Authority undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT as discussed in the preceding paragraphs, including, but not limited to, updates of such information on the SEC's website or links to other Internet sites accessed through the SEC's website.

See also "CERTAIN INVESTMENT CONSIDERATIONS" for discussions regarding the financial condition of the airlines and the effects of airline bankruptcies on the Airport Authority.

LITIGATION AND EXAMINATIONS

No Litigation Relating to Subordinate Series 2021 Bonds

There is no litigation now pending or, to the best of the Airport Authority's knowledge, threatened which seeks to restrain or enjoin the sale, issuance or delivery of the Subordinate Series 2021 Bonds or in any way contests the validity of the Subordinate Series 2021 Bonds or any proceedings of the Board taken with respect to the authorization, sale or issuance of the Subordinate Series 2021 Bonds, the pledge or application of any moneys provided for the payment of or security for the Subordinate Series 2021 Bonds, or the use of the proceeds of the Subordinate Series 2021 Bonds.

Litigation Relating to the Airport Authority and SDIA

There are a number of litigation matters pending against the Airport Authority for incidents at SDIA. These claims and suits are of a nature usually incident to the operation of SDIA and, in the aggregate, in the opinion of Airport Authority management, based upon the advice of the General Counsel to the Airport Authority, will not have a material adverse effect on the Revenues or financial condition of SDIA. It should be noted that a portion of the claims relating to personal injuries and property damage are covered by a comprehensive insurance program maintained by the Airport Authority for SDIA.

There are no material claims or litigation arising out of or challenging any federal fund or grants held by the Airport Authority to date.

See also "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019—Note 14. Commitments and Contingencies."

Internal Revenue Service Examination of Senior Series 2013B Bonds

The Airport Authority received a letter, dated September 3, 2021, from the IRS, stating that the Senior Series 2013B Bonds have been selected for examination by the IRS and requesting that certain information relating to the issuance of the Senior Series 2013B Bonds be supplied to the IRS. The letter indicated that the IRS is reviewing the Senior Series 2013B Bonds for compliance with federal tax law requirements, and, from discussions with the IRS, the Senior Series 2013B Bonds were randomly selected as part of the IRS' ongoing program of routinely examining municipal debt issues for compliance with federal tax law requirements. The Airport Authority has supplied the requested information with respect to the Senior Series 2013B Bonds to the IRS. The Airport Authority has no reason to believe that the IRS' review will result in any adverse finding with respect to the tax-exempt status of the Senor Series 2013B Bonds, however, the Airport Authority cannot predict the ultimate outcome of the examination.

The Airport Authority's decision to refund and defease the Senior Series 2013B Bonds as described under "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS—Refunding of the Refunded Senior Series 2013 Bonds" is to realize debt service savings, and is not related, in any manner, to the IRS' examination of the Senior Series 2013B Bonds.

TAX MATTERS

Subordinate Series 2021A/B Bonds (Tax-Exempt)

General. In the opinion of Kutak Rock LLP, Bond Counsel to the Airport Authority, under existing laws, regulations, rulings and judicial decisions, interest on the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds (collectively, the "Subordinate Series 2021A/B Bonds") is excluded from gross income for federal income tax purposes, except for interest on any Subordinate Series 2021B Bond for any period during which such Subordinate Series 2021B Bond is held by a "substantial user" of the facilities financed or refinanced by the Subordinate Series 2021B Bond or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that (a) interest on the Subordinate Series 2021A Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Subordinate Series 2021B Bonds constitutes an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions described above assume the accuracy of certain representations and compliance by the Airport Authority with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Subordinate Series 2021A/B Bonds. Failure to comply with such requirements could cause interest on the Subordinate Series 2021A/B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Subordinate Series 2021A/B Bonds. The Airport Authority has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Subordinate Series 2021A/B Bonds.

The accrual or receipt of interest on the Subordinate Series 2021A/B Bonds may otherwise affect the federal income tax liability of the owners of the Subordinate Series 2021A/B Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Subordinate Series 2021A/B Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Subordinate Series 2021A/B Bonds.

Bond Counsel is further of the opinion that interest on the Subordinate Series 2021A/B Bonds is exempt from present State of California personal income taxes.

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

Tax Treatment of Original Issue Premium. The Subordinate Series 2021A/B Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Subordinate Series 2021A/B Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Subordinate Series 2021A/B Bond over its stated redemption price at maturity constitutes premium on such Premium Subordinate Series 2021A/B Bond. A purchaser of a Premium Subordinate Series 2021A/B Bond must amortize any premium over such Premium Subordinate Series 2021A/B Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Subordinate Series 2021A/B Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Subordinate Series 2021A/B Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Subordinate Series 2021A/B Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Subordinate Series 2021A/B Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Subordinate Series 2021A/B Bond.

Tax Treatment of Original Issue Discount. The Subordinate Series 2021A/B Bonds that have an original yield above the respective interest rate as shown on the inside cover of this Official Statement (collectively, the "Discount Subordinate Series 2021A/B Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Subordinate Series 2021A/B Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to such Discount Subordinate Series 2021A/B Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Subordinate Series 2021A/B Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Subordinate Series 2021A/B Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Subordinate Series 2021A/B Bond, on days which are determined by reference to the maturity date of such Discount Subordinate Series 2021A/B Bond. The amount treated as original issue discount on such Discount Subordinate Series 2021A/B Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Subordinate Series 2021A/B Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Subordinate Series 2021A/B Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Subordinate Series 2021A/B Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Subordinate Series 2021A/B Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Subordinate Series 2021A/B Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Subordinate Series 2021A/B Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Subordinate Series 2021A/B Bond. Subsequent purchasers of Discount Subordinate Series 2021A/B Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Subordinate Series 2021A/B Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Subordinate Series 2021A/B Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Subordinate Series 2021C Bonds (Federally Taxable)

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of Subordinate Series 2021C Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws.

Potential purchasers of the Subordinate Series 2021C Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Subordinate Series 2021C Bonds.

General Matters. Interest on the Subordinate Series 2021C Bonds is included in gross income for federal income tax purposes. Bond Counsel has expressed no opinion regarding any federal tax consequences arising with respect to the purchase, holding, accrual or receipt of interest on or disposition of the Subordinate Series 2021C Bonds.

In general, interest paid on the Subordinate Series 2021C Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Subordinate Series 2021C Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium. An investor that acquires a Subordinate Series 2021C Bonds for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Subordinate Series 2021C Bonds purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

Original Issue Discount. If the Subordinate Series 2021C Bonds are issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument's yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in such period. As a general rule, the owner of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days the owner owned the instrument. Owners of Subordinate Series 2021C Bonds purchased at a discount should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income (notwithstanding the general rule described above in this paragraph) and with respect to the state and local tax consequences of owning such Subordinate Series 2021C Bonds.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Subordinate Series 2021C Bonds under the Code.

Market Discount. An investor that acquires a Subordinate Series 2021C Bond for a price less than the adjusted issue price of such bond may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a 2021E Subordinate Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Subordinate Series 2021C Bonds not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Subordinate Series 2021C Bonds will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Airport Authority to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Airport Authority, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a 2021E Subordinate Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Subordinate Series 2021C Bonds that acquired such bond at a market discount also may be required to defer, until the maturity date of such bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Subordinate Series 2021C Bonds for the days during the taxable year on which the owner held such bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Subordinate Series 2021C Bonds matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions. If an owner of a Subordinate Series 2021C Bonds sells the bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Subordinate Series 2021C Bonds were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Subordinate Series 2021C Bonds should consult its own tax advisor concerning the circumstances in which such bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance. The legal defeasance of the Subordinate Series 2021C Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Subordinate Series 2021C Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Unearned Income Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals earning certain investment income. Holders of the Subordinate Series 2021C Bonds should consult their tax advisors regarding the application of this tax to interest earned on the Subordinate Series 2021C Bonds and to the gain on the sale of a Subordinate Series 2021C Bond.

Backup Withholding. An owner of a Subordinate Series 2021C Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Subordinate Series 2021C Bonds, if such owner, upon issuance of the Subordinate Series 2021C Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors. An owner of a Subordinate Series 2021C Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Subordinate Series 2021C Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Subordinate Series 2021C Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Subordinate Series 2021C Bonds owned by foreign investors. In those instances in which payments of interest on the Subordinate Series 2021C Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Subordinate Series 2021C Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Subordinate Series 2021C Bond.

Tax-Exempt Investors. In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Subordinate Series 2021C Bond incurs acquisition indebtedness with respect to such bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Subordinate Series 2021C Bond is urged to consult its own tax advisor regarding the application of these provisions.

Exemption Under California State Law. Bond Counsel is of the opinion that interest on the Subordinate Series 2021C Bonds is exempt from present State of California personal income taxes.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Subordinate Series 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Subordinate Series 2021 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Subordinate Series 2021 Bonds or the market value thereof would be impacted thereby. Purchasers of the Subordinate Series 2021 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Subordinate Series 2021 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Subordinate Series 2021C Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Subordinate Series 2021C Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Airport Authority or any dealer of the Subordinate Series 2021C Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Subordinate Series 2021C Bonds are acquired by such plans or arrangements with respect to which the Airport Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Subordinate Series 2021C Bonds. The sale of the Subordinate Series 2021C Bonds to a plan is in no respect a representation by the Airport Authority or the underwriter or underwriters that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Subordinate Series 2021C Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

RATINGS

Fitch Ratings and Moody's Investors Service Inc. have assigned ratings of "[•]" ([•] outlook) and "[•]" ([•] outlook), respectively, to the Subordinate Series 2021 Bonds. Such ratings reflect only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, NY 10004; and Moody's Investors Service Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings are not a recommendation to buy, sell or hold the Subordinate Series 2021 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Subordinate Series 2021 Bonds.

LEGAL MATTERS

The validity of the Subordinate Series 2021 Bonds and certain other legal matters are subject to the approving opinions of Kutak Rock LLP, Bond Counsel to the Airport Authority. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix E attached hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Airport Authority by the General Counsel to the Airport Authority. Certain legal matters with respect to this Official Statement will be passed upon for the Airport Authority by Kutak Rock LLP, Disclosure Counsel to the Airport Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. All of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel with respect to the issuance of the Subordinate Series 2021 Bonds are contingent upon the issuance and delivery of the Subordinate Series 2021 Bonds. Bond Counsel, Disclosure Counsel and Underwriters' Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

UNDERWRITING

The Subordinate Series 2021A Bonds will be purchased by BofA Securities, Inc., Siebert Williams Shank & Co., LLC, Academy Securities, Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Samuel A. Ramirez & Company Inc. and Stern Brothers & Co. (collectively, the "Underwriters"), from the Airport Authority at a price of $____________ (which is the par amount of the Subordinate Series 2021A Bonds, plus an original issue premium of $____________, less an underwriters' discount of $____________), subject to the terms of the purchase contract (the "Purchase Contract"), between BofA Securities, Inc., as representative of the Underwriters, and the Airport Authority.

The Subordinate Series 2021B Bonds will be purchased by the Underwriters, from the Airport Authority at a price of $____________ (which is the par amount of the Subordinate Series 2021B Bonds, plus an original issue premium of $____________, less an underwriters' discount of $____________), subject to the terms of the Purchase Contract.

The Subordinate Series 2021C Bonds will be purchased by the Underwriters, from the Airport Authority at a price of $____________ (which is the par amount of the Subordinate Series 2021C Bonds less an underwriters' discount of $____________), subject to the terms of the Purchase Contract.

The Purchase Contract provides that the Underwriters will purchase all of the Subordinate Series 2021 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Subordinate Series 2021 Bonds set forth on the inside of the front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Subordinate Series 2021 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the cover hereof.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Airport Authority.

The following four paragraphs have been provided by BofA Securities, Inc., Academy Securities, Inc., Jefferies LLC and Morgan Stanley & Co. LLC, respectively for inclusion in this Official Statement and the Airport Authority does not make any representation as to their accuracy or completeness.

BofA Securities, Inc., one of the Underwriters of the Subordinate Series 2021 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"). As part of this arrangement, BofA Securities, Inc. may distribute securities to Merrill, which may in turn distribute such securities to investors through the financial advisor network of Merrill. As part of this arrangement, BofA Securities, Inc. may compensate Merrill as a dealer for their selling efforts with respect to the Subordinate Series 2021 Bonds.

Academy Securities, Inc., one of the Underwriters of the Subordinate Series 2021 Bonds, has entered into Third-Party Distribution Agreements with TD Ameritrade Inc., Commonwealth Financial Network, Insperex LLC, and CINCaP Investment Group, Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these Third-Party Distribution Agreements (if applicable to the Subordinate Series 2021 Bonds), Academy Securities, Inc. may share a portion of its underwriting compensation with these firms.

Jefferies LLC ("Jefferies"), one of the Underwriters of the Subordinate Series 2021 Bonds, has entered into a distribution agreement with InspereX LLC ("InspereX") for the retail distribution of municipal securities. Pursuant to the agreement, if Jefferies sells the Subordinate Series 2021 Bonds to InspereX, it will share a portion of its selling concession compensation with InspereX.

Morgan Stanley & Co. LLC, one of the Underwriters of the Subordinate Series 2021 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Subordinate Series 2021 Bonds.

MUNICIPAL ADVISOR

The Airport Authority has retained the services of Frasca & Associates, LLC, New York, New York, as Municipal Advisor in connection with the issuance of the Subordinate Series 2021 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC, the verification agent, will verify the mathematical accuracy of the computations contained in the schedules provided by BofA Securities, Inc.to determine that the amounts to be held in the Senior Series 2013A/B Escrow Funds will be sufficient to pay (a) on January 1, 2022 the interest due and payable on the Refunded Senior Series 2013 Bonds, (b) on July 1, 2022 the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2022 and the interest due and payable on the Refunded Senior Series 2013 Bonds, (c) on January 1, 2023 the interest due and payable on the Refunded Senior Series 2013 Bonds, and (d) on July 1, 2023 the principal of the Refunded Senior Series 2013 Bonds maturing on July 1, 2023, the redemption price of the Refunded Senior Series 2013 Bonds maturing on and after July 1, 2024 and the interest due and payable on the Refunded Senior Series 2013 Bonds.

CONTINUING DISCLOSURE

At the time of issuance of the Subordinate Series 2021 Bonds, the Airport Authority will execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), substantially in the form set forth in Appendix F of this Official Statement. Pursuant to the Continuing Disclosure Certificate, the Airport Authority will covenant to provide, or cause to be provided, to the MSRB, through the EMMA System, in an electronic format as prescribed by the MSRB, for purposes of Rule 15c2-12 adopted by the SEC ("Rule 15c2-12"), certain annual financial information and operating data relating to the Airport Authority and the Airport System and, in a timely manner, notice of certain enumerated events.

See “APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The Airport Authority entered into a continuing disclosure certificate with respect to the Series 2014 Special Facilities Bonds. With respect to such continuing disclosure certificate, the Airport Authority failed to file on a timely basis, on the EMMA website, notice of a change in the rating of the Series 2014 Special Facilities Bonds. S&P Global Ratings upgraded the rating on the Series 2014 Special Facilities Bonds from “A-” to “A” on October 31, 2018, and the Airport Authority filed the notice of the rating change on the EMMA website on December 3, 2018.

FINANCIAL STATEMENTS

The audited financial statements of the Airport Authority for Fiscal Years 2020 and 2019 are included as Appendix B attached hereto. The financial statements referred to in the preceding sentence have been audited by BKD, LLP, the Airport Authority’s independent auditor, as stated in its Independent Auditor’s Report, dated October 20, 2020, included in Appendix B. BKD, LLP has not been engaged to perform, and has not performed, since the date of its Independent Auditor’s Report, any procedures on the financial statements addressed in its report. BKD, LLP also has not performed any procedures relating to this Official Statement.

As of the date of this Official Statement, the Airport Authority expects its audited financial statements for the Fiscal Year ended June 30, 2021 will be released on or about December [•], 2021. Upon the release of its Fiscal Year 2021 audited financial statements, the Airport Authority will provide such statements on the MSRB’s EMMA website.

RELATED PARTIES

BofA Securities, Inc., one of the Underwriters of the Subordinate Series 2021 Bonds, and Bank of America, N.A., which is the provider of the revolving line of credit under the Subordinate Credit Agreement and the holder of the Subordinate Revolving Obligations, are both wholly-owned, indirect subsidiaries of Bank of America Corporation.

MISCELLANEOUS

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

All references to the Act, the Senior Indenture, the Subordinate Indenture, the Airline Lease Agreements and agreements with any other parties herein and in the Appendices hereto are made subject to the detailed provisions of such documents, and reference is made to such documents and agreements for full and complete statements of the contents thereof. Copies of such documents are available for review at the offices of the Airport Authority which are located at 3rd Floor, 3225 North Harbor Drive, San Diego, California 92101. This Official Statement is not to be construed as a contract or agreement between the Airport Authority and the owners of any of the Subordinate Series 2021 Bonds.

AUTHORIZATION

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the President and CEO on behalf of the Airport Authority.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____
President/CEO

APPENDIX A

FINANCIAL FEASIBILITY REPORT

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

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APPENDIX C-1

CERTAIN DEFINITIONS

APPENDIX C-2

SUMMARY OF THE MASTER SENIOR INDENTURE

APPENDIX C-3

SUMMARY OF THE MASTER SUBORDINATE INDENTURE

APPENDIX C-4

SUMMARY OF THE NINTH SUPPLEMENTAL SUBORDINATE INDENTURE

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF AIRLINE LEASE AGREEMENT

APPENDIX E

PROPOSED FORM OF BOND COUNSEL'S OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this Appendix G is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the "Clearing Systems") currently in effect. The information in this Appendix G concerning the Clearing Systems has been obtained from sources believed to be reliable, but the Airport Authority does not take any responsibility for the accuracy, completeness or adequacy of the information in this Appendix G. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Airport Authority will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Subordinate Series 2021 Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Subordinate Series 2021 Bonds, as nominee for DTC, references herein and in the Subordinate Indenture to the Bondholders, registered owners or owners (or similar terms) of the Subordinate Series 2021 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Subordinate Series 2021Bonds.

DTC Book-Entry-Only System

Introduction. The Beneficial Owners of the Subordinate Series 2021 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE AIRPORT AUTHORITY NOR THE SUBORDINATE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SUBORDINATE SERIES 2021 BONDS UNDER THE SUBORDINATE INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SUBORDINATE SERIES 2021 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE TO THE OWNERS OF THE SUBORDINATE SERIES 2021 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SUBORDINATE SERIES 2021 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General. DTC will act as securities depository for the Subordinate Series 2021 Bonds. The Subordinate Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Subordinate Series 2021 Bond certificate will be issued for each maturity of the Subordinate Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York

Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Subordinate Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Subordinate Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Subordinate Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Subordinate Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Subordinate Series 2021 Bonds, except in the event that use of the book-entry system for the Subordinate Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Subordinate Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Subordinate Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Subordinate Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subordinate Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Subordinate Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Subordinate Series 2021 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Subordinate Series 2021 Bond documents. For example, Beneficial Owners of Subordinate Series 2021 Bonds may wish to ascertain that the nominee holding the Subordinate Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Subordinate Series 2021 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Subordinate Series 2021 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Subordinate Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Airport Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Subordinate Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Subordinate Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Airport Authority, the Subordinate Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Subordinate Trustee or the Airport Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Airport Authority or the Subordinate Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Subordinate Series 2021 Bonds at any time by giving reasonable notice to the Airport Authority or the Subordinate Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Subordinate Series 2021 Bonds are required to be printed and delivered.

The Airport Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Subordinate Series 2021 Bonds will be printed and delivered to DTC.

The information in this Appendix G concerning DTC and DTC's book-entry system has been obtained from sources that the Airport Authority believes to be reliable, but neither the Airport Authority nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SUBORDINATE SERIES 2021 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

Global Clearance Procedures

Beneficial interests in the Subordinate Series 2021 Bonds may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The Subordinate Series 2021 Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Subordinate Series 2021 Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Airport Authority will not impose any fees in respect of holding the Subordinate Series 2021 Bonds; however, holders of book-entry interests in the Subordinate Series 2021 Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the Subordinate Series 2021 Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Subordinate Series 2021 Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Subordinate Series 2021 Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Subordinate Series 2021 Bonds against payment (value as on the date of delivery of the Subordinate Series 2021 Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Subordinate Series 2021 Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Subordinate Series 2021 Bonds following confirmation of receipt of payment to the Airport Authority on the date of delivery of the Subordinate Series 2021 Bonds.

Secondary Market Trading. Secondary market trades in the Subordinate Series 2021 Bonds will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2020B Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Subordinate Series 2021 Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Subordinate Series 2021 Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Subordinate Series 2021 Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Subordinate Series 2021 Bonds, or to receive or make a payment or delivery of the Subordinate Series 2021 Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the Subordinate Series 2021 Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the Subordinate Series 2021 Bonds are set forth on the inside cover of the Official Statement.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NEITHER THE AIRPORT AUTHORITY NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

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Attachment 3

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

FINANCIAL FEASIBILITY REPORT

DRAFT – OCTOBER 15, 2021

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SECTION 1 | INTRODUCTION AND CAPITAL PROGRAM

This Financial Feasibility Report (the Report) evaluates the financial feasibility of the issuance of the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the “Subordinate Series 2021A Bonds”), San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the “Subordinate Series 2021B Bonds”, and together with the Subordinate Series 2021A Bonds, the “Subordinate Series 2021AB Bonds”), and San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the “Subordinate Series 2021C Bonds,” and collectively with the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, the “Subordinate Series 2021 Bonds”). The proceeds of the Subordinate Series 2021 Bonds will be used to (1) pay for certain capital improvements at the San Diego International Airport (SAN or the Airport) included in the Capital Program (as defined herein) of the San Diego County Regional Airport Authority (the Airport Authority); (2) refund and defease all or a portion of the Airport Authority’s Senior Airport Revenue Bonds, Series 2013A (the “Senior Series 2013A Bonds”), and Senior Airport Revenue Bonds, Series 2013B (the “Senior Series 2013B Bonds,” and together with the Senior Series 2013A Bonds, the “Senior Series 2013 Bonds”); (3) fund a portion of capitalized interest accruing on the Subordinate Series 2021AB Bonds; (4) make a deposit to the Subordinate Debt Service Reserve Fund; and (5) pay certain costs of issuance of the Subordinate Series 2021 Bonds.

The Report is organized into the following sections:

- Section 1 describes the Airport Authority, the Airport, the Capital Program, and the funding plan for the Capital Program.
- Section 2 defines the Airport’s air service area and discusses relevant demographic and economic trends.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts.
- Section 4 reviews the Airline Operating and Lease Agreement (AOLA), which became effective on July 1, 2019, and the airline rates and charges methodology contained therein.
- Section 5 reviews the framework for the financial operations of the Airport Authority. This section also reviews the recent historical financial performance of the Airport Authority. It examines the ability of the Airport Authority to generate sufficient Net Revenues and Subordinate Net Revenues (as defined herein) in each year of the forecast period to meet the obligations of the Master Senior Indenture and the Master Subordinate Indenture.

1.1 | The San Diego County Regional Airport Authority

The San Diego County Regional Airport Authority Act, codified in California Public Utilities Code Section 170000 et seq. (the Act), established the Airport Authority, which is a local governmental entity of the regional government, with jurisdiction throughout the County of San Diego (the County). The Airport Authority was created as an independent agency to manage the day-to-day operations of the Airport and to address the region's long-term air transportation needs. Effective January 1, 2003, the operations and assets of the Airport were transferred from the San Diego Unified Port District (the Port District) to the Airport Authority. The legislation that created the Airport Authority mandates the following three main responsibilities for the Airport Authority: (1) operate the Airport; (2) plan for the future air transportation needs of the region; and (3) serve as the region's Airport Land Use Commission, and thereby ensure the adoption of land use plans that protect public health and safety surrounding all 16 of the County's airports.

The Airport Authority is governed by a nine-member board of directors (the Board) representing all areas of the County, and three additional members serving as non-voting, ex-officio board members. Board members serve three-year terms and may be reappointed. The Act specifies the appointment of the members of the Board as follows: the Mayor of the City of San Diego appoints three members (two of which are subject to confirmation by the City Council); the Chair of the County of San Diego Board of Supervisors appoints two members (subject to confirmation by the Board of Supervisors); the mayors of the east county cities (El Cajon, Lemon Grove, La Mesa and Santee) appoint one member; the mayors of the north county coastal cities (Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach) appoint one member; the mayors of the north county inland cities (Poway, Escondido, Vista and San Marcos) appoint one member; and the mayors of the south county cities (Coronado, Imperial Beach, Chula Vista and National City) appoint one member. The individuals who are appointed by the Governor of the State of California to occupy the offices of the District Director of the State Department of Transportation for the San Diego region and the State Department of Finance representative for the State Lands Commission are ex-officio non-voting members of the Board. One additional non-voting ex-officio member of the Board is chosen by the United States Navy and the United States Marine Corps.

The Airport Authority holds public meetings of the full Board once a month and periodic meetings of several standing committees. The standing committees, which were formed to better address key policy areas and develop items for consideration by the full Board, include the following: Executive Committee; Executive Personnel and Compensation Committee; Finance Committee; Audit Committee; and Capital Improvement Program Oversight Committee.

Kimberly Becker was appointed Airport Authority President and CEO/Executive Director (President/CEO) effective May 1, 2017. Ms. Becker has overall responsibility for the management, administration, and planning of the Airport Authority. Ms. Becker has an experienced staff to aid her in carrying out the responsibilities of the position, including the vice presidents who head the various Airport Authority divisions. The President/CEO, Chief Auditor, and General Counsel are appointed by the Board.

1.2 | San Diego International Airport

The Airport serves the San Diego-Carlsbad, California, Metropolitan Statistical Area (San Diego MSA), which consists of San Diego County. Covering 661 acres, the Airport is located three miles northwest of downtown San Diego, adjacent to U.S. Interstate 5 and the San Diego Bay.

The Federal Aviation Administration (FAA) classifies SAN as a large-hub airport, a category that includes airports with 1 percent or more of U.S. annual domestic enplanements. During the Airport

Authority's Fiscal Year ended June 30, 2019 (FY2019), SAN served approximately 12.4 million enplaned passengers. Air traffic at airports across the U.S., including SAN, was significantly affected after the U.S. government declared COVID-19 a national emergency on March 13, 2020. The number of enplaned passengers at SAN decreased to approximately 9.2 million in FY2020, as a result of the significant decrease in air traffic during the last four months of the Fiscal Year (March, April, May, and June 2020). SAN's enplanements decreased to approximately 4.9 million in FY2021, which was the first full Fiscal Year after the U.S. declaration of a national emergency. However, monthly enplanement totals improved significantly during the last three months of FY2021 (April, May, and June 2021), indicating that air traffic is recovering. Enplanements increased from approximately 306,000 in July 2020 (the first month of FY2021) to 804,000 in June 2021 (the last month of FY2021). More details regarding the COVID-19 pandemic and its effect on air traffic activity at SAN are provided in Sections 2 and 3 of this Report.

The operations and improvements at SAN are funded by airport user charges, concession fees, rents, Passenger Facility Charges (PFCs), bond funds, rental car Customer Facility Charges (CFCs), and funds received from the FAA and the Transportation Security Administration (TSA). No general tax fund revenues are used to operate or maintain the Airport.

1.2.1 | Airfield

SAN is the busiest single-runway commercial airport in the nation, based on passenger levels. The Airport was originally dedicated as the "San Diego Municipal Airport – Lindbergh Field" on August 16, 1928. It became the first federally certified airfield to serve all aircraft types, including seaplanes, in 1934. The Airport's infrastructure was improved after the U.S. Army Air Corps took over the Airport in 1942 to support the military's war efforts during World War II. Improvements included the construction of an 8,750-foot runway, which has since been expanded to 9,401 feet. In addition to the runway, the airfield includes one taxiway on the south side of the runway (Taxiway B) and a series of taxiways on the north side of the runway, including Taxiway C. The airfield also includes ancillary taxiways that provide runway and terminal access, and aprons that provide aircraft parking.

Conditions at SAN make the expansion of the existing runway or the addition of a second runway difficult. Obstacles to runway expansion include significant geographic obstructions, including high terrain to the northeast and southwest of the Airport, as well as manmade obstructions, such as office buildings, to the northeast, east, and southeast of the Airport. Other obstacles to runway expansion include major land acquisition requirements, extensive infrastructure impacts, local resident opposition, and increased noise impacts. However, airfield capacity is not expected to be a limiting factor within the forecast period of this Report, as discussed in Section 3. According to the Airport's master planning effort[1], runway congestion is anticipated to occur when annual aircraft operations reach between 262,000 and 292,000. Annual aircraft operations are estimated to total approximately 156,000 in FY2022, and they are projected to reach approximately 201,000 in FY2027 under the base air traffic forecast presented in Section 3, which is well below the level

[1] See subsection 1.3.1 | The Airport Development Plan below for further discussion.

indicated for runway congestion. In addition to the restrictions to the physical capacity of the Airport's airfield, there are direct restrictions on operations relating to a curfew imposed on the Airport. See Section 3 for a further discussion of these constraints.

1.2.2 | Passenger Terminals

The Airport has two passenger terminals (Terminal 1 and Terminal 2), which together contain a total of 51 gates. Terminal 1, which opened in March 1967, contains 19 gates. Terminal 2, which contains 32 gates, consists of Terminal 2 East, with 13 jet gates, and Terminal 2 West, with 19 jet gates. Terminal 2 East opened in July 1979. Terminal 2 West, which originally opened in 1998, was modernized/re-developed in August 2013. The baggage claim for all of Terminal 2 (East and West) is located in Terminal 2 West.

There are a number of dining and shopping options in the passenger terminals. Passengers can download an app to their smart phones called "AtYourGate," which enables them to order food from participating concession locations in either passenger terminal and have it delivered to their gate.

The Airport Authority's capital program (the Capital Program) includes the construction of a new terminal (the new Terminal 1 building) to replace the existing Terminal 1. The planned new Terminal building will contain up to 30 gates (11 more gates than the existing Terminal 1) and will be able to accommodate both narrow-body and wide-body aircraft.

1.2.3 | Landside Facilities

The Airport Authority operates approximately 5,200 public parking spaces at the Airport, including approximately 3,000 parking spaces located directly in front of Terminal 2 (consisting of two surface lots and the Terminal 2 Parking Plaza that opened in 2018); Terminal 1 surface lot of approximately 1,100 parking spaces; and approximately 80 spaces in a free cell phone lot located east of the Airport Authority's administration offices. Prior to the start of the COVID-19 pandemic, the Airport Authority also operated public parking lots on Pacific Highway and Harbor Drive, consisting of 3,300 spaces. These lots were closed and will not reopen to the public. The Pacific Highway lot will be used for employee parking and the Harbor Drive parking lot will be used for new airside development. Prior to the start of the COVID-19 pandemic, valet parking services were offered with curb-side drop-off in front of Terminals 1 and 2 and utilized 500 parking spaces. During the COVID-19 pandemic, the Airport Authority suspended valet parking, but the Airport Authority plans to resume the valet parking operation in January 2022 utilizing spaces in front of the Terminals 1 and 2.

The Capital Program includes the construction of a new public parking garage adjacent to the planned new Terminal 1 building, which will replace the existing Terminal Lot 1 and will provide additional parking spaces, as described below.

Roadway access to the Airport is via two independent entrance roadways for Terminal 1 and Terminal 2, both from North Harbor Drive. The Airport terminal roadway system includes a one-level roadway for Terminal 1 and a two-level roadway for Terminal 2, which separates departing and arriving passengers. The Capital Program includes the construction of a two-level roadway for the new Terminal 1 building, a dedicated on-Airport roadway, an area set aside for transit stations, and other Airport roadway improvements, as described below.

1.2.4 | Other Facilities

The north airfield area contains various other facilities, including: an air traffic control tower; an Airport Rescue and Fire Fighting (ARFF) facility; a cargo ramp; a fuel farm; a receiving and distribution center for food, beverage, retail and other goods; the Airport Authority's Facilities Maintenance and warehouse facilities, a Rental Car Center (RCC) that houses most of the rental car companies in a single building with a 5,400-space parking garage; a Fixed Base Operator (FBO) facility, which includes a terminal, a ramp, and five hangars; and associated roadways, including a roadway linking the Northside with the passenger terminals, for rental car and parking shuttle buses. The Airport Authority's administration offices are currently located in the building on the south of the airfield that previously housed the commuter terminal. As described below, this building will be demolished to make way for the new Terminal 1 building, and the Airport Authority plans to construct a new building for its administrative offices at another location on the Airport. In July 2021, the Airport Authority opened new air cargo and airline provisioning facilities at the Airport. This new facility known as the Airline Support Building (ASB) is located on the south side of the airfield and replaced aging facilities that will be demolished to enable development of the planned new Terminal 1 building.

1.3 | Capital Program Estimated Costs and Funding Plan

The Airport Authority's Capital Program is a rolling five-year program that provides for critical improvements and asset preservation for the Airport Authority. The Capital Program includes the following two main components: (1) The Capital Improvement Program (CIP) that address airfield safety and capacity, environmental protection, terminal enhancements, landside infrastructure, and access improvements; and (2) The New Terminal 1 (New T1) Program that will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience and will also include airfield enhancements, major improvements to roadways serving the Airport, and a designated transit station area on Airport property. The Capital Program includes all approved open projects anticipated to be completed in FY2021 through FY2026 for the CIP and FY2021 through FY2029 for the New T1, at an estimated total cost of approximately $4.024 billion.[2]

Table 1 summarizes the estimated costs and funding sources of the Capital Program. The capital projects estimated to cost $10 million or more are listed individually, and all projects that are estimated to cost less than $10 million are grouped together in the line labeled "All Other Projects." Of the $4.024 billion in total estimated capital project costs, $3.464 billion represents all of the elements of the New T1. The Subordinate Series 2021AB Bonds are estimated to fund approximately $1.0 billion of the estimated costs of the New T1. The Airport Authority plans to fund the remaining costs of the Capital Program (including the New T1) with FAA Airport Improvement

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[2] The estimated cost of the Capital Program includes the cost of projects that were in progress at the start of FY2021. Therefore, the $4.024 billion cost includes some project costs incurred prior to the start of FY2021 (for those projects that were in progress as of the start of FY2021).

Program grants (AIP), PFCs, monies in the Major Maintenance Fund, proceeds of previously issued bonds, additional Senior and/or Subordinate Bonds anticipated to be issued in the future, and Airport Authority Funds. The funding sources are described in more detail in Section 1.3.2 below.

1.3.1 | The New T1

In 2012, the Authority embarked on a new master-planning effort for SAN known as the "New T1" (previously known as the "Airport Development Plan"), to identify the facilities needed to meet the Airport's anticipated passenger demand through 2035. Between Fiscal Years 2015 and 2019, SAN had record-breaking growth with approximately 24.7 million passengers being served in Fiscal Year 2019; the highest number of passengers ever served by SAN. Activity levels at the Airport are estimated to surpass 39 million passengers and 280,000 aircraft operations in 2035, based on the aviation planning forecast completed by the Airport Authority in April 2019 and approved by the FAA on June 6, 2019. The cornerstone of the New T1 is the replacement of Terminal 1, which is over 50 years old, with a more modern, comfortable, and efficient terminal facility. The new terminal will have 30 gates (11 more gates than the existing Terminal 1) and will be able to accommodate both narrow-body and wide-body aircraft. The new Terminal 1 will be served by a dual-level curbside, a new close-in parking structure (approximately 5,200 parking spaces), and new entry and circulation roadways. Other components that are part of the New T1 include a new Airport Authority administration building and multiple airfield improvements, such as a new apron area for the new terminal, a new full length Taxiway A, Relocation of Taxiway B and reconfigured Remain Overnight (RON) aircraft parking positions.

The board of directors of the Airport Authority certified the final Environmental Impact Report with respect to the New T1 on January 9, 2020. On September 3, 2020, the board of directors of the Authority approved the selection of a Turner-Flatiron joint venture (composed of Turner Construction Company and Flatiron) as the design-build firm for the New T1. The joint venture brings together Flatiron's experience in airside construction as well as runway and taxiway operations with Turner's experience in airport terminal and concourse commercial structures. The airside improvement components of the New T1 will be designed and built by Griffith Company; and the administration building component of the New T1 will be designed and built by Sundt Construction, Inc. The Airport Authority anticipates that construction on the New T1 will begin in November 2021.

The new Terminal 1 building will be a more modern and efficient facility, and it is anticipated to contain 30 passenger boarding gates, 11 gates more than the existing Terminal 1. The new Terminal 1 building is expected to provide a greatly improved passenger experience, with more seating, restaurants, and shops. In addition, the new Terminal 1 building will include more security checkpoints with more lanes, to enhance passenger circulation. A post-security passenger connector will allow passengers to walk between Terminal 1 and Terminal 2 without having to pass through security a second time. Other key components of the new Terminal 1 will include a more efficient baggage handling system with upgraded energy efficiency, as well as a new dual-level roadway to separate arriving and departing vehicular traffic.

A map showing the location of the New T1 on Airport property, as well as sample conceptual diagrams of the New T1 are presented in Figures 1 through 4 at the end of Section 1. The key components of the New T1 are described on the following pages.

Table 1| Estimated Capital Program Costs and Funding Plan for FY2021-FY2029

Project Name	Total	Series 2021 Bonds	AIP	PFC	Major Maintenance Fund	Prior Bonds	Future Bonds	Authority Funds	Other
New T1 Program - Terminal & Roadway	$ 2,813,283,683	$ 882,122,875	$ 13,086,000	$ -	$ -	$ -	$ 1,698,074,808	$ 220,000,000	$ -
New T1 Program - Airside	306,000,000	73,784,191	64,477,963	7,715,755	19,585,000	30,417,310	110,019,781	-	-
New T1 Program - Program Contingency	227,251,907	9,069,710	-	-	-	-	218,182,197	-	-
New T1 Program - Administration Building	102,000,000	34,949,694	-	-	-	-	67,050,306	-	-
New T1 Program - Shuttle Lot Relocation	15,764,410	5,388,763	-	-	-	-	10,375,647	-	-
Subtotal - New T1 Program	$ 3,464,300,000	$ 1,005,315,233	$ 77,563,963	$ 7,715,755	$ 19,585,000	$ 30,417,310	$ 2,103,702,739	$ 220,000,000	$ -
ASF- FMD Facility	49,111,854	-	-	-	-	49,111,854	-	-	-
ASF- Belly Cargo/Provisioning/GSE	39,444,842	-	-	-	-	39,444,842	-	-	-
ASF- Stormwater Capture & Reuse	35,565,633	-	-	-	-	35,565,633	-	-	-
ASF- Northside RON Parking Phase I	33,512,664	-	-	-	30,012,664	3,500,000	-	-	-
Airport Roadway Vehicle Monitoring	31,800,000	-	-	-	-	-	-	31,800,000	-
Capital Program Support	28,877,671	-	-	-	-	-	-	28,877,671	-
Solid & Liquid Waste Facilities	35,500,540	-	-	-	2,800,000	19,650,270	-	13,050,270	-
Fuel Facility Projects	25,191,720	-	-	-	-	-	-	-	25,191,720
Tenant Improvements at Airport Support Building	21,300,000	-	-	-	-	-	-	-	21,300,000
ASF- Airport Support Facilities Contract Management	20,819,990	-	-	-	-	19,727,726	-	1,092,264	-
Replace Baggage Handling System & Makeup Units in T2E	15,946,000	-	-	-	15,946,000	-	-	-	-
Replace/Upgrade Energy Mass Arresting System (EMAS)	15,573,637	-	5,582,314	-	-	9,991,323	-	-	-
Aviation Security Network Redesign	13,037,668	-	-	-	-	13,037,668	-	-	-
Offsite Intersection/Roadway Segment Improvements	13,000,000	-	-	-	13,000,000	-	-	-	-
SDIA Common Use System	11,872,000	-	-	-	11,872,000	-	-	-	-
Rehabilitate ARFF Station	10,000,000	-	7,500,000	-	2,500,000	-	-	-	-
Subtotal - Projects Over $10 Million	$ 400,554,219	$ -	$ 13,082,314	$ -	$ 76,130,664	$ 190,029,316	$ -	$ 74,820,205	$ 46,491,720
All Other Projects	160,015,773	-	9,947,755	1,465,660	44,428,539	67,221,120	-	36,352,699	600,000
Total - All Projects	$ 4,024,869,992	$ 1,005,315,233	$ 100,594,032	$ 9,181,415	$ 140,144,203	$ 287,667,746	$ 2,103,702,739	$ 331,172,904	$ 47,091,720

Source: Airport Authority records. “ASF” = Airport Support Facilities. “Other” funding includes fuel consortium funding ($25.2 million), monies advanced by the Airport Authority, which will be reimbursed by tenants, for tenant improvements in the Airline Support Building ($21.3 million), and local grant funding for electric supply equipment ($0.6 million).

New Terminal 1 and Roadways ($2.813 billion)

This component consists of the design and construction of the new Terminal 1 building, a parking structure, and associated roadways. The work will include the demolition of existing buildings currently located on the site of the new facilities; the construction of new utilities and the relocation of certain utilities; storm drainage improvements; the construction of storage and transmission facilities; upgrades to the existing central utility plant; and associated improvements.

A new parking structure (the Terminal 1 Parking Plaza) will be constructed on the current site of the Terminal 1 surface lot. The Terminal 1 Parking Plaza will have approximately 5,200 parking spaces. Upon completion of the New T1, there will be approximately 9,100 public parking spaces, operated by the Airport Authority and available at the Airport. This will be an addition of approximately 100 new, permanent public parking spaces at the Airport since the start of the design and construction of the New T1.

The roadway and related improvements will include a new Airport entry roadway that will connect to North Harbor Drive and provide additional access to the passenger terminals; a new loop road to provide bus and shuttle access to the new Terminal 1 and the Terminal 1 Parking Plaza; pedestrian bridges to provide access to the new Terminal 1; and a bicycle and pedestrian path to connect neighboring public streets to the new Terminal 1.

New T1 Airside ($306.0 million)

Various airside improvements will be constructed in conjunction with the development of the new Terminal 1, to provide enhanced operational efficiencies. These components include the relocation of Taxiway B, which provides the main access to Terminal 1 for arriving and departing aircrafts. Taxiway B will be redesigned and relocated to meet FAA standards. A new Taxiway A will be developed to improve aircraft movement and help avoid aircrafts blocking Taxiway B when pushing back from the new Terminal 1 gates. Additional improvements will include new taxilanes, aircraft remain overnight (RON) and apron parking areas, and related utility infrastructure outside the new Terminal 1 building and within the Airport Operations Areas.

New Administration Building ($102.0 million)

The existing Airport administration building will need to be demolished to accommodate the construction of the new Terminal 1. A new Administration Building will be constructed at the far west end of the Airport. The new building will contain four stories and contain 130,000 square feet. It will allow most of the Airport Authority staff to be located in a single building.

Shuttle Lot Relocation ($15.8 million)

This project will renovate 128,000 square feet with full depth, partial asphalt concrete replacement to provide a new shuttle lot for both employee and rental car shuttles.

New T1 Contingency Amount ($227.3 million)

The New T1 also includes a contingency amount, for unforeseen additional costs. The total contingency is approximately 13 percent of the total estimated T1 costs, or $451.5 million. Of that amount, $227.3 million is separated into a specific Contingency Amount, with the remaining contingency being included in the various components of the New T1. The total contingency includes construction contingency, owner allowance, escalation for owner allowance, and program contingency. Together, these contingency components cover potential circumstances related to scope items, as well as market risks related to increased material, commodity, and labor costs.

1.3.2 | Capital Funding Program Sources

The estimated funding sources of the Capital Program, presented in Table 1, are described below.

The Subordinate Series 2021 Bonds

The Subordinate Series 2021 Bonds will provide approximately $1.005 billion in project funding for the New T1.

FAA Airport Improvement Program (AIP) grants

AIP entitlement grants and AIP discretionary grants are estimated to provide approximately $77.6 million in funding for the New T1. In addition, AIP entitlement and AIP discretionary grants are estimated to provide an additional $23.0 million in funding for other capital projects not included in the New T1 project. AIP entitlement funds are apportioned by formula each year to individual airports or types of airports. AIP discretionary funds are awarded by the FAA based on eligible projects' priority as determined by the FAA through the application of its National Priority System (NPS). The NPS uses a combination of quantitative and qualitative factors to evaluate projects with highest priority given to projects to enhance airport safety and security.

Passenger Facility Charges (PFCs)

The Airport Authority has received approval from the FAA to collect and use a PFC on each eligible enplaning passenger at SAN totaling approximately $1.6 billion. The Airport Authority's approved PFC authority reflects 13 applications, plus related amendments. The Final Agency Decision received by the Airport Authority from the FAA for the Airport Authority's most recent PFC application estimates the charge expiration date to be May 1, 2040. The Airport Authority's funding plan includes approximately $9.2 million in PFCs to be applied on a "pay-as-you-go" basis to eligible project costs in the Capital Program. The Airport Authority also plans to apply additional PFCs during the forecast period toward the payment of debt service on bonds, as described in Section 5.

Major Maintenance Fund

The current AOLA, which became effective on July 1, 2019, established a Major Maintenance Fund (MMF), the purpose of which is to fund capital projects in the Airfield Area, Terminal Area, Common Use Systems, and Airline Terminal Support Cost Centers and Capital Projects in Indirect Cost Centers to the extent allocable to such cost centers. The AOLA stipulates that each Fiscal Year, the

Airport Authority will deposit $40.0 million into the MMF, from the following revenue sources: $15.0 million from the Airfield Area; $15.0 million from the Terminal Area; and $10.0 million from non-airline revenue. However, in order to mitigate the effect of this provision on airline rates and charges during the COVID-19 pandemic, the Airport Authority reduced the FY2020 deposit to the MMF to $30.0 million in FY2020, with $10.0 million charged to the Airfield Area, $10.0 million charged to the Terminal Area, and $10.0 million from non-airline revenue sources. The MMF deposit in FY2021 and FY2022 is $10.0 million each year, all from non-airline sources, with no charges to either the Airfield Area or the Terminal Area. For FY2023 through FY2029, the Airport Authority plans to deposit $50.0 million per year into the MMF, to make up the deposits that were deferred – with $20.0 million charged to each of the Airfield Area and the Terminal Area, and $10.0 million from non-airline revenue sources. The airlines are required to pay these amounts as part of their landing fee and terminal rent obligations under the AOLA. The funding plan includes approximately $140.1 million in funding from the Major Maintenance Fund.

Prior Bond Proceeds

The Airport Authority plans to apply prior bond proceeds of approximately $287.7 million to project costs, including $256.9 million in proceeds from the Series 2019 Bonds. The Airport Authority also plans to apply $1.0 million from the Series 2013 Bonds and $29.8 million from the Series 2017 Bonds to fund the costs of projects in progress that were incurred prior to FY2021.

Future Bond Financing

The Airport Authority plans three future bond financings during the forecast period, to fund subsequent phases of the New T1. The funding plan assumes approximately $2.1 billion of future bond proceeds. The timing and sizes of the future bond financings will be determined by the Airport Authority based on continuing evaluations of cash flow needs and market conditions.

Airport Authority Funds

Airport Authority funds are those moneys generated from Airport operations and available after all of the Airport Authority's financial obligations pursuant to the flow of funds specified in the Master Senior Indenture and the Master Subordinate Indenture are satisfied. The AOLA allows the Airport Authority to include amortization charges in the airline rates and charges to reimburse the Airport Authority for capital project costs paid from Airport Authority funds. The financial analysis in Section 4 incorporates the amortization charges projected to be incorporated into the airline rate base, as projects funded with Airport Authority funds are completed. The Airport Authority plans to apply approximately $331.2 million in Airport Authority funds to the Capital Program.

Other Funding Sources

The Capital Program funding plan includes the following other funding sources totaling $47.1 million:

- Airline direct funding from the fuel consortium, which is an airline consortium that operates the aircraft fueling system at the Airport. The Airport Authority executed an agreement with the airline fuel consortium, pursuant to which the consortium has agreed to fund fuel-related projects at the Airport. This funding is projected to total approximately $25.2 million.

- Airport Authority funds are anticipated to be used to fund $21.3 million in tenant improvements at the ASB. The tenants will reimburse the Airport Authority over the next five years.
- Local grant funding for the electric vehicle supply equipment. The Airport Authority is applying for electric energy grants to fund electrical vehicle supply equipment. The grants are anticipated to be awarded by San Diego Gas & Electric to support non-profit organizations in San Diego to fund innovative projects and programs. The Airport Authority estimates receiving up to $0.6 million in grant funding for eligible costs, if successful. The Airport Authority plans to use Airport Authority funds if the remaining grant funds are not received.

Figure 1| Map of New T1 on Airport Property

Terminal and Roadways
Airside Improvements
Administration Building
Space Set Aside for Future Transit Station

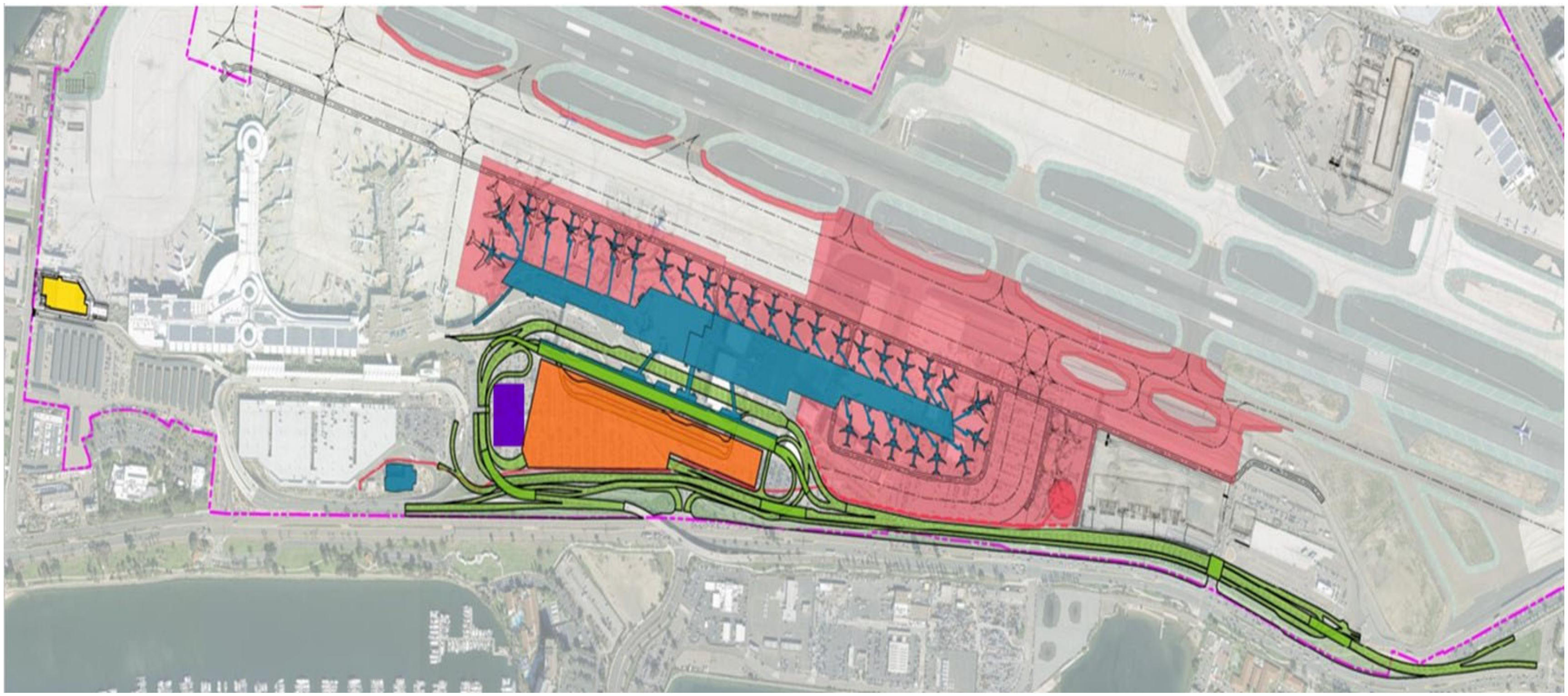

Figure 2| Aerial View of New Terminal 1 and Associated Facilities

Figure 3| View of New Terminal 1 From Roadway

Figure 4| New Terminal 1 Elevated Departures Roadway

SECTION 2 | ECONOMIC BASE

Demographic and economic trends influence the demand for air travel at SAN, which consists largely of origin and destination (O&D) traffic.[3] Economic trends in the Airport's air service area and in California contribute to the area's ability to generate local demand for air travel and to draw visitors into the region. National trends influence the Airport's passenger traffic in two ways. First, U.S. economic trends influence demand for air travel nationwide. Second, the national economy generates demand for goods and services produced by businesses in the region, and therefore influence regional economic trends. This section discusses relevant demographic and economic trends at the regional and national levels, and it provides an assessment of current economic outlook.

SAN serves the San Diego-Chula Vista-Carlsbad, CA, Metropolitan Statistical Area (San Diego MSA), California's fourth largest MSA and the nation's 17th largest MSA by 2020 population. The San Diego MSA is coextensive with San Diego County, California's second largest county and the nation's fifth largest county by population. San Diego is part of a cross-border region that includes the Mexican municipalities of Tijuana, Rosarito Beach, and Tecate. In addition to size, the San Diego MSA population offers the advantages of lower median age and higher educational attainment—attributes that help the San Diego economy grow faster than the national economy.

The San Diego MSA economy offers a diversified employment base, leadership in technology- and knowledge-based industries, and above-U.S. average economic performance. A large military presence contributes to regional employment and fuels the growth of various industries. San Diego's desirable climate, scenic beauty, and various tourist attractions and amenities make it one of the top destinations in the United States for visitors and meetings. Nevertheless, since 2020, the San Diego MSA, like the rest of the United States and the world, has been grappling with the unforeseen challenges brought upon by a global pandemic.

Before the breakout of the Coronavirus Disease 2019 (COVID-19) pandemic, the U.S. economy was on pace to continue one of the longest economic expansions in U.S. history. According to the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER), U.S. economic activity peaked in February 2020, thus ending a 128-month long expansion following the 2008-2009 Great Recession. To curb the spread of COVID-19, U.S. state and local governments issued stay-at-home or shelter-in-place orders, restricting travel and business activities to essential functions. California was among the first states to issue a mandatory statewide stay-at home order, six days after the COVID-19 pandemic was declared a national emergency in the United States on March 13, 2020. Fears about the virus, combined with COVID-19-related regulations, significantly disrupted travel and business operations. Between February 2020 and April 2020, the U.S. entered a steep recession. Unemployment rates reached unprecedented levels in recent history and were only surpassed by the unemployment rates during the 2008-2009 Great Recession.

[3] O&D passenger traffic refers to passenger trips originating or ending at the airport.

The U.S. economy began to recover in the second half of 2020, as states began to reopen and ease travel restrictions. Economic recovery continued in 2021, aided by the development and administration of COVID-19 vaccines. Production output, measured by gross domestic product (GDP), rebounded to pre-COVID level in the second quarter of 2021. Employment, which typically lags output recovery, has yet to return to its pre-pandemic peak.

Historical trends are good indicators of long-term economic trajectories when the economy is expanding.[4] Therefore, despite the recent trend breaks, it remains important to examine long-term demographic and economic trends prior to the pandemic. Generally, all pre-COVID-19 economic indicators, which are representative of long-term trends, suggest a growing economy over the long-term in the Airport's service area, the San Diego MSA, and the nation.

2.1 | The COVID-19 Pandemic

COVID-19 was first identified in Wuhan, Hubei Province, China, in December 2019. The first case of COVID-19 in the United States was diagnosed a month later. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic.[5] Shortly after on March 13, the United States declared COVID-19 a national emergency, prompting statewide stay-at-home orders and other social distancing measures across the nation. California mandated guidance to prevent the spread of COVID-19 in a series of state public health orders in March, May, and August 2020, ending mandatory stay-at-home orders, physical distancing, and capacity limits on most businesses on June 15, 2021.[6] Despite the U.S. and state governments' efforts to curb the spread of the virus, several waves of COVID-19 hit the nation. The first wave in the U.S. began in March 2020, the second wave in June 2020, the third wave in October 2020, and the fourth wave in July 2021 (Figure 5).

Throughout the country, early attempts at reopening the economy were met with local COVID-19 surges. Major holidays exacerbated the infection rates and strained local hospital capacity. According to the Center of Disease Control and Prevention (CDC), the number of daily new cases peaked shortly after the winter holidays on January 8, 2021 (296,465 cases). The highest seven-day moving average was 254,020 cases reported on January 10, 2021. The number of daily new cases had been on a steady decline, shrinking by over 95 percent over a five-month period between January 8 and June 8 as more people got vaccinated. However, since June, the number of daily new cases has increased far above the peak of the second COVID-19 wave of summer 2020. The fourth wave appears to have reached a peak on September 1. New cases have been on a downward path since—down to a seven-day moving average of 104,650 on September 30, 2021.

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[4] The normal state of the economy is expansion. Economic expansions are sometimes disrupted by recessions, which are normally relatively brief periods between economic peaks and troughs.

[5] American Journal of Managed Care Staff, A Timeline of COVID-19 Developments in 2020, July 3, 2020, <https://www.ajmc.com/view/a-timeline-of-covid19-developments-in-2020>, accessed on August 26, 2020.

[6] Official California State Government Website, Current safety measures, <https://covid19.ca.gov/safely-reopening/>, accessed on September 30, 2021.

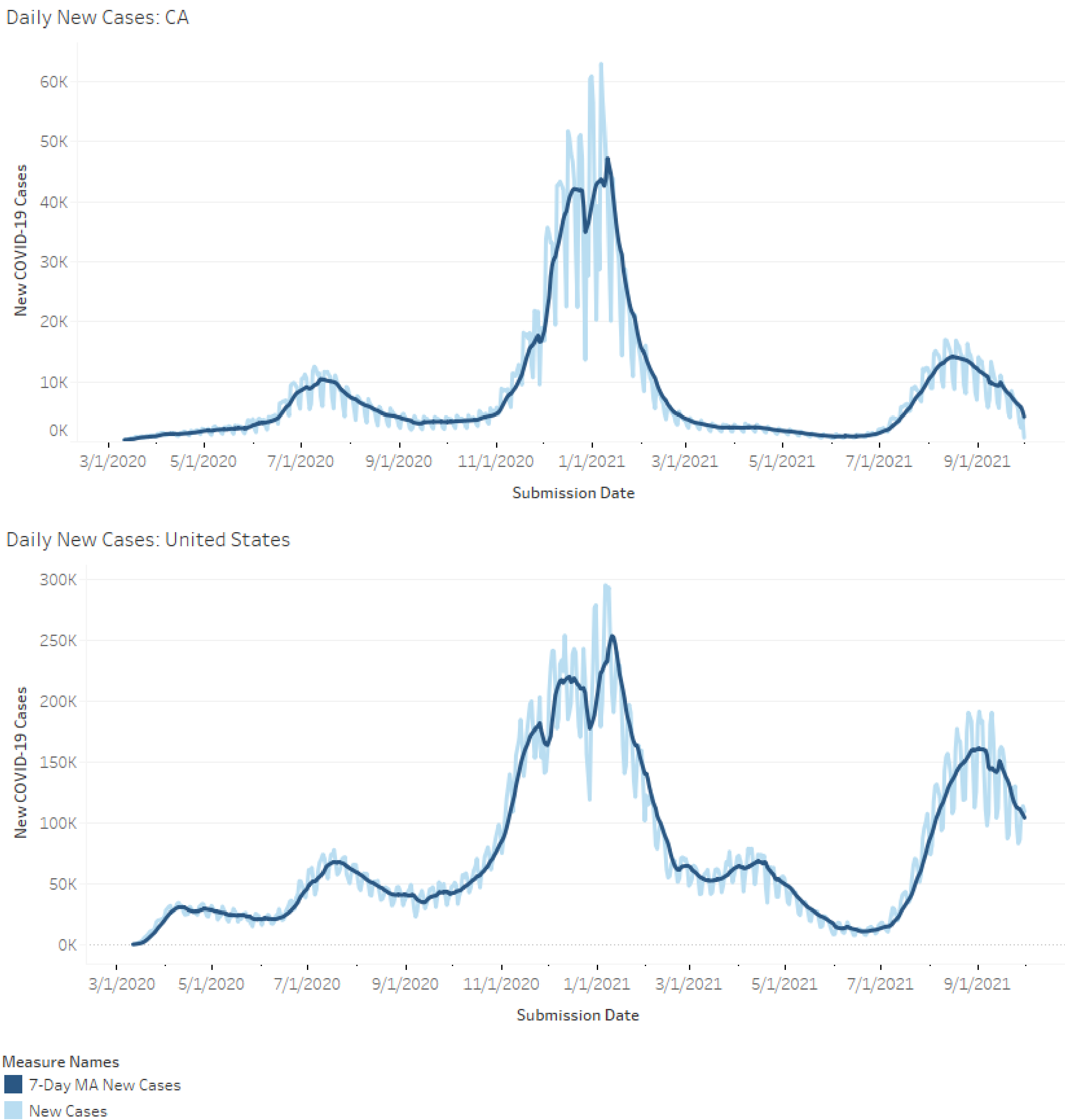
California's COVID-19 trend, also shown on Figure 5, mirrors this national trend. The highest number of daily new cases reported to the CDC by California was 63,017 on January 6, 2021. The highest seven-day moving average was 47,273 cases reported on January 10, 2021. Similar to the national trend, California's new COVID-19 daily new caseloads fell rapidly over the next five months (a decrease of 98 percent). Starting in June over the course of the summer, however, California's daily new cases had risen to a level surpassing that of the second wave, peaking at a seven-day moving average of 14,185 cases reported on August 16, 2021, far below the third wave peak. California's daily new cases have since been steadily decreasing, to a most recent seven-day moving average of 4,168 reported on September 30, 2021.

Figure 6 shows the seven-day rate of COVID-19 cases per 100,000 by state as of September 30, 2021, where California currently boasts a rate of 72.9—the lowest among all states. By comparison, the United States as a whole currently has a seven-day case rate of 224.3 per 100,000 as of the same date.

Resurgence of COVID-19 cases across the country is currently slowing economic recovery. Increase in vaccination rates could help slow down transmission of the COVID-19 virus, including its new variants, and expedite economic recovery. As of September 30, 2021, close to 185 million people are fully vaccinated in the United States (55.7 percent) and nearly 24 million people are fully vaccinated in California (70.4 percent).[7]

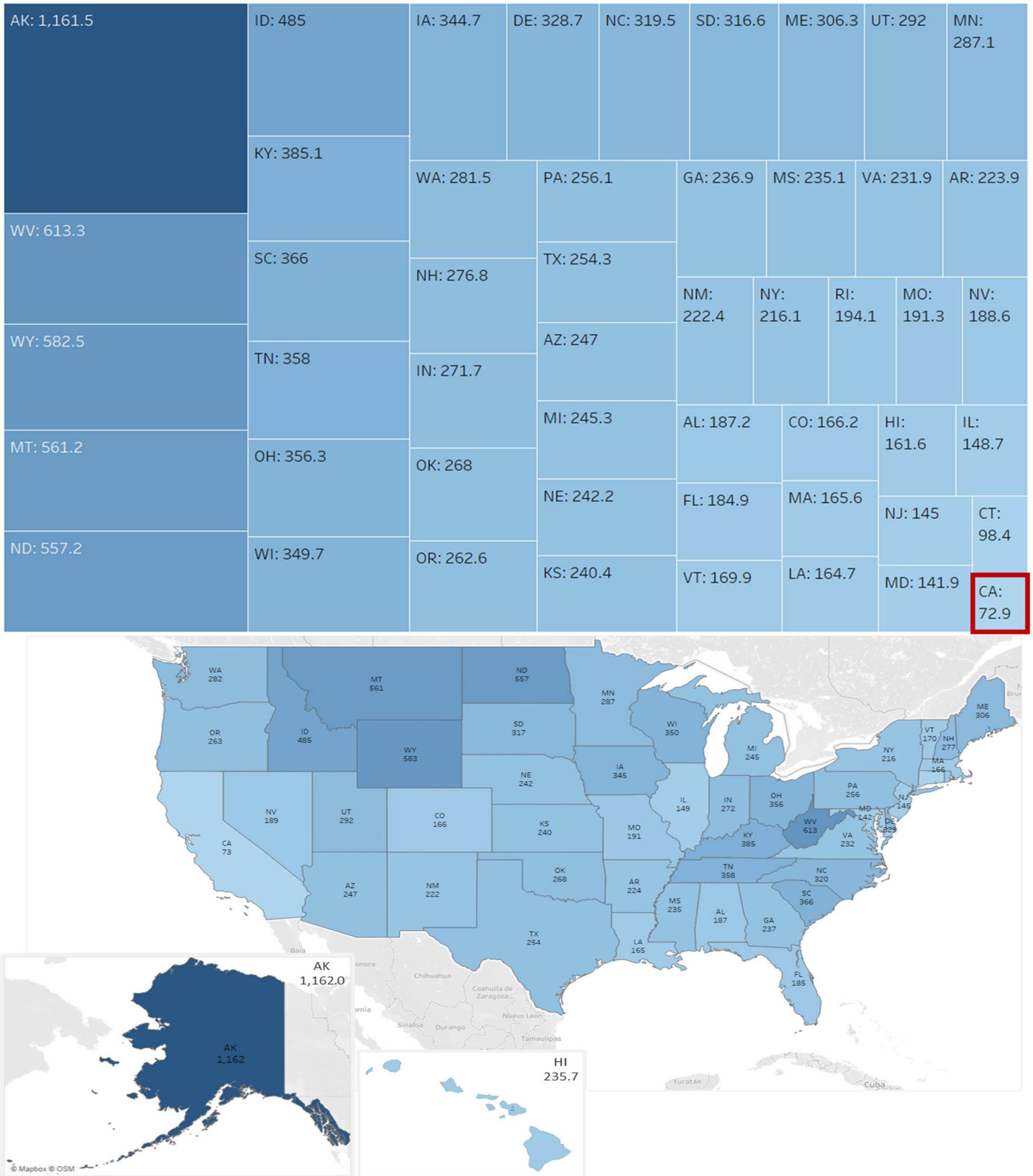
[7] Centers for Disease Control and Prevent, *COVID Data Tracker*, <https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-people-fully-percent-total>, accessed on August 11, 2021.

Figure 5| Daily Trends in Number of COVID-19 Cases in California vs. United States Reported to CDC, March 11, 2020 through September 30, 2021



March 11, 2020 was used as the starting point of these charts due to it being the date the WHO declared COVID-19 a global pandemic.
Source: CDC COVID Data Tracker, <https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases>, accessed on October 1, 2021.

Figure 6| 7-Day Rate of COVID-19 Cases per 100,000 by State, as of September 30, 2021 (CA Highlighted)



The 7-day rate of COVID-19 cases per 100,000 for the United States as a whole is 224.3, as of September 30, 2021.
Source: CDC COVID Data Tracker, <https://covid.cdc.gov/covid-data-tracker/#cases_casesper100klast7days>, accessed on October 1, 2021.

2.2 | Air Service Area

The San Diego MSA, which consists of San Diego County, is located in Southern California (Figure 7), adjacent to the U.S.-Mexico border. It is a strategic location for international commerce and business on the U.S. West Coast. Covering 4,526 square miles, the San Diego MSA includes 18 cities: Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista. The four principal cities are San Diego, Chula Vista, Carlsbad, and Poway.[8]

Located three miles northwest of downtown San Diego, SAN is the only major commercial service airport within the San Diego MSA. McClellan-Palomar Airport (CRQ), which is located 34 miles north of SAN in Carlsbad, is designated as a commercial service airport. CRQ, however, has not had scheduled commercial passenger service except when California Pacific, now out of service, operated briefly at the airport in 2018. CRQ now serves mainly air taxi and general aviation operations.

Outside the San Diego MSA, eight U.S. commercial service airports are located within 150 road miles of SAN (typically a two- to three-hour drive, but at times longer due to frequent traffic congestion), as shown in Table 2 and Figure 8. The closest is John Wayne Airport (SNA) in Orange County (89 road miles from SAN). SNA is a smaller airport than SAN, both in airport capacity and passenger traffic. SNA also currently faces caps on its average daily departures and annual enplanements pursuant to the Settlement Agreement between the County of Orange and City of Newport Beach Airport Working Group.[9]

Further north in Los Angeles County is the Los Angeles International Airport (LAX), Southern California's largest commercial airport and California's largest international gateway. LAX attracts passengers from all over Southern California—including San Diego County, especially for international service.

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[8] Office of Management and Budget, Revised Delineations of Metropolitan Statistical Areas, "Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas," *OMB Bulletin No. 20-01*, March 6, 2020.

[9] *Key Provisions of the 1985 Settlement Agreement and the 2003 and 2014 Amendments*, <https://www.ocair.com/communityrelations/settlementagreement/keyprovisions>, accessed on July 9, 2019.

Figure 7| California County Map

Source: California State Association of Counties.

Table 2| Commercial Service Airports Within 150 Road Miles of SAN

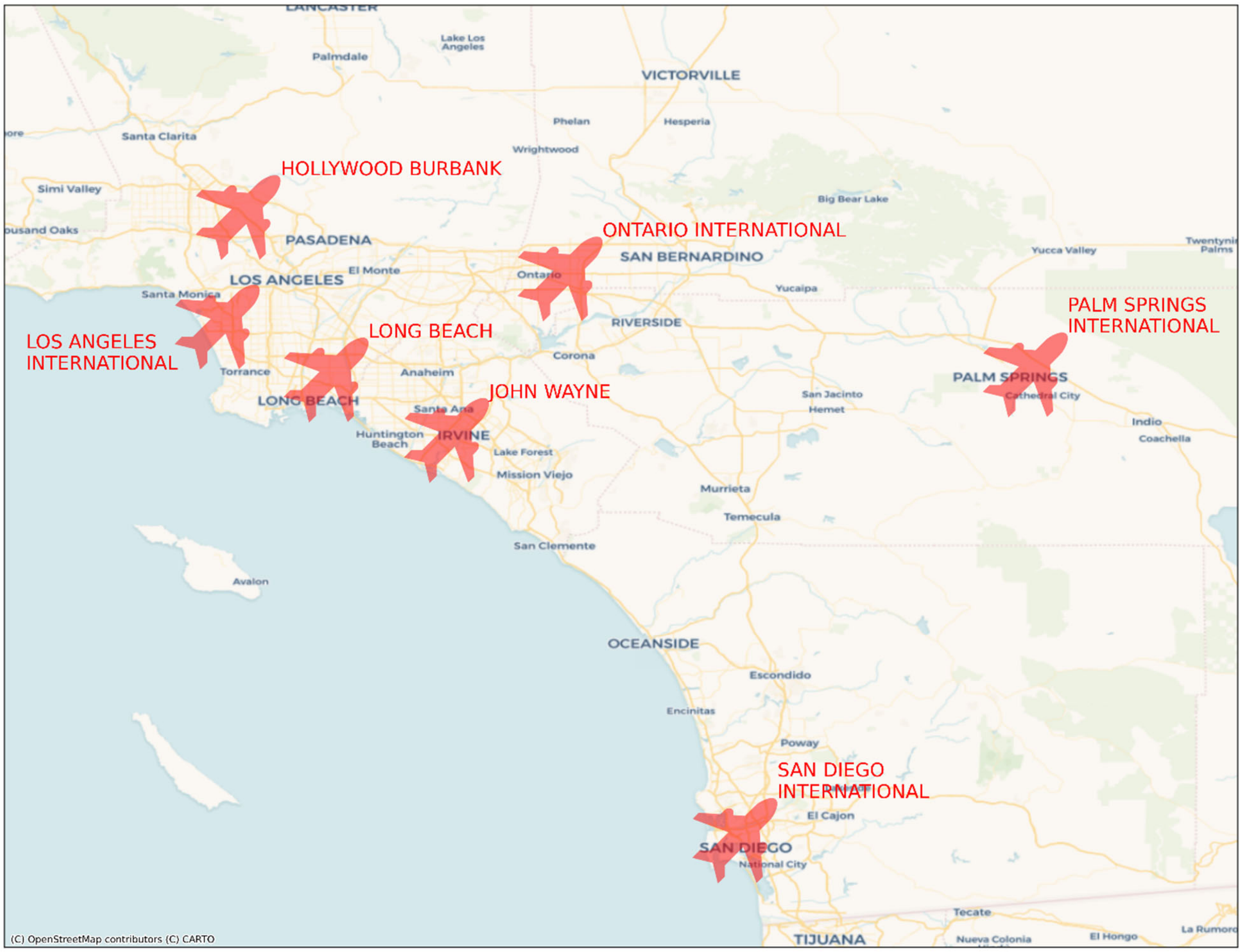
	Enplanements (Millions)[1]				Distance from SAN[2]	
Airport	CY2020	CY2019	City	State	Miles	Drive Time
San Diego International	4.6	12.6	San Diego	CA	--	--
Los Angeles International	14.0	42.9	Los Angeles	CA	125	2 hours, 10 minutes
John Wayne	1.8	5.2	Santa Ana	CA	89	1 hour, 35 minutes
Ontario International	1.2	2.7	Ontario	CA	115	2 hours
Hollywood Burbank	1.0	3.0	Burbank	CA	134	2 hours, 40 minutes
Long Beach	0.5	1.8	Long Beach	CA	106	1 hour, 55 minutes
Palm Springs International	0.6	1.3	Palm Springs	CA	144	2 hour, 20 minutes
Imperial County[3]	--	--	Imperial	CA	119	2 hours
San Bernardino International[3]	--	--	San Bernardino	CA	111	1 hour, 55 minutes
Tijuana International	3.2	4.5	Tijuana	Mexico	24	30 minutes

1 Sources: U.S. Bureau of Transportation Statistics T-100 Market data (all scheduled service) for U.S. airports and Grupo Aeroportuario del Pacífico for Tijuana International Airport.

2 Source: Google Maps. Actual drive times may be significantly longer during peak traffic.

3 The FAA TAF estimates zero scheduled enplanements at the airport in 2019 and 2020. However, these airports are included on this table because they are classified as commercial service airports.

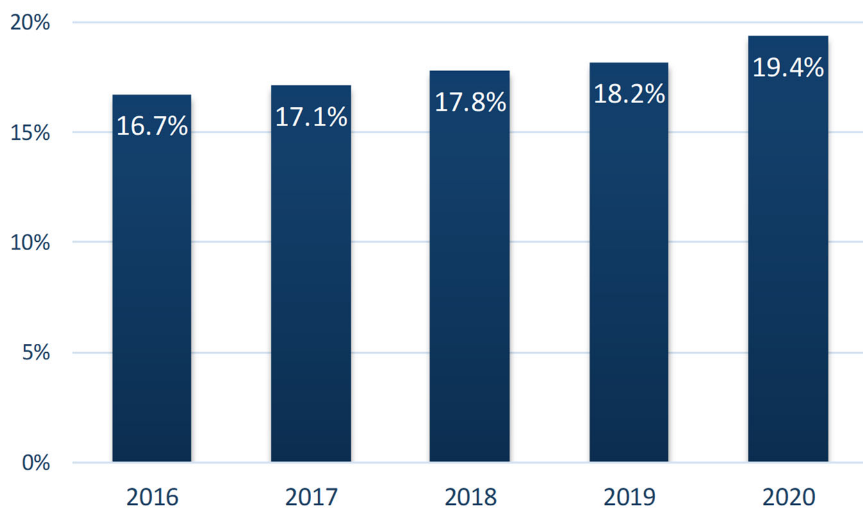
Figure 8| U.S. Commercial Passenger Service Airports Within 150 Road Miles of SAN



The map includes only U.S. airports with enplanements in CY2019 and CY2020. Across the U.S.-Mexico border in Tijuana is Tijuana International Airport, serving mostly Mexican domestic passenger traffic.

Four other U.S. commercial service airports within this radius offer scheduled commercial passenger service: Ontario International Airport, Hollywood Burbank Airport, Long Beach Airport, and Palm Springs International Airport. Their service offerings are more limited than SAN. The remaining two Southern California commercial service airports, Imperial County Airport and San Bernardino International Airport, had no scheduled commercial passenger service in 2019 and 2020. SAN's share of total enplanements at the seven Southern California airports increased from 16.7 percent in 2016 to 19.4 percent in 2020 (Figure 9). The increase in SAN's share indicates faster enplanement growth at SAN through 2019, relative to the other Southern California airports. By 2019, SAN's share of Southern California's total enplanement has reached 18.2 percent—an increase of 1.5 percentage points from 16.7 percent in 2016. The increase in SAN's enplanement share accelerated during the COVID-19 pandemic, indicating a smaller proportional decrease in enplanement relative to other Southern California airports, due in part to less reliance on international traffic and San Diego's attractiveness as an outdoor leisure destination. People traveling for leisure during the pandemic are opting for beach and hiking destinations, both available in San Diego.

Figure 9| SAN's Share of Total Enplanements at Southern California Commercial Airports, CY2016-2020



Source: U.S. Bureau of Transportation Statistics T-100 Market data (all scheduled service).

Located 24 miles south of SAN, in Tijuana, Mexico, Tijuana Rodriguez International Airport (TIJ) primarily serves the Mexican domestic market. In 2019, TIJ recorded about 4.5 million enplanements and accounted for 5.7 percent of Mexico's total enplanements.[10] TIJ passengers also have access to Cross Border Xpress (CBX), an enclosed pedestrian skybridge connecting a facility on the U.S. side of the border with the main TIJ passenger terminal on the Mexican side of the border. The facility allows passengers coming from or going to the United States direct access to TIJ, giving Mexican and other foreign flag carriers operating at TIJ direct access to the U.S. passenger market. CBX opened in December 2015 and can be used only by TIJ passengers who have boarding passes for flights departing within 24 hours or by TIJ passengers from flights arriving within 2 hours. Passengers departing for Mexico are required to pass through Mexican Customs and Border Protection, while passengers arriving from Mexico are required to go through U.S. Customs & Border Protection. In 2019, a total of 2.9 million passengers used the CBX, which accounted for 32.5 percent of TIJ passengers.[11]

While CBX may work to limit the growth of the Mexican air travel market from SAN, it has not hindered overall passenger traffic growth at SAN because the Mexican travel market has historically accounted for a very small share of total SAN passenger traffic. Since the CBX opened in

[10] Grupo Aeroportuario del Pacífico Traffic Report for Year-End 2019.

[11] Ibid.

2015, both domestic and international passenger traffic segments had grown steadily at SAN prior to the pandemic (see Section 3).

2.3 | Population

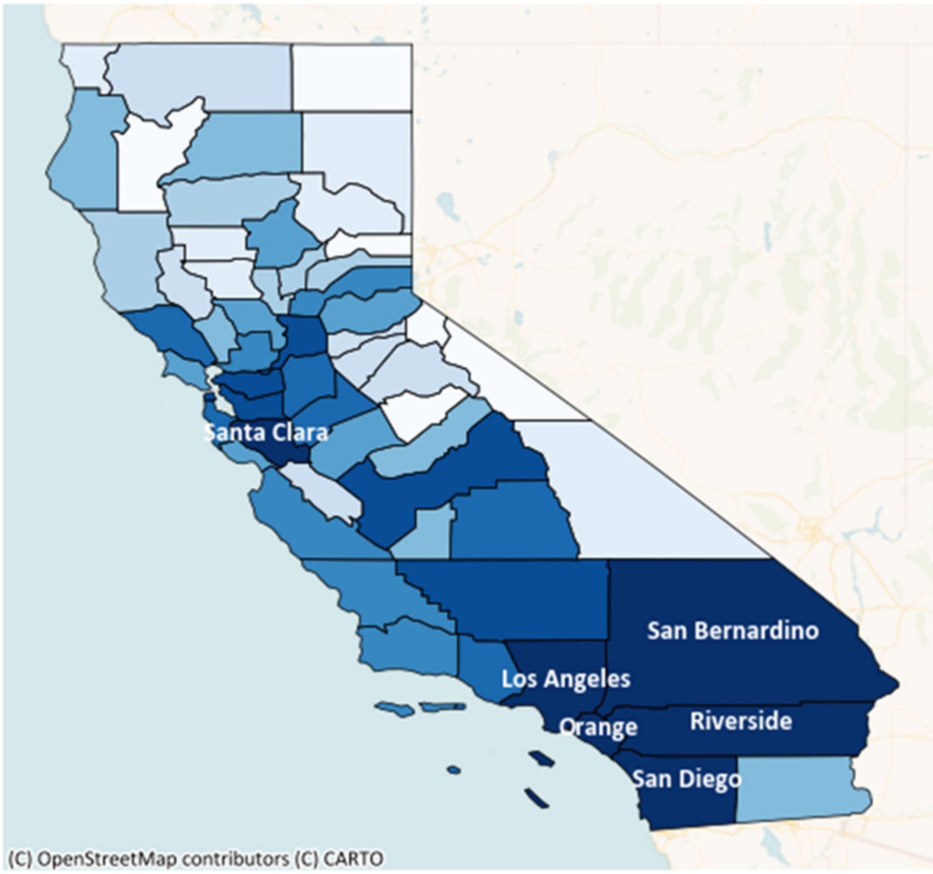
The San Diego MSA offers a large population for air travel. With a population of 3.3 million in 2020, San Diego was California's fourth largest MSA (Table 3) and the nation's 17th largest MSA. The San Diego MSA accounts for 8.5 percent of California's population. As a county, San Diego is the second largest in California, after Los Angeles County, and surrounded by other highly populous counties (Figure 10). At the national level, San Diego County is ranked the fifth largest county in the United States. These rankings have remained stable since 2010.

Table 3| California State and 10 Largest MSA Populations

Area	2020 Population	State Rank
California State Total	39,368,078	
California MSA Total	38,532,760	
Population outside MSAs	835,318	
MSA Population:		
Los Angeles-Long Beach-Anaheim	13,109,903	1
San Francisco-Oakland-Hayward	4,696,902	2
Riverside-San Bernardino-Ontario	4,678,371	3
San Diego-Carlsbad	3,332,427	4
Sacramento-Roseville-Arden-Arcade	2,374,749	5
San Jose-Sunnyvale-Santa Clara	1,971,160	6
Fresno	1,000,918	7
Bakersfield	901,362	8
Oxnard-Thousand Oaks-Ventura	841,387	9
Stockton-Lodi	767,967	10

Source: U.S. Census Bureau population estimates, July 1, 2020.

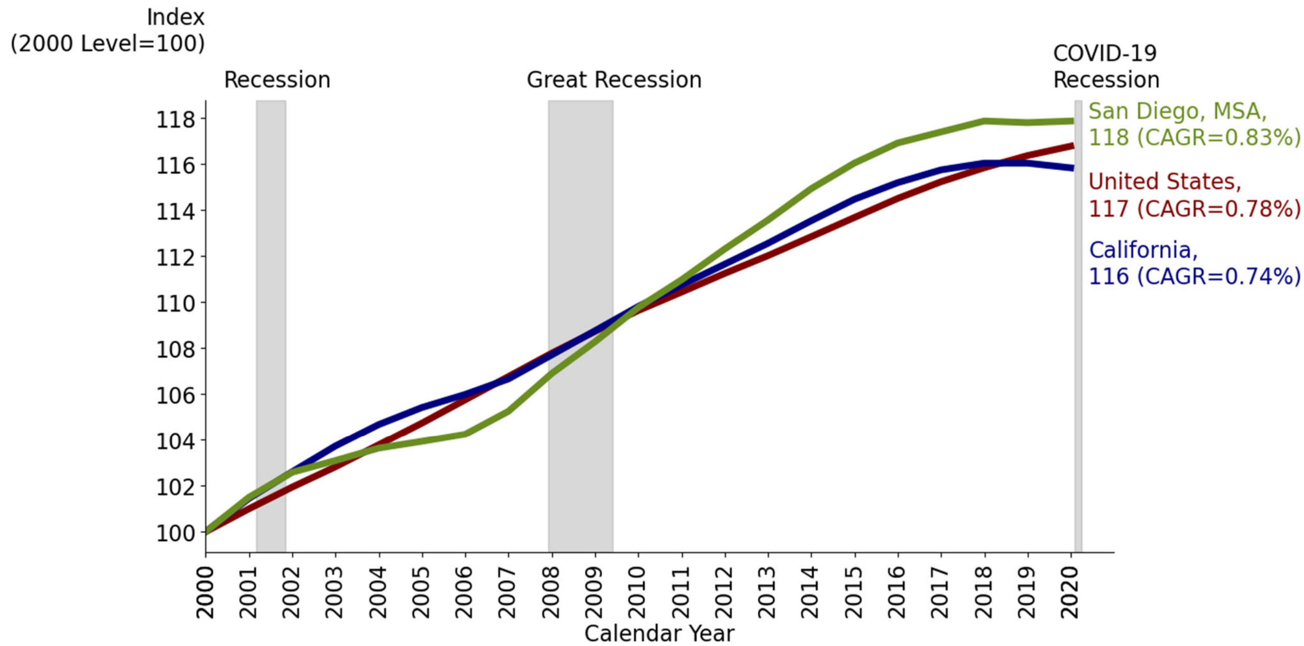
Figure 10| California County Population Map, 2020



Source: Unison Consulting, Inc., and U.S. Census Bureau 2020 population estimates. County labels are shown for the most populous California counties. Darker shading indicates larger population.

The San Diego MSA population has been growing faster than the California and U.S. populations. From 2000 to 2020, the San Diego MSA population increased by 17.8 percent (0.83 percent annually), compared with 16.7 percent (0.78 percent annually) for the United States and 15.8 percent (0.74 percent annually) for California (Figure 11). Due to a slowdown in immigration and increased outmigration, both the San Diego MSA and California as a whole have experienced a plateauing of population growth since 2018.

Figure 11| Population Growth



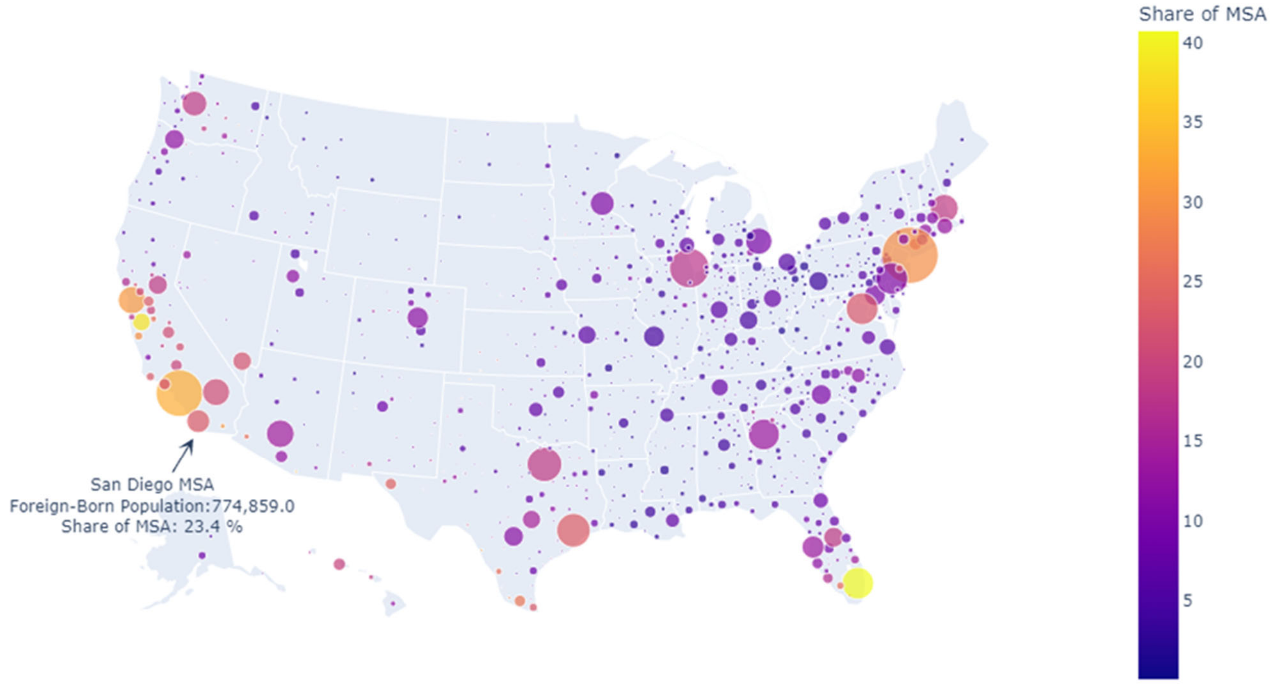
Data labels indicate the compound annual growth rate (CAGR) and the cumulative growth index.
Source: U.S. Census Bureau mid-year population estimates.

The San Diego MSA has one of the larger concentrations of immigrant population in the country: an estimate of 774,859 persons, or 23.4 percent of the MSA population (Figure 12). Among U.S. metropolitan areas, San Diego ranks 12th in immigrant population size and 25th in immigrant population share. Of the San Diego MSA's immigrant population, immigrants from Mexico account for the largest share (43 percent), and immigrants from Asia account for the second largest share (39 percent).[12]

Large immigrant populations can significantly raise the demand for international travel and thus airline service. At SAN, however, the presence of Mexican-born individuals only contributes to a slight uptick in Mexico destinations (see Section 3). There are two main reasons for the low number of Mexican destinations from SAN. The first is San Diego's proximity to the Mexican border, which allows for alternative modes of international travel, such as buses, cars, and trains. The second reason is the accessibility of TIJ, which allows convenient domestic air travel within Mexico.

[12] Source: U.S. Census Bureau's 2015-2019 American Community Survey. The term "immigrant" (or "foreign born") refers to people residing in the United States who were not U.S. citizens at birth. This population includes naturalized citizens, lawful permanent residents (LPRs), certain legal nonimmigrants (e.g., persons on student or work visas), those admitted under refugee or asylee status, and persons illegally residing in the United States.

Figure 12| U.S. Immigrant Population from All Countries by MSA, 2015-2019



The shade of the bubble indicates immigrant population share. The size of the bubble indicates relative immigrant population size.
Source: U.S. Census Bureau, American Community Survey 2015-2019.

The San Diego MSA and the Mexican municipalities of Tijuana, Rosarito Beach, and Tecate comprise an international metropolitan region that spans the U.S.-Mexico border. In 2020, the region is home to approximately 5.49 million people—3.33 million living in the San Diego MSA and 2.16 million living across the border in Tijuana, Rosarito Beach, and Tecate.[13] The international metropolitan region's population is second in size among such regions only to the population of the Detroit-Windsor region that spans the U.S.-Canada border. Millions of people pass through the three ports of entry in the region (Otay Mesa, San Ysidro, and Tecate). Around 33.8 million passenger border crossings were recorded in 2020 (Table 4), down from over 54.5 million crossings recorded in 2019.[14] The decrease can be attributed to several factors, including more stringent immigration policies under the Trump administration and COVID-19 travel restrictions. Nonetheless, high volume of cross-border traffic reflects the close economic and cultural ties between the San Diego MSA and the adjacent Mexican municipalities and the economic vitality of the international metropolitan region. In March 2017, the mayors of San Diego and Tijuana signed a memorandum of understanding that pledged to strengthen cooperation between the two cities.

[13] Based on data from the U.S. Census Bureau and Instituto Nacional de Estadistica y Geografia (INEGI).

[14] Source: U.S. Department of Transportation, Border Crossing/Entry Data.

Table 4| Annual Passenger Border Crossing/Entry Data, 2020

Passenger Type by Ground Travel Mode	Port of Entry			Total
	Otay Mesa	San Ysidro	Tecate	
Bus passengers	8,300	67,466		**75,766**
Pedestrians	2,188,463	5,043,034	512,467	**7,743,964**
Personal vehicle passengers	7,092,082	17,980,834	902,661	**25,975,577**
Train passengers	178			**178**
Total	**9,289,023**	**23,091,334**	**1,415,128**	**33,795,485**

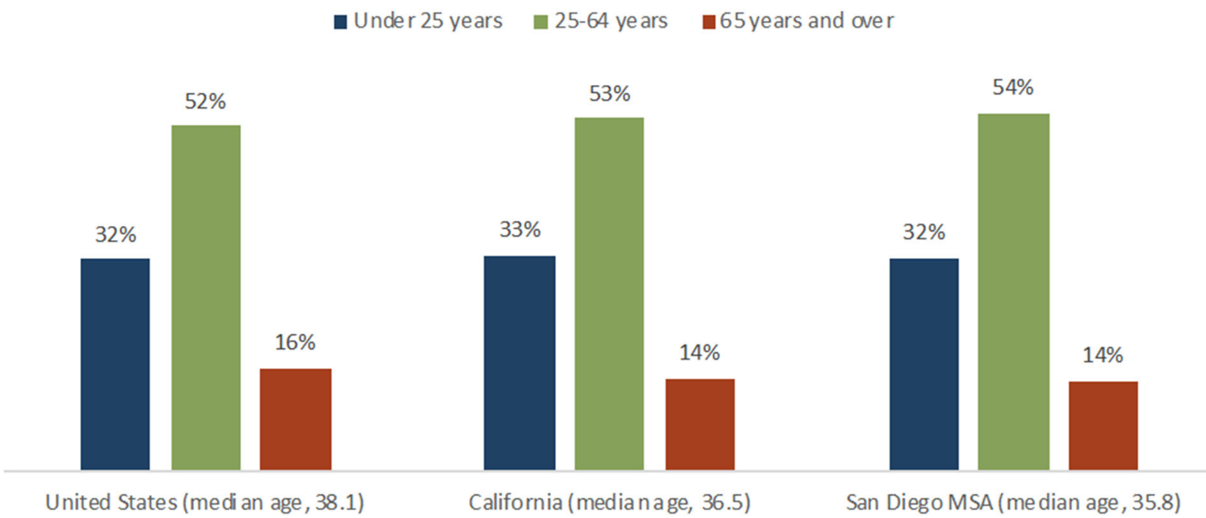
Source: U.S. Bureau of Transportation Statistics Border Crossing/Entry Data.

2.4 | Population Age Distribution

The San Diego MSA has a relatively young population, with median age over two years younger than the national median and one year younger than the state median (Figure 13). The age distribution of the San Diego MSA population mirrors the state- and national-level age distributions. The largest population is between 25 and 64 years old, and the smallest population is the 65-and-over age group, which approximates the age group of retirees. With its younger population, the San Diego MSA also has a lower old-age dependency ratio (20.1) than the nation (23.8). This indicator measures the capability of local residents to support local dependent populations.[15] Having a low old-age dependency ratio implies that the San Diego MSA economy has less funds tied up in social programs and more resources that could be allocated toward local businesses. It also means that the San Diego MSA's economy could grow fast and recover quicker from the pandemic than the nation.

[15] The old-age dependency is defined as the ratio of the number of persons aged 65 and over to the number of persons aged between 15 and 64, multiplied by 100. Higher old-age dependency ratios suggest that local residents are less likely able to support local dependent populations.

Figure 13| Population Age Distribution, 2015-2019



Source: U.S. Bureau of the Census, 2015-2019 American Community Survey Five-Year Estimates.

2.5 | Educational Attainment

A well-educated workforce is important for economic diversification and sustaining long-term economic growth. By being able to adapt quickly to changing skill requirements, well-educated workers help drive innovation and raise local productivity.[16] College educational attainment in particular has been closely linked with high local productivity, incomes, and employment levels.[17, 18] Relative to the nation and the state, the San Diego MSA has a considerably higher share of college and graduate degree holders among residents 25 and older (Figure 14). Many of these college graduates are likely attracted to the San Diego MSA's high concentration of knowledge-based industries, including technology and life sciences companies.[19] They are also likely attracted to San Diego's various start-ups and young firms, which offer a vibrant working environment.

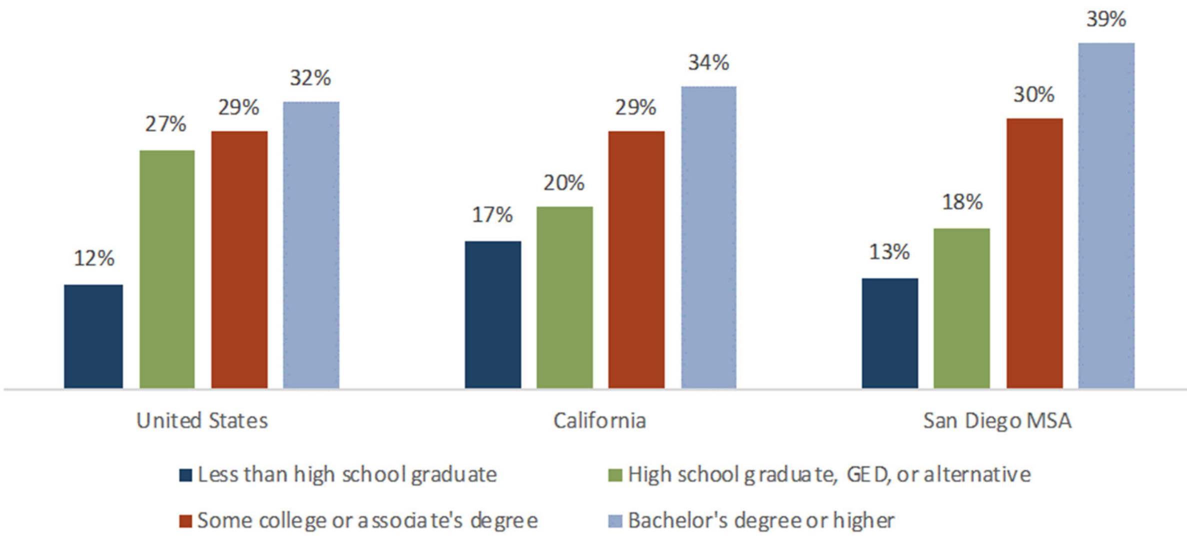
[16] Enrico Moretti, *The New Geography of Jobs*, Houghton Mifflin Harcourt, 2012.

[17] J.R. Abel and T.M. Gabe, "Human capital and economic activity in urban America," *Regional Studies* 45(8), 2011, page 1079-1090.

[18] L. Wolf-Powers, *Predictors of Employment Growth and Unemployment in US Central Cities*, W.E. Upjohn Institute, 2013, <http://research.upjohn.org/up_workingpapers/199/>.

[19] Joe Cortright, "The Young and the Restless and the Nation's Cities," *CityReport*, October 2014, <http://cityobservatory.org/wp-content/uploads/2014/10/YNR-Report-Final.pdf>.

Figure 14| Educational Attainment of Population 25 Years and Older, 2015-2019



Source: U.S. Bureau of the Census, 2015-2019 American Community Survey Five-Year Estimates.

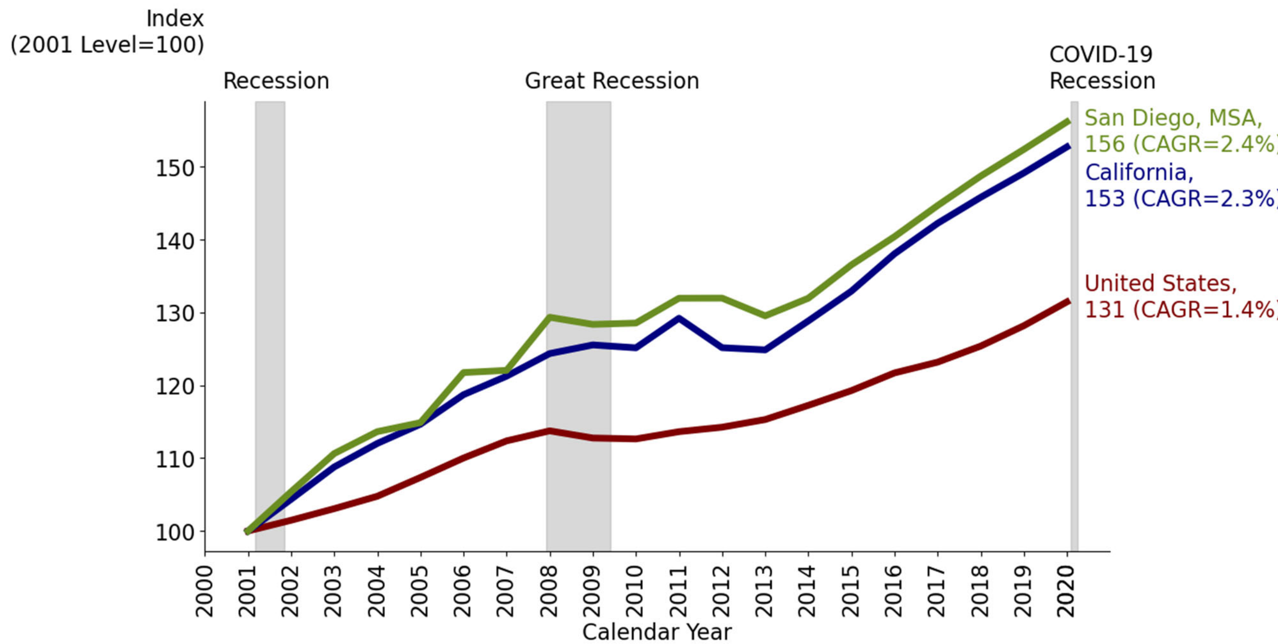
In addition to being a driver of economic growth, the San Diego MSA's large share of college-educated workforce also softened the adverse impacts of the COVID-19 pandemic on its economy. When states enforced local travel restrictions and shelter-in-place orders, businesses in industries that required face-to-face interactions, such as the restaurant industry, were forced to close. Other industries, such as professional and technical industries, were able to keep operations running by transitioning into a "work-from-home" business model. Compared to non-college-educated workers, college-educated workers are more likely to be employed in industries that had higher work-from-home potential. Therefore, MSAs with high concentrations of college-educated workers, such as the San Diego MSA, were able to adapt to the travel restrictions, lessening the adverse economic impacts associated with COVID-19-related regulations. The ability to work and conduct business from home, however, is one of the contributing factors to the slow recovery of business travel. However, although higher educated workers tend to account for most business travel, which has not returned to pre-pandemic levels, higher educated individuals also tend to have more discretionary income to spend on leisure travel, which has been recovering faster than business travel.

2.6 | Labor Market

Trends in the labor market reflect business conditions and overall economic well-being—factors that influence the demand for air travel. Generally, employment decreases during economic recessions and increases during recoveries and expansions, and as such employment growth rates often reflect the pace of economic growth. Figure 15 to Figure 18 show an increasing number of business establishments and growing employment in all business establishments.

Job creation begins with business development, which has progressed more rapidly in the San Diego MSA and California than in the entire nation (Figure 15). From 2001 to 2020, the number of business establishments in the San Diego MSA increased by 56 percent, above California's 52 percent increase and well ahead of the United States' 31 percent increase. Even with the negative economic impacts of the COVID-19 pandemic, establishment growth held steady in 2020, continuing its upward trend that began after 2012. In fact, establishment growth has been resilient to economic downturns over the last two decades, with only significant establishment contractions following the 2008-2009 Great Recession.

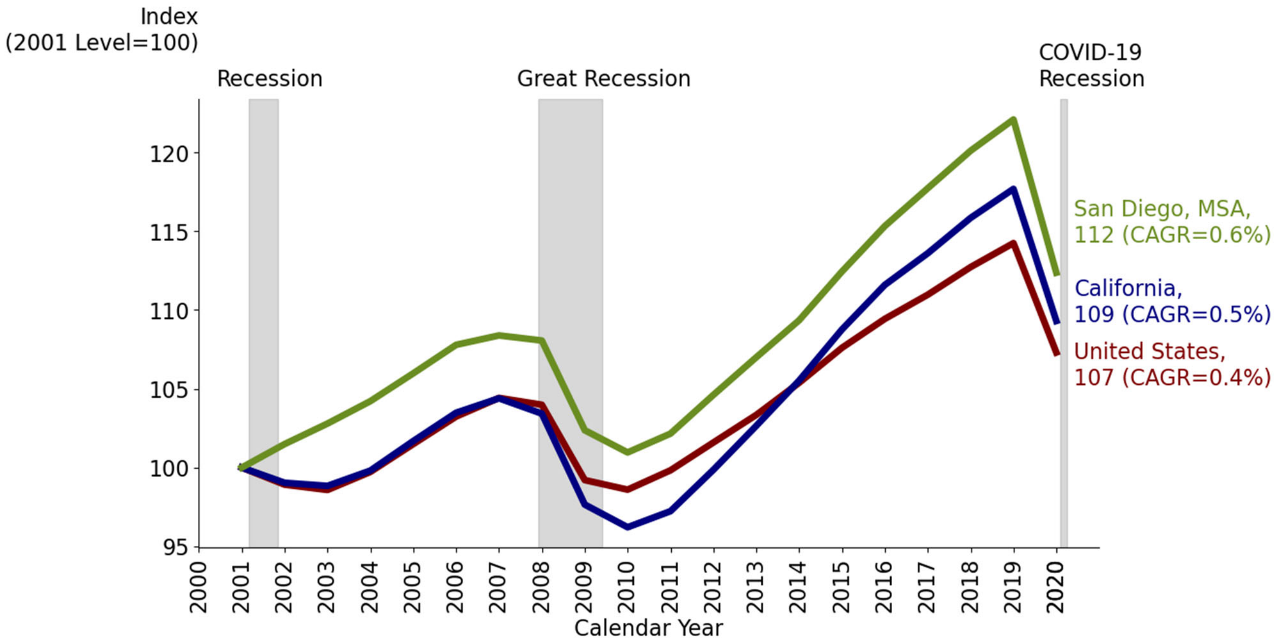
Figure 15| Growth in Number of Business Establishments



Data labels show the compound annual growth rate (CAGR) and the cumulative growth index.
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Distinct from the establishment trends, employment growth has been more sensitive to economic fluctuations. Between 2001 and 2020, the San Diego MSA's employment grew by 12 percent, much lower than its business establishment growth of 56 percent but still higher than the employment growth of California (9 percent) and the employment growth of the United States (7 percent) (Figure 16). Over the same period, employment levels across the United States declined precipitously multiple times, including during the 2008-2009 Great Recession and during the COVID-19 recession. In addition to its sensitivity to economic fluctuations, employment levels are slow to recover from economic downturns. As an example, full employment recovery from the 2008-2009 Great Recession took more than half a decade, reaching 2008 levels only after 2013. Together, sharp contractions and slow recoveries highlight the vulnerability of employment to large shocks to the economy.

Figure 16| Growth in Number of Employees in All Business Establishments

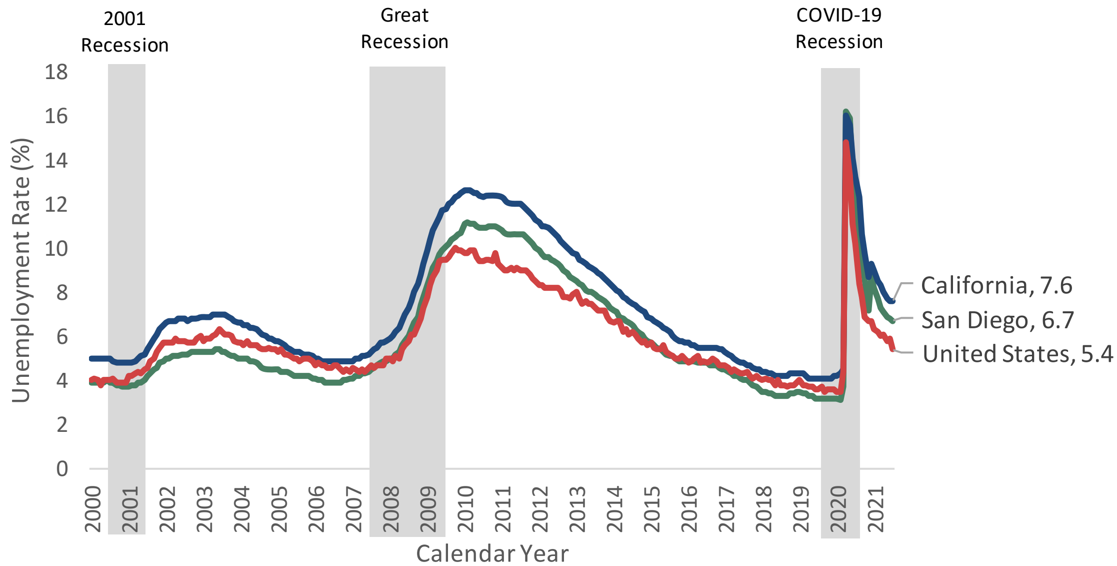


Data labels show the compound annual growth rate (CAGR) and the cumulative growth index.
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

Civilian labor force data complete the picture on the labor market conditions in the San Diego MSA. The key indicator from this data is the civilian unemployment rate, which is the share of working-age (16 years and older) residents in the labor force that are unemployed. Across the nation, unemployment rates had fallen to their lowest levels just before the COVID-19 pandemic, and the San Diego MSA's monthly unemployment rate fell to its lowest level of 3.3 percent since 2000 (Figure 17). Since the pandemic, unemployment rates have risen across the nation, ending a decade-long period of declining unemployment rates. In July 2021, the San Diego MSA unemployment rate was 6.7 percent, above the national unemployment rate of 5.4 percent but below the California state unemployment rate of 7.6 percent. These numbers are much lower than the peak of nearly 16 percent from a year ago.[20] Relative to California's other metropolitan areas, the San Diego MSA's unemployment rate remains one of the lowest (Figure 18).

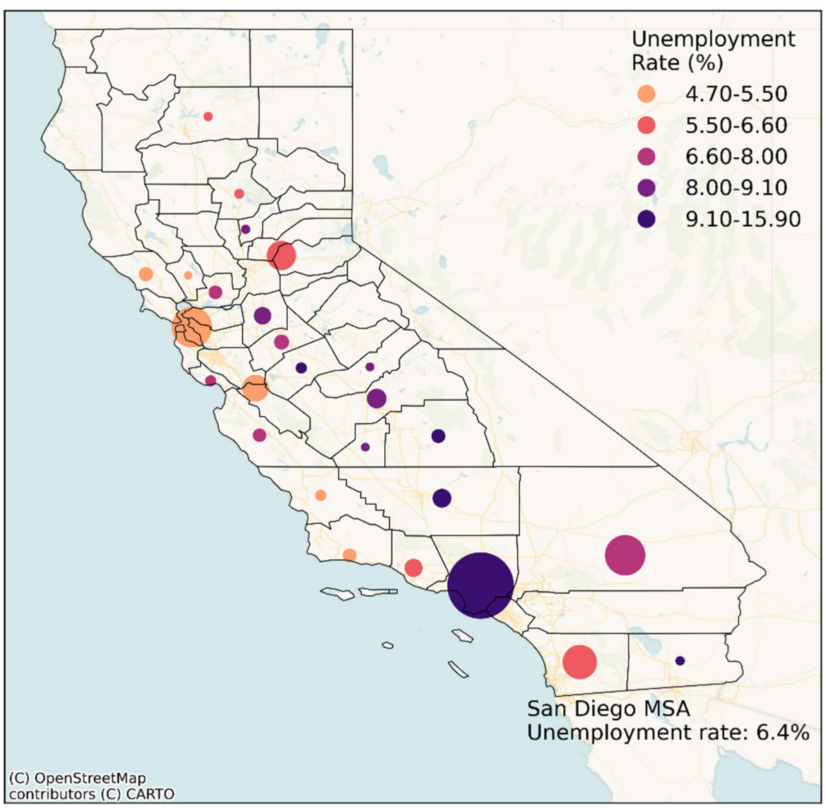
[20] The unemployment rate figures cited are seasonally adjusted.

Figure 17| Monthly Unemployment Rate, January 2000 to July 2021



Source: Seasonally adjusted unemployment rates from the U.S. Bureau of Labor Statistics.

Figure 18| California MSA Unemployment Rates, June 2021 (Not Seasonally Adjusted)

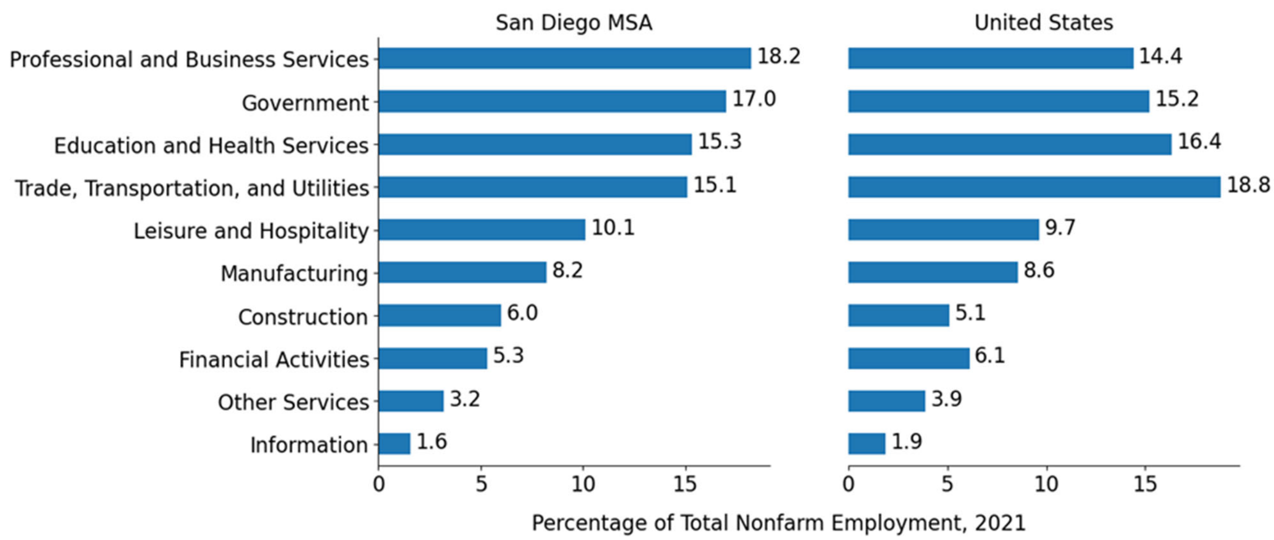


Circle size corresponds to MSA population size.
Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics Map.

2.7 | Employment by Industry

The San Diego MSA has a diverse economic base. In 2021, the main industries that comprise at least ten percent of the MSA's total nonfarm employment are *Professional and Business Services; Government; Education and Health Services; Trade, Transpiration, and Utilities;* and *Leisure and Hospitality* (Figure 19). Compared to the nation, the San Diego MSA has much larger employment concentrations in the *Professional and Business Services* and *Government* industry sectors. The *Professional and Business Services* industry sector contains many industries in the fields of science and innovation. The *Government* industry sector includes civilian employees of the U.S. Department of Defense but excludes military personnel. There are more than 100,000 active-duty military service members in San Diego, making the MSA the largest military community in world.[21]

Figure 19| Share of Total Nonfarm Employment Across Industries, 2021



The Mining and Logging industry is not shown on the chart as it accounts for less than 1 percent of total nonfarm employment in both the San Diego MSA and the United States.
Source: U.S. Bureau of Labor Statistics Current Employment Statistics.

Figure 20 shows employment growth by industry in the San Diego MSA from 2000 to 2021. Before the COVID-19 pandemic, the fastest growing industry sector was *Education and Health Services*, in which employment grew by 81 percent between 2000 and 2019. The second highest industry sector growth occurred in *Leisure and Hospitality*, where employment increased by 56 percent. The *Professional and Business Services* industry sector also saw a significant gain of 28 percent.

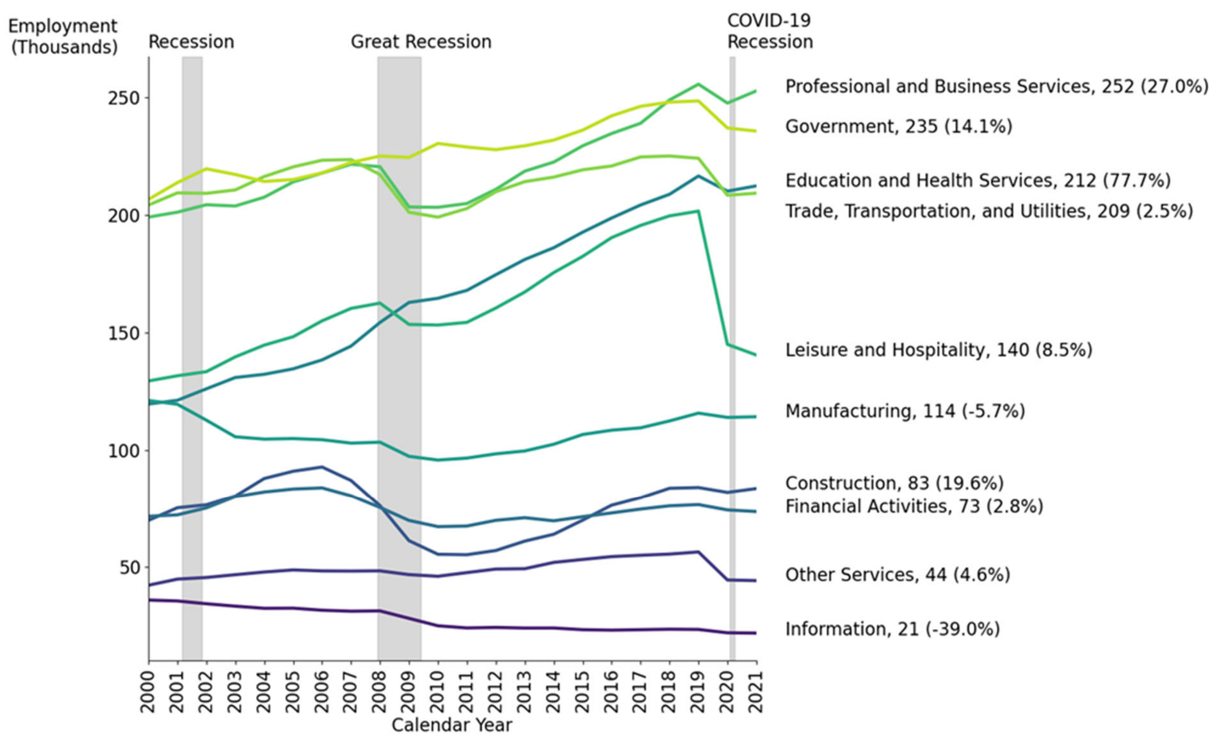
Over the same period, two industry sectors in the San Diego MSA experienced employment declines: the *Information* industry sector (down 39 percent) and the *Manufacturing* industry sector (down 6 percent). These declines were part of a long-run national trend driven by advancements in

[21] "San Diego's Military Community," Thomas Jefferson School of Law, <https://www.tjsl.edu/military/san-diego-community>, accessed on August 11, 2021.

computers and information technologies that began in the late 1980s and accelerated in the 1990s. The increase in global trade and proliferation of trade liberalization policies, such as the North American Free Trade Agreement (NAFTA) of 1994 and China's ascension to the World Trade Organization in 2001, have also contributed to a dwindling of U.S. manufacturing employment. Despite these headwinds, the San Diego MSA has been able to maintain much of its manufacturing base, where the local industry employment loss (down 5.7 percent) was less than a quarter of the national rate (down 26 percent).

The COVID-19 pandemic has brought unprecedented disruptions to the San Diego MSA's labor market. Among the industry sectors, *Leisure and Hospitality* experienced the most substantial decline between 2020 and 2021. Employment decreased by more than 20 percent between January 2020 and June 2021, erasing much of the employment growth over the last two decades. Contributing factors to this decline include depressed travel demand induced by business closures and statewide travel restrictions. Despite the easing of these restrictions in 2021, employment has yet to rebound in the *Leisure and Hospitality* industry sector, suggesting a slow and long recovery ahead. The emergence of the COVID-19 virus variants further complicates the industry sector's employment recovery. By contrast, industry sectors such as *Professional and Business Services* and *Education and Health Services* experienced relatively small negative effects of the pandemic (less than a 4 percent decline) and have already begun to recover.

Figure 20| Employment Growth by Industry, 2000-2021



Data labels show industries' 2021 employment levels (in thousands) and 2000-2021 cumulative growth rates (in parenthesis). The *Mining and Logging* industry sector is omitted from the graph because it has accounted for less than 1 percent of total nonfarm employment in both the San Diego MSA and the United States since 2000.
Source: U.S. Bureau of Labor Statistics Current Employment Statistics.

2.8 | Top Employers and Large Company Headquarters

Table 5 lists the top ten largest employers in the San Diego MSA. Over the years, these rankings have remained relatively stable. The top employers are concentrated in the *Education*, *Health Care*, and *Government* industries. Numerous companies are headquartered in the San Diego MSA; the ten largest companies, earning more than $1 billion in annual revenues, are listed in Table 6. The results from these tables confirm the industry-level insights from the previous section, Employment by Industry.

Table 5| Ten Largest Employers in the San Diego MSA

Rank	Employer	Industry Description	Employees	Share of Total County Employment
1	Federal Government (includes Department of Defense)	Government	48,500	3.55%
2	State of California	Government	45,200	3.31%
3	University of Califomia (includes UC Health)	Education and research	35,802	2.62%
4	Sharp Healthcare	Health care	18,770	1.37%
5	County of San Diego	Government	18,025	1.32%
6	Scripps Health	Health care	15,334	1.12%
7	San Diego Unified School District	Education	13,559	0.99%
8	Qualcomm, Inc.	Semiconductor and telecommunications	13,000	0.95%
9	City of San Diego	Government	11,820	0.87%
10	Kaiser Permanente	Healthcare	9,630	0.71%

Source: "Table 14: County of San Diego Principal Employers," *County of San Diego Comprehensive Annual Financial Report*, Fiscal Year Ending June 30, 2020.

Table 6| Ten Largest Companies by Annual Revenue Headquartered in the San Diego MSA

Company	Business Description
Qualcomm, Inc.	Semiconductor and telecommunications
Petco Holdings, Inc.	Specialty pet food retail
Jack in the Box	Fast-food restaurant chain
Sempra Energy	Natural gas utilities holding company
Sharp Healthcare	Health care
General Atomics	Aerospace and defense
Scripps Health	Health care
San Diego Data Processing	Information technology
Pulse Electronics	Electronic components
Teradata	Database and analytics-related service

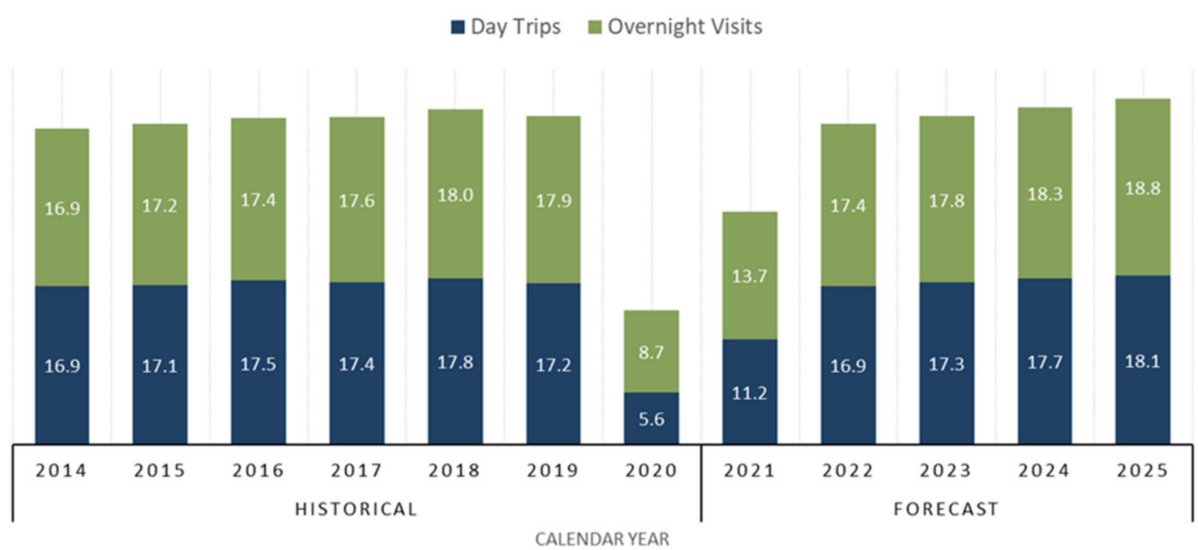
Source: Zippia.com, *Ten Biggest Companies in San Diego, CA*, accessed online on July 30, 2021.

2.9 | Tourism

Tourism not only drives demand for air transportation but also contributes to economic growth. As one of the most important industries in the San Diego MSA, tourism creates demand for goods and services offered by various business establishments and provides employment to local residents.

San Diego is one of the top 10 visitor and meeting destinations in the United States, historically drawing more than 30 million visitors annually.[22] The number of visitors to the San Diego MSA, measured in person trips increased from 33.8 million in 2014 to a peak of 35.8 million in 2018, before dropping to a low of 14.3 million in 2020, due to the COVID-19 pandemic (Figure 21). The San Diego Tourism Authority projects the number of visitors to the San Diego MSA to recover to pre-pandemic levels by 2024 and grow to 36.9 million person-trips by 2025.

Figure 21| Number of Visitors to the San Diego MSA (in Million Person-Trips)



Sources: San Diego Tourism Authority, CIC Research, and Tourism Economics. The 2021-2025 forecasts are from Tourism Economics, San Diego Travel Forecast, prepared for San Diego Tourism Authority, April 2021.

The San Diego MSA offers attractive natural amenities, including more than 70 miles of coastline and desirable climate. It also offers an array of entertainment options[23]:

- Destination neighborhoods such as La Jolla, Mission Bay, Point Loma Peninsula, Coronado Island, Downtown & Gaslamp Quarter, and Old Town.

[22] San Diego Regional Economic Development Corporation, *Our Economy*.

[23] Sources: Official websites of the San Diego Regional Economic Development Corporation, <https://www.sandiegobusiness.org>, and the San Diego Tourism Authority, <https://www.sandiego.org>, accessed August 11, 2021.

- Theme parks such as LEGOLAND California, San Diego Zoo, San Diego Zoo Safari Park, SeaWorld San Diego, and USS Midway Museum. A new theme park, Sesame Place, is scheduled to open starting March 2022.
- Arts and culture at Balboa Park, known as the Smithsonian of the West, with 17 museums and performing arts venues, and San Diego's Nine Arts Districts.
- Sports including watersports, individual sporting activities, and spectator sports with the San Diego Padres at Petco Park.
- Nature parks such as Anza-Borrego Desert State Park located on the eastern edge of San Diego County, Mission Trails Regional Park, Torrey Pines State Natural Reserve Park, Cabrillo National Monument Historic Park, and San Diego's wetlands.
- Las Vegas-style casinos in East County and North County Inland.
- Del Mar Racetrack & Fairgrounds.

Because of its various amenities and attractions, the San Diego MSA is a popular destination for conferences, conventions, meetings, concerts, antique and auto shows, and other special events. It boasts one of the nation's largest convention centers—the San Diego Convention Center (SDCC)—that generates substantial revenues for the city. Every year between 2016 and 2019, the SDCC held over 61 primary conventions, attracted more than 540,000 attendees and 760,000 contracted room nights, and brought in over $650 million local spending (Figure 22). The Convention Center is also home to the annual Comic-Con Convention, which has been held since 1991. The Comic-Con Convention is one of North America's largest pop culture conventions, drawing more than 130,000 annual attendees.[24]

Because of the pandemic, activity at the SDCC came to an abrupt halt in 2020. Numerous event cancellations, including the 50th annual Comic-Con convention, decreased SDCC visitor activity to less than a quarter of its pre-2020 level. The SDCC temporarily closed in April 2020 and served as an emergency shelter through March 2021. The unprecedented decline in visitor activity resulted in significant budgetary pressures on the SDCC as well as San Diego's local governments, which rely on tax revenues from the Convention Center. However, the declines in visitor activity are expected to reverse as face-to-face meetings resume. California's high vaccination rates pave the way for the safe resumption of meetings and conventions in San Diego, according to the City of San Diego mayor. The SDCC reopened to host its first event since the start of the pandemic, in August 2021, following more than 15 months serving as an emergency shelter during the pandemic. The SDCC is currently scheduled to host 30 events between August and December 2021.[25]

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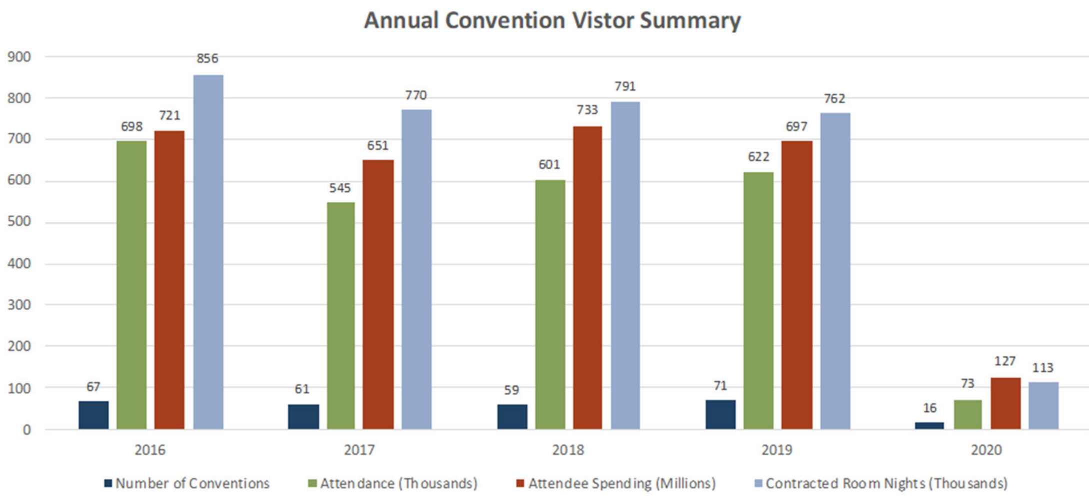
[24] Source: San Diego Tourism Authority, <https://www.sandiego.org>, accessed August 11, 2021.

[25] San Diego Convention Center, "San Diego Convention Center to Reopen for Events August 1," News, July 21, 2021, <https://www.visitsandiego.com>, accessed September 17, 2021.

Figure 22| San Diego Convention Center Activity, 2015-2020



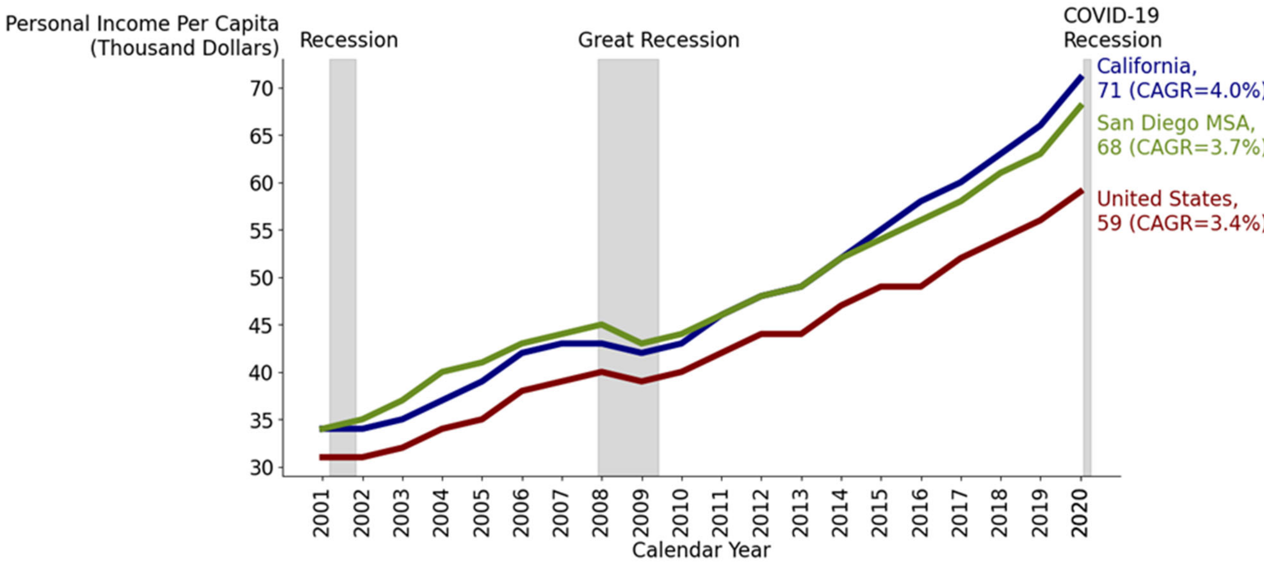
Data are only available for primary conventions.
Source: San Diego Tourism Authority, *Annual Visitor Industry Summary*, 2020.

2.10 | Personal Income and Cost of Living

Personal income measures the income people receive from all sources—employment, proprietorship, government transfers, rental properties, and other assets. It is an indicator that is associated with consumers' total expenditures. As such, growth in personal income boosts air travel demand, whereas a decrease in personal income lowers air travel demand. Furthermore, as a component of GDP, personal income tracks business cycles: on average, personal income increases during economic expansions and falls during economic recessions.

Residents of the San Diego MSA enjoy a high level of personal income. In 2020, the per-capita personal income of the San Diego MSA was $68,250, higher than the national mean ($59,450) but lower than the state mean ($71,480). Similar to their level differences, the San Diego MSA outpaced the nation in per-capita income growth but trailed behind California's growth between 2001 and 2020. The compound annual growth rate for the San Diego MSA was 3.7 percent, 3.4 percent for the United States, and 4.0 percent for California (Figure 23).

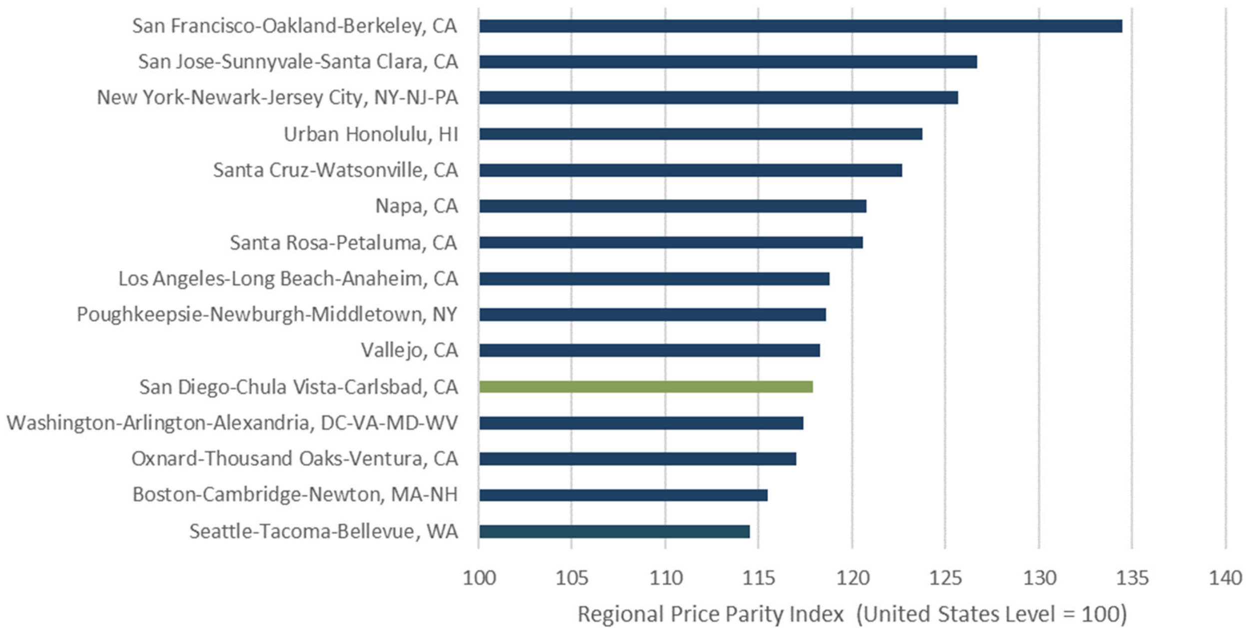
Figure 23| Per-Capita Personal Income (Current Dollars), 2001-2020



Data labels show the compound annual growth rate (CAGR) from 2001 to 202, and the per capita personal income level in 2020.
Sources: U.S. Bureau of Economic Analysis.

Compared to other metropolitan areas, the San Diego MSA's cost of living, as measured by the Regional Price Parity (RPP), is ranked 15th among all U.S. metropolitan areas in 2019 (Figure 24). As RPP measures price differences across metropolitan areas relative to the national level (U.S. RPP=100), a higher RPP indicates a lower spending power of local residents. Among California MSAs, the San Diego MSA's cost of living is relatively low, surpassed by seven metro areas: the San Francisco MSA, the San Jose MSA, the Santa Cruz MSA, the Napa MSA, the Santa Rosa MSA, the Los Angeles MSA, and the Vallejo MSA.

Figure 24| Cost of Living, Top 15 MSA Regional Price Parity, 2019



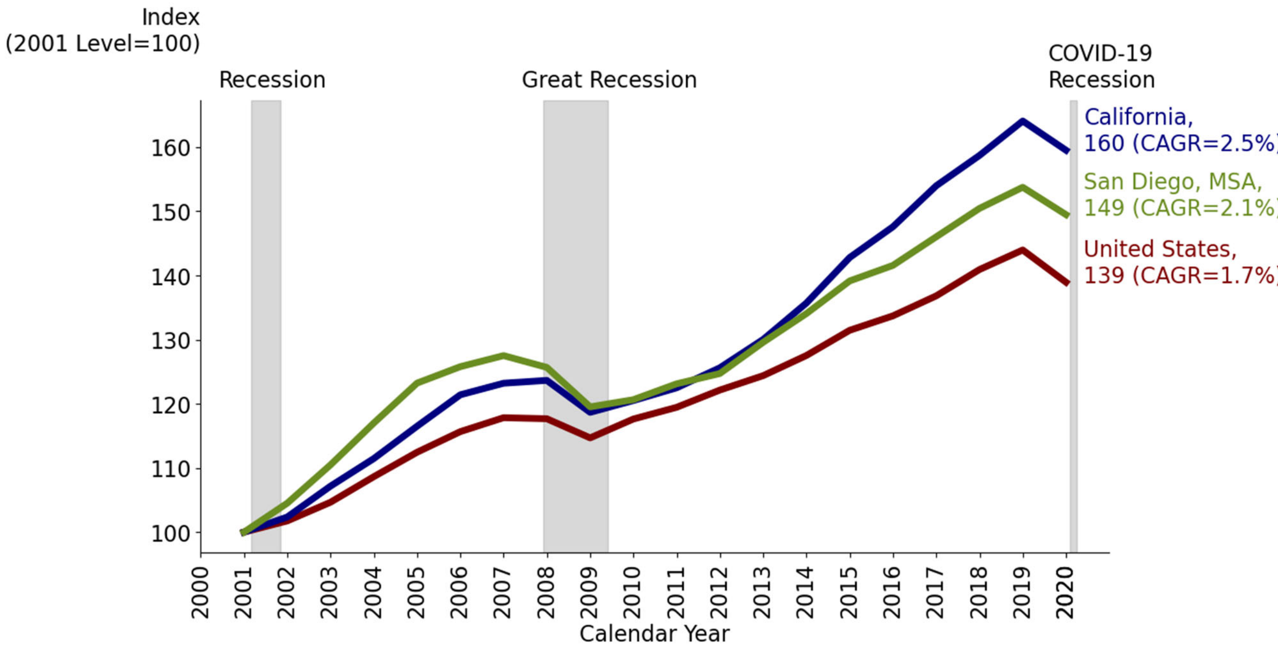
Sources: U.S. Bureau of Economic Analysis.

2.11 | Economic Output

Economic trends drive demand for air travel. The most comprehensive economic indicator is GDP, which measures the value of all goods and services produced in an area. Growth in inflation-adjusted real GDP indicates an economic expansion, which increases demand for air travel, while steady decline over two or more quarters indicates an economic recession, which decreases demand for air travel.

The real GDP growth of the San Diego MSA outperformed the nation from 2001 to 2019 and California from 2001 to 2009. Since 2009, the San Diego MSA's real GDP growth has trailed behind California's real GDP growth, due in part to the exceptional growth in the tech sector in California's other regions, such as the San Francisco-Oakland-Berkely MSA. Measured by real GDP, the San Diego MSA economy grew by 58 percent (2.4 percent annually) between 2001 and 2019, slightly lower than California's statewide real GDP growth of 59 percent (2.5 percent annually) but much higher than the national growth rate of 38 percent (1.7 percent annually).

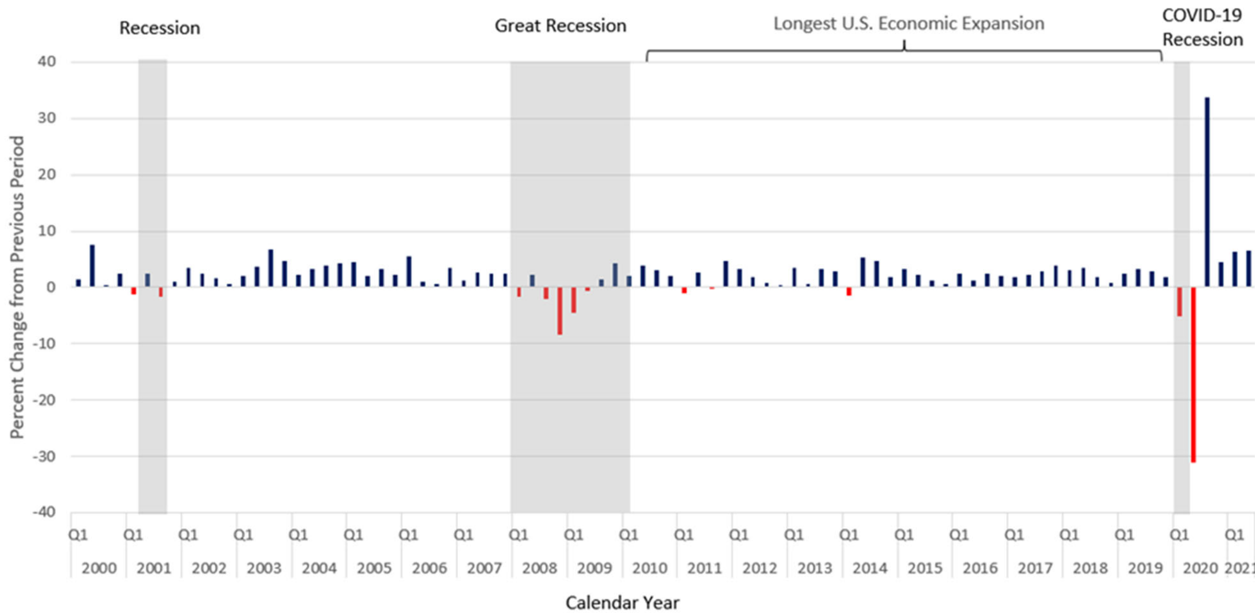
Figure 25| Growth in Real Gross Domestic Product, 2001-2020



Data labels show the compound annual growth rate (CAGR) and the cumulative growth index. The San Diego MSA's 2020 real GDP data has not been released. The chart shows an estimate for the growth in the San Diego MSA's 2020 real GDP, based on California's 2019-2020 real GDP growth rate.
Sources: U.S. Bureau of Economic Analysis.

The COVID-19 pandemic ended a long-running economic expansion that followed the 2008-2009 Great Recession (Figure 26). In 2020, the U.S. economy sank into a deep recession: real GDP contracted by 5.1 percent (annual rate) in Q1 2020 and by 31.2 percent (annual rate) in Q2 2020. These magnitudes were only surpassed by the Great Depression contractions. The COVID-19 recession was distinct from previous economic downturns not only in depth but also in its cause. Whereas previous downturns were either caused by structural changes in the economy or asset bubbles, the COVID-19 recession was directly influenced by state and local governmental regulations targeted at slowing the spread of COVID-19. Governmental measures such as statewide shelter-in-place orders temporarily halted business operations. Thus, when the restrictions eased and businesses re-opened in the second half of 2020, the U.S. real GDP grew rapidly: a 33.8-percent growth in the third quarter and a 4.5-percent growth in the fourth quarter. The U.S. economy continued its steady rebound in the new year. In first two quarters of 2021, the U.S. real GDP grew by over 6.3 percent, raising the real GDP above its pre-COVID-19 level.

Figure 26| U.S. Real GDP, Quarterly, Annualized Percent Change from Previous Period



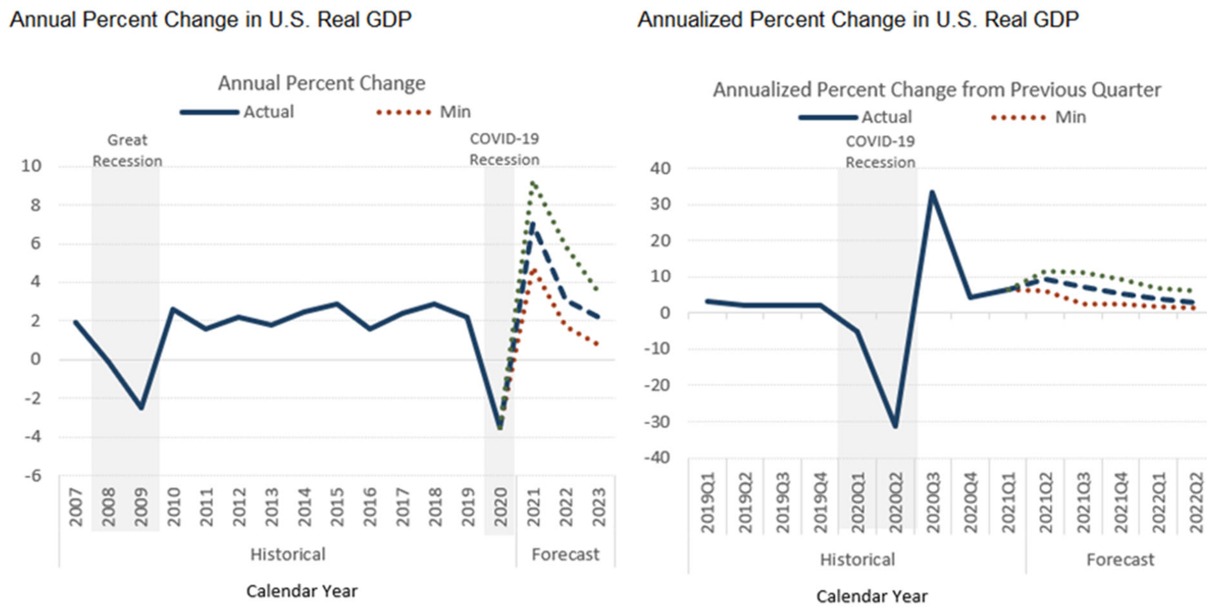
Sources: U.S. Bureau of Economic Analysis.

2.12 | Economic Outlook

Since the U.S. economic activity reached a trough in April 2020,[26] it has rebounded strongly and continues to grow. In the second quarter of 2021, the U.S. real GDP grew at an annualized rate of 6.5 percent relative to the previous period (Figure 26). According to the Wall Street Journal's July 2021 Economic Forecasting Survey, the United States is well-positioned for strong growth over the next three years (Figure 27). The Journal's median estimates of annualized U.S. real GDP growth rates are 7.1 percent in Q3 2021, 5.6 percent in Q4 2021, 3.8 percent in Q1 2022, and 3 percent in Q2 2022. Based on the same forecasts, the U.S. real GDP is projected to grow annually by 7 percent in 2021, 3 percent in 2022, and 2.2 percent in 2023.

[26] NBER Business Cycle Dating Committee, Determination of the April 2020 Trough in US Economic Activity, July 19, 2021.

Figure 27| Historical and Forecast Percent Change in U.S. Real GDP



Sources: U.S. Bureau of Economic Analysis and Wall Street Journal's July 2020 Economic Forecasting Survey.

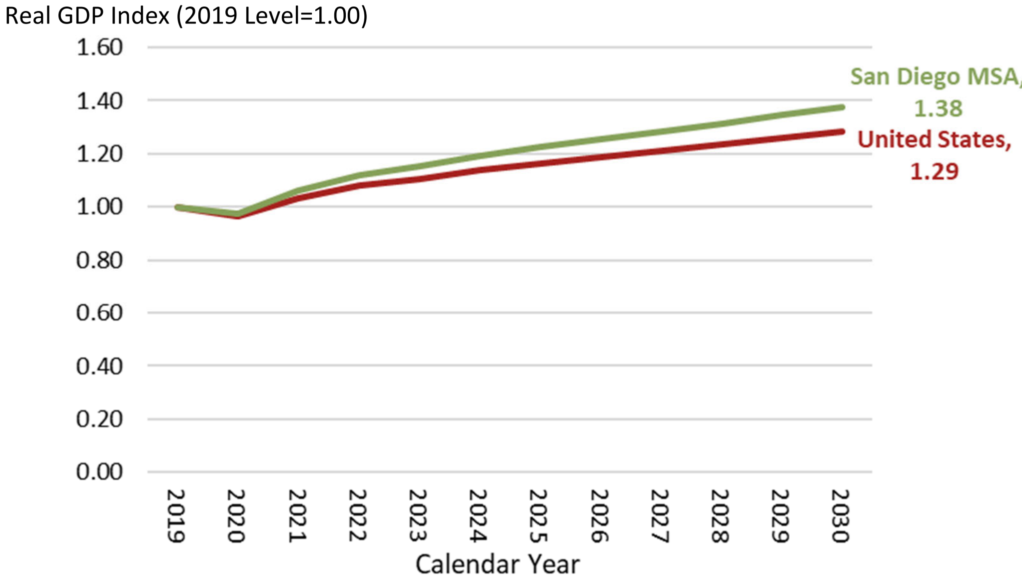
Over the next ten years, the real GDP growth of the San Diego MSA is expected to outperform the real GDP growth of the United States. Based on independent forecasts from Moody's Analytics, the San Diego MSA's real GDP is expected to grow by 38 percent relative to the 2019 level, compared to a national growth rate of 29 percent over the same period (Figure 28). However, in terms of employment growth, the San Diego MSA is expected to lag behind the nation, though the difference is not large. Moody's Analytics forecasts that the San Diego MSA's total nonfarm employment will grow by 5 percent by 2030. Over the same period, the U.S. total nonfarm employment is expected to grow by 6 percent (Figure 29).

A diverse and historically robust economy positions the San Diego MSA to outpace the nation in economic and employment growth. However, the San Diego MSA faces the same headwinds and risks facing the nation. First, the emergence of new COVID-19 virus variants threatens to impede economic growth. As the country faces another COVID-19 surge, the San Diego MSA, which relies heavily on tourism for revenues, braces itself for potential slowing recovery in air travel demand and revenue shortfalls in the near-term. Second, the COVID-19 pandemic created significant supply chain disruptions, including the global microchip shortage. As supply fails to meet demand, fears about inflation abound. Although experts on the U.S. economy including the chairman of the Federal Reserve System deem the current rise in prices as transitory, driven by temporary factors unique to the pandemic.[27] Third, COVID-19 stimulus packages from the Biden administration further increased the already high national debt. Going forward, the U.S. Congress will have to raise the debt ceiling, curtail government spending, or raise taxes—all of which could significantly affect

[27] "Short-Lasting Inflation Depends on Long-Lasting Goods," *The Wall Street Journal*, September 12, 2021.

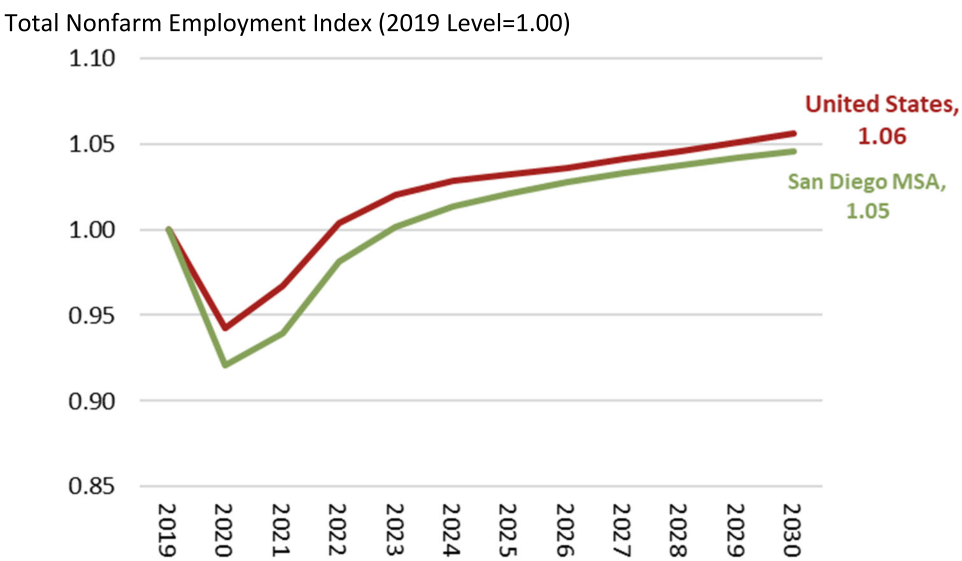
consumer confidence in the economy and business decisions. Fourth, the United States is grappling with two unfavorable demographic shifts: an aging population and a slowdown in population growth due to declining immigration and birth rates. Fifth, growing trade tensions with China and geopolitical conflicts with Russia also pose potential risks to the health of the U.S. economy.

Figure 28| Forecast Growth in Real Gross Domestic Product for the San Diego MSA and U.S.



Sources: Moody's Analytics, July 2021.

Figure 29| Forecast Growth in Total Nonfarm Employment for the San Diego MSA and U.S.



Sources: Moody's Analytics, July 2021.

SECTION 3 | AIR TRAFFIC ANALYSIS AND FORECASTS

SAN is one of the 28 U.S. commercial service airports classified as a large hub by the FAA and ranked 24th largest out of 478 U.S. commercial service airports based on CY2020 enplanements, maintaining its CY2019 rank. The FAA defines large hubs as commercial airports accounting for at least 1 percent of annual U.S. enplanements.[28] Based on CY2020 all-cargo carrier landed weight, SAN ranked 42— up from rank 43 in CY2019—out of 141 qualifying U.S. airports, including both commercial service and general aviation airports.[29]

This section reviews historical trends in commercial aviation activity at SAN and underlying drivers. Annual data are presented mostly on the Airport's fiscal year ending on June 30, unless specified to be on calendar year. Forecasts of key measures of commercial aviation activity (enplanements, aircraft departures or arrivals, and landed weight) are presented for the six-year period ending in FY2027, along with a discussion of the forecast methodology and assumptions. These forecasts serve as input to the financial analysis in Section 4. This section also discusses the broad factors affecting the aviation industry and the Airport that can bring risk and uncertainty into the forecasts.

3.1 | Current Scheduled Commercial Air Service

As of October 2021, 16 passenger airlines are scheduled to provide service from SAN to a total of 67 U.S. cities and eight international cities, and six air carriers are scheduled to provide all-cargo service at SAN. Table 7 shows the airlines scheduled to provide service from SAN as of October 2021, based on the airline schedules, which include the resumption of service by British Airways in October, as well as new entrant Swoop (which is owned by WestJet)starting service in October.

As of January 2020, prior to the start of the COVID-19 pandemic, 17 passenger airlines provided service from SAN to a total of 64 U.S. cities and nine international cities, and five air carriers provided scheduled all-cargo service at SAN. The only passenger airlines no longer operating from SAN that operated in January 2020, are Edelweiss Air and Lufthansa.

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[28] Federal Aviation Administration, *CY2020 Passenger Boarding Data*, <https://www.faa.gov/airports/planning_capacity/passenger_ allcargo_stats/passenger/>, accessed on August 27, 2021.

[29] Federal Aviation Administration, *CY2020 All-Cargo Airports by Landed Weight*, https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/>, accessed on August 27, 2021.

Table 7| Scheduled Passenger and Cargo Airlines (Scheduled as of October 2021)

Passenger Carriers		All-Cargo Carriers
Air Canada[1]	Japan Airlines	Ameriflight[6]
Alaska Airlines[2]	JetBlue Airways	Atlas Air[5]
Allegiant Air	Southwest Airlines	FedEx Express
American Airlines	Spirit Airlines	Swift Air
British Airways	Sun Country Airlines	United Parcel Service
Delta Air Lines[3]	Swoop	West Air[7]
Frontier Airlines	United Airlines[4]	
Hawaiian Airlines	WestJet	

1 Includes operations by affiliates, Air Canada Jazz and Air Canada Jazz Rouge.
2 Operated by Alaska Airlines and Horizon Air, separately certificated airlines owned by Alaska Air Group, Inc., and regional affiliate, SkyWest Airlines.
3 Operated by Delta Air Lines and regional affiliate, SkyWest Airlines.
4 Operated by United Airlines and regional affiliate, SkyWest Airlines.
5 Operating for DHL.
6 Operating for DHL and UPS.
7 Operating for FedEx Express.
Source: OAG Schedules Analyzer.

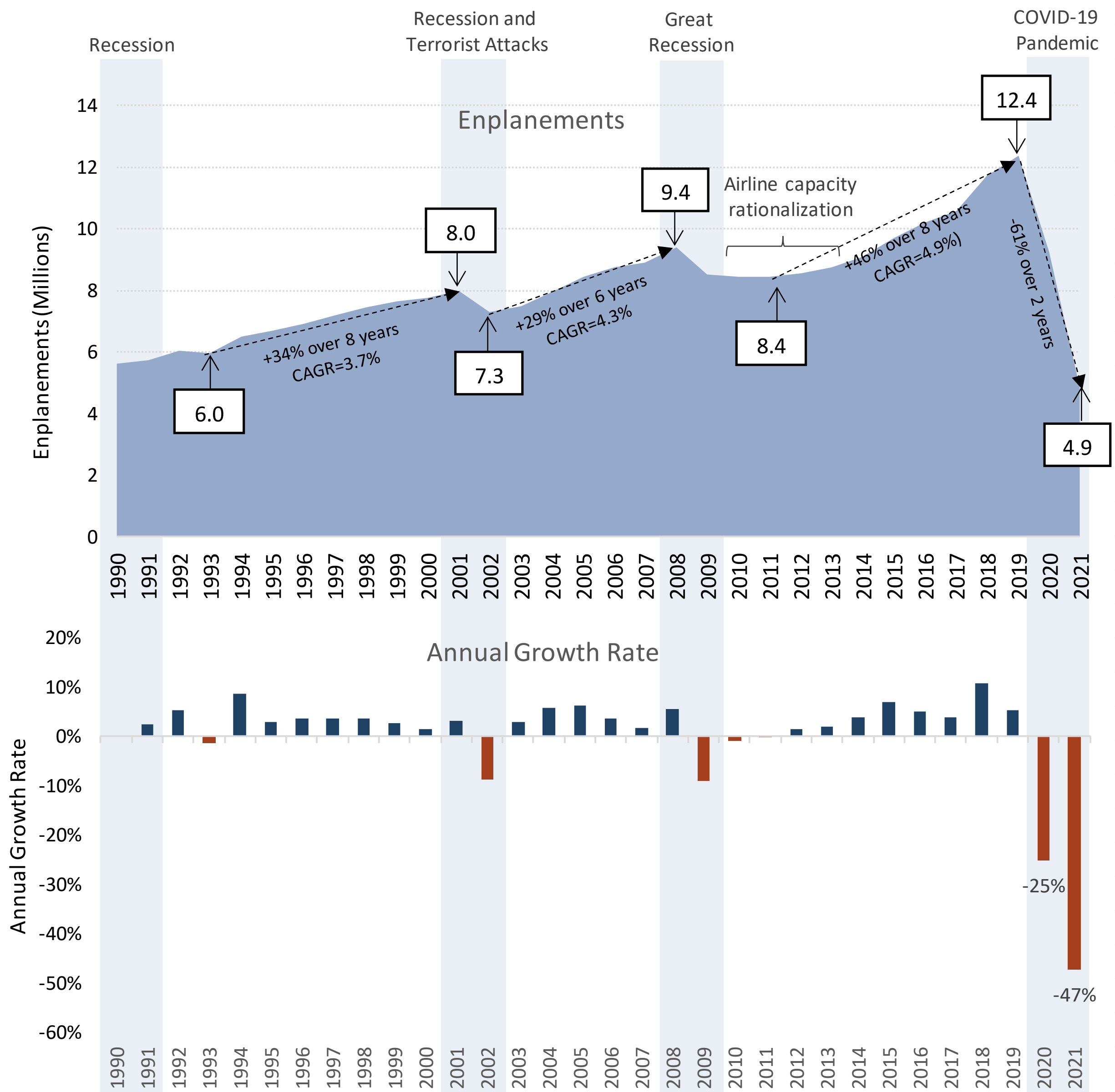
3.2 | Historical Passenger Traffic Trends

SAN set an all-time high record of 12.4 million enplanements in FY2019. The growth leading up to this record was driven by sustained economic expansion nationwide and in the San Diego MSA, and by renewed profitability and capacity expansion in the U.S. airline industry. Figure 30 shows the trends in SAN's enplanements since FY1990. SAN's enplanements increased more than 120 percent from FY1990 through FY2019. In April 2020, COVID-19 depressed passenger traffic to unprecedented low levels at airports nationwide. Passenger traffic has since begun to recover, but enplanements at most airports, including SAN, remain below pre-COVID-19 levels. At SAN, annual enplanements decreased in FY2020 and FY2021, down to 4.9 million in FY2021, around 40 percent of FY2019 enplanements. In August 2021, SAN's enplanements recovered to 73 percent of August 2019 level.

Historically, SAN's passenger traffic grew and declined with the U.S. economy. It is no coincidence that the long-term growth in SAN's enplanements closely tracked the growth in U.S. real GDP of more than 100 percent over the same period. The U.S. economy is a major driver of overall demand for air travel; it is also a major driver of the local economy in the San Diego MSA. Just as SAN enjoys growing traffic during economic expansions, the normal state of the economy, SAN also experiences declines in traffic coinciding with economic downturns, typically brief, with each turn of the business cycle. Each downturn is typically followed by a long expansion period, and, for SAN, a long period of traffic growth.

The 1990s began with a national economic recession that lasted from June 1990 to March 1991. The Airport weathered the recession with traffic growth through FY1992 and only a small decrease the following year. Economic expansion ensued through March 2001, the second longest in U.S. history, and the Airport's enplanements grew steadily from FY1993 through FY2001, reaching 8 million—an increase of 2 million, or 34 percent, in eight years.

Figure 30| Historical Enplanement Trends at SAN by Fiscal Year



Source: The Airport Authority.

During the 2001 recession, SAN's enplanement level fell almost 9 percent, aggravated by the effects of the September 11, 2001 terrorist attacks. Steady growth followed over the next six years, and

SAN's annual enplanements grew to 9.4 million in FY2008 before another downturn during the Great Recession.

The 2000s was an eventful decade for the aviation industry, prompting lasting changes in consumer air travel behavior and airline business practices. Following a three-day shutdown of the U.S. aviation system after the 2001 terrorist attacks, passenger traffic was slow to recover. Stringent airport security measures after the 2001 terrorist attacks resulted in longer wait for passenger security screening, prompting some demand substitution from air to ground travel for short-haul trips.

Meanwhile, jet fuel prices rose to record high levels. Jet fuel cost per gallon quadrupled from 2000 to 2008, and they remained at record high levels through 2014. Amid record fuel prices, the U.S. economy went into a recession from December 2007 to June 2009—the Great Recession, so called because it was then the longest and deepest recession since the Great Depression. The recession weakened demand for airline services, as airlines contended with high fuel costs.

The series of major shocks to the U.S. aviation industry set in motion significant structural changes. Mounting financial difficulties led to airline bankruptcies and mergers that left the U.S. airline industry with four major airlines controlling 80 percent of the U.S. domestic passenger traffic. These four major airlines are American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines. Surviving airlines embarked on major business restructuring and network consolidations. The U.S. airline industry cut domestic seat capacity to increase load factors, retrofitted existing aircraft with additional seats to increase capacity on each flight, changed route networks, retired high maintenance and fuel inefficient older aircraft, implemented various other cost-cutting measures, and unbundled services and changed pricing to create new revenue sources.

Bad weather, natural disasters, disease outbreaks, and geopolitical conflicts presented additional challenges to airlines. They disrupted airline operations, decreased traffic, and hampered economic recovery.

Weak demand and airline capacity cuts during the Great Recession resulted in a 10 percent decrease in the Airport's annual enplanements from FY2008 through FY2011. Passenger traffic recovery from the Great Recession was initially slow as airlines rationalized capacity. Growth picked up pace beginning in FY2014, continuing through FY2019. SAN's annual enplanements surpassed 10 million beginning in FY2016, rising to an all-time peak level of 12.4 million in FY2019. Over the next two fiscal years, enplanements decreased due to health safety concerns, social distancing, and travel restrictions during the COVID-19 pandemic. SAN ended FY2021 with 4.9 million enplanements—its lowest annual enplanement level in at least 30 years.

Monthly enplanement trends since March 2020 reveal the extent of depression from the COVID-19 pandemic, especially in April 2020 when SAN's enplanements slumped to only 3.5 percent of the April 2019 level (Table 8). SAN's traffic decline and recovery trends have tracked national trends. Recovery began in May 2020 as stay-at-home orders began ending in various parts of the country. It was progressing at a good pace until the summer of 2020 when the COVID-19 pandemic entered a second wave, slowing to a halt and then set back when the pandemic entered a third wave in the winter. The pace of recovery accelerated from March 2021, when SAN enplanements were 41.3

percent of March 2019 enplanements, to August 2021, when SAN enplanements reached 73.2 percent of August 2019 enplanements.

Table 8| SAN Monthly Enplanements by Calendar Year (in Thousands), January 2019-August 2021

Month	2019	2020	2020 as % of 2019	2021	2021 as % of 2019
January	896	953	106.4%	245	27.3%
February	848	900	106.1%	248	29.3%
March	1,057	487	46.0%	436	41.3%
April	1,053	37	3.5%	529	50.3%
May	1,071	95	8.9%	651	60.8%
June	1,148	210	18.3%	804	70.1%
July	1,210	306	25.3%	904	74.7%
August	1,175	333	28.4%	860	73.2%
September	1,034	311	30.1%		
October	1,070	348	32.5%		
November	1,003	342	34.1%		
December	1,060	307	29.0%		
Total	12,625	4,630	36.7%		

Source: The Airport Authority.

3.2.1 | Airport and U.S. System Enplanements

Table 9 and Figure 31 compare the growth trends in annual enplanements at SAN and nationwide from FY2010 through FY2021. SAN's passenger traffic growth kept pace with the national trend through FY2017. In FY2018 and FY2019, SAN outperformed the nation ending the decade with a 46 percent cumulative increase in annual enplanements compared with a 34 percent cumulative increase in U.S. system enplanements. As a result, SAN's share of U.S. system enplanements increased slightly from 1.1 percent in FY2010 to 1.2 percent in FY2019.

In FY2020, SAN's annual enplanements began to decrease, as the COVID-19 pandemic depressed passenger traffic at airports globally—in the United States, beginning in mid-March 2020. Over two fiscal years through FY2021, annual enplanements at SAN decreased 61 percent—larger than the 57 percent decrease in U.S. system enplanements over the same period. As a result, SAN's share of U.S. system enplanements decreased to 1.08 percent in FY2021.

Figure 32 compares SAN's passenger traffic recovery from the COVID-19 downturn with national trends based on the ratio of monthly enplanements to 2019 levels (expressed as an index where 2019 levels equal 100). In August 2021, SAN's monthly enplanements had recovered to 73 percent of August 2019 level, while total U.S. enplanements are estimated to have recovered to 77 percent of August 2019 level. SAN fell slightly behind the national recovery rate due to deeper declines in

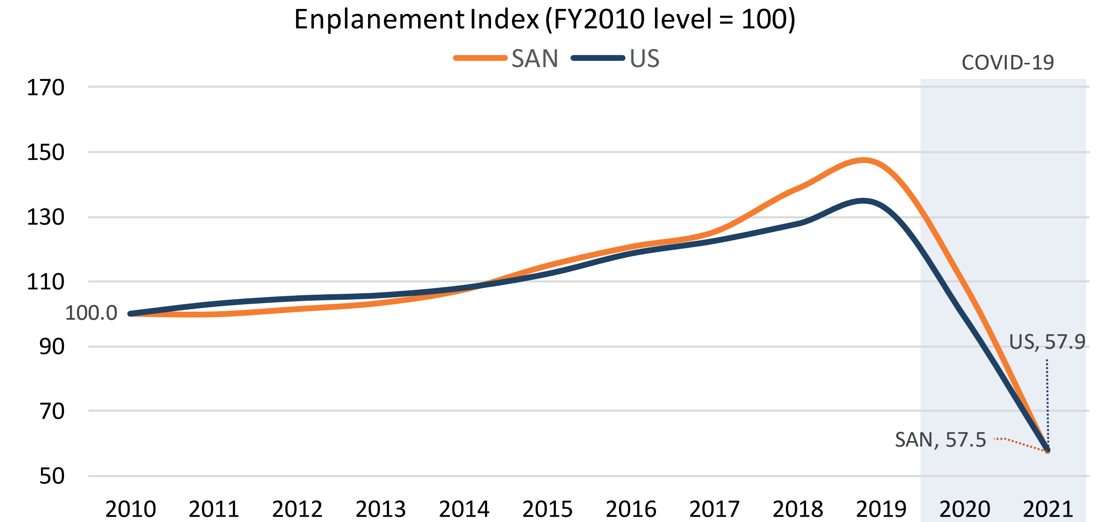
December 2020 and January 2021. As the pandemic entered a fourth wave in the summer of 2021, recovery rates at SAN and nationwide slowed in July and decreased slightly in August.

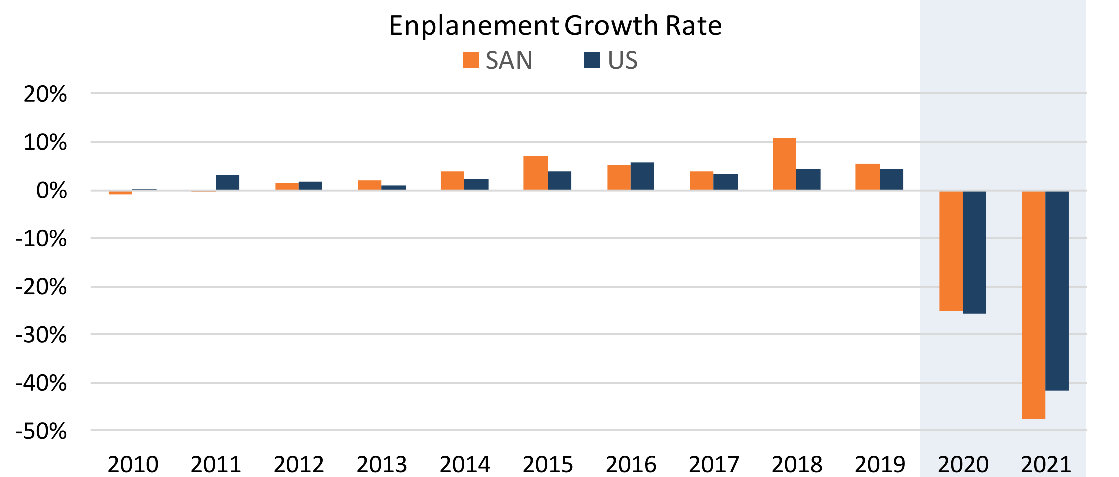
Table 9| SAN and U.S. System Enplanements

	SAN Enplanements		U.S. Enplanements		SAN Share
Fiscal Year	**(1,000s)**	**AGR**	**(1,000s)**	**AGR**	**of U.S.**
2010	8,454	-1.0%	773,996	0.1%	1.09%
2011	8,441	-0.2%	797,134	3.0%	1.06%
2012	8,576	1.6%	810,756	1.7%	1.06%
2013	8,738	1.9%	817,853	0.9%	1.07%
2014	9,082	3.9%	835,947	2.2%	1.09%
2015	9,713	6.9%	868,959	3.9%	1.12%
2016	10,206	5.1%	917,693	5.6%	1.11%
2017	10,596	3.8%	948,014	3.3%	1.12%
2018	11,729	10.7%	988,845	4.3%	1.19%
2019	12,356	5.3%	1,033,425	4.5%	1.20%
2020	9,235	-25.3%	767,002	-25.8%	1.20%
2021	4,861	-47.4%	448,057	-41.6%	1.08%
	Compound Annual Growth Rate				
2010-2019		4.3%		3.3%	
2019-2021		-37.3%		-34.2%	
2010-2021		-4.9%		-4.8%	

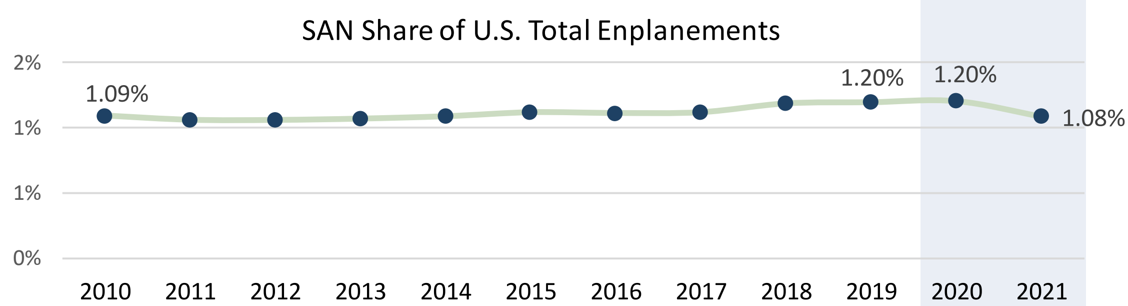
AGR – Annual growth rate.
Sources: The Airport Authority and U.S. Bureau of Transportation Statistics.

Figure 31| SAN and U.S. Total Enplanement Growth by Fiscal Year



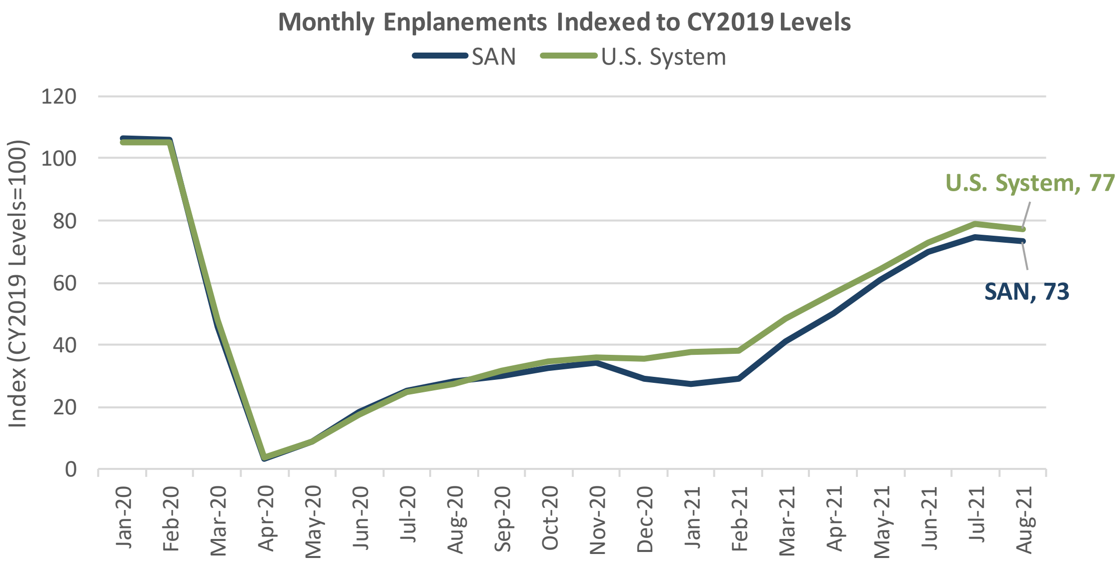


CAGR	SAN	US
2010-2019	4.3%	3.3%
2019-2021	-37.3%	-34.2%
2010-2021	-4.9%	-4.8%



CAGR - Compound annual growth rate.
Sources: The Airport Authority and U.S. Bureau of Transportation Statistics.

Figure 32| Comparison of Monthly Enplanement Recovery from the COVID-19 Downturn: SAN and U.S. System



Sources: The Airport Authority for SAN data, U.S. Bureau of Transportation Statistics for U.S. system data through June 2021, and U.S. Department of Homeland Security for TSA throughput data as basis for U.S. system estimates for July and August 2021.

3.2.2 | International Traffic

Although SAN primarily serves domestic traffic, the share of international traffic at the Airport has grown over the last decade, from 1.4 percent in FY2010 to 4.2 percent in FY2019 (Table 10). But this number dropped back to 1 percent in FY2021 due to international travel restrictions as a result of the COVID-19 pandemic.

The expansion of international air service began after FY2009, when Air Canada and WestJet increased nonstop service to Canada to 14 flights per week. British Airways began daily nonstop service to London in June 2011, and Japan Airlines began nonstop service daily to Tokyo in December 2012. Additional international service to Europe also began in the summer of 2017. Condor and Edelweiss Air operated seasonal service to Frankfurt, Germany, and Zürich, Switzerland, respectively. Although Condor's flights ended in October 2017, Lufthansa began nonstop service to Frankfurt in March 2018. Air Transat announced plans to offer service from Montreal to SAN, and Swoop announced plans to offer service from Edmonton to SAN, both beginning in the Summer of 2020. But COVID-19 was declared a global pandemic in March 2020, and all international service was suspended in April 2020. As of August 2021, the following international service has resumed: Alaska Airlines to Mexico (since May 2020), Japan Airlines (since March 2021), Southwest Airlines to Mexico (since March 2021), and Air Canada (since August 2021). Scheduled to resume service later in 2021 are WestJet (October), British Airways (October), and Lufthansa (November). Swoop, a new airline for SAN, is scheduled to begin service to Edmonton, Canada, in October.

Table 10| SAN Domestic and International Enplanements

	Enplanements				
	Domestic		International[1]		Total
Fiscal Year	(1,000s)	Share	(1,000s)	Share	(1,000s)
2010	8,339	98.6%	115	1.4%	8,454
2011	8,316	98.5%	125	1.5%	8,441
2012	8,324	97.1%	252	2.9%	8,576
2013	8,461	96.8%	277	3.2%	8,738
2014	8,746	96.3%	337	3.7%	9,082
2015	9,381	96.6%	332	3.4%	9,713
2016	9,849	96.5%	357	3.5%	10,206
2017	10,195	96.2%	402	3.8%	10,596
2018	11,257	96.0%	471	4.0%	11,729
2019	11,833	95.8%	524	4.2%	12,356
2020	8,865	96.0%	370	4.0%	9,235
2021	4,810	99.0%	51	1.0%	4,861
	Compound Annual Growth Rate				
2010-2019	4.0%		18.4%		4.3%
2019-2021	-36.2%		-68.8%		-37.3%
2010-2021	-4.9%		-7.1%		-4.9%

[1] International enplanements include enplanements by foreign flag carriers, as well as seasonal international enplanements reported by U.S. air carriers.
Source: The Airport Authority.

Located 24 miles south of SAN across the border in Mexico is Tijuana Rodriguez International Airport (TIJ). TIJ began operating in the mid-1950s, replacing an older airport in Tijuana. It primarily serves the Mexican domestic market, with 70 percent of its passengers traveling within Mexico.[30] As discussed in Section 2, CBX opened in December 2015 to make it easier for TIJ passengers to cross the border. Passenger traffic trends at SAN do not show conclusive evidence that the opening of CBX has hurt SAN. CBX opened in the middle of FY2016, yet the number of passengers flying to Mexico from SAN increased 12 percent from FY2015 to FY2016. Enplanements to Mexico decreased 13 percent in FY2017, rebounding quickly with increases of 24 percent in FY2018 and 3 percent in FY2019. Passengers headed to destinations in Mexico have historically comprised a very small portion of total enplanements at SAN (1.2 percent in FY2019), so that any change in this small market segment will also have a small effect on overall traffic at SAN. It is worth noting, however, that Alaska Airlines began seasonal nonstop service to Cancun in November 2020, adding to continuing service to Puerto Vallarta and San Jose Cabo.

[30] Grupo Aeroportuario del Pacifico, Traffic Diciember 2018.

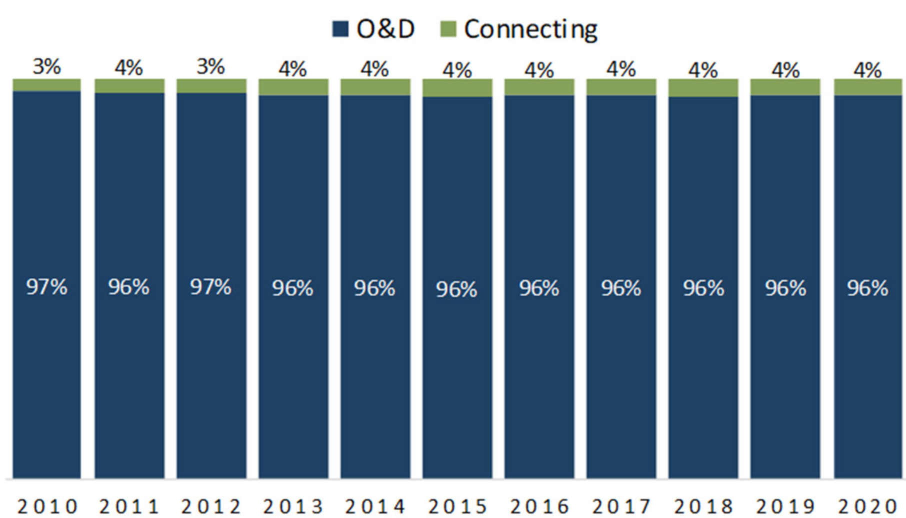
In total, SAN enplanements—both domestic and international—rose steadily from FY2015 through FY2019, and subsequently fell in the following years due to COVID-19.

3.2.3 | Composition of Passenger Traffic at SAN

SAN has a strong O&D traffic base, which constitutes a more stable market for air service compared with connecting traffic. O&D traffic arises from market demand and generally follows growth trends in both the local economy and the national economy. Unlike connecting traffic, O&D traffic is less vulnerable to changes in individual airlines' network strategies, business models, and financial conditions. O&D passengers account for around 96 percent of SAN's annual passenger traffic (Figure 33).

Connecting passengers make up the remaining 4 percent. According to U.S. Department of Transportation data, Southwest accounts for more than one-half of the connecting traffic at SAN, which is not surprising since Southwest also accounts for the largest share of total passenger traffic at SAN. The Airport's connecting traffic primarily consists of passengers originating from San Francisco, Los Angeles, and Sacramento.

Figure 33| O&D and Connecting Traffic Shares by Calendar Year



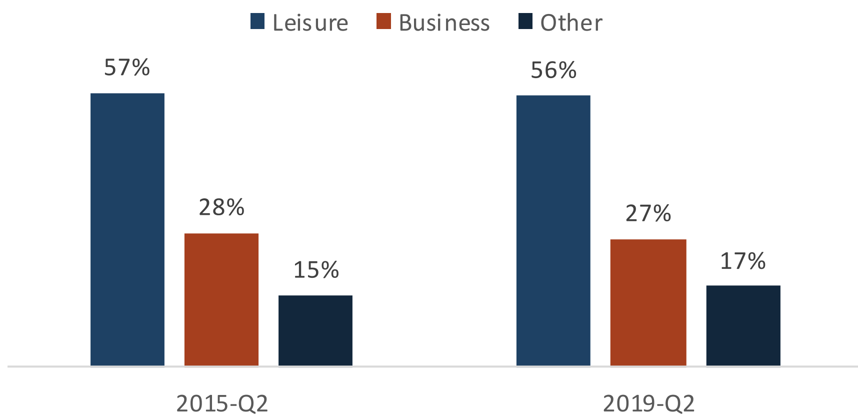
Sources: The Airport Authority and U.S. Department of Transportation.

Of all the O&D traffic, residents account for approximately 46 percent, while visitors account for 54 percent, based on the Airport Authority's estimates using the U.S. Department of Transportation's DB1B data.[31] This percentage split has been consistent since 2002.

[31] Sources: The Airport Authority and U.S. Department of Transportation. The shares of resident and visitor O&D passengers were estimated by separating one-way or round-trip passengers that began their trips originally at SAN, from one-way or round-trip passengers that began their trips originally at another airport.

SAN passengers traveling for leisure continue to account for the greatest share of Airport traffic (56 percent in 2019 as shown in Figure 34). Those traveling for business accounted for 27 percent, and those traveling for other unspecified purposes accounted for the remaining share of 17 percent in 2019. Data is not available for recent years.

Figure 34| SAN Passenger Traffic Shares by Trip Purpose



Source: ACI ASQ Departures.

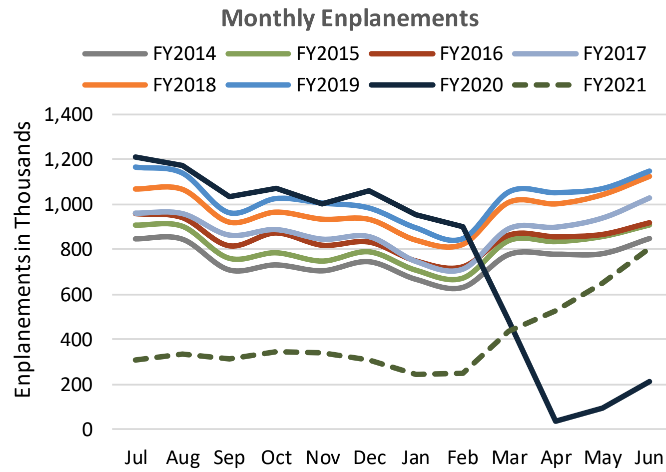
3.2.4 | Seasonality in Monthly Enplanements

Monthly enplanements show a seasonal pattern typical of most airports (Figure 35). SAN's monthly enplanement level peaks slightly in the summer months of June through August, consistent with patterns observed nationwide. With seasonal changes, it is important to compare enplanement levels for the same months to see growth trends. Before FY2020, monthly enplanement levels had been increasing steadily year-over-year since FY2015, except in January and February of FY2017. Monthly enplanement levels continued to rise through February 2020, before the spread of COVID-19 reached pandemic level and depressed air travel beginning in March 2020.

Figure 35| SAN Monthly Enplanements

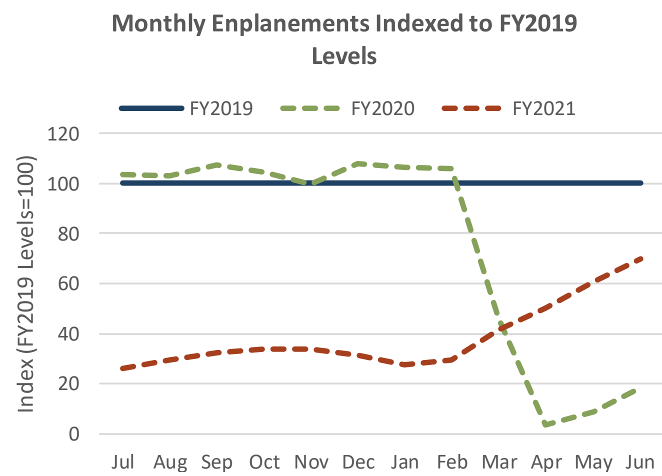
Monthly Distribution of Enplanements

	Pre-COVID-19	COVID-19 Pandemic	
Month	**FY2014-2019**	**FY2020**	**FY2021**
July	9.3%	13.1%	6.3%
August	9.2%	12.7%	6.9%
September	7.9%	11.2%	6.4%
October	8.3%	11.6%	7.2%
November	7.9%	10.9%	7.0%
December	8.1%	11.5%	6.3%
January	7.2%	10.3%	5.0%
February	6.9%	9.7%	5.1%
March	8.5%	5.3%	9.0%
April	8.5%	0.4%	10.9%
May	8.7%	1.0%	13.4%
June	9.4%	2.3%	16.5%



Enplanements (1,000s)

Month	**FY2019**	**FY2020**	**FY2021**
July	1,166	1,210	306
August	1,139	1,175	333
September	964	1,034	311
October	1,026	1,070	348
November	1,006	1,003	342
December	984	1,060	307
January	896	953	245
February	848	900	248
March	1,057	487	436
April	1,053	37	529
May	1,071	95	651
June	1,148	210	804
FY Total	**12,356**	**9,235**	**4,861**



Source: The Airport Authority.

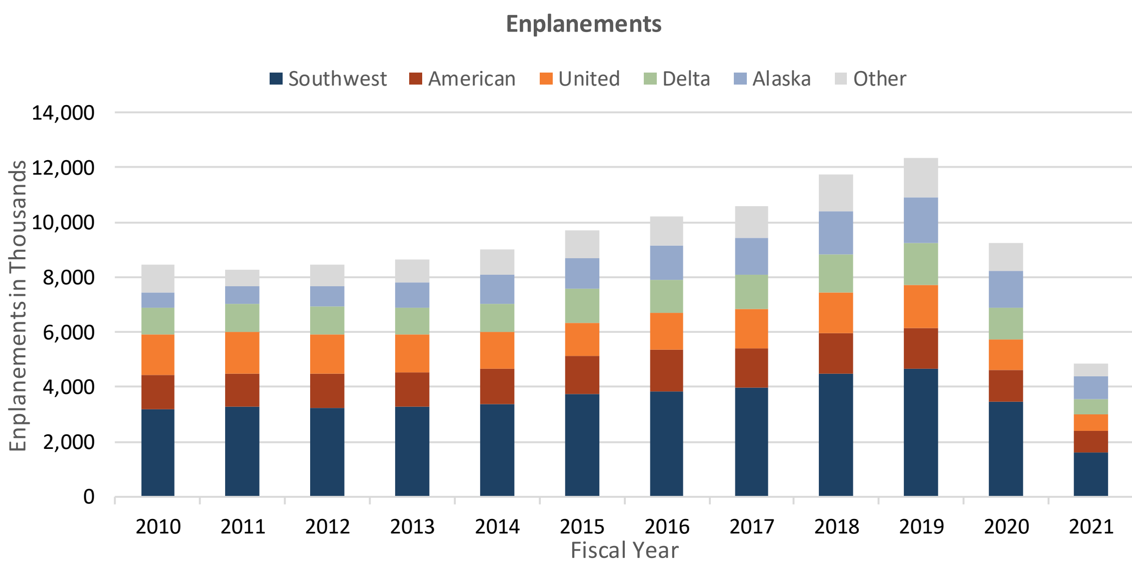
3.2.5 | Enplanements by Airline

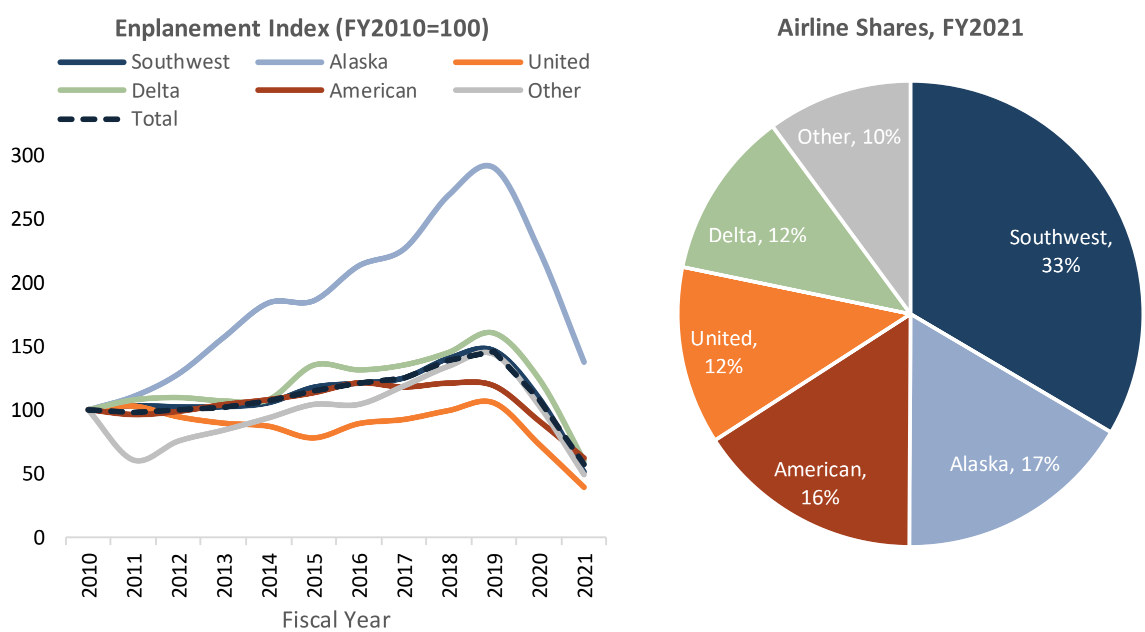
SAN's top five passenger carriers by number of enplanements are Southwest Airlines, Alaska Airlines, United Airlines, Delta Air Lines, and American Airlines. These five carriers accounted for 90 percent of FY2021 enplanements, an increase from 88 percent in FY2019 (Figure 36, Table 11, and Table 12). Southwest has maintained a strong presence at the Airport, even with the grounding of its Boeing 737 MAX aircraft, although its share of annual enplanements decreased to 33 percent in FY2021 from a steady 38 percent in the past decade, due largely to the growth in the shares of Alaska and American.

Before the COVID-19 pandemic, Alaska was the fastest growing airline at SAN. Its enplanements at SAN nearly tripled from FY2010 through FY2019. Alaska developed San Diego into a focus city, adding new flights and destinations. Over the same period, Southwest and Delta grew their enplanements by 46 percent and 60 percent, respectively. American and United were the slowest to grow with their enplanements increasing only 19 percent and 5 percent, respectively.

Air passenger traffic nationwide dropped drastically beginning in mid-March 2020 due to the COVID-19 pandemic, causing a significant hit to all airlines' total enplanements during the tail end of SAN's FY2020—an effect that is made more apparent as the next fiscal year starts during the resulting recession. Enplanements have been slowly recovering since mid-March 2020, but all of SAN's major airlines still remain well under pre-pandemic traffic levels, with international carriers almost entirely unavailable over the past year. As a result, SAN's total enplanements for FY2021, the first full fiscal year during the pandemic, are even further reduced from their FY2020 level.

Figure 36| SAN Enplanements by Airline





Sources: The Airport Authority.

Table 11| SAN Enplanements by Airline by Fiscal Year

	Fiscal Year				Compound Annual Growth Rate		
Airline	**2010**	**2019**	**2020**	**2021**	**2010-2019**	**2019-2021**	**2010-2021**
	Enplanements (1,000s)						
Southwest	3,183	4,656	3,475	1,628	4.3%	-40.9%	-5.9%
Alaska[1]	587	1,702	1,325	807	12.6%	-31.1%	2.9%
United[2]	1,510	1,593	1,106	600	0.6%	-38.6%	-8.0%
Delta[3]	940	1,504	1,168	568	5.4%	-38.6%	-4.5%
American[4]	1,236	1,468	1,128	768	1.9%	-27.7%	-4.2%
Spirit	-	324	225	112	N/A	-41.3%	N/A
Frontier	197	277	201	180	3.9%	-19.3%	-0.8%
JetBlue	167	231	195	90	3.7%	-37.5%	-5.4%
Hawaiian	91	150	103	62	5.7%	-35.8%	-3.5%
Air Canada[5]	47	130	90	-	12.0%	N/A	N/A
British Airways	-	83	58	-	N/A	N/A	N/A
Japan Airlines	-	67	44	1	N/A	-87.6%	N/A
Lufthansa	-	50	35	-	N/A	N/A	N/A
Edelweiss Air	-	6	2	-	N/A	N/A	N/A
Other	497	114	79	46	-15.1%	-36.6%	-19.5%
Total	**8,454**	**12,356**	**9,235**	**4,861**	**4.3%**	**-37.3%**	**-4.9%**

[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
Source: The Airport Authority.

Table 12| SAN Airline Enplanement Shares by Fiscal Year

	Airline Shares by Fiscal Year			
Airline	**2010**	**2019**	**2020**	**2021**
Southwest	37.7%	37.7%	37.6%	33.5%
Alaska[1]	6.9%	13.8%	14.3%	16.6%
United[2]	17.9%	12.9%	12.0%	12.3%
Delta[3]	11.1%	12.2%	12.7%	11.7%
American[4]	14.6%	11.9%	12.2%	15.8%
Spirit	0.0%	2.6%	2.4%	2.3%
Frontier	2.3%	2.2%	2.2%	3.7%
JetBlue	2.0%	1.9%	2.1%	1.9%
Hawaiian	1.1%	1.2%	1.1%	1.3%
Air Canada[5]	0.6%	1.1%	1.0%	0.0%
British Airways	0.0%	0.7%	0.6%	0.0%
Japan Airlines	0.0%	0.5%	0.5%	0.0%
Lufthansa	0.0%	0.4%	0.4%	0.0%
Edelweiss Air	0.0%	0.1%	0.0%	0.0%
Other	5.9%	0.9%	0.9%	0.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
Sources: The Airport Authority.

3.2.6 | Top O&D Markets

O&D enplanements account for approximately 96 percent of SAN's passenger traffic. Table 13 lists the Airport's top 25 O&D city markets in CY2020, ranked by share of O&D enplanements. The table shows the airports served in each market, the number of daily nonstop departures to each market from SAN, and the airlines serving each market from SAN in CY2020. Each of the top 21 destination cities are served by more than one airline from SAN and 15 of the top 25 destination cities are served by at least three airlines, helping to keep airfares competitive.

The top 25 destination cities listed, consisting of large urban areas across the U.S., were served by 136 of the 160 daily nonstop departures from SAN. Together, service to these markets accounted for approximately 71 percent of O&D enplanements at the Airport in CY2020.

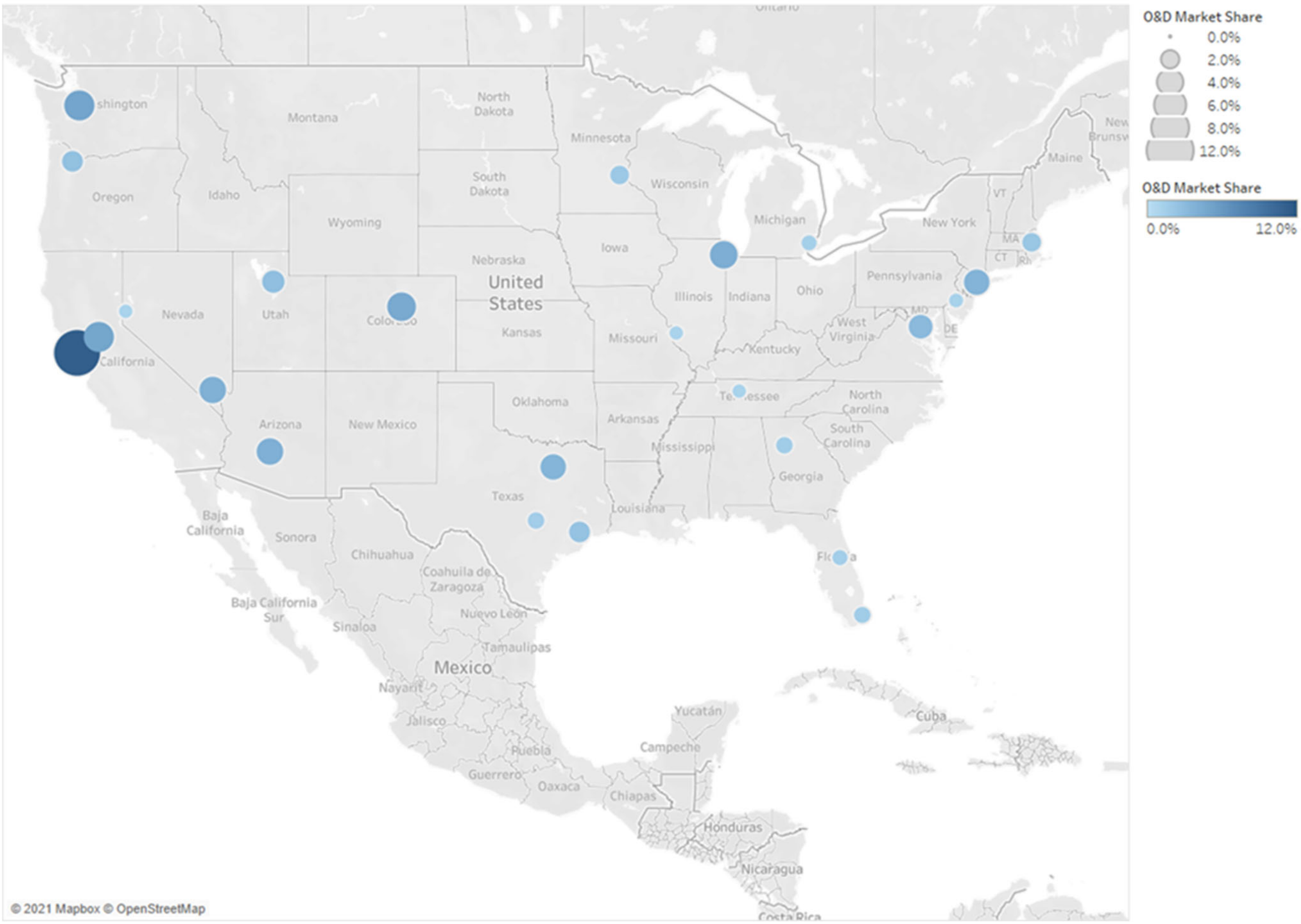
Table 13| SAN's Top 25 O&D Markets Ranked by Descending O&D Market Share, CY2020

Rank	Destination[1]	Metro	Airports	Avg. Daily EP[2]	O&D Market Share[3]	Daily Nonstop Departures[4]	Airlines Serving Market from SAN[5]
1	San Francisco, CA	SFO	SFO, OAK, SJC	1,346	11.3%	29.3	AS, UA, WN
2	Seattle, WA	SEA	SEA	582	4.9%	9.4	AS, DL, WN
3	Sacramento, CA	SMF	SMF, SCK	576	4.9%	9.2	AS, G4, WN
4	Denver, CO	DEN	DEN	527	4.4%	9.3	F9, UA, WN
5	Chicago, IL	CHI	ORD, MDW	488	4.1%	8.0	AA, NK, UA, WN
6	Phoenix, AZ	PHX	PHX, AZA	463	3.9%	9.8	AA, F9, WN
7	Las Vegas, NV	LAS	LAS	454	3.8%	9.4	B6, DL, F9, G4, NK, WN
8	New York, NY	NYC	JFK, EWR, LGA	421	3.5%	4.3	AA, AS, B6, DL, UA
9	Dallas, TX	DFW	DFW, DAL	415	3.5%	9.5	AA, NK, WN
10	Washington, DC	WAS	IAD, BWI, DCA	362	3.0%	3.3	UA, WN
11	Salt Lake City, UT	SLC	SLC	318	2.7%	5.1	AS, DL, WN
12	Portland, OR	PDX	PDX	299	2.5%	3.6	AS, WN
13	Houston, TX	IAH	IAH, HOU	276	2.3%	5.4	NK, UA, WN
14	Boston, MA	BOS	BOS, PVD	241	2.0%	1.7	AS, B6
15	Minneapolis, MN	MSP	MSP	221	1.9%	3.1	DL, SY
16	Atlanta, GA	ATL	ATL	182	1.5%	3.5	DL, WN
17	Miami, FL	FLL	MIA, FLL, PBI	180	1.5%	0.9	AA, AS, B6
18	Austin, TX	AUS	AUS	173	1.5%	2.4	AS, F9, WN
19	Orlando, FL	ORL	MCO, SFB	164	1.4%	1.0	AS, F9, WN
20	Honolulu, HI	HNL	HNL	151	1.3%	1.4	AS, HA, WN
21	Detroit, MI	DTW	DTW	145	1.2%	1.7	DL, NK
22	Philadelphia, PA	PHL	PHL	124	1.0%	1.1	AA
23	Nashville, TN	BNA	BNA	114	1.0%	1.2	WN
24	Reno, NV	RNO	RNO	113	1.0%	1.1	WN
25	St. Louis, MO	STL	STL	110	0.9%	1.5	WN
...	Other			3,426	28.9%	23.3	
	Top 25 Subtotal			8,446	71.1%	136.3	
	Total SAN			11,873	100.0%	159.5	

1 Represents metropolitan areas.
2 EP - enplanements
3 Share of O&D passengers.
4 Annual average.
5 Airline Codes: AA=American, AS=Alaska, B6=JetBlue, DL=Delta, F9=Frontier, G4=Allegiant, HA=Hawaiian, NK=Spirit, SY=Sun Country, UA=United, WN=Southwest.

Figure 37 shows that SAN's top 25 O&D markets are spread across the United States. Sixty-one percent of the Airport's nonstop flights serve cities within 1,000 nautical miles, although SAN's share of nonstop flights serving destinations beyond 1,000 nautical miles increased slightly in CY2018. That year, 30 percent of nonstop flights were to destinations between 1,000 and 2,000 nautical miles, and 9 percent were to destinations beyond 2,000 miles.

Figure 37| SAN's Top 25 O&D Markets, CY2020



Sources: The Airport Authority and Unison Consulting, Inc., and U.S. Department of Transportation DB1B.

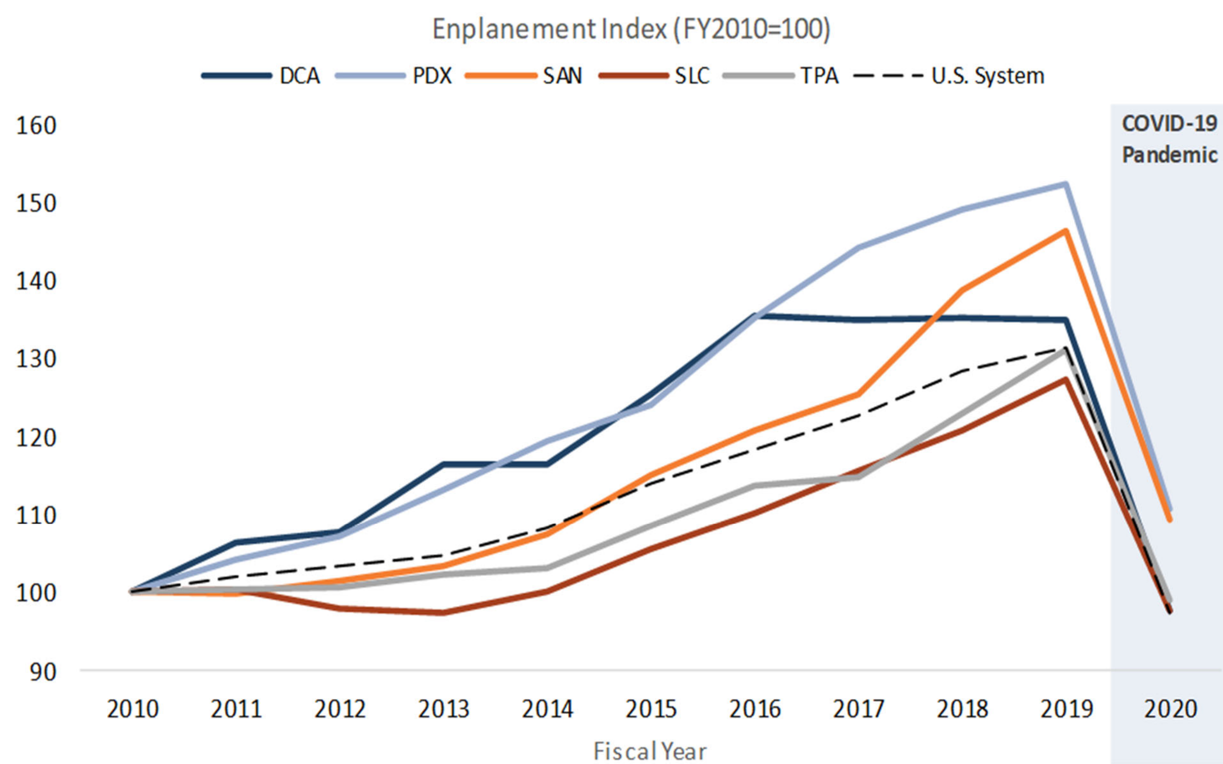
3.2.7 | Enplanement Trends at SAN and Comparable Large Hub Airports

Figure 38 compares the trends in enplanements at SAN and four other large hub airports, from FY2010 through FY2020 (with data for all airports shown for July 1 of each year through June 30 of the following year, which is SAN's Fiscal Year)[32]. Large hub airports still differ considerably in terms of enplanements and other characteristics. The four comparison airports, Portland International (PDX), Tampa International (TPA), Salt Lake City International (SLC), and Ronald Reagan Washington National (DCA) are the most similar to SAN in terms of the following criteria: enplanement level, share of domestic and international traffic, relative diversity of airline base, share of Southwest service, and the number of markets served on both nonstop and connecting flights.

[32] FY2020 is the most recent Fiscal Year for which enplanements for other airports are available.

As Figure 38 shows, although SAN and its peer airports exhibit similar enplanement trends, which tracked national growth trends, there are some notable differences. Along with PDX and TPA, SAN suffered a big decline in traffic during the Great Recession, but exhibited a stronger recovery compared with TPA and SLC. PDX showed the strongest recovery from the Great Recession. All five of these airports, as well as the rest of the U.S. System, suffered a sharp drop in enplanements in FY2020 due to the COVID-19 pandemic. Enplanements at SAN and PDX remained above their FY2010 levels by at least 9 percent, while enplanements at the other airports fell below their FY2010 levels.

Figure 38| Enplanement Trends at SAN and Select Large Hubs



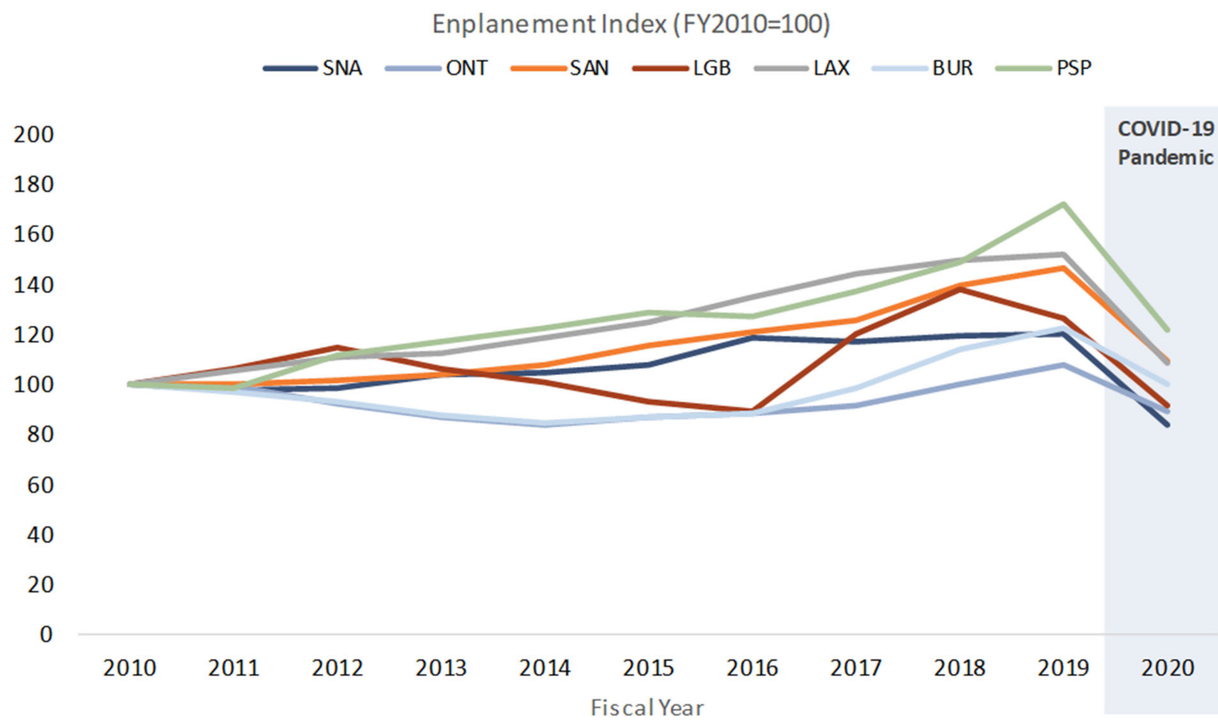
Annual enplanements at all airports are calculated on SAN's fiscal year ending June 30.
Sources: The Airport Authority and U.S. Bureau of Transportation Statistics.

3.2.8 | Enplanement and Fare Trends at Southern California Airports

Figure 39 compares enplanements trends at SAN with trends at other commercial service airports in Southern California. Within 150 road miles of SAN are the following U.S. commercial airports with reported historical enplanements: small hubs Long Beach Airport (LGB) and Palm Springs International Airport (PSP); medium hubs John Wayne (SNA), Ontario International (ONT), and Hollywood Burbank Airport (BUR); and large hub Los Angeles International Airport (LAX).

Among the Southern California commercial service airports, SAN was the third best performing airport in enplanement growth over the past decade, following LAX in second place and PSP in first place.

Figure 39| Enplanement Trends at SAN and Southern California Airports



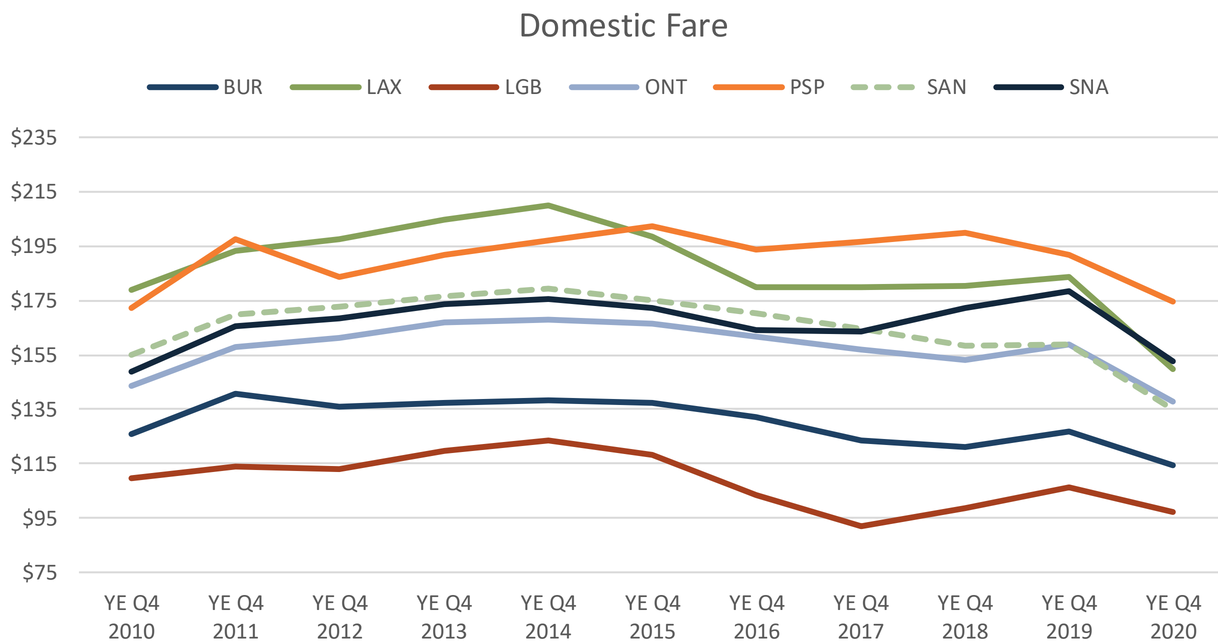
Annual enplanements at all airports are calculated on SAN's fiscal year ending June 30.
Sources: The Airport Authority and U.S. Bureau of Transportation Statistics.

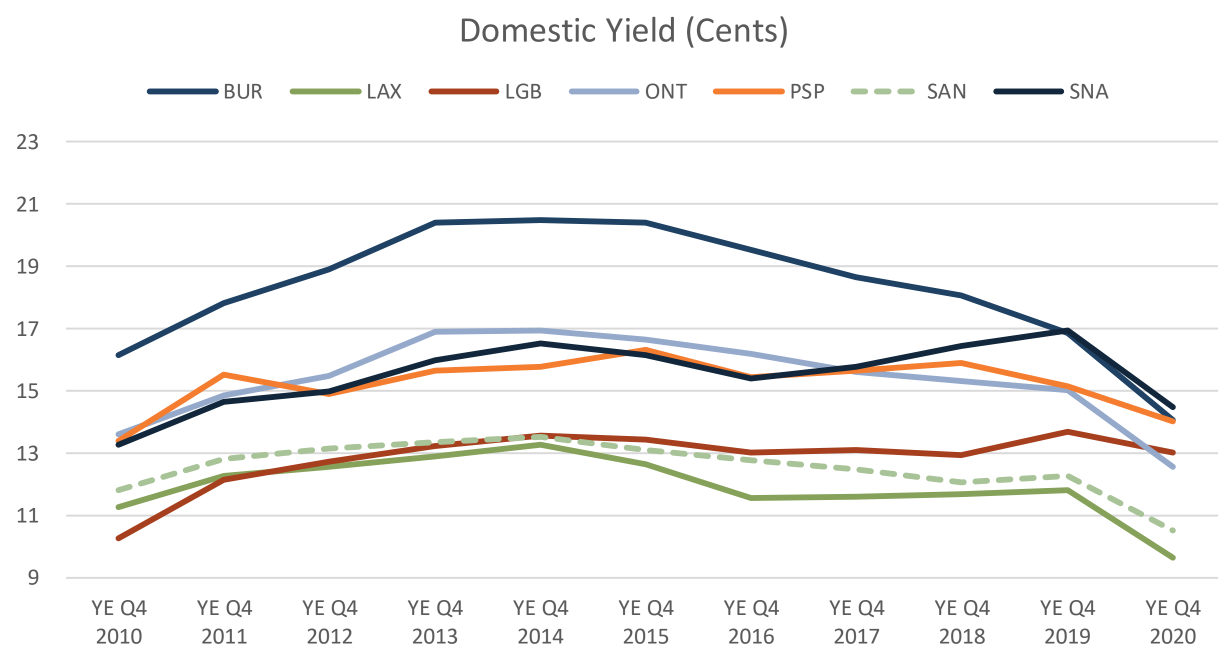
Passengers consider airfare as one factor when choosing airlines and airports (if they have access to more than one airport), although yield is a better measure for comparing the price of air travel because it takes into account flight distance.[33] Figure 40 shows the trends in domestic average fares and passenger yields at SAN and the other Southern California airports with reported historical commercial service. SAN's domestic average air fare was historically the third-highest in the region after LAX and PSP. Most recently, SAN's average fares have dipped below SNA's. Controlling for trip distance (stage length), domestic passenger yields, measuring the average fare per passenger mile, indicate that SAN is substantially more price-competitive than the Airport's average fares suggest. Yields at SAN have remained among the lowest in the region, second only to LAX.[34]

[33] Yield is airfare divided by miles flown.

[34] Lower yields at SAN, relative to other airports in Southern California, indicate that SAN is price-competitive, a positive indicator for demand at SAN.

Figure 40| Domestic Avg. Fares and Passenger Yields at Southern California Airports





Source: U.S. Department of Transportation.

3.2.9 | Air Cargo

According to ACI-NA statistics, SAN ranked 39th among U.S. airports for cargo tons handled in CY2020. SAN's air cargo tonnage peaked in FY2018, and subsequently declined (Table 13). Reported mail tonnage decreased significantly in FY2020 due to reporting changes. FedEx, which carries about two-thirds of all mail at SAN, stopped reporting its mail tonnage as of August 2019. In addition, the U.S. Postal Service implemented reporting restrictions.

Table 14| SAN Enplaned and Deplaned Cargo (Metric Tons) by Fiscal Year

	Mail (tons)		Air Freight (tons)		Total
Fiscal Year	Weight	% of Total	Weight	% of Total	(tons)
2010	16,690	13.3%	108,823	86.7%	125,513
2011	16,802	12.1%	122,204	87.9%	139,006
2012	17,335	11.3%	136,036	88.7%	153,371
2013	18,265	11.6%	138,760	88.4%	157,025
2014	19,135	11.6%	145,831	88.4%	164,966
2015	21,386	12.0%	157,229	88.0%	178,615
2016	20,609	11.1%	165,046	88.9%	185,655
2017	22,161	11.7%	166,446	88.3%	188,607
2018	23,991	12.5%	167,352	87.5%	191,343
2019	24,238	13.0%	162,231	87.0%	186,469
2020	8,350	5.4%	146,030	94.6%	154,380
2021	7,365	4.8%	147,140	95.2%	154,505
	Compound Annual Growth Rate				
2010-2021	-7.2%		2.8%		1.9%

Source: The Airport Authority.

3.2.10 | Commercial Aircraft Landings and Landed Weight

Landings and landed weight are important to track because they are the basis for calculating landing fees, a significant source of airport revenue. Table 15 shows the landings performed by commercial passenger and all-cargo aircraft at SAN. Landings increased from 79,934 in FY2012 to a peak annual level of 104,140 in FY2019, representing an average annual growth rate of 3.9 percent. Counting departures corresponding to the peak number of landings results in 208,280 operations, well under the 260,000-300,000 range within which runway congestion is anticipated to occur, according to the SAN Master Plan. Landings decreased significantly during the pandemic. In FY2021, landings totaled only 54,788, equivalent to 109,576 operations, 53 percent of the peak number in FY2019.

Table 15| SAN Landings by Airline

	Fiscal Year				Compound Annual Growth Rate		
Airline	**2012**	**2019**	**2020**	**2021**	**2012-2019**	**2019-2021**	**2012-2021**
	Aircraft Landings						
Passenger Airline							
Southwest	32,100	39,175	33,477	16,695	2.9%	-34.7%	-7.0%
Alaska[1]	6,342	17,381	14,719	12,731	15.5%	-14.4%	8.1%
United[2]	14,604	12,272	9,239	5,879	-2.5%	-30.8%	-9.6%
Delta[3]	8,456	11,566	9,411	5,835	4.6%	-29.0%	-4.0%
American[4]	9,163	10,912	8,756	5,689	2.5%	-27.8%	-5.2%
Spirit	718	2,248	1,553	871	17.7%	-37.8%	2.2%
Frontier	1,584	1,585	1,463	1,387	0.0%	-6.5%	-1.5%
JetBlue	1,169	1,691	1,589	1,030	5.4%	-22.0%	-1.4%
Air Canada[5]	725	1,389	1,006	-	9.7%	N/A	N/A
Hawaiian	367	732	539	508	10.4%	-16.7%	3.7%
British Airways	364	361	246	-	-0.1%	N/A	N/A
Japan Airlines	-	365	275	86	N/A	N/A	N/A
Lufthansa	-	246	173	-	N/A	N/A	N/A
Other[6]	1,037	895	1,478	1,370	-2.1%	23.7%	3.1%
Subtotal - Passenger	**76,629**	**100,818**	**83,924**	**52,081**	**4.0%**	**-28.1%**	**-4.2%**
All-Cargo							
FedEx Express	1,278	1,259	1,335	1,714	-0.2%	16.7%	3%
Other[7]	2,027	2,063	1,261	993	0.3%	-30.6%	-8%
Subtotal - All-Cargo	**3,305**	**3,322**	**2,596**	**2,707**	**0.1%**	**-9.7%**	**-2%**
Total	**79,934**	**104,140**	**86,520**	**54,788**	**3.9%**	**-27.5%**	**-4%**

N/A – Not applicable
Ranked on FY2021 results. Totals may not add due to rounding.
[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
[6] Incudes Sun Country, Edelweiss Air, and WestJet.
[7] Includes for ABX Air, Ameriflight, Atlas Air, UPS Airlines, and West Air.
Sources: The Airport Authority.

Table 16| SAN Airline Shares of Landings

Airline	Fiscal Year 2012	2019	2020	2021
	Airline Shares of Landings			
Passenger Airline				
Southwest	40.2%	37.6%	38.7%	30.5%
Alaska[1]	7.9%	16.7%	17.0%	23.2%
United[2]	18.3%	11.8%	10.7%	10.7%
Delta[3]	10.6%	11.1%	10.9%	10.7%
American[4]	11.5%	10.5%	10.1%	10.4%
Spirit	0.9%	2.2%	1.8%	1.6%
Frontier	2.0%	1.5%	1.7%	2.5%
JetBlue	1.5%	1.6%	1.8%	1.9%
Air Canada[5]	0.9%	1.3%	1.2%	0.0%
Hawaiian	0.5%	0.7%	0.6%	0.9%
British Airways	0.5%	0.3%	0.3%	0.0%
Japan Airlines	0.0%	0.4%	0.3%	0.2%
Other[6]	1.3%	0.9%	1.7%	2.5%
Subtotal - Passenger	**95.9%**	**96.8%**	**97.0%**	**95.1%**
All-Cargo				
FedEx Express	1.6%	1.2%	1.5%	3.1%
Other[7]	2.5%	2.0%	1.5%	1.8%
Subtotal - All-Cargo	**4.1%**	**3.2%**	**3.0%**	**4.9%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Ranked on 2021 results. Totals may not add due to rounding.
[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
[6] Incudes Sun Country, Edelweiss Air, and WestJet.
[7] Includes for ABX Air, Ameriflight, Atlas Air, UPS Airlines, and West Air.
Sources: The Airport Authority.

Table 17 shows increasing trends in aircraft landed weight at SAN. Landed weight increased from 10.6 billion pounds in FY2012 to 14.5 billion pounds in FY2019, growing at an average rate of 4.5 percent per year. The higher rate of growth in landed weight compared to landings indicates the upgauging of aircraft—the use of larger aircraft—to accommodate growing passenger traffic at SAN. Due to the depression in traffic caused by COVID-19, however, landed weight at SAN decreased over the past two years to 7.8 billion pounds in FY2021, 54 percent of the peak landed weight in FY2019.

Table 17| SAN Revenue Landed Weight by Airline by Fiscal Year

Airline	Fiscal Year				Compound Annual Growth Rate		
	2012	2019	2020	2021	2012-2019	2019-2021	2012-2021
	Aircraft Landed Weight (1,000 lbs.)						
Passenger Airline							
Southwest	3,953,536	5,180,064	4,422,096	2,277,011	3.9%	-33.7%	-5.9%
Alaska[1]	863,184	1,995,130	1,672,207	1,342,664	12.7%	-18.0%	5.0%
United[2]	1,685,670	1,701,559	1,285,393	770,742	0.1%	-32.7%	-8.3%
Delta[3]	1,163,434	1,616,827	1,373,938	1,049,374	4.8%	-19.4%	-1.1%
American[4]	1,351,096	1,566,041	1,298,505	917,691	2.1%	-23.4%	-4.2%
Spirit	98,931	331,366	230,911	125,589	18.8%	-38.4%	2.7%
Frontier	208,936	247,145	204,924	199,836	2.4%	-10.1%	-0.5%
JetBlue	166,232	281,715	260,940	171,957	7.8%	-21.9%	0.4%
Hawaiian	118,088	237,560	155,345	122,574	10.5%	-28.2%	0.4%
British Airways	167,440	210,432	141,615	-	3.3%	N/A	N/A
Japan Airlines	-	138,700	104,500	32,680	N/A	-51.5%	N/A
Air Canada[5]	83,794	138,417	100,851	-	7.4%	N/A	N/A
Lufthansa	-	103,322	72,466	-	N/A	N/A	N/A
Other[6]	137,941	133,407	93,360	69,532	-0.5%	-27.8%	-7.3%
Subtotal - Passenger	**9,998,282**	**13,881,685**	**11,417,050**	**7,079,649**	**4.8%**	**-28.6%**	**-3.8%**
All-Cargo							
FedEx Express	452,453	375,807	394,288	466,734	-2.6%	11.4%	0.3%
Other[7]	209,788	223,738	241,742	233,145	0.9%	2.1%	1.2%
Subtotal - All-Cargo	**662,241**	**599,545**	**636,030**	**699,879**	**-1.4%**	**8.0%**	**0.6%**
Total	**10,660,523**	**14,481,229**	**12,053,080**	**7,779,528**	**4.5%**	**-26.7%**	**-3.4%**

N/A – Not applicable
[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
[6] Incudes Sun Country, Edelweiss Air, and WestJet.
[7] Includes for ABX Air, Ameriflight, Atlas Air, UPS Airlines, and West Air.
Sources: The Airport Authority.

Table 18| SAN Airline Shares of Landed Weight

	Fiscal Year			
Airline	**2012**	**2019**	**2020**	**2021**
	Airline Shares of Landed Weight			
Passenger Airline				
Southwest	37.1%	35.8%	36.7%	29.3%
Alaska[1]	8.1%	13.8%	13.9%	17.3%
United[2]	15.8%	11.8%	10.7%	9.9%
Delta[3]	10.9%	11.2%	11.4%	13.5%
American[4]	12.7%	10.8%	10.8%	11.8%
Spirit	0.9%	2.3%	1.9%	1.6%
Frontier	2.0%	1.7%	1.7%	2.6%
JetBlue	1.6%	1.9%	2.2%	2.2%
Hawaiian	1.1%	1.6%	1.3%	1.6%
British Airways	1.6%	1.5%	1.2%	0.0%
Japan Airlines	0.0%	1.0%	0.9%	0.4%
Air Canada[5]	0.8%	1.0%	0.8%	0.0%
Lufthansa	0.0%	0.7%	0.6%	0.0%
Other[6]	1.3%	0.9%	0.8%	0.9%
Subtotal - Passenger	**93.8%**	**95.9%**	**94.7%**	**91.0%**
All-Cargo				
FedEx Express	4.2%	2.6%	3.3%	6.0%
Other[7]	2.0%	1.5%	2.0%	3.0%
Subtotal - All-Cargo	**6.2%**	**4.1%**	**5.3%**	**9.0%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] Includes Alaska, Alaska's regional carrier service provided by Horizon and SkyWest, and Virgin America. In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018.
[2] Includes United and its regional carrier service provided by SkyWest.
[3] Includes Delta and its regional carrier service provided by Compass and SkyWest.
[4] Includes American and US Airways and American's regional carrier service provided by Compass and SkyWest. Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015.
[5] Includes Air Canada, Air Canada Rouge, and Jazz Aviation.
[6] Incudes Sun Country, Edelweiss Air, and WestJet.
[7] Includes for ABX Air, Ameriflight, Atlas Air, UPS Airlines, and West Air.
Sources: The Airport Authority.

Airlines operate mostly large jet aircraft at SAN, because of the limit on the number of aircraft operations that SAN can accommodate with a single runway. In addition to the restrictions to the physical capacity of the Airport's airfield, there are direct restrictions on operations relating to noise abatement.

Landings, which are equal to departures, grew an average of 3.9 percent annually from FY2012 to FY2019, while landed weight grew an average of 4.5 percent annually over the same period, indicating increasing use of larger aircraft. Counting only passenger flights, landings grew at an average annual rate of 4 percent, while landed weight grew at an average annual rate of 4.8 percent. In FY2019, large passenger jet aircraft, with more than 100 seats, accounted for 84 percent of scheduled flights at SAN. This share decreased slightly to 83 percent in FY2021 due to the suspension of international flights, particularly those using large jets.

Enplanements growing at an average annual rate of 5.4 percent over the same period, higher than the 4 percent average annual growth rate in passenger aircraft landings, also indicates increasing load factors. Airlines are filling an increasing percentage of available seats on each flight.

3.3 | Forecast Commercial Aviation Activity

Forecasts are presented for three key measures of commercial aviation activity—enplanements, aircraft landings, and landed weight—for the period of FY2022 through FY2027, the forecast period established for the Report. The forecasts are presented in annual frequency based on the Airport's fiscal year ending on June 30.

For the first half of FY2022, forecast enplanements and landed weight are derived from actual enplanements through August 2021, final airline schedules for July through September, and advance airline schedules for October through December, along with projections of seat completion rates and boarding load factors. Airline schedules provide data on seats, flight frequencies, and fleet. Beyond December 2021, forecast enplanement levels are based on projected recovery patterns and market drivers. Forecast enplanements determine the number of aircraft operations and corresponding landed weight, considering trends in boarding load factors and aircraft seat capacity.

Three scenarios are presented, with the low scenario projecting the slowest recovery, the base scenario projecting faster recovery than the low scenario, and the high scenario projecting the fastest recovery. All three scenarios project recovery periods for SAN that are longer than, or comparable to, recovery periods projected by Airlines for America (A4A) for the U.S. airline industry and by International Air Transport Association (IATA) for global airline traffic. A4A projects full recovery of U.S. airlines' passenger traffic to pre-COVID-19 pandemic levels in CY2022 at the earliest, or around CY2026 as the worst case.[35] IATA's global passenger traffic forecast released in May 2021 expects global passenger numbers to recover to 88 percent of pre-COVID-19 pandemic levels in CY2022 and surpass pre-COVID-19 pandemic levels by 5 percent in CY2023.[36]

[35] Airlines for America, COVID Impact Updates as of September 14, 2021.

[36] International Air Transport Association, "Optimism for travel restart as borders open," *News*, May 27, 2021.

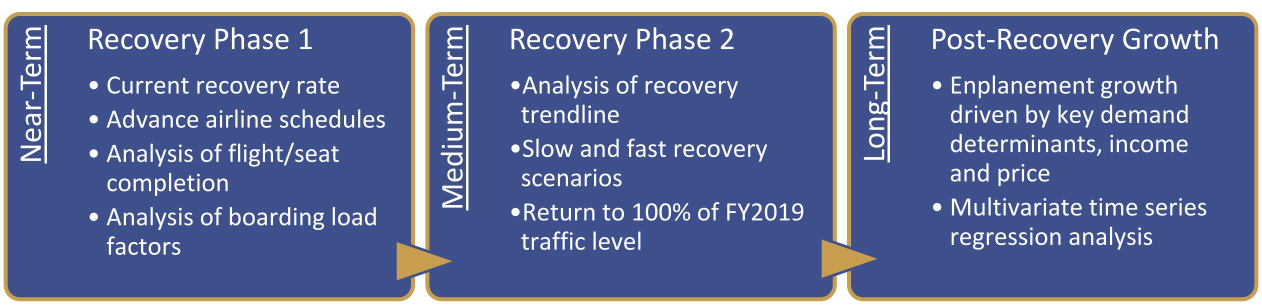
The base scenario forecast predicts fiscal year total enplanements at SAN to return to FY2019 level in FY2026, in line with A4A's worst case projection for U.S. airlines' total passenger traffic. It provides a more conservative basis for the base scenario financial analysis. The low scenario forecast projects a return to FY2019 level beyond FY2027, much later than A4A's worst case projection. It provides a reasonable downside scenario for financial analysis. The high scenario shows how much faster and higher traffic could grow if more people get vaccinated, COVID-19 is contained much sooner, international travel restrictions are lifted sooner, and business travel returns sooner. The high scenario projects SAN's return to FY2019 enplanement level in FY2023, a little later than A4A's best case projection of U.S. airlines.

The forecasts are based on information available at the time of development, amid high uncertainty brought by the COVID-19 pandemic on the aviation industry and the economic environment. The COVID-19 pandemic has prompted significant changes in the business environment on both supply and demand side, and those changes are still developing. Actual traffic could differ substantially from forecasts if any of the assumptions based on information available at the time of forecast development does not hold. One important assumption concerns the timing of full recovery to pre-COVID traffic level.

3.3.1 | Forecast Methodology

Forecast development employs a hybrid modeling framework that combines different methods, using both traditional data on actual airport activity and airline schedules, and nontraditional high-frequency data such as TSA airport screening throughput. The forecast period is divided into three phases: near-term recovery phase, medium-term recovery phase, and post-recovery growth phase, with different forecasting methods and different data sources used for each phase (Figure 41).

Figure 41| Forecast Development by Phase



At the time of forecast development, the airport business environment remains highly uncertain. Traffic recovery is progressing, but so is the spread of COVID-19 and variants. The pace and duration of recovery depend largely upon the course of the COVID-19 pandemic, which is highly uncertain. Hence, three forecast scenarios are presented, assuming different paces and durations of recovery to pre-COVID traffic level.

The pandemic has prompted significant structural changes in both demand for air travel and supply of airline service. These changes could usher in "a new normal" in consumer behavior, social interactions, and ways of conducting business that permanently alter travel propensities and preferences. Many factors could slow U.S. airlines' ability to quickly restore service to pre-COVID levels. The resulting supply constraint could restrain traffic recovery and growth, as seen during the airline industry capacity rationalization in the first half of the past decade. A fourth wave in the spread of COVID-19 and its variants, currently developing, is delaying return to office, the return of business travel, and the lifting of international travel restrictions. It is also causing consumers to rethink and delay personal travel plans. While new COVID-19 cases appear to be on the downtrend from the fourth wave peak as of September 2021, other COVID-19 variants could cause resurgences in infections in the future. On the upside, the adoption of no-touch technologies at airports could speed up security screening and other passenger services, restore passenger confidence in the public health safety of air travel, and accelerate traffic recovery. Progress in COVID-19 vaccination and stronger economic rebound could accelerate traffic recovery and post-recovery growth.

3.3.2 | Near-Term Recovery Phase

For the near-term recovery phase, which encompasses the six-month period for which advance airline schedules are available, forecast enplanements, seats, and flight frequencies are derived from advance airline schedules, with corresponding assumptions for schedule completion rates and boarding load factors. Landed weight is derived from projected landings and projected average landed weight per landing.

Even before the COVID-19 pandemic, advance schedules were typically subject to adjustments until the date of operation. Since the sharp fall in traffic in April 2020 due to the COVID-19 pandemic, the adjustments, mainly downward, have become more significant as airlines could no longer rely on stable demand patterns and advance flight bookings to plan their flight schedules. In 2021, progress in vaccinations and the decrease in new COVID-19 cases after the winter holiday season have increased passenger demand for air travel and stimulated passenger traffic recovery. But passengers now tend to book flights close to trip dates and the rate of booking cancellation remains high. Airlines adjust their schedules continually—so far mostly downward—to match final flight bookings more closely.

To project seat completion rates, we compare advance schedules against final schedules in recent months. We observe improving trends—the difference between advance and final schedules has been decreasing with improving traffic. However, the current resurgence in COVID-19 infections has slowed flight bookings and increased cancellations. We assume airlines will scale back advance flight schedules published at the time of this study. Table 19 presents our projections of seat completion rates and total final seats. Projected seats are based on published schedules in August 2021, adjusted for the projected seat completion rates.

Table 19| Projected Schedule Completion Rates and Seats

Month	Seat Completion Rate[1]			Projected Seats		
	Scenario 1 Base	Scenario 2 High	Scenario 3 Low	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Jul-21	100.0%	100.0%	100.0%	1,031,305	1,031,305	1,031,305
Aug-21	100.0%	100.0%	100.0%	1,025,881	1,025,881	1,025,881
Sep-21	96.0%	98.0%	93.0%	946,736	966,459	917,150
Oct-21	89.0%	91.0%	86.0%	940,394	961,527	908,696
Nov-21	87.0%	89.0%	84.0%	896,738	917,352	865,816
Dec-21	86.0%	88.0%	83.0%	928,637	950,233	896,242

[1] July and August 2021 reflect final schedules at the time of forecast development in August 2021. Foreign-flag carriers' advance schedules are cut 20 percentage points lower than the seat completion rates shown above.

We assess trends in boarding load factors at SAN, noting improvements over time. Actual boarding load factors in July and August 2021 surpassed boarding load factors in July and August 2019. However, the negative outlook presented by the current COVID-19 resurgence calls for more conservative assumptions, as shown in Table 20.

Table 20| Projected Boarding Load Factors (BLF)

Actual 2019 BLF		Actual and Projected 2021 BLF[1]			
Month	BLF	Month	Scenario 1 Base	Scenario 2 High	Scenario 3 Low
Jun-19	85%	Jun-21	85%	85%	85%
Jul-19	85%	Jul-21	88%	88%	88%
Aug-19	83%	Aug-21	84%	84%	84%
Sep-19	81%	Sep-21	76%	78%	73%
Oct-19	80%	Oct-21	76%	78%	73%
Nov-19	82%	Nov-21	77%	79%	74%
Dec-19	83%	Dec-21	78%	80%	75%

BLF = Enplanements/Seats
[1] The average boarding load factors shown for June, July, and August 2021 are actual.

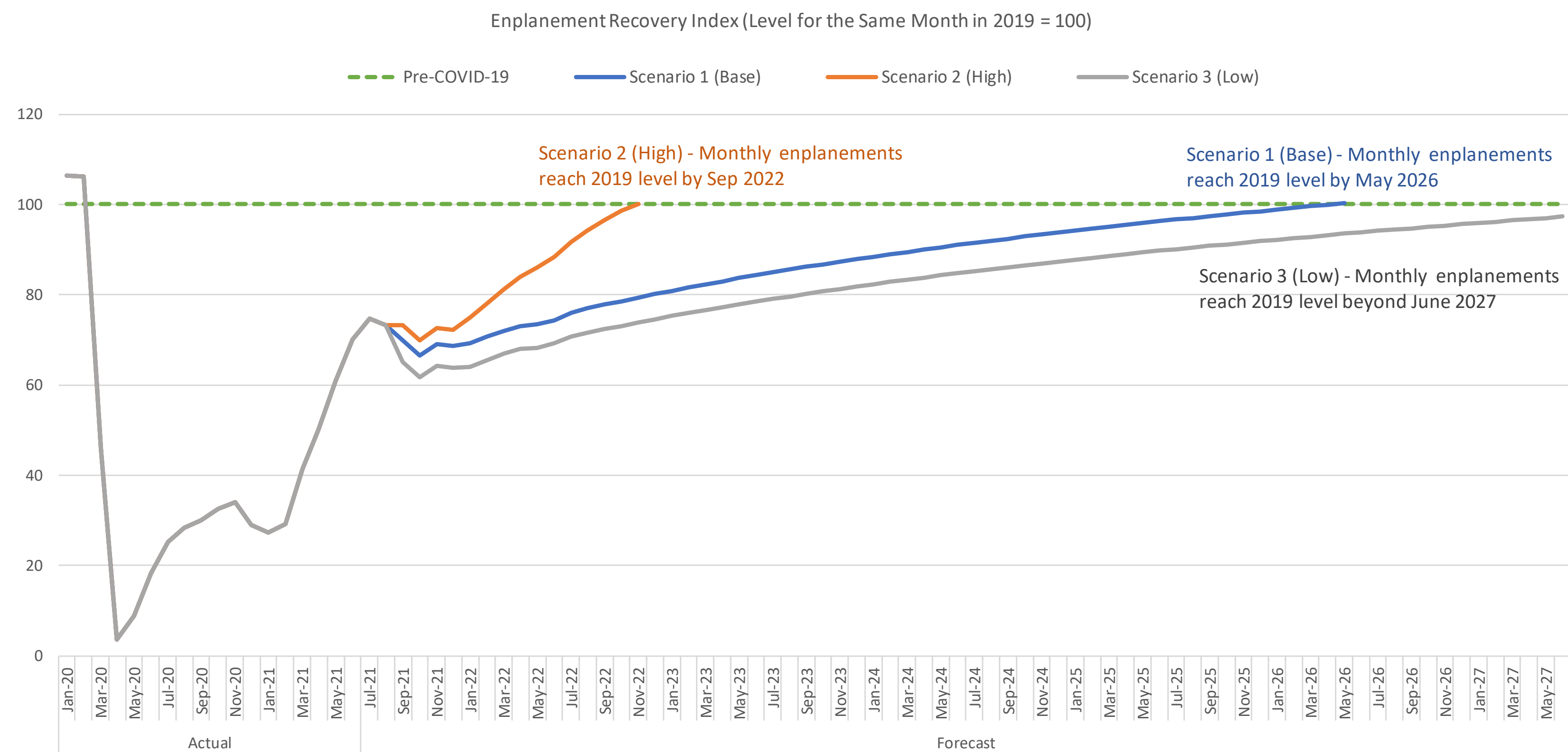
3.3.3 | Medium-Term Recovery Phase

The recent traffic trends guide our assumptions regarding the shape—slope and duration—of passenger traffic recovery, recognizing that the COVID-19 pandemic and its far-reaching impacts are unprecedented. Observing actual and projected monthly enplanement recovery trends from April 2020 through December 2021, we evaluate linear and logarithmic functional forms to represent the recovery trendline. The linear functional form projects a steeper, straight-line recovery trajectory, while the logarithmic functional form projects an initial acceleration of recovery and eventual tapering. We selected the logarithmic functional form because it results in a tapering of recovery rates that reflects actual trends in recent months due to the resurgence of COVID-19 infections. The resulting recovery scenarios, shown in Figure 42, project the return of enplanements to pre-COVID level as follows:

- Scenario 1 (Base) – Monthly enplanements return to the pre-COVID level by May 2026, with FY2026 enplanements slightly exceeding the FY2019 level. The projected recovery period is in line with A4A's worst-case forecast recovery beyond CY2024 for the U.S. airline industry as of September 15, 2021.
- Scenario 2 (High) – Monthly enplanements return to pre-COVID level by September 2022, with FY2023 enplanements slightly exceeding the FY2019 level. The projected recovery period is in line with A4A's best-case forecast recovery in CY2022 for the U.S. airline industry.
- Scenario 3 (Low) - Monthly enplanements return to pre-COVID level beyond June 2027, the end of the forecast period, with FY2027 enplanements still falling slightly below the FY2019 level. The projected recovery period is longer than A4A's worst-case forecast for the U.S. airline industry. [37]

[37] Airlines for America, *COVID Impact Updates*, September 15, 2021.

Figure 42| Monthly Enplanements - Forecast Recovery to Pre-COVID Level

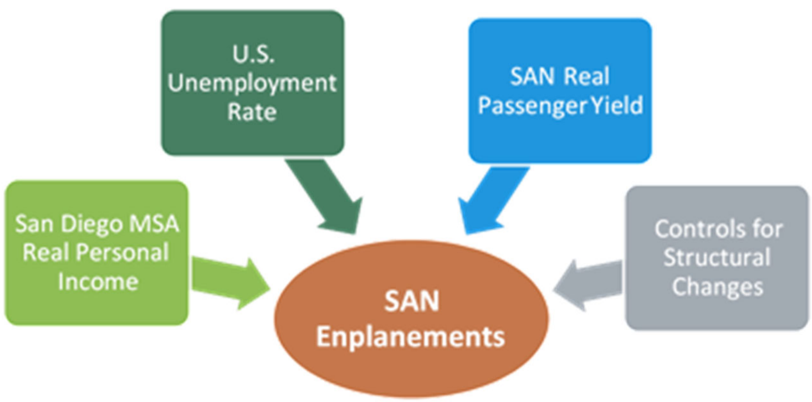


3.3.4 | Post-Recovery Growth Phase

The post-recovery growth phase begins after full recovery to pre-COVID-19 traffic level—in FY2027 under Scenario 1 (Base), in FY2024 under Scenario 2 (High), and beyond FY2027 under Scenario 3 (Low). From this point, the forecast growth in passenger traffic is driven by the economics of air travel demand, assuming airlines will provide enough seat capacity to accommodate demand.

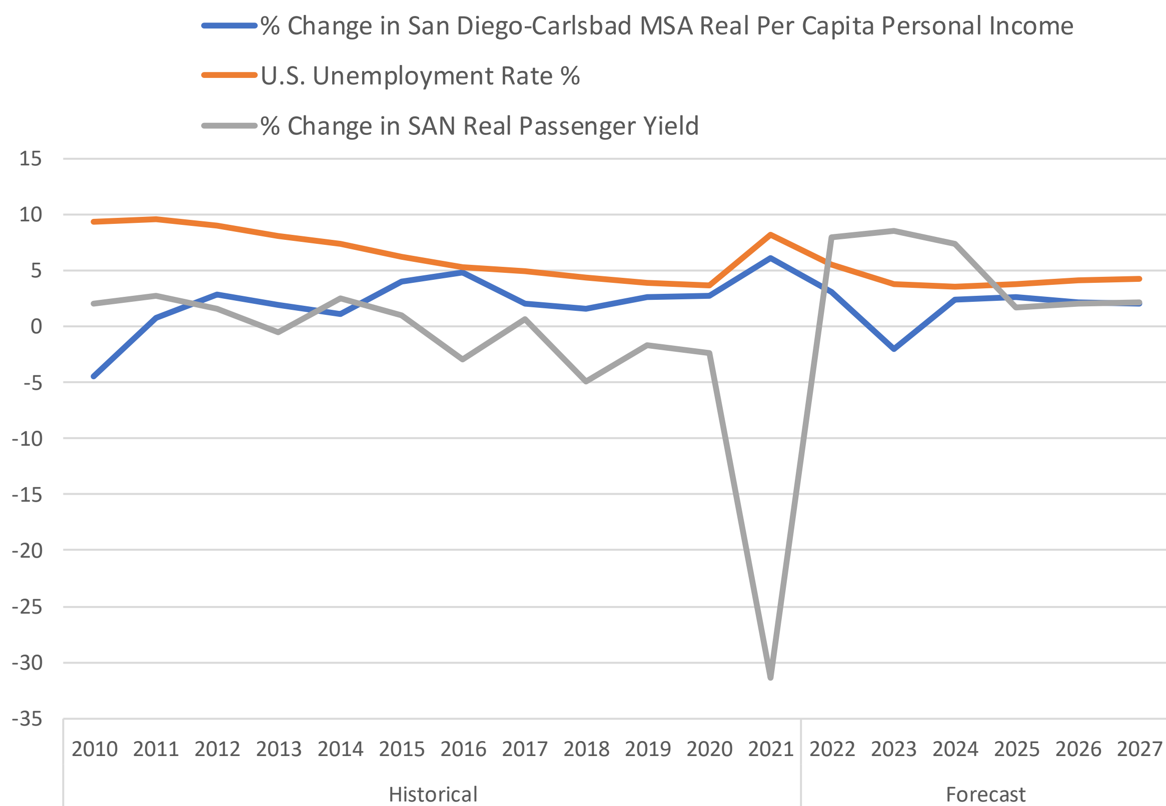
Multivariate time series regression analysis links enplanement growth to trends in market demand drivers for passenger traffic (Figure 43). This method provides a quantitative framework for measuring the contributions of key demand drivers to passenger traffic, while accounting for structural changes, time-dependent trends, and serial correlation often found in time series data. Model estimation using historical data produces regression coefficients measuring the contributions of explanatory variables to SAN's enplanement trends. The estimated regression equation is used to generate forecasts of enplanements given the projected trends for the explanatory variables. Model estimation uses the least squares method, designed to minimize forecast errors.

Figure 43| Key Drivers of Enplanement Growth



The regression model specification is based on the underlying theory of consumer demand and the dynamics of traffic growth at the Airport. The dependent variable is total enplanements, and the key explanatory variables (independent variables) include two economic indicators and a price indicator. The economic indicators are the San Diego-Carlsbad MSA real per capita personal income for local economic conditions and U.S. unemployment rate for national economic conditions. The price indicator is the average real passenger yield at the Airport. These three indicators prove the best in explaining growth trends in enplanements at SAN, based on statistical tests for evaluating regression results. Figure 44 shows the historical and forecast trends in these three explanatory variables.

Figure 44| Regression Model Explanatory Variables: Historical and Forecast Trends



Sources: Moody's Analytics, U.S. Department of Transportation, and Federal Aviation Administration.

Real Per Capita Personal Income in the San Diego-Carlsbad MSA

Real per capita personal income in the San Diego-Carlsbad MSA indicates regional income trends and economic conditions. Growth in the metro area's real per capita personal income promotes growth in enplanement at SAN. A decrease in per capita personal income, occurring during a recession, slows or reverses traffic growth. This direct relationship is confirmed by the positive regression coefficient estimate for real per capita personal income. Real per capita personal income in the San Diego-Carlsbad MSA increased at an average annual rate of 2.8 percent from FY2010 through FY2021. It is forecast to increase at a slower average annual rate of 1.7 percent through FY2027, according to forecast data from Moody's Analytics as of August 2021.

U.S. Unemployment Rate

The U.S. unemployment rate indicates overall economic conditions. Falling U.S. unemployment rates signal improving national economic conditions, growing employment, and rising incomes—conditions that strengthen air travel demand. Rising unemployment rates indicate deteriorating economic conditions, rising unemployment, and falling incomes—conditions that could weaken air travel demand. The inverse relationship in the U.S. unemployment rate and enplanements at SAN is confirmed by a negative regression coefficient estimate. The U.S. unemployment rate declined from

9.3 percent in FY2019 to 2.7 percent in FY2020, before rising to 8.11 percent in FY2021. It is projected to start falling in FY2022 and continue falling to around 4 percent over the forecast period, according to economic forecast by Moody's Analytics.

Real Passenger Yield at SAN

Consumer demand, including the demand for air travel, is inversely related to price. Demand increases when price decreases; demand decreases when price increases, if all other things are equal. This inverse relationship is confirmed by the negative regression coefficient of the average real passenger yield at SAN. Real passenger yield indicates the price of air travel. Passenger yield, which is the average revenue per passenger mile, is a better price indicator than the average fare, because it controls for trip distance. The average real passenger yield at SAN decreased at an average annual rate of 3.2 percent from FY2010 to FY2021. It decreased 31.3 percent during FY2021, as airlines slashed air fares to attract passengers during the pandemic. The average real passenger yield at SAN is projected to increase annually at a decreasing rate through the end of the forecast period, following national trends projected by the FAA.

Structural Changes

In addition to the three key explanatory variables, the regression model also includes a control variable to account for the adverse effects of the terrorist attacks in 2001 and the subsequent structural changes in the travel market and the airline industry during the historical period used for model estimation. The terrorist attacks had profound effects on the airline industry and airports, including SAN. They caused a sharp decrease in enplanements, they prompted more stringent security screening processes at airports that caused lasting changes in the demand for air travel, and they set in motion other structural changes in the airline industry. Even though these events occurred in the past, it is important to account for their effects to obtain unbiased estimates of the contributions of the key explanatory variables to enplanement trends during the post-recovery period.

3.3.5 | Forecast Results

The enplanement forecast results are summarized in Table 22. Detailed forecast results for each of the three scenarios are presented in Table 22 through Table 33. Figure 45 summarizes the forecast results and compares the Report's enplanement forecasts with those in the FAA Terminal Area Forecasts (TAF) for SAN as of May 2021. The TAF account for the decline in enplanements due to COVID-19 but projects a slower recovery than Scenario 1 (Base). The enplanement forecasts are summarized below:

- Scenario 1 (Base) – Annual enplanements grow 85.4 percent in FY2022 to 9.01 million, from a low of 4.86 million in FY2021. They continue growing at decelerating rates until FY2026, when they begin exceeding FY2019 level. In FY2027, enplanement growth slows to 1.5 percent, with enplanements reaching 12.63 million in FY2027.

- Scenario 2 (High) – Annual enplanements grow 101.0 percent in FY2022 to 9.77 million, continue growing at a high rate of 27 percent in FY2023, slightly exceeding FY2019 level that year. In the post-recovery phase, enplanement growth slows to 2.1 percent in FY2024 and to less than 2 percent annually through FY2027. Enplanements reach 13.22 million in FY2027.

- Scenario 3 (Low) – Annual enplanements grow 74.8 percent in FY2022 to 8.5 million. They continue growing at decelerating rates through FY2027, reaching 12.08 million, about 2 percent below FY2019 level.

- FAA TAF, May 2021 – The FAA TAF are on federal fiscal year basis, which ends on September 30. They have been converted to SAN fiscal year ending on June 30. The FAA TAF projects a slower recovery initially with the resulting annual enplanements in FY2022 and FY2023 falling below Scenario 3 (Low) forecast for those fiscal years. After FY2023, TAF projects faster recovery so that by FY2026, annual enplanements under the TAF begin to exceed those forecast under Scenario 2 (High). Under the TAF, annual enplanements reach 14.16 million in FY2027, higher than the Scenario 2 (High) forecast.

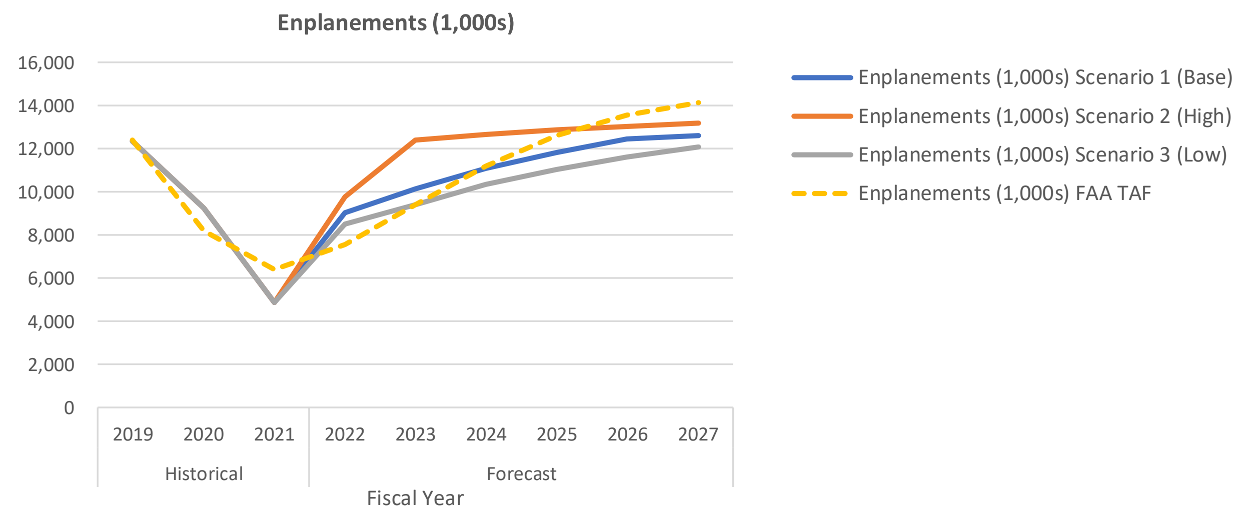
Projections of seats and aircraft departures or landings after FY2022 are derived from forecast enplanement levels, along with projections for average seats per departure and boarding load factors. Flight departures recover more slowly than enplanements due to increasing average seats per departure and increasing boarding load factors. Annual aircraft departures reach 100,575 in FY2027 under Scenario 1 (Base), 103,393 under Scenario 2 (High), and 98,075 under Scenario 3 (Low)—all lower than the FY2019 level.

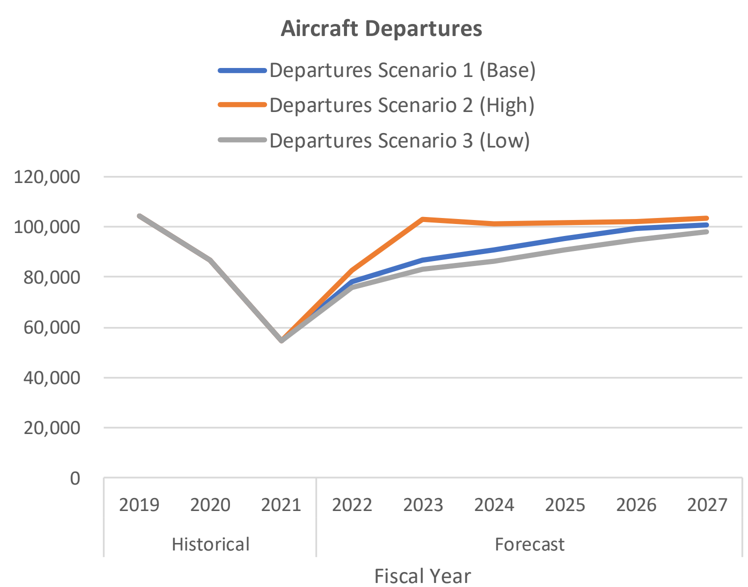
Projections of landed weight are derived from forecast aircraft landings. Landed weight increases faster than landings due to projected increases in the average weight per landing. In Scenario 1 (Base), annual landed weight begins to exceed FY2019 level in FY2026, increasing to 14.8 billion pounds in FY2027. In Scenario 2 (High), annual landed weight surpasses the FY2019 level in FY2023 and reaches 15.22 billion pounds in FY2027. In Scenario 3 (Low), annual landed weight remains below FY2019 level through FY2027, reaching 14.42 billion pounds.

Table 21| Summary of Forecast Enplanements (1,000s)

	Historical			Forecast					
FY ending June 30	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Scenario 1 (Base)	12,356	9,235	4,861	9,014	10,138	11,111	11,852	12,451	12,634
Scenario 2 (High)	12,356	9,235	4,861	9,770	12,406	12,663	12,860	13,026	13,217
Scenario 3 (Low)	12,356	9,235	4,861	8,495	9,430	10,347	11,045	11,610	12,084

Figure 45| Forecast Commercial Aviation Activity at SAN





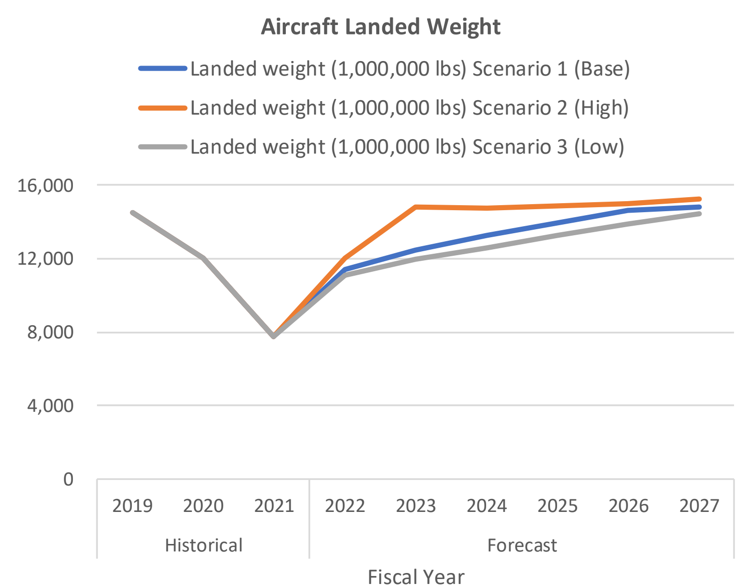


Table 22| Forecast Enplanements - Scenario 1 (Base)

	Actual			Recovery Phase					Post-Recovery	CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Enplanements (1,000s)											
Southwest	4,656	3,475	1,628	2,919	3,290	3,606	3,846	4,041	4,100	16.6%	-1.6%
Delta Airlines	1,504	1,168	568	1,080	1,145	1,255	1,339	1,406	1,427	16.6%	-0.7%
United Airlines	1,593	1,106	600	1,293	1,560	1,709	1,823	1,916	1,944	21.6%	2.5%
American Airlines	1,468	1,128	768	1,218	1,373	1,505	1,605	1,686	1,711	14.3%	1.9%
Other signatory	2,881	2,184	1,252	2,365	2,607	2,857	3,047	3,201	3,248	17.2%	1.5%
Subtotal - signatory	12,103	9,061	4,815	8,875	9,974	10,932	11,661	12,250	12,430	17.1%	0.3%
Subtotal - nonsignatory	254	174	46	139	164	179	191	201	204	28.3%	-2.7%
Total - passenger carriers	**12,356**	**9,235**	**4,861**	**9,014**	**10,138**	**11,111**	**11,852**	**12,451**	**12,634**	**17.3%**	**0.3%**
Annual percent change		-25.3%	-47.4%	85.4%	12.5%	9.6%	6.7%	5.1%	1.5%		
Enplanement Shares											
Southwest	37.7%	37.6%	33.5%	32.4%	32.5%	32.5%	32.5%	32.5%	32.5%		
Delta Airlines	12.2%	12.7%	11.7%	12.0%	11.3%	11.3%	11.3%	11.3%	11.3%		
United Airlines	12.9%	12.0%	12.3%	14.3%	15.4%	15.4%	15.4%	15.4%	15.4%		
American Airlines	11.9%	12.2%	15.8%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%		
Other signatory	23.3%	23.6%	25.8%	26.2%	25.7%	25.7%	25.7%	25.7%	25.7%		
Subtotal - signatory	97.9%	98.1%	99.1%	98.5%	98.4%	98.4%	98.4%	98.4%	98.4%		
Subtotal - nonsignatory	2.1%	1.9%	0.9%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%		

Note: The signatory-nonsignatory break-out in all the forecast summary tables is based on the current signatory and nonsignatory designation of airlines serving SAN.

Table 23| Forecast Seats and Aircraft Departures – Scenario 1 (Base)

	Actual			Recovery Phase					Post-Recovery	CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Seats (1,000s)											
Southwest	6,060	5,428	2,686	4,031	4,256	4,468	4,716	4,942	5,013	11.0%	-2.3%
Delta Airlines	1,727	1,489	1,056	1,285	1,363	1,494	1,577	1,653	1,677	8.0%	-0.4%
United Airlines	1,836	1,434	845	1,566	1,888	2,070	2,185	2,290	2,323	18.3%	3.0%
American Airlines	1,712	1,463	1,020	1,455	1,640	1,798	1,898	1,989	2,018	12.1%	2.1%
Other signatory	3,521	2,911	2,142	2,988	3,293	3,461	3,653	3,829	3,884	10.4%	1.2%
Subtotal - signatory	14,856	12,726	7,749	11,325	12,441	13,290	14,029	14,702	14,916	11.5%	0.0%
Subtotal - nonsignatory	319	246	86	172	202	213	224	235	239	18.6%	-3.6%
Total - passenger carriers	**15,175**	**12,972**	**7,835**	**11,496**	**12,643**	**13,503**	**14,254**	**14,937**	**15,154**	**11.6%**	**0.0%**
Annual percent change		-14.5%	-39.6%	46.7%	10.0%	6.8%	5.6%	1.3%	1.5%		
Aircraft Departures (Landings)											
Southwest	39,175	33,477	16,695	25,472	27,225	28,193	29,649	30,959	31,300	11.0%	-2.8%
Delta Airlines	11,566	9,411	5,835	7,095	7,616	8,234	8,664	9,047	9,147	7.8%	-2.9%
United Airlines	12,272	9,239	5,879	9,957	12,153	13,139	13,822	14,433	14,592	16.4%	2.2%
American Airlines	10,912	8,756	5,689	8,076	9,215	9,963	10,482	10,946	11,066	11.7%	0.2%
Other signatory	25,391	21,144	16,613	23,207	25,890	26,836	28,229	29,478	29,803	10.2%	2.0%
Subtotal - signatory	99,316	82,027	50,711	73,806	82,100	86,365	90,845	94,864	95,909	11.2%	-0.4%
Subtotal - nonsignatory	1,502	1,062	497	800	952	988	1,040	1,086	1,098	14.1%	-3.8%
Subtotal - passenger carriers	100,818	83,089	51,208	74,606	83,052	87,353	91,885	95,950	97,006	11.2%	-0.5%
All-cargo - signatory	2,783	2,755	3,017	2,997	3,007	3,002	3,005	3,003	3,004	-0.1%	1.0%
All-cargo - nonsignatory	539	676	563	566	565	565	565	565	565	0.1%	0.6%
Subtotal - all-cargo carriers	3,322	3,431	3,580	3,563	3,572	3,567	3,569	3,568	3,569	-0.1%	0.9%
Total	**104,140**	**86,520**	**54,788**	**78,169**	**86,624**	**90,920**	**95,454**	**99,518**	**100,575**	**10.7%**	**-0.4%**
Annual percent change		-16.9%	-36.7%	42.7%	10.8%	5.0%	5.0%	1.3%	1.5%		

Table 24| Forecast Enplanement per Departure, Seats per Departure, and Boarding Load Factors - Scenario 1 (Base)

	Actual			Recovery Phase					Post-Recovery
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027
Enplanements per Departure									
Southwest	119	104	97	115	121	128	130	131	131
Delta Airlines	130	124	97	152	150	152	155	155	156
United Airlines	130	120	102	130	128	130	132	133	133
American Airlines	135	129	135	151	149	151	153	154	155
Other signatory	113	103	75	102	101	106	108	109	109
Subtotal - signatory	122	110	95	120	121	127	128	129	130
Subtotal - nonsignatory	169	164	92	174	172	182	184	185	186
Total	**123**	**111**	**95**	**121**	**122**	**127**	**129**	**130**	**130**
Seats per Departure									
Southwest	155	162	161	158	156	158	159	160	160
Delta Airlines	149	158	181	181	179	181	182	183	183
United Airlines	150	155	144	157	155	158	158	159	159
American Airlines	157	167	179	180	178	180	181	182	182
Other signatory	139	138	129	129	127	129	129	130	130
Subtotal - signatory	150	155	153	153	152	154	154	155	156
Subtotal - nonsignatory	212	232	173	215	212	215	216	217	217
Total	**151**	**156**	**153**	**154**	**152**	**155**	**155**	**156**	**156**
Boarding load factors									
Southwest	77%	64%	61%	72%	77%	81%	82%	82%	82%
Delta Airlines	87%	78%	54%	84%	84%	84%	85%	85%	85%
United Airlines	87%	77%	71%	83%	83%	83%	83%	84%	84%
American Airlines	86%	77%	75%	84%	84%	84%	85%	85%	85%
Other signatory	82%	75%	58%	79%	79%	83%	83%	84%	84%
Subtotal - signatory	81%	71%	62%	78%	80%	82%	83%	83%	83%
Subtotal - nonsignatory	79%	71%	53%	81%	81%	84%	85%	85%	86%
Total	**81%**	**71%**	**62%**	**78%**	**80%**	**82%**	**83%**	**83%**	**83%**

Table 25| Forecast Landed Weight and Average Weight per Landing - Scenario 1 (Base)

	Actual			Recovery Phase					Post-Recovery	CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Landed Weight (1,000,000 lbs.)											
Southwest	5,180	4,422	2,277	3,464	3,658	3,840	4,053	4,247	4,309	11.2%	-2.3%
Delta Airlines	1,617	1,374	1,049	1,457	1,545	1,694	1,788	1,874	1,901	10.4%	2.0%
United Airlines	1,702	1,285	771	1,452	1,751	1,919	2,026	2,123	2,154	18.7%	3.0%
American Airlines	1,566	1,299	918	1,302	1,467	1,608	1,698	1,779	1,805	11.9%	1.8%
Other signatory	3,370	2,730	1,995	2,824	3,113	3,271	3,453	3,619	3,671	10.7%	1.1%
Subtotal - signatory	13,435	11,110	7,010	10,499	11,535	12,332	13,019	13,643	13,841	12.0%	0.4%
Subtotal - nonsignatory	447	307	70	190	224	235	249	261	264	24.9%	-6.4%
Subtotal - passenger carriers	13,882	11,417	7,080	10,689	11,759	12,568	13,267	13,903	14,105	12.2%	0.2%
All-cargo - signatory	593	587	613	605	607	606	607	607	607	-0.2%	0.3%
All-cargo - nonsignatory	7	49	87	87	86	86	86	86	86	0.0%	37.6%
Subtotal - all-cargo carriers	600	636	700	692	694	693	693	693	693	-0.2%	1.8%
Total	**14,481**	**12,053**	**7,780**	**11,381**	**12,452**	**13,261**	**13,961**	**14,596**	**14,799**	**11.3%**	**0.3%**
Annual Percent Change		-16.8%	-35.5%	46.3%	9.4%	6.5%	5.3%	1.3%	1.5%		
Average Weight per Landing (1,000 lbs.)											
Southwest	132	132	136	136	134	136	137	137	138		
Delta Airlines	140	146	180	205	203	206	206	207	208		
United Airlines	139	139	131	146	144	146	147	147	148		
American Airlines	144	148	161	161	159	161	162	163	163		
Other signatory	133	129	120	122	120	122	122	123	123		
Subtotal - signatory	135	135	138	142	140	143	143	144	144		
Subtotal - nonsignatory	298	289	140	238	235	238	239	240	241		
Subtotal - passenger carriers	138	137	138	143	142	144	144	145	145		
All-cargo - signatory	213	213	203	202	202	202	202	202	202		
All-cargo - nonsignatory	12	73	154	153	153	153	153	153	153		
Subtotal - all-cargo carriers	180	185	195	194	194	194	194	194	194		
Total	**139**	**139**	**142**	**146**	**144**	**146**	**146**	**147**	**147**		

Table 26| Forecast Enplanements - Scenario 2 (High)

	Actual			Recovery Phase		Post-Recovery Phase				CAGR	
FY ending June 30	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2021-2027**	**2019-2027**
Enplanements (1,000s)											
Southwest	4,656	3,475	1,628	3,170	4,026	4,109	4,173	4,227	4,289	17.5%	-1.0%
Delta Airlines	1,504	1,168	568	1,165	1,401	1,430	1,453	1,471	1,493	17.5%	-0.1%
United Airlines	1,593	1,106	600	1,406	1,909	1,948	1,978	2,004	2,033	22.6%	3.1%
American Airlines	1,468	1,128	768	1,318	1,680	1,715	1,742	1,764	1,790	15.1%	2.5%
Other signatory	2,881	2,184	1,252	2,560	3,190	3,256	3,306	3,349	3,398	18.1%	2.1%
Subtotal - signatory	12,103	9,061	4,815	9,620	12,205	12,458	12,652	12,815	13,004	18.0%	0.9%
Subtotal - nonsignatory	254	174	46	150	200	205	208	210	213	29.2%	-2.1%
Total - passenger carriers	**12,356**	**9,235**	**4,861**	**9,770**	**12,406**	**12,663**	**12,860**	**13,026**	**13,217**	**18.1%**	**0.8%**
Annual percent change		-25.3%	-47.4%	101.0%	27.0%	2.1%	1.6%	1.3%	1.5%		
Enplanement Shares											
Southwest	37.7%	37.6%	33.5%	32.5%	32.5%	32.5%	32.5%	32.5%	32.5%		
Delta Airlines	12.2%	12.7%	11.7%	11.9%	11.3%	11.3%	11.3%	11.3%	11.3%		
United Airlines	12.9%	12.0%	12.3%	14.4%	15.4%	15.4%	15.4%	15.4%	15.4%		
American Airlines	11.9%	12.2%	15.8%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%		
Other signatory	23.3%	23.6%	25.8%	26.2%	25.7%	25.7%	25.7%	25.7%	25.7%		
Subtotal - signatory	97.9%	98.1%	99.1%	98.5%	98.4%	98.4%	98.4%	98.4%	98.4%		
Subtotal - nonsignatory	2.1%	1.9%	0.9%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%		

Table 27| Forecast Seats and Aircraft Departures - Scenario 2 (High)

	Actual			Recovery Phase		Post-Recovery Growth Phase				CAGR	
FY ending June 30	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2021-2027**	**2019-2027**
Seats (1,000s)											
Southwest	6,060	5,428	2,686	4,281	5,100	4,991	5,016	5,068	5,142	11.4%	-2.0%
Delta Airlines	1,727	1,489	1,056	1,361	1,636	1,670	1,696	1,714	1,739	8.7%	0.1%
United Airlines	1,836	1,434	845	1,667	2,264	2,311	2,323	2,347	2,381	18.8%	3.3%
American Airlines	1,712	1,463	1,020	1,545	1,970	2,011	2,042	2,063	2,093	12.7%	2.5%
Other signatory	3,521	2,911	2,142	3,172	3,951	3,870	3,890	3,931	3,988	10.9%	1.6%
Subtotal - signatory	14,856	12,726	7,749	12,026	14,921	14,852	14,967	15,123	15,344	12.1%	0.4%
Subtotal - nonsignatory	319	246	86	181	243	248	249	251	255	19.9%	-2.8%
Total - passenger carriers	**15,175**	**12,972**	**7,835**	**12,207**	**15,164**	**15,100**	**15,216**	**15,375**	**15,599**	**12.2%**	**0.3%**
Annual percent change		-14.5%	-39.6%	55.8%	24.2%	-0.4%	0.8%	1.3%	1.5%		
Departures (Landings)											
Southwest	39,175	33,477	16,695	27,054	32,626	31,492	31,539	31,754	32,104	11.5%	-2.5%
Delta Airlines	11,566	9,411	5,835	7,525	9,157	9,220	9,330	9,395	9,498	8.5%	-2.4%
United Airlines	12,272	9,239	5,879	10,606	14,577	14,677	14,702	14,804	14,967	16.9%	2.5%
American Airlines	10,912	8,756	5,689	8,573	11,062	11,138	11,272	11,349	11,474	12.4%	0.6%
Other signatory	25,391	21,144	16,613	24,641	31,069	30,017	30,068	30,275	30,609	10.7%	2.4%
Subtotal - signatory	99,316	82,027	50,711	78,398	98,492	96,545	96,911	97,577	98,652	11.7%	-0.1%
Subtotal - nonsignatory	1,502	1,062	497	844	1,142	1,150	1,151	1,159	1,172	15.4%	-3.1%
Subtotal - passenger carriers	100,818	83,089	51,208	79,242	99,634	97,694	98,062	98,736	99,824	11.8%	-0.1%
All-cargo - signatory	2,783	2,755	3,017	2,997	3,007	3,002	3,005	3,003	3,004	-0.1%	1.0%
All-cargo - nonsignatory	539	676	563	566	565	565	565	565	565	0.1%	0.6%
Subtotal - all-cargo carriers	3,322	3,431	3,580	3,563	3,572	3,567	3,569	3,568	3,569	-0.1%	0.9%
Total	**104,140**	**86,520**	**54,788**	**82,805**	**103,206**	**101,262**	**101,632**	**102,305**	**103,393**	**11.2%**	**-0.1%**
Annual percent change		-16.9%	-36.7%	51.1%	24.6%	-1.9%	0.4%	1.3%	1.5%		

Table 28| Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors - Scenario 2 (High)

	Actual			Recovery Phase		Post-Recovery Growth Phase			
FY ending June 30	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Enplanements per Departure									
Southwest	119	104	97	117	123	130	132	133	134
Delta Airlines	130	124	97	155	153	155	156	157	157
United Airlines	130	120	102	133	131	133	135	135	136
American Airlines	135	129	135	154	152	154	155	155	156
Other signatory	113	103	75	104	103	108	110	111	111
Subtotal - signatory	122	110	95	123	124	129	131	131	132
Subtotal - nonsignatory	169	164	92	178	176	178	180	182	182
Total	**123**	**111**	**95**	**123**	**125**	**130**	**131**	**132**	**132**
Seats per Departure									
Southwest	155	162	161	158	156	158	159	160	160
Delta Airlines	149	158	181	181	179	181	182	182	183
United Airlines	150	155	144	157	155	157	158	159	159
American Airlines	157	167	179	180	178	181	181	182	182
Other signatory	139	138	129	129	127	129	129	130	130
Subtotal - signatory	150	155	153	153	151	154	154	155	156
Subtotal - nonsignatory	212	232	173	215	212	215	216	217	218
Total	**151**	**156**	**153**	**154**	**152**	**155**	**155**	**156**	**156**
Boarding load factors									
Southwest	77%	64%	61%	74%	79%	82%	83%	83%	83%
Delta Airlines	87%	78%	54%	86%	86%	86%	86%	86%	86%
United Airlines	87%	77%	71%	84%	84%	84%	85%	85%	85%
American Airlines	86%	77%	75%	85%	85%	85%	85%	85%	86%
Other signatory	82%	75%	58%	81%	81%	84%	85%	85%	85%
Subtotal - signatory	81%	71%	62%	80%	82%	84%	85%	85%	85%
Subtotal - nonsignatory	79%	71%	53%	83%	83%	83%	83%	84%	84%
Total	**81%**	**71%**	**62%**	**80%**	**82%**	**84%**	**85%**	**85%**	**85%**

Table 29| Forecast Landed Weight - Scenario 2 (High)

	Actual			Recovery Phase		Post-Recovery Growth Phase				CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Landed Weight (1,000,000 lbs.)											
Southwest	5,180	4,422	2,277	3,679	4,384	4,290	4,311	4,356	4,420	11.7%	-2.0%
Delta Airlines	1,617	1,374	1,049	1,543	1,855	1,894	1,923	1,943	1,972	11.1%	2.5%
United Airlines	1,702	1,285	771	1,546	2,099	2,143	2,154	2,176	2,208	19.2%	3.3%
American Airlines	1,566	1,299	918	1,382	1,762	1,798	1,826	1,845	1,872	12.6%	2.3%
Other signatory	3,370	2,730	1,995	2,998	3,735	3,658	3,677	3,716	3,770	11.2%	1.4%
Subtotal - signatory	13,435	11,110	7,010	11,149	13,835	13,783	13,892	14,037	14,242	12.5%	0.7%
Subtotal - nonsignatory	447	307	70	203	272	277	279	282	286	26.6%	-5.4%
Subtotal - passenger carriers	13,882	11,417	7,080	11,352	14,107	14,060	14,171	14,319	14,528	12.7%	0.6%
All-cargo - signatory	593	587	613	605	607	606	607	607	607	-0.2%	0.3%
All-cargo - nonsignatory	7	49	87	87	86	86	86	86	86	0.0%	37.6%
Subtotal - all-cargo carriers	600	636	700	692	694	693	693	693	693	-0.2%	1.8%
Total	**14,481**	**12,053**	**7,780**	**12,044**	**14,801**	**14,753**	**14,865**	**15,012**	**15,221**	**11.8%**	**0.6%**
Annual Percent Change		-16.8%	-35.5%	54.8%	22.9%	-0.3%	0.8%	1.3%	1.5%		
Average Weight per Landing (1,000 lbs.)											
Southwest	132	132	136	136	134	136	137	137	138		
Delta Airlines	140	146	180	205	203	205	206	207	208		
United Airlines	139	139	131	146	144	146	147	147	148		
American Airlines	144	148	161	161	159	161	162	163	163		
Other signatory	133	129	120	122	120	122	122	123	123		
Subtotal - signatory	135	135	138	142	140	143	143	144	144		
Subtotal - nonsignatory	298	289	140	241	238	241	242	243	244		
Subtotal - passenger carriers	138	137	138	143	142	144	145	145	146		
All-cargo - signatory	213	213	203	202	202	202	202	202	202		
All-cargo - nonsignatory	12	73	154	153	153	153	153	153	153		
Subtotal - all-cargo carriers	180	185	195	194	194	194	194	194	194		
Total	**139**	**139**	**142**	**145**	**143**	**146**	**146**	**147**	**147**		

Table 30| Forecast Enplanements - Scenario 3 (Low)

	Actual			Recovery Phase						CAGR	
FY ending June 30	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2021-2027**	**2019-2027**
Enplanements (1,000s)											
Southwest	4,656	3,475	1,628	2,742	3,060	3,358	3,584	3,768	3,921	15.8%	-2.1%
Delta Airlines	1,504	1,168	568	1,021	1,065	1,169	1,248	1,311	1,365	15.7%	-1.2%
United Airlines	1,593	1,106	600	1,219	1,451	1,592	1,699	1,786	1,859	20.7%	1.9%
American Airlines	1,468	1,128	768	1,150	1,277	1,401	1,496	1,572	1,636	13.4%	1.4%
Other signatory	2,881	2,184	1,252	2,231	2,424	2,660	2,840	2,985	3,107	16.4%	0.9%
Subtotal - signatory	12,103	9,061	4,815	8,363	9,277	10,180	10,867	11,422	11,888	16.3%	-0.2%
Subtotal - nonsignatory	254	174	46	132	152	167	178	188	195	27.3%	-3.2%
Total - passenger carriers	**12,356**	**9,235**	**4,861**	**8,495**	**9,430**	**10,347**	**11,045**	**11,610**	**12,084**	**16.4%**	**-0.3%**
Annual percent change		-25.3%	-47.4%	74.8%	11.0%	9.7%	6.8%	5.1%	4.1%		
Enplanement Shares											
Southwest	37.7%	37.6%	33.5%	32.3%	32.5%	32.5%	32.5%	32.5%	32.5%		
Delta Airlines	12.2%	12.7%	11.7%	12.0%	11.3%	11.3%	11.3%	11.3%	11.3%		
United Airlines	12.9%	12.0%	12.3%	14.3%	15.4%	15.4%	15.4%	15.4%	15.4%		
American Airlines	11.9%	12.2%	15.8%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%		
Other signatory	23.3%	23.6%	25.8%	26.3%	25.7%	25.7%	25.7%	25.7%	25.7%		
Subtotal - signatory	97.9%	98.1%	99.1%	98.4%	98.4%	98.4%	98.4%	98.4%	98.4%		
Subtotal - nonsignatory	2.1%	1.9%	0.9%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%		

Table 31| Forecast Seats and Aircraft Departures - Scenario 3 (Low)

	Actual			Recovery Phase						CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Seats (1,000s)											
Southwest	6,060	5,428	2,686	3,917	4,088	4,290	4,530	4,749	4,942	10.7%	-2.5%
Delta Airlines	1,727	1,489	1,056	1,250	1,304	1,431	1,511	1,585	1,649	7.7%	-0.6%
United Airlines	1,836	1,434	845	1,521	1,810	1,906	2,014	2,111	2,197	17.3%	2.3%
American Airlines	1,712	1,463	1,020	1,415	1,571	1,654	1,748	1,833	1,908	11.0%	1.4%
Other signatory	3,521	2,911	2,142	2,906	3,158	3,318	3,504	3,674	3,823	10.1%	1.0%
Subtotal - signatory	14,856	12,726	7,749	11,009	11,930	12,599	13,307	13,952	14,519	11.0%	-0.3%
Subtotal - nonsignatory	319	246	86	167	193	203	215	225	234	18.2%	-3.8%
Total - passenger carriers	**15,175**	**12,972**	**7,835**	**11,177**	**12,124**	**12,802**	**13,522**	**14,177**	**14,753**	**11.1%**	**-0.4%**
Annual percent change		-14.5%	-39.6%	42.6%	8.5%	5.6%	5.6%	1.3%	1.5%		
Aircraft Departures (Landings)											
Southwest	39,175	33,477	16,695	24,753	26,146	27,069	28,480	29,752	30,853	10.8%	-2.9%
Delta Airlines	11,566	9,411	5,835	6,899	7,285	7,885	8,299	8,671	8,992	7.5%	-3.1%
United Airlines	12,272	9,239	5,879	9,672	11,651	12,097	12,736	13,307	13,800	15.3%	1.5%
American Airlines	10,912	8,756	5,689	7,853	8,824	9,168	9,653	10,087	10,460	10.7%	-0.5%
Other signatory	25,391	21,144	16,613	22,564	24,817	25,721	27,069	28,280	29,326	9.9%	1.8%
Subtotal - signatory	99,316	82,027	50,711	71,742	78,722	81,940	86,238	90,098	93,431	10.7%	-0.8%
Subtotal - nonsignatory	1,502	1,062	497	777	908	942	992	1,036	1,075	13.7%	-4.1%
Subtotal - passenger carriers	100,818	83,089	51,208	72,518	79,630	82,882	87,230	91,134	94,506	10.8%	-0.8%
All-cargo - signatory	2,783	2,755	3,017	2,997	3,007	3,002	3,005	3,003	3,004	-0.1%	1.0%
All-cargo - nonsignatory	539	676	563	566	565	565	565	565	565	0.1%	0.6%
Subtotal - all-cargo carriers	3,322	3,431	3,580	3,563	3,572	3,567	3,569	3,568	3,569	-0.1%	0.9%
Total	**104,140**	**86,520**	**54,788**	**76,082**	**83,202**	**86,449**	**90,799**	**94,703**	**98,075**	**10.2%**	**-0.7%**
Annual percent change		-16.9%	-36.7%	38.9%	9.4%	3.9%	5.0%	1.3%	1.5%		

Table 32| Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors - Scenario 3 (Low)

	Actual			Recovery Phase					
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027
Enplanements per Departure									
Southwest	119	104	97	111	117	124	126	127	127
Delta Airlines	130	124	97	148	146	148	150	151	152
United Airlines	130	120	102	126	125	132	133	134	135
American Airlines	135	129	135	146	145	153	155	156	156
Other signatory	113	103	75	99	98	103	105	106	106
Subtotal - signatory	122	110	95	117	118	124	126	127	127
Subtotal - nonsignatory	169	164	92	170	168	177	180	181	182
Total	**123**	**111**	**95**	**117**	**118**	**125**	**127**	**127**	**128**
Seats per Departure									
Southwest	155	162	161	158	156	158	159	160	160
Delta Airlines	149	158	181	181	179	181	182	183	183
United Airlines	150	155	144	157	155	158	158	159	159
American Airlines	157	167	179	180	178	180	181	182	182
Other signatory	139	138	129	129	127	129	129	130	130
Subtotal - signatory	150	155	153	153	152	154	154	155	155
Subtotal - nonsignatory	212	232	173	215	213	216	217	217	218
Total	**151**	**156**	**153**	**154**	**152**	**154**	**155**	**156**	**156**
Boarding load factors									
Southwest	77%	64%	61%	70%	75%	78%	79%	79%	79%
Delta Airlines	87%	78%	54%	82%	82%	82%	83%	83%	83%
United Airlines	87%	77%	71%	80%	80%	84%	84%	85%	85%
American Airlines	86%	77%	75%	81%	81%	85%	86%	86%	86%
Other signatory	82%	75%	58%	77%	77%	80%	81%	81%	81%
Subtotal - signatory	81%	71%	62%	76%	78%	81%	82%	82%	82%
Subtotal - nonsignatory	79%	71%	53%	79%	79%	82%	83%	83%	83%
Total	**81%**	**71%**	**62%**	**76%**	**78%**	**81%**	**82%**	**82%**	**82%**

Table 33| Forecast Landed Weight - Scenario 3 (Low)

	Actual			Recovery Phase						CAGR	
FY ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2021-2027	2019-2027
Landed Weight (1,000,000 lbs.)											
Southwest	5,180	4,422	2,277	3,367	3,513	3,688	3,894	4,082	4,248	11.0%	-2.4%
Delta Airlines	1,617	1,374	1,049	1,417	1,478	1,622	1,714	1,797	1,870	10.1%	1.8%
United Airlines	1,702	1,285	771	1,411	1,679	1,767	1,867	1,958	2,037	17.6%	2.3%
American Airlines	1,566	1,299	918	1,266	1,405	1,480	1,564	1,640	1,706	10.9%	1.1%
Other signatory	3,370	2,730	1,995	2,745	2,983	3,135	3,311	3,471	3,612	10.4%	0.9%
Subtotal - signatory	13,435	11,110	7,010	10,206	11,059	11,691	12,349	12,947	13,473	11.5%	0.0%
Subtotal - nonsignatory	447	307	70	184	212	223	236	247	257	24.3%	-6.7%
Subtotal - passenger carriers	13,882	11,417	7,080	10,389	11,271	11,914	12,584	13,194	13,730	11.7%	-0.1%
All-cargo - signatory	593	587	613	605	607	606	607	607	607	-0.2%	0.3%
All-cargo - nonsignatory	7	49	87	87	86	86	86	86	86	0.0%	37.6%
Subtotal - all-cargo carriers	600	636	700	692	694	693	693	693	693	-0.2%	1.8%
Total	**14,481**	**12,053**	**7,780**	**11,081**	**11,965**	**12,607**	**13,278**	**13,887**	**14,423**	**10.8%**	**-0.1%**
Annual Percent Change		-16.8%	-35.5%	42.4%	8.0%	5.4%	5.3%	1.3%	1.5%		
Average Weight per Landing (1,000 lbs.)											
Southwest	132	132	136	136	134	136	137	137	138		
Delta Airlines	140	146	180	205	203	206	206	207	208		
United Airlines	139	139	131	146	144	146	147	147	148		
American Airlines	144	148	161	161	159	161	162	163	163		
Other signatory	133	129	120	122	120	122	122	123	123		
Subtotal - signatory	135	135	138	142	140	143	143	144	144		
Subtotal - nonsignatory	298	289	140	236	233	237	238	238	239		
Subtotal - passenger carriers	138	137	138	143	142	144	144	145	145		
All-cargo - signatory	213	213	203	202	202	202	202	202	202		
All-cargo - nonsignatory	12	73	154	153	153	153	153	153	153		
Subtotal - all-cargo carriers	180	185	195	194	194	194	194	194	194		
Total	**139**	**139**	**142**	**146**	**144**	**146**	**146**	**147**	**147**		

3.4 | Forecast Uncertainty and Risk Factors

The forecasts are based on information available at the time of the study, measurable factors that drive air traffic, and assumptions about their future trends. Actual results could differ materially from the forecasts if any of the assumptions do not hold or if unexpected events cause traffic to decrease or increase significantly. The Airport operates in a dynamic business environment where a variety of factors are at play. Many of these factors, often intertwined, are subject to volatility and uncertainty, introducing risk—both downside and upside—to forecast activity levels.

3.4.1 | Disease Outbreaks

Passenger air travel demand is sensitive to disease outbreaks. In 2020, the COVID-19 pandemic developed to become the greatest threat to the entire aviation industry. It will remain a threat until the spread of the disease is successfully contained. Widespread vaccination is key to containing the spread of the disease, restoring people's confidence in the public health safety of air travel, and making people comfortable again with being close to other people. The distribution of COVID-19 vaccines has aided in the recovery of air travel and the overall U.S. economy, but new variants of the disease and resurgences in infections continue to present uncertainty for the future.

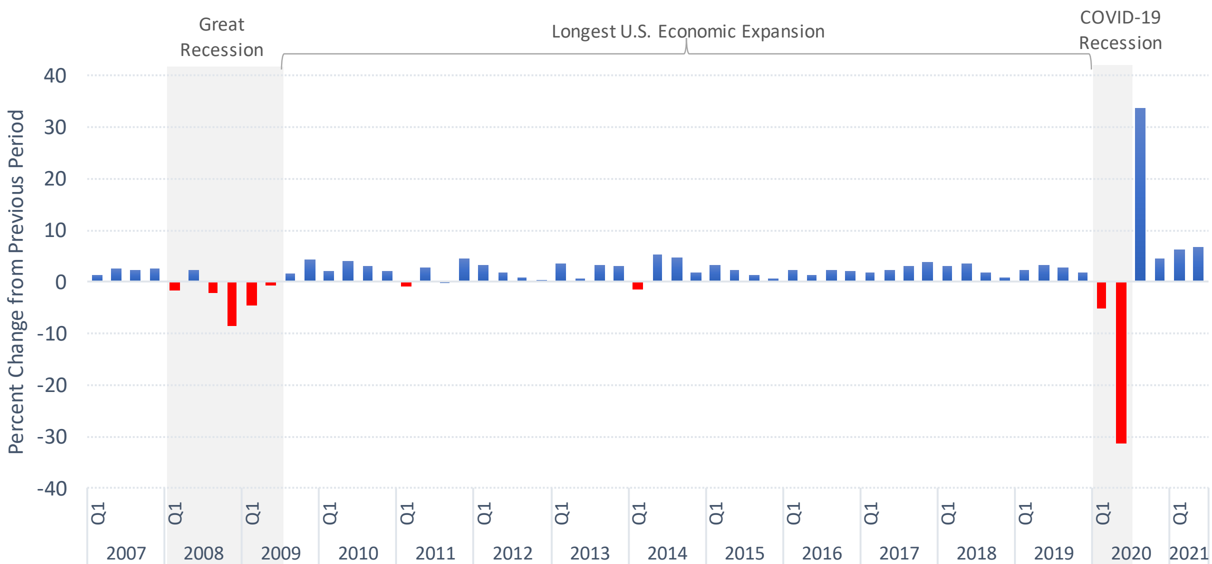
3.4.2 | Economic Conditions

The aviation industry is a pro-cyclical industry. Aviation traffic grows during periods of economic expansion, as consumer and business incomes grow, increasing overall demand, including for air travel. Conversely, aviation traffic declines during periods of economic recession, as consumer and business incomes fall, causing overall demand and the demand for air travel to fall.

Various factors can trigger an economic recession. In 2020, the COVID-19 pandemic and extreme mitigation measures triggered a global economic recession. The U.S. economy had recovered its pre-COVID output level in the second quarter of 2021; it is forecast to continue its strong growth in the third quarter. However, the ongoing economic expansion faces threats from flare-ups of COVID-19 cases and new virus variants that could prompt another wave of widespread economic lockdowns. In addition, the U.S. economy faces other sources of economic risks, including inflationary pressures, supply constraints, slowing of population growth, population aging, international trade tensions, continuing geo-political tensions, weakness in certain parts of the global economy, financial market volatility, and the high level of U.S. government and private debt. The federal aid recently provided to individuals and businesses to alleviate the recession impacts of COVID-19 added substantially to an already high level of federal debt.

Figure 46 shows the trends in U.S. real GDP since the first quarter of 2007 through the Great Recession in 2008 and 2009, and the COVID-19 recession in 2020.

Figure 46| U.S. Real GDP, Quarterly, Annualized Percent Change from Previous Period, Q1 2007-Q2 2021



Source: U.S. Bureau of Economic Analysis.

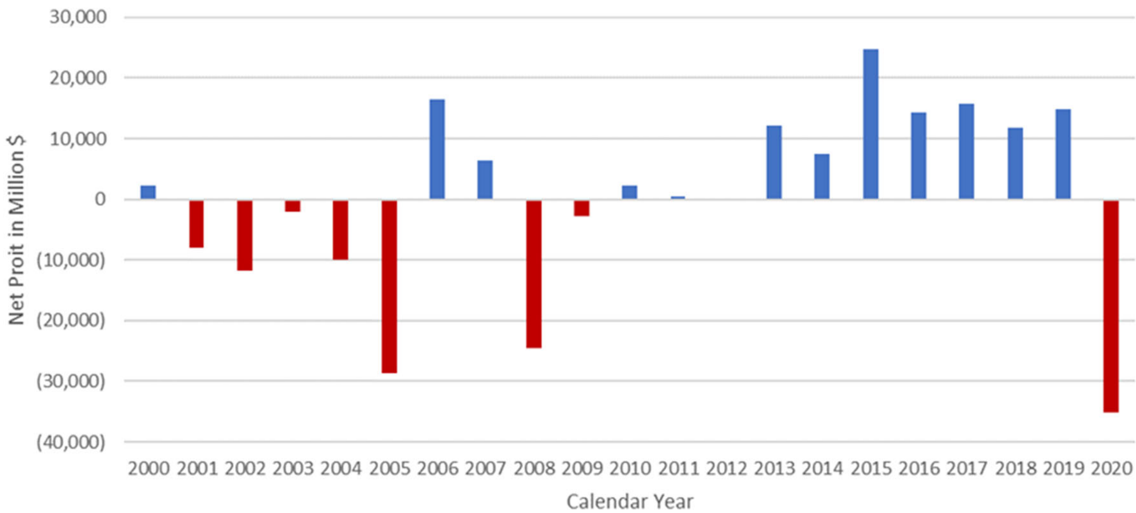
3.4.3 | U.S. Airline Industry Volatility

The U.S. airline industry is extremely volatile. It is vulnerable to many exogenous factors such as economic downturns, sharp increases in oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, and geo-political tensions.

In 21 years from 2000 through 2020, the U.S. airline industry incurred annual net losses in eight years and annual net profits in 13 years, netting a profit of $5.816 billion over the entire 21 year-period (Figure 47). After persistent losses during most of the 2000s, the U.S. airline industry realized net profits in every year during the 2010s. The U.S. airline industry thrived amid the long economic expansion during the 2010s and the sharp decrease in fuel price, reaping the benefits of business restructuring, capacity restraint, cost-cutting measures, and productivity improvements implemented since the Great Recession. Markedly improved financial performance enabled U.S. airlines to renew their fleets and increase scheduled flights and seats, while maintaining capacity discipline.

In 2020, the U.S. airline industry outlook took a dramatic downturn with the advent of COVID-19. Passenger air travel came to a near halt in April 2020 and has yet to recover to its pre-COVID-19 level. In 2020, U.S. passenger airlines incurred a net loss of more than $35 billion, the largest annual loss on record since 1977, the year prior to the Airline Deregulation Act of 1978.

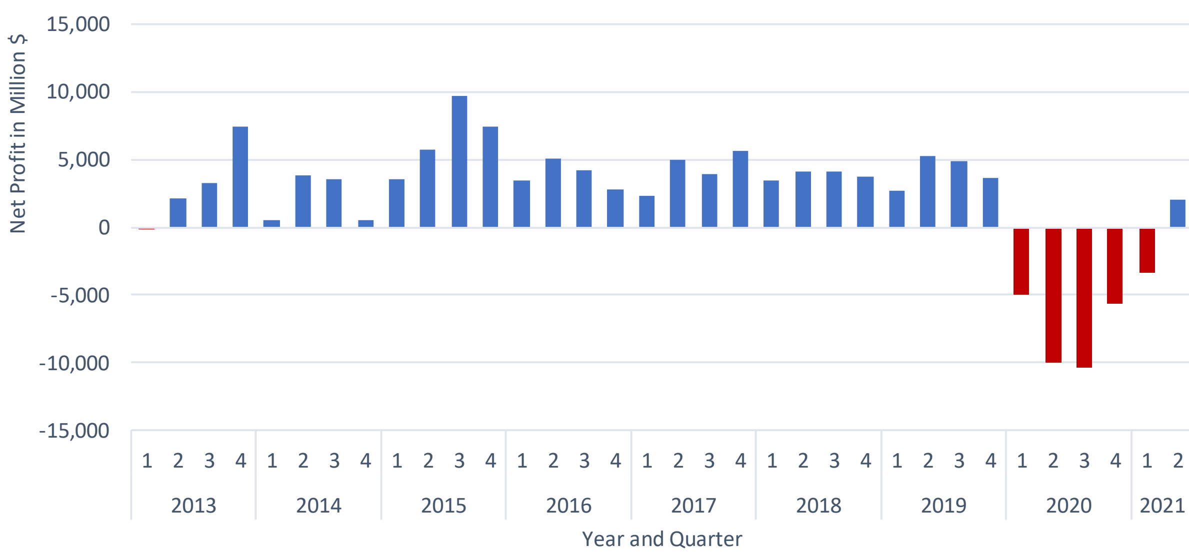
Figure 47| U.S. Passenger Airlines' Annual Net Profit, 2000-2020



Source: U.S. Bureau of Transportation Statistics F41 Schedule P12 data.

Due to the COVID-19 pandemic, Q1 2020 was the first quarter to result in a negative net income for all U.S. carriers since Q1 2013 (Figure 48). The net income loss only became more severe through 2020's later quarters, reaching a trough of -$10.4 billion in Q3 2020. From there, quarterly net income began to recover, and finally reached a positive total of approximately $2 million in Q2 2021.

Figure 48| Quarterly Net Income for All U.S. Carriers in All Regions, 2013-2021



Source: U.S. Bureau of Transportation Statistics F41 Schedule P12 data.

To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines' finances, the U.S. federal government provided financial relief to the U.S. airlines—as it did for U.S. airports—in three federal aid packages: the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA); and the American Rescue Plan Act of 2021 (ARPA).

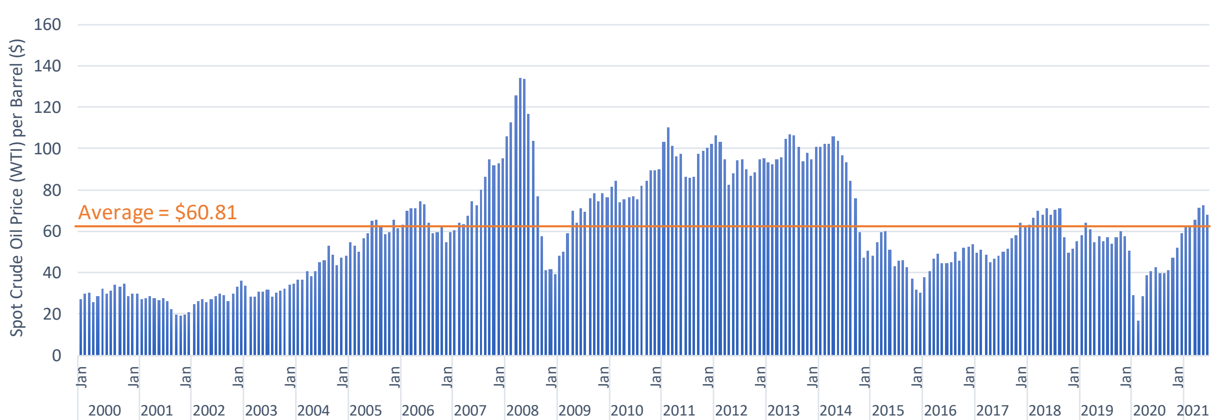
3.4.5 | Volatility of Oil Prices and Implications for Aviation Fuel Cost

Volatility in oil prices have direct implications for aviation fuel cost, a major component of airlines' operating costs. Oil price increases translate directly into higher airline fuel costs. In the 2000s, record oil price increases raised fuel costs and put tremendous pressure on airline finances, contributing to net losses incurred by the U.S. airline industry during that decade. Oil prices have come down from their mid-2000 peak levels due to increased oil production amid a slowing global economy. The resulting decrease in aviation fuel price contributed to sustained profitability in the U.S. airline industry in the 2010s.

Figure 49 shows the trends in oil prices. In 2020, the global economic recession and the oil supply glut kept oil prices low. Airlines enjoyed low aviation fuel prices, which provided some cost relief during the pandemic crisis. In 2021, global economy recovery has begun to push oil prices up. Oil prices climbed back up to an average of $72.49 per barrel in July 2021, but they have recently dipped downward to an average of $67.73 in August 2021. Prospectively, oil prices will continue to be affected by geopolitical factors including high production of oil in Russia, uncertainty in the pricing of oil in the Middle East, and unpredictability of actions taken by the Organization of the Petroleum Exporting Countries (OPEC).

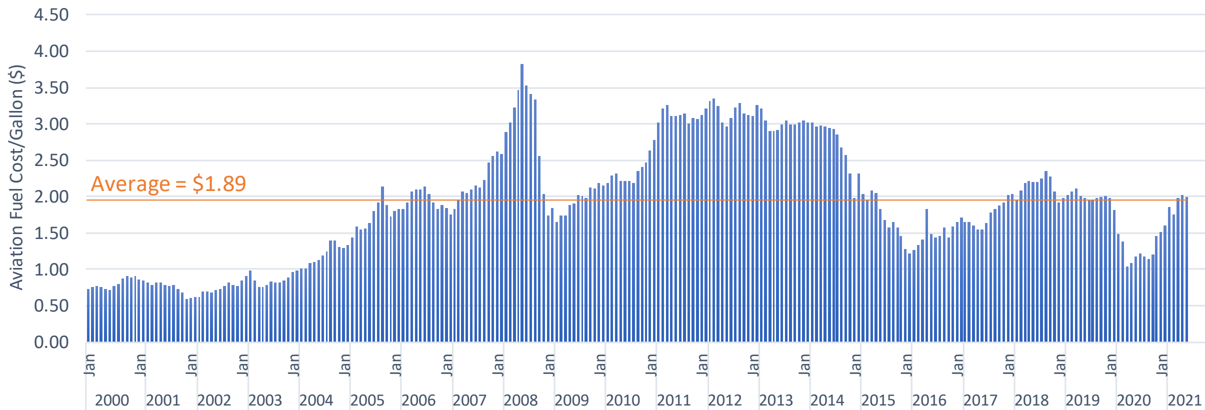
Figure 50 shows the trends in aviation fuel cost per gallon, which follow the trends in oil prices.

Figure 49| Spot Crude Oil Price: West Texas Intermediate, $/Barrel, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis, Spot Crude Oil Price: West Texas Intermediate (WTI) [WTISPLC], retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/WTISPLC>, July 27, 2021.

Figure 50| Aviation Fuel Cost per Gallon, Monthly Average



Source: U.S. Department of Transportation Form 41.

3.4.6 | Airline Market Concentration

Airline market concentration raises concern if it could lead to abuse of market power or increased ticket prices. At SAN, while Southwest Airlines maintains the largest share of passenger traffic, its share has never exceeded 40 percent of the Airport's annual enplanements. In FY2021, this share decreased to 33 percent.

Among U.S. airlines, Southwest Airlines had the strongest financial position coming into the pandemic. In 2019, the airlines' financial performance was strong even with the grounding of its Boeing 737 MAX aircraft—at the time of the grounding, Southwest Airlines had 24 MAX 8 aircraft in its fleet. That year Southwest Airlines enjoyed its 47th consecutive year of profitability—a record unmatched by any commercial airline—and ended the year with exceptionally strong liquidity of $5.1 billion.[38]

The COVID-19 pandemic and the resulting economic shock hit all airlines hard. Southwest Airlines reacted by enhancing aircraft cleaning procedures, implementing cost-saving measures, reducing flight schedules, and cancelling/deferring capital projects. Southwest Airlines also enjoyed cost relief from lower fuel prices.[39]

Like other U.S. passenger airlines, Southwest Airlines incurred losses through the pandemic. But compared with its peers, Southwest Airlines has maintained relatively strong liquidity.

3.4.7 | Airline Mergers

Responding to competition, cost and regulatory pressures, the airline industry has been consolidating. Airline mergers affect service and traffic at airports when the merged airlines consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The

[38] Southwest Airlines Co., *2019 Annual Report to Shareholders*.

[39] Southwest Airlines Co., *2019 Annual Report to Shareholders*.

impact on affected airports usually plays out within a few years—sometimes immediately—following the merger. The impact can be significant or trivial, depending upon whether the merging airlines have a large market share at an airport and whether they carry significant connecting traffic through the airport.

Recent mergers include Delta and Northwest in 2008, United and Continental in 2010, Southwest and AirTran in 2011, American and US Airways in 2013, and Alaska and Virgin America in 2016. After the United-Continental merger, the combined seats of the two airlines at the Airport decreased beginning FY2011, and the decreases persisted through FY2015. Following the American-US Airways merger, their combined seats at the Airport increased each year through FY2016, except in FY2015. The decreases in Southwest's seats at the Airport following Southwest's acquisition of AirTran could not be clearly attributed to the merger, because of other developments affecting Southwest's network decisions at the time. The Alaska-Virgin America merger appears to have been beneficial to SAN. Alaska has been increasing its share of SAN's passenger traffic since the merger.

3.4.8 | Structural Changes in Demand and Supply

In the past, major crises prompted lasting structural changes on both demand and supply side in the aviation industry. For example, the 2001 terrorist attacks prompted more stringent airport security measures. More thorough passenger security screening resulted in longer wait times that required passengers to arrive at the airport much earlier than scheduled flight departure times. This reduced, if not eliminated, the time advantage of air travel to ground transportation and decreased the demand for air travel for short-haul trips. The COVID-19 pandemic is also expected to result in lasting structural changes.

On the demand side, COVID-19 could usher in "a new normal" in consumer behavior, social interactions, and ways of conducting business that would permanently alter travel propensities and preferences. Public health safety concerns could cause consumers to favor ground transportation even for longer distances for which they previously preferred traveling by air. For vacation travel, consumers are adapting to the COVID-19 environment by favoring destinations accessible by ground transportation. The accelerated adoption of technology for virtual meetings and conferences could result in a permanent downshift in business travel demand. Such permanent shifts in air travel demand could delay recovery to pre-COVID traffic levels for many years beyond the recovery periods assumed in the recovery scenarios and slow post-recovery traffic growth.

On the supply side, U.S. airlines have taken steps to become smaller—accelerating retirement of old aircraft, deferring new aircraft orders, and cutting workforces. U.S. airlines could take many years to recover from the major financial setback from COVID-19 and to restore service to pre-COVID levels. The aviation industry could see another wave of airline capacity rationalization continuing long after traffic recovery as airlines take measures, including possibly raising fares, to return to profitability, slowing post-recovery traffic growth.

One favorable trend is the accelerated adoption of no-touch technologies by airlines, airports, and the TSA. These new technologies would not only help allay public health safety concerns, but could also speed up passenger processing. By saving passengers time and anxiety waiting in lines, these technologies could help restore the competitiveness of air travel at all airports against ground transportation modes and help stimulate traffic recovery and growth nationwide.

3.4.9 | Competition from Other Nearby Airports

Section 2 identified the commercial service airports within 150 road miles of SAN, and it discussed the extent by which each airport could compete with SAN for passenger traffic. With the exception of LAX (125 miles north of SAN), none of the other Southern California airports pose significant competition to SAN for passenger traffic. Across the border in Mexico, just 24 miles south of SAN, is the Tijuana Rodriguez International Airport (TIJ) serving mostly destinations in Mexico.

3.4.10 | Airfield and Curfew Constraints

The Airport has a single runway, which will eventually cause congestion and limit traffic growth. Runway additions at SAN will be difficult because of the following obstacles: (1) significant geographic obstructions (including high terrain to the northeast and southwest of the Airport); (2) manmade obstructions, such as office buildings, to the northeast, east, and southeast of the Airport; (3) major land acquisition requirements; (4) extensive infrastructure impacts; (5) local resident opposition; and (6) increased noise impacts. According to the SAN Master Plan, runway congestion is anticipated to occur when annual aircraft operations reach between 260,000 and 300,000. Annual aircraft operations are not projected to reach this range during the forecast period.

Beyond the forecast period, the Next Generation Air Transportation System (NextGen) offers significant improvements to the air traffic control system that could increase SAN air traffic capacity, regardless of the constraint to airfield expansion. NextGen refers to the ongoing, wide-ranging transformation of the National Airspace System (NAS) including the change from a ground-based air traffic control system to a satellite-based management system.

In addition to airfield capacity restrictions, the Airport operations are subject to restrictions relating to the curfew imposed on the Airport. Section 9.40 of the San Diego County Regional Airport Authority Code, which sets forth the regulations of the Airport Authority that restrict and regulate certain operations at the Airport, prohibits aircraft departures between 11:30 p.m. and 6:30 a.m. Commercial passenger aircraft departures at SAN are scheduled outside of the restricted hours.

3.4.11 | Labor Supply Constraints

The COVID-19 pandemic and the resulting downturn in passenger traffic led to airline staff reductions, and airlines went into 2021 with a significantly smaller workforce than they had prior to the pandemic. With the recovery of air traffic, the demand for leisure travel accelerated in the first half of 2021, requiring airlines to build their workforces back up to meet this demand. Insufficient numbers of qualified employees could adversely affect airline operations, and by extension, possibly impact overall air traffic recovery and growth. As a result, competition between companies to attract and retain skilled personnel increased, which may continue to intensify if overall industry capacity continues to increase.

3.4.12 | Geopolitical Conflicts and Threat of Terrorism

Geopolitical conflicts and acts of terrorism can disrupt air transportation. The terrorist attacks of September 11, 2001, serve as a constant reminder of the serious threat of such acts to the aviation industry. Elevated threat warnings also elevate airport security measures, resulting in more meticulous passenger screening and longer waits at security screening lines. They can result in travel advisories that discourage air travel altogether.

SECTION 4 | AIRLINE OPERATING AND LEASE AGREEMENT

The Airport Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements, as amended (the AOLA) with 14 passenger airlines operating at SAN (the Signatory Passenger Airlines) and three all-cargo carriers (the Signatory Cargo Carriers, and together with the Signatory Passenger Airlines, the "Signatory Airlines"). As of October 2021, the Signatory Passenger Airlines are Air Canada, Alaska, American, British Airways, Delta, Frontier, Hawaiian, Japan Airlines, JetBlue, Southwest, Spirit, Sun Country, United and WestJet; and the Signatory Cargo Carriers are currently Atlas, FedEx, and UPS.
In an effort to better match capacity with demand in some markets, certain Signatory Airlines have entered into agreements with affiliated passenger airlines (the Affiliate Airlines) to operate smaller aircraft on behalf of those Signatory Airlines. The Affiliate Airlines have each executed an agreement with the Airport Authority and the applicable Signatory Airline (the Affiliate Airline Operating Agreement). The Affiliate Airline Operating Agreements allow the Affiliate Airlines to operate at SAN on behalf of the applicable Signatory Airlines without the Affiliate Airlines having to execute an AOLA. The same rates, fees, and charges applicable to the Signatory Airlines' operations at SAN generally apply to the Affiliate Airlines' operations at SAN. In the event an Affiliate Airline fails to pay fees to the Airport Authority, the applicable Signatory Airline is responsible for the fees and charges billed to its Affiliate Airline. The Affiliate Airlines currently operating at SAN are Air Canada Rouge and Jazz (affiliated with Air Canada), Horizon (affiliated with Alaska), and SkyWest (affiliated with Alaska, American, Delta, and United), and WestAir (affiliated with FedEx).

The following two passenger airlines currently operate at SAN pursuant to the Non-Signatory Airline Operating Agreement (the Non-Signatory Airlines): Allegiant, and Swoop. In addition, Ameriflight and Swift Air are the two cargo airlines that operate pursuant to the Non-Signatory Airline Operating Agreement.

4.1 | Term

The term of the AOLA began on July 1, 2019 and will terminate at the close of business on June 30, 2029.

4.2 | Use of Premises

The AOLA grants to the Signatory Airlines the right to use the Airport, in common with others so authorized, for the purpose of conducting their business for the commercial transportation by air of persons, property, mail, parcels and/or cargo. The Airport Authority leases to the Signatory Airlines the following types of premises (Premises) of the Airport, as defined in the AOLA: Exclusive Use Premises; Shared Use Premises; Joint Use Premises; Common Use Premises; Unenclosed Operations Premises; and Aircraft Parking Premises. The AOLA contains provisions that provide the Airport Authority flexibility to relocate Signatory Airlines, as necessary, to accommodate the implementation of improvements at the Airport, including implementation of the New T1, for accommodation of the traveling public, or in order to maximize the use of the terminals at SAN.

4.3 | Key Provisions to Enhance Funding of Capital Improvements

The AOLA contains provisions intended to enhance the Airport Authority's ability to meet its financial obligations and fund future capital improvements[40]. These key provisions are described in the paragraphs below..

Major Maintenance Fund

A Major Maintenance Fund (MMF) was established to fund capital projects in the Airfield Area, Terminal Area, Common Use Systems, and Airline Terminal Support Cost Centers and Capital Projects in Indirect Cost Centers to the extent allocable to such cost centers. The AOLA stipulates that each Fiscal Year, the Airport Authority will deposit $40.0 million into the MMF, from the following revenue sources: $15.0 million from the Airfield Area; $15.0 million from the Terminal Area; and $10.0 million from non-airline revenue. However, in order to mitigate the effect of this provision on airline rates and charges during the COVID-19 pandemic, the Airport Authority reduced the FY2020 deposit to the MMF to $30.0 million in FY2020, with $10 million charged to the Airfield, $10.0 million charged to the Terminal, and $10.0 million from non-airline revenue sources. The MMF deposit in FY2021 and FY2022 is $10.0 million each year, all from non-airline sources, with no charges to either the Airfield Area or the Terminal Area. For FY2023 through FY2029, the Airport Authority plans to deposit $50.0 million per year into the MMF to make up for the deposits that were deferred, with $20.0 million charged to each of the Airfield and Terminal cost centers and $10.0 million from non-airline revenue sources. The airlines are required to pay these amounts as part of their landing fee and terminal rent obligations under the AOLA.

Coverage Charges

Coverage Charges are included in the calculation of airline rates and charges, as needed, to ensure that 1.4 times debt service cash flow coverage is maintained. Coverage Charges are calculated in each Fiscal year as follows: 140 percent times Debt Service; plus O&M Expenses; minus Revenues, PFCs used to pay Debt Service, and Federal funds applied to Debt Service. If the calculation results in a positive number, the Coverage Charges are allocated to the Airfield Area, Terminal Area, Common Use Systems, and Airline Terminal Support cost centers in proportion to the Debt Service in each of those cost centers.

Any Coverage Charges available for use after the year-end reconciliation shall be used by the Airport Authority to either (1) reduce the amount of outstanding bonds, or (2) make a supplemental deposit to the Major Maintenance Fund.

Days Cash on Hand

Any available cash over 600 Days Cash on Hand (DCOH) may be used by the Airport Authority to either (1) reduce the amount of bonds outstanding in a subsequent Fiscal Year or (2) fund future capital projects.

[40] All capitalized terms used in this section refer to defined terms in the AOLA.

Passenger Facility Charges

The Airport Authority may allocate PFCs each year in order to manage the level of Cost per Enplanement (CPE). The Airport Authority has budgeted an allocation of $30.0 million of PFCs to debt service in FY2022. The Airport Authority is not planning to allocate any PFCs to debt service during FY2023 – FY2025, in order to hold PFC collections to be used in later years, after the capitalized interest period ends on the Subordinate Series 2021AB Bonds and the future New T1-related bond issues. The Airport Authority will continue to collect PFCs in each year during the forecast period. Currently, the Airport Authority plans to allocate $45.0 million and $75.0 million to debt service in FY2026 and FY2027, respectively.

4.4 | Rentals, Fees, and Charges

The Signatory Airlines pay to the Airport Authority certain rentals, fees, and charges in consideration for their use of Airport facilities. The landing fee is calculated according to a cost center residual methodology, and the terminal rental rate is calculated according to a cost center compensatory methodology. The methodologies for calculating the airline rates and charges, as specified in the AOLA, are described in the following paragraphs.

In order to allocate the costs of operating, maintaining, and developing the Airport for the purposes of setting airline rates and charges, the Airport Authority has established various cost centers.

The Airport Authority establishes the following types of airline fees and charges:

- Landing Fees
- Aircraft Parking Position Rentals and Fees
- Terminal Rental Rates
    - Rent for Exclusive and Shared Use Premises
    - Joint Use Charges
    - Federal Inspection Service (FIS) Use Fees
- Common Use Fees
- Non-Signatory carriers pay Non-Signatory Airline Rates, Fees, and Charges

The Airport Authority is required under the AOLA to review the rentals, fees and charges at least once during each Fiscal Year. If such a review reveals a variation of more than five (5) percent between actual expenses and/or activity levels and those originally estimated by the Airport Authority, the Airport Authority may, after consulting with the Signatory Airlines, adjust the rentals, fees, and charges. A year-end reconciliation is also required by the AOLA. Within six (6) months after the end of each Fiscal Year, the Airport Authority is required to calculate the final rentals, fees, and charges based on the actual expenses and activity for the Fiscal Year. Any variations between the amounts paid by the Signatory Airlines and the amounts calculated based on actual expenses and activity are to be either refunded by the Airport Authority to the Signatory Airlines or paid to the Airport Authority by the Signatory Airlines.

4.4.1 | Landing Fees

The Signatory Airlines are required to pay for their use of the Airfield Area based on the Landing Fee rate, which is set at the beginning of each Fiscal Year, by first determining the *Airfield Area Requirement*, which is calculated as the sum of: O&M Expenses; Annual Net Debt Service; Amortization Charges; Reserve Deposits; Coverage Charges; Major Maintenance Fund Deposits; Bad Debt Expenses; and Fuel System Costs; minus fuel flowage fee revenue; fingerprinting revenue; ground handling concession revenue; 70 percent of inflight catering revenue; and any federal, State, or local grants allocable to the Airfield Area. The Landing Fee Rate is calculated by deducting from the Airfield Area Requirement the sum of Non-Signatory Landing Fees; Aircraft Parking Position Rentals; Aircraft Parking Position Turn Fees; and Aircraft Parking Position Overnight Fees; and then dividing by the cumulative Maximum Gross Landed Weight of the Signatory Airlines (in thousand-pound units) for the Fiscal Year.

4.4.2 | Aircraft Parking Position Rentals and Fees

In consideration for their use of Aircraft Parking Positions, the Signatory Airlines pay the following rentals and fees:

- Aircraft Parking Position Rentals, which are paid by Signatory Airlines for Terminal parking positions associated with preferential use gates and cargo parking positions.
- Aircraft Parking Position Turn Fees, which are charged for each operation utilizing a Terminal parking position associated with any of the following: a common use gate; an accommodation of an airline requesting a gate on a preferential use basis or a cargo parking position; a cargo carrier operation on a remote parking positions; and an accommodation of a cargo carrier on another cargo carrier's cargo parking position.
- Aircraft Parking Position Overnight Fees, which are charged for each operation parking overnight at any of the following locations: remote parking positions; Terminal parking positions associated with common use gates; accommodations on Terminal parking positions associated with preferential use gates; and accommodations on cargo parking positions.

The percentage of the Airfield Area Requirement allocated to the Aircraft Parking Position calculation is 20 percent.

4.4.3 | Terminal Rental Rates

The Signatory Airlines are required to pay rent for Exclusive Use Premises[41], Joint Use Charges, and Common Use Fees for their use of the Terminal Area based on the Terminal Rental Rate, which is

[41] Exclusive Use Premises are defined in the AOLA as those areas in the Terminal used exclusively by an airline, including (a) ticket counters, free-standing self-service kiosks, skycap podiums, curbside positions, and associated queuing space in Terminal 1 on a transitional basis until the DBO of new Terminal facilities to

set at the beginning of each Fiscal Year, by first determining the Base Terminal Area Requirement, which is the sum of: O&M Expenses, Annual Net Debt Service, Amortization Charges, and Reserve Deposits allocable to the Terminal Area; minus federal, State, or local grants received to offset those amounts, and minus FIS fee revenue. The Base Terminal Area Rental Rate is calculated by dividing the Base Terminal Requirement by the square footage of the Leasable Premises. The Supplemental Terminal Rental Rate is calculated by dividing the sum of Coverage Charges, Major Maintenance Fund Deposits, and Bad Debt Expense allocable to the Terminal Area by the square footage of the Airline Leased Premises. The Terminal Rental Rate is calculated as the sum of the Base Terminal Rental Rate and the Supplemental Terminal Rental Rate.

Joint Use Charges

The Signatory Airlines and Non-Signatory Airlines are required to pay Joint Use Charges for their use of the Joint Use Premises and Airline Terminal Support[42]. The Joint Use Charges are determined by first calculating the Joint Use Requirement (the Terminal Rental Rate multiplied by the total square footage of the Joint Use Premises), plus the sum of the O&M Expenses, Annual Net Debt Service, Amortization, and Coverage Charges attributable or allocable to Airline Terminal Support[43], minus rental payments received for Unenclosed Operations Premises[44]. The Joint Use Charges are determined by two calculations. The first calculation takes 10 percent (10%) of the Joint Use Requirement, minus: (1) any Non-Signatory Airline Joint Use Charges, minus (2) the number of Signatory Airlines, excluding Cargo Carriers, with one percent (1%) or less of the enplanements at the Airport multiplied by two-tenths of one percent (0.2%) of the Joint Use Requirement, divided by (3) the number of Signatory Airlines, excluding Cargo Carriers, with more than one percent (1%) of enplanements at the Airport. The second calculation takes 90 percent (90%) of the Joint Use Requirement, minus any Non-Signatory Airline Joint Use Charges, divided by the total Signatory enplanements.

Common Use Fees

The Signatory Airlines and Non-Signatory Airlines are required to pay Common Use Fees for their use of Common Use Premises and Common Use Systems. The Common Use Fee is determined by

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be constructed in the New T1; and (b) certain ticket offices and baggage service offices, airline clubrooms, and operational support areas.

[42] Joint Use Premises are defined in the AOLA as those areas used by one or more air carriers, including but not limited to hold rooms, passenger screening areas and baggage claim areas, as such areas may be modified and expanded from time to time by the Airport Authority. Airline Terminal Support is defined in the AOLA as Passenger Loading Bridges, Baggage Handling Systems, flight information displays (FIDS), gate information displays (GIDS), baggage information displays (BIDS), paging, and Airport Authority provided staffing, contractual services, facilities, equipment, and other support systems that provide security and other resources supporting Passenger Carrier operations not specifically identified in the Terminal Area.

[43] Once new Terminal facilities are completed and opened under the planned New T1, the Joint Use Requirement will include an additional amount equal to the Terminal Rental Rate multiplied by the total square footage of the Shared Use Premises.

[44] The Unenclosed Operations Premises are defined in the AOLA as those areas between the terminal building and the apron that are not equipped with utility services and that are assigned to airlines.

multiplying the Terminal Rental Rate by the total square footage of the Common Use Premises, plus the sum of the O&M Expenses, Annual Net Debt Service, Amortization, and Coverage Charges attributable or allocable to the Common Use Systems, minus the sum of the O&M Expenses, Annual Net Debt Service, Amortization, and Coverage Charges attributable or allocable to Signatory Airlines excluded from paying Common Use Fees, minus Non-Signatory Common Use Fees, divided by the total Signatory Airline enplanements in Common Use System equipped terminals.

SECTION 5 | FINANCIAL ANALYSIS

This section reviews the framework for the financial operation of the Airport Authority, including key provisions of bond indentures that govern the Airport Authority's senior revenue bonds (Senior Bonds) and subordinate revenue obligations (Subordinate Obligations). This section also (1) reviews the recent historical financial performance of the Airport Authority, and examines the ability of the Airport Authority to generate sufficient Net Revenues and Subordinate Net Revenues (as defined in the bond indentures and explained later in this Section)[45] in each Fiscal Year of the forecast period to meet the obligations of the bond indentures, and (2) discusses the information and assumptions underlying the financial forecasts, which include Revenues, Operation and Maintenance Expenses (O&M Expenses), debt service requirements, and debt service coverage. The financial analysis presented in this section reflects the base case air traffic forecast scenario presented in Section 3.

5.1 | Financial Framework

The Subordinate Series 2021 Bonds are being issued as Subordinate Obligations under and subject to the terms of the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the Master Subordinate Indenture), by and between the Airport Authority and U.S. Bank National Association, as successor trustee (the Subordinate Trustee), and the Ninth Supplemental Subordinate Trust Indenture, to be dated as of December 1, 2021 (the Ninth Supplemental Subordinate Indenture), by and between the Airport Authority and the Subordinate Trustee. The Subordinate Series 2021 Bonds are special obligations of the Airport Authority, secured by and payable from the Airport Authority's Subordinate Net Revenues and certain funds and accounts held by the Subordinate Trustee. Except as noted otherwise, all capitalized terms in this section have the meanings set forth in the Master Subordinate Indenture.

Prior to the issuance of the Subordinate Series 2021 Bonds, the Airport Authority had outstanding the following long-term obligations that are secured by a pledge of Net Revenues or Subordinate Net Revenues of the Airport Authority:[46]

- In April 2020, the Airport Authority issued $241.64 million of its Subordinate Airport Revenue Refunding Series 2020A, Series 2020B, and Series 2020C (the Subordinate Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as Subordinate Obligations pursuant to the Master Subordinate Indenture and a Seventh Supplemental Subordinate Trust Indenture, date as of April 1, 2020, by and between the Airport Authority and the Subordinate Trustee. The Series 2020 Bonds are special obligations of the Airport

[45] Capitalized terms not otherwise defined are used in this section as they are defined in the bond indentures.

[46] On February 1, 2014, the Airport Authority issued $305.3 million of Senior Special Facilities Revenue Bonds (the "Series 2014 Bonds"), which are special limited obligations of the Airport Authority, payable from and secured by a pledge of CFCs. The Series 2014 Bonds are not secured by a pledge of the Net Revenues or Subordinate Net Revenues of the Airport Authority.

Authority, secured by a pledge of Subordinate Net Revenues (as defined in the Master Subordinate Indenture), and certain funds and accounts held by the Subordinate Trustee.

- In December 2019, the Airport Authority issued $463.68 million of its Subordinate Airport Revenue and Revenue Refunding Series 2019A and Series 2019B (the Subordinate Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued as Subordinate Obligations pursuant to the Master Subordinate Indenture and a Sixth Supplemental Subordinate Trust Indenture, dated as of December 1, 2019, by and between the Airport Authority and the Subordinate Trustee. The Subordinate Series 2019 Bonds are special obligations of the Airport Authority, secured by a pledge of Subordinate Net Revenues , and certain funds and accounts held by the Subordinate Trustee.

- In August 2017, the Airport Authority issued $291.2 million of its Subordinate Airport Revenue Bonds Series 2017A and Series 2017B (the Subordinate Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued as Subordinate Obligations pursuant to the Master Subordinate Indenture and a Fifth Supplemental Subordinate Trust Indenture, dated as of August 1, 2017, by and between the Airport Authority and the Subordinate Trustee. The Series 2017 Bonds are special obligations of the Airport Authority, secured by a pledge of Subordinate Net Revenues, and certain funds and accounts held by the Subordinate Trustee.

- In January 2013, the Airport Authority issued $379.6 million of its Senior Airport Revenue Bonds Series 2013A and Series 2013B (the Senior Series 2013 Bonds). The Senior Series 2013 Bonds were issued as Senior Bonds pursuant to the Master Trust Indenture, dated as of November 1, 2005, as amended (the Master Senior Indenture), by and between the Airport Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the Senior Trustee) and the Third Supplemental Trust Indenture, dated as of January 1, 2013, by and between the Airport Authority and the Senior Trustee. The Senior Series 2013 Bonds are special obligations of the Airport Authority, secured by a pledge of and first lien on Net Revenues and certain funds and accounts held by the Senior Trustee. The Airport Authority plans to refund all or a portion of the Senior Series 2013 Bonds with the Subordinate Series 2021C Bonds.

In July 2021, the Board authorized the issuance, from time to time, of up to $200.0 million of Subordinate Airport Revenue revolving obligations pursuant to a revolving line of credit provided by Bank of America, N.A. These obligations are payable solely from and secured by a pledge of Subordinate Net Revenues, pursuant to the Master Subordinate Indenture. As at the date of this Report, $80.1 million of these Subordinate Obligations are outstanding.

Under the Master Senior Indenture, the Airport Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to the following amounts: (1) the aggregate annual debt service on any outstanding Senior Bonds; (2) the required deposits to any Senior Debt Service Reserve Fund; (3) the reimbursement owed to any credit provider or liquidity provider as required by a Supplemental Senior Indenture; (4) the interest on and principal of any indebtedness other than Outstanding Senior Bonds, including

Subordinate Obligations; and (5) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations.

The Airport Authority has also covenanted in the Master Senior Indenture to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to 125 percent of aggregate annual debt service on the Outstanding Senior Bonds. This provision is known as the "Senior Rate Covenant."

Under the Master Subordinate Indenture, the Airport Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues at least equal to the following amounts: (1) the Aggregate Annual Debt Service required to be funded in each Fiscal Year on any Outstanding Subordinate Obligations; (2) the required deposits to any Subordinate Debt Service Reserve Fund; (3) the reimbursement owed to any credit provider or liquidity provider; (4) the interest on and principal of any indebtedness other than Special Facility Obligations, senior lien revenue bonds and Outstanding Subordinate Obligations, including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations; (5) payments of any reserve requirement for debt service for any indebtedness other than Senior Bonds and Outstanding Subordinate Obligations, including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations.

The Airport Authority has also covenanted in the Master Subordinate Indenture to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues of at least 110 percent of Aggregate Annual Debt Service on the Outstanding Subordinate Obligations. This provision is known as the "Subordinate Rate Covenant."

The Master Subordinate Indenture requires, as a condition to the issuance of new Subordinate Obligations, that the Airport Authority demonstrate that it meets the requirements of the provision known as the "Additional Bonds Test (ABT)." The ABT can be met through a historical debt service coverage test (Subordinate Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the new Subordinate Obligations were at least equal to 110 percent of maximum annual debt service on all outstanding Subordinate Obligations and the new Subordinate Obligations). Alternatively, the ABT can be met through the issuance of a certificate prepared by a consultant between the date of pricing and the date of delivery of the subordinate bonds showing the following conditions:

- The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed subordinate bonds were at least equal to 110% of the sum of Subordinate Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations for such applicable period.

- For the period from and including the first full Fiscal Year following the issuance of the proposed new subordinate bonds through and including the last Fiscal Year during any part of which interest on the proposed new subordinate bonds is expected to be paid from the bond proceeds, the consultant estimates that the Airport Authority will be in compliance with the rate covenant under the Master Subordinate Indenture.

- For the period from and including the first full Fiscal Year following the issuance of the proposed new subordinate bonds during which no interest on the proposed new subordinate bonds is expected to be paid from the bond proceeds through and including the later of: (1) the fifth full Fiscal Year following the issuance of the bonds, or (2) the third full Fiscal Year during which no interest on the bonds is expected to be paid from the proceeds of the bonds. The estimated Subordinate Net Revenues for each such Fiscal Year, will be at least equal to 110% of the Subordinate 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 were then outstanding.

Figure 50 illustrates the application and priority in the uses of Revenues and PFCs, as specified in the Master Senior Indenture and the Master Subordinate Indenture.

5.2 | Airport Authority Financial Statements

The basic financial statements of the Airport Authority are reported using the economic resources measurement focus and the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Independent Auditor's Report for the year ended June 30, 2020 (the most recent fiscal year for which audited financial statements are available) states that, in the opinion of the independent auditors, the Airport Authority's financial statements for those years were presented in conformity with accounting principles generally accepted in the United States of America. Financial information is presented based on the Airport Authority's fiscal year beginning July 1 of each calendar year and ending on June 30 of the succeeding calendar year. The Airport Authority's FY2020 financial statements show that as of June 30, 2020, the Airport Authority had total assets of approximately $2,934.7 million, total liabilities of $2,049.7 million, and total net assets of approximately $885.1 million.

Figure 51| Flow of Funds

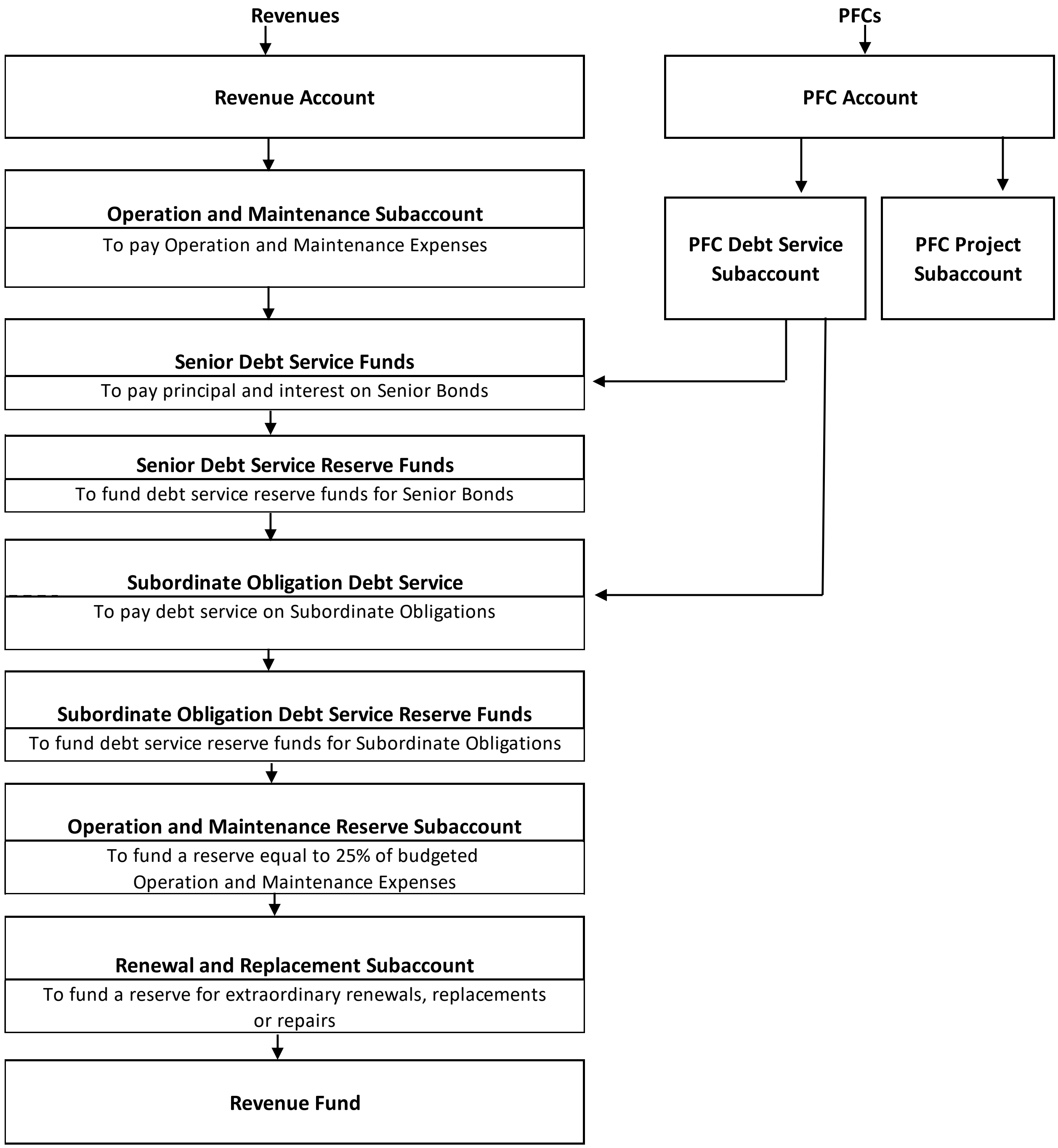


Table 34 summarizes the Airport Authority's operating results for FY2016 through FY2020 presented in the audited financial statements, the Net Revenues presented in this Report, and a reconciliation between the two presentations. The Net Revenues presented in this Report are calculated pursuant to the definitions of Revenues, Operation and Maintenance Expenses (O&M Expenses), Federal relief funds, and Net Revenues included in the Master Senior Indenture – with the exception of grant reimbursements. Grant reimbursements are included in the definition of Revenues in the Master Senior Indenture, but they are excluded from the projections of Revenues in this Report, in order to reflect only the ongoing operations of the Airport Authority.

The reconciling items between the annual Operating Profit or Loss reported in the financial statements and the Net Revenues presented in this Report consist of depreciation and amortization expense[47], interest income (excluding interest earned on unspent PFCs and CFCs)[48], federal relief funds, RCC busing expenses paid with CFCs[49], Governmental Accounting Standards Board (GASB) non-cash funded liability[50], and the Joint Studies Program expenses[51].

[47] Depreciation and amortization expense is included in Operating Expenses in the audited financial statements, but it is excluded from the definition of O&M Expenses in the Master Senior Indenture.

[48] Interest Income, excluding interest earned on unspent PFCs and CFCs, is included in the definition of Revenues in the Master Senior Indenture, but is not included in the calculation of Operating Profit or Loss on the audited financial statements because it is classified as Non-Operating Revenue.

[49] The definition of O&M Expenses in the Master Senior Indenture excludes expenses paid with CFCs (the definition of Revenues excludes CFC revenue).

[50] The GASB non-cash funded liability represents non-cash accounting entries made by the Airport Authority to comply with reporting requirements for the audited financial statements.

[51] Joint Studies Program expenses are included in the definition of O&M Expenses in the Master Senior Indenture, but they are not part of the calculation of Operating Profit or Loss on the financial statements because they are included in Non-Operating Expenses.

Table 34| Historical Financial Results

Category	2016	2017	2018	2019	2020
Audited Statement of Revenues and Expenses					
Operating Revenues	$233,994,051	$248,846,939	$266,079,130	$293,678,932	$263,035,972
Less: Operating Expenses	(241,429,319)	(258,954,558)	(274,652,093)	(301,547,639)	(293,837,620)
Operating Gain (Loss)	**($7,435,268)**	**($10,107,619)**	**($8,572,963)**	**($7,868,707)**	**($30,801,648)**
Net Revenues per Master Senior Indenture					
Revenues	$238,640,326	$255,916,868	$277,517,787	$306,856,690	$280,572,988
Federal Relief Funds	0	0	0	0	16,080,061
Less: O&M Expenses	(151,327,219)	(154,455,699)	(157,246,523)	(166,024,157)	(152,377,707)
Net Revenue per Master Senior Indenture	**$87,313,106**	**$101,461,168**	**$120,271,264**	**$140,832,534**	**$144,275,342**
Reconciliation					
Operating Gain (Loss) per Financial Statements	($7,435,268)	($10,107,619)	($8,572,963)	($7,868,707)	($30,801,648)
Add: Depreciation and Amortization Expense	87,820,864	95,229,029	105,531,703	124,328,880	131,587,039
Add: Interest excluding interest on PFCs and CFCs	4,930,292	7,361,920	11,979,511	13,627,904	17,838,099
Federal Relief Funds	0	0	0	0	16,080,061
RCC Expenses	3,655,876	7,298,143	7,909,104	10,407,134	8,497,367
Actuarial Liability Adjustments	(1,514,601)	1,679,109	3,537,583	435,910	1,074,421
Joint Studies Program	(101,359)	0	(114,387)	(98,601)	0
Rounding	(42,698)	587	714	14	2
Net Revenue per Master Senior Indenture	**$87,313,106**	**$101,461,169**	**$120,271,265**	**$140,832,534**	**$144,275,342**

Please see discussion, including footnotes, on the previous page for explanations of the reconciling items.

5.3 | Federal Aid Related to COVID-19

The United States government took legislative and regulatory actions and implemented measures to mitigate the effects of the COVID-19 pandemic. The Airport Authority has been awarded Federal relief funds under the three legislative actions: $91.2 million under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), $22.9 million under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and $89.6 million under the American Rescue Plan Act (ARPA). Table 35 summarizes the amount of relief funds awarded to the Airport Authority under these three legislative actions, as well as the actual and expected application of the funds to O&M Expenses, debt service, and concessions.

Table 35| Federal Aid Related to COVID-19 Awarded to the Airport Authority

	CARES Act	CRRSAA	ARPA	Total
FY2020				
O&M Expenses	$16,080,061	$0	$0	$16,080,061
Debt Service	20,815,428	0	0	20,815,428
Total FY2020	$36,895,489	$0	$0	$36,895,489
FY2021				
O&M Expenses	$28,326,406	$20,201,613	$0	$48,528,019
Debt Service	26,000,000	0	0	26,000,000
Concessions	0	2,709,020	0	2,709,020
Total FY2021	$54,326,406	$22,910,633	$0	$77,237,039
FY2022				
O&M Expenses	$0	$0	$60,390,418	$60,390,418
Debt Service	0	0	18,400,000	18,400,000
Concessions	0	0	10,836,011	10,836,011
Total FY2022	$0	$0	$89,626,429	$89,626,429
FY2020-FY2022				
O&M Expenses	$44,406,467	$20,201,613	$60,390,418	$124,998,498
Debt Service	46,815,428	0	18,400,000	65,215,428
Concessions	0	2,709,020	10,836,011	13,545,031
Totals	**$91,221,895**	**$22,910,633**	**$89,626,429**	**$203,758,957**

[1] The ARPA funds for concessions have been allocated by the FAA to the Airport Authority, but not yet awarded to the Airport Authority.

5.4 | Operation and Maintenance Expenses

The Master Senior Indenture defines "Operation and Maintenance Expenses," or "O&M Expenses," as the total operation and maintenance expenses of the Airport as determined in accordance with generally accepted accounting principles, excluding depreciation expense and any operation and maintenance expenses payable from moneys other than Revenues, such as PFCs and CFCs. Table 36 presents recent historical O&M Expenses, for the period FY2017 through FY2021. Total O&M expenses increased from approximately $154.5 million in FY2017 to $166.0 million in FY2019. The increases in FY2019 were in part due to the additional obligations from the Terminal 2 expansion, the Terminal 2 Parking Plaza, and the Terminal 2 West FIS Buildout.

In March 2020, the Airport Authority implemented a number of cost-cutting measures in response to the decrease in air traffic resulting from the COVID-19 pandemic. These measures included adopting a strategy of "essential spend" in order to economize during the current environment. Initiatives implemented by the Airport Authority to reduce expenses have included the following:

- Delaying all nonessential spending, such as marketing efforts
- Renegotiating contractual agreements, where possible

- Implementing a hiring freeze
- Performing essential maintenance in-house, thereby reducing contractual services costs
- Reducing parking and shuttle operations
- Delaying annual and major maintenance projects, where possible

Largely as a result of these cost-cutting measures, which were implemented in response to the decrease in air traffic, total O&M Expenses decreased to $152.4 million in FY2020 and $139.3 million in FY2021. The historical changes in the various categories of O&M Expenses are discussed in the subsections below.

The projections of O&M Expenses reflect the Airport Authority's FY2022 and FY2023 budgets; anticipated future expense trends, including an inflation factor; the impact of increased passenger activity; and the projected operating expense impacts of projects in the Capital Program. The hiring freeze is still effective, and all positions have to be approved by the Airport Authority CEO before recruitment begins. Increases in certain categories of O&M Expenses are projected in FY2026, to reflect the anticipated effects of the opening of the first phase of the new Terminal 1. O&M Expenses are budgeted to increase from $138.9 million in FY2021 to $159.1 million in FY2022 and $173.6 million in FY2023. During the forecast period, total O&M Expenses are projected to increase to approximately $205.7 million in FY2027, as shown in Table 37. The projected changes in the various elements of O&M Expenses are explained in the sub-sections below.

Table 36| Historical O&M Expenses

	For Fiscal Years Ended June 30				
O&M Expense Categories	**2017**	**2018**	**2019**	**2020**	**2021**
Personnel	$45,194,744	$44,328,131	$49,142,135	$50,592,427	$48,801,890
Contractual Services	37,030,964	37,339,120	39,495,672	29,196,265	18,183,567
Safety and Security	28,421,602	30,733,076	31,397,061	29,456,871	35,085,809
Utilities	10,735,955	12,509,607	13,194,012	12,747,898	11,729,710
Maintenance	14,269,951	12,602,989	13,435,561	11,584,301	9,110,600
Space Rent	10,189,944	10,189,836	10,190,910	10,207,066	10,266,658
Business Development	2,340,951	3,245,988	2,630,035	2,033,123	208,640
Other Expenses	6,271,588	6,297,776	6,538,771	6,559,756	5,871,451
Total O&M Expenses	**$154,455,699**	**$157,246,523**	**$166,024,157**	**$152,377,707**	**$139,258,325**

Source: Airport Authority records. This table presents O&M Expenses as defined in the Master Senior Indenture.

Table 37| Projected O&M Expenses

O&M Expense Category	For Fiscal Years Ending June 30 Budget 2022	Projected 2023	2024	2025	2026	2027	Compound Annual Growth 2022-2027
Personnel	$51,355,425	$55,185,607	$57,739,322	$60,401,077	$62,644,288	$64,967,787	4.8%
Contractual Services	25,327,164	32,341,313	33,311,552	34,310,898	36,311,342	37,400,682	8.1%
Safety and Security	36,385,237	37,739,232	38,871,409	40,037,552	42,800,606	44,084,624	3.9%
Utilities	14,693,378	15,459,780	15,923,574	16,401,281	19,391,806	19,973,560	6.3%
Maintenance	11,342,158	11,583,676	11,931,186	12,289,122	14,718,472	15,160,027	6.0%
Space Rent	10,652,077	10,654,648	10,654,648	10,654,648	10,654,648	10,654,648	0.0%
Business Development	1,849,346	2,556,694	2,633,394	2,712,396	2,793,768	2,877,581	9.2%
Other Expenses	7,536,216	8,048,748	8,296,091	8,550,854	10,247,925	10,561,243	7.0%
Total O&M Expenses	$159,141,003	$173,569,698	$179,361,176	$185,357,828	$199,562,855	$205,680,152	5.3%

This table presents O&M Expenses as defined in the Master Senior Indenture.

5.4.1 | Personnel

Personnel expenses increased from approximately $45.2 million in FY2017 to $49.1 million in FY2019 and $50.6 million in FY2020, due to an increase in the headcount from 395 in FY2017 to 413 in FY2020, merit increases, increases in retirement contributions, increased medical benefits and a decrease in staff costs charged to capital projects. Towards the end of FY2020, at the start of the COVID-19 pandemic, the Airport Authority implemented a hiring freeze and other cost saving measures that resulted in a reduction in Personnel expenses to $48.5 million in FY2021. Unlike other categories of O&M Expenses, the Airport Authority was limited in the amount of reduction possible in Personnel expenses during the COVID-19 pandemic due to the following main reasons: (1) Federal relief funding was contingent on the Airport Authority maintaining 90 percent of its personnel headcount as of March 27, 2020; (2) much of the decreases in Contractual Services and Maintenance expenses (discussed below) were possible because significant work tasks were transferred from contractors to Airport Authority staff, resulting in increased workload for Airport Authority personnel; and (3) although traffic decreased significantly, the Airport Authority still had to continue managing and maintaining the existing facilities.

Personnel expenses are budgeted to increase to $51.4 million in FY2022 due to planned hirings to fill some vacant positions. However, the employee headcount used by the Airport Authority to develop the FY2022 budget is below the authorized level. Personnel expenses are estimated to increase to $55.2 million in FY2023 due to anticipated pay for performance and contracted wage increases, plus anticipated additional hirings to fill vacancies in anticipation of increased passenger activity. In FY2024 through FY2027, Personnel expenses are projected to increase based on anticipated salary and merit increases, plus anticipated increases in retirements costs and other benefits. Total Personnel expenses are projected to increase to approximately $65.0 million in FY2027.

5.4.2 | Contractual Services

The Contractual Services category consists primarily of fees incurred for contracts for services supplied by vendors, such as parking management and parking shuttle costs, janitorial services for the terminals and Airport Administration space, contracts with program management support services, legal consultants, and other consultants. Contractual Services increased from approximately $37.0 million in FY2017 to $39.5 million in FY2019, mainly due to increased expenses for parking and shuttle operations, including the costs of the new inter-terminal shuttle. Contractual Services expenses decreased to $29.2 million and $18.2 million in FY2020 and FY2021, respectively, due to decreases in terminal janitorial costs, and various cost-cutting measures implemented by the Airport Authority in response to the decrease in passenger activity during the COVID-19 pandemic. The Airport Authority closed the remote parking lot on Harbor Drive, moved employee parking from a remote location to parking areas in front of the terminals, suspended the valet parking operations, and suspended the inter terminal shuttle services.

Contractual Services are budgeted to increase to $25.3 million in FY2022, reflecting the planned resumption of the inter terminal and employee shuttle services, start of Old Town Connector, as well as the reopening of valet parking in January 2022. Contractual Services are estimated to increase to $32.3 million in FY2023 due to anticipated increases in parking operations, a full year of valet operations, shuttle operations, and planned increases in Old Town Connector shuttle operations. Contractual Services are projected to increase to $36.3 million in FY2026 because of increased janitorial costs associated with the opening of the new terminal. Contractual Services are projected to be approximately $37.4 million in FY2027.

5.4.3 | Safety and Security

Charges for police and fire services represent the majority of the expenses under the Safety and Security category (ranging between 79.2 percent and 84.5 percent of Safety and Security expenses between FY2019 and FY2021). Most of the remainder of the Safety and Security category is composed of the costs of a private security company that provides staff to perform inspections, secure perimeter gates, and certain communication and dispatching functions. Police services are provided by the Port District Law Enforcement-Harbor Police Department, as mandated by the Act that created the Airport Authority. Airfield Rescue and Fire Fighting (ARFF) services provided by the City of San Diego. Total Safety and Security expenses increased from $28.4 million in FY2017 to $35.1 million in FY2021. The increases have included increases in Harbor Police hourly rates, retirement benefits, and overhead.

Safety and Security expenses are budgeted to increase to $36.4 million in FY2022 and $37.7 million in FY2023, mainly due to increased wages for Harbor Police and guard services. Safety and Security expenses are projected to increase by 3.0 percent per year, except for FY2026, which includes additional increases totaling 6.9 percent, to reflect additional police staffing anticipated to be needed when the new Terminal 1 opens. Safety and Security expenses are projected to total approximately $44.1 million in FY2027.

5.4.4 | Utilities

Utilities expenses increased from approximately $10.7 million in FY2017 to $13.2 million in FY2019 due to rate increases and additional utilities usage corresponding to the completion of the Terminal 2 Parking Plaza and the Terminal 2 West FIS Buildout. Utility expenses decreased to $12.7 million in FY2020 and $11.7 million in FY2021, respectively, due to decreased utility usage during the COVID-19 pandemic.

Utilities expenses are budgeted to increase by 19.0 percent and 5.2 percent in FY2022 and FY2023, respectively, due to expected higher utility usage as air traffic recovers and anticipated rate increases. Utility expenses are projected to increase 3.0 percent in FY2024 and FY2025. With the opening of the new Terminal 1, utility expenses are projected to increase by 18.2 percent in FY2026, and then increase with inflation (3.0 percent) in FY2027. Utility expenses are projected to increase to $20.0 million in FY2027.

5.4.5 | Maintenance

Maintenance expenses decreased overall from approximately $14.3 million in FY2017 to $9.1 million in FY2021. In response to the COVID-19 pandemic, the Airport Authority eliminated all nonessential maintenance, and Airport Authority staff is performing all essential maintenance.

Maintenance expenses are budgeted to increase to $11.3 million in FY2022 for green oval painting work and increased costs associated with increased enplanements. Maintenance expenses are projected to increase to $11.6 million in FY2023, as a result of contractual increases and increased passenger activity. Maintenance expenses are projected to increase with inflation in FY2024 and FY2025. Maintenance expenses are projected to increase by 19.8 percent in FY2026 as a result of the additional space and common use systems that will be added with the new Terminal 1. Maintenance expenses are projected to increase with inflation in FY2027, to $15.2 million.

5.4.6 | Space Rent

Space rental expense consists of lease payments to the Port District for properties adjacent to the Airport, including the former General Dynamics and Teledyne Ryan parcels. Space rental payments increased slightly, from approximately $10.2 million in FY2017 to $10.3 million in FY2021, reflecting contractual lease adjustments. This line item is budgeted to increase to 10.7 million in FY2022 due to a new lease, and it is projected remain at that level throughout the forecast period, reflecting the long-term nature of the Airport Authority's lease agreements.

5.4.7 | Business Development

The business development expense category includes costs for advertising, membership and dues, postage and shipping, promotional activities and materials, and travel. Business Development expenses increased from $2.3 million in FY2017 to $3.2 million in FY2018 due to one-time expenses related to the sponsorship and marketing activities for the AAAE annual conference that was held in San Diego that year. Business Development expenses returned to normal levels in FY2019. This category decreased to $2.0 million in FY2020 and $0.2 million in FY2021 as a result of cost-cutting measures implemented by the Airport Authority. In response to the drop in air traffic near the end of FY2020, the Airport Authority significantly reduced the concessions marketing program and advertising expenses, and only Alaska Airlines used air service development incentives in FY2021.

Business Development expenses are budgeted to increase to $1.8 million in FY2022 and $2.6 million in FY2023, mainly due to the expected resumption of air service development incentives and marketing programs as air traffic continues to recover. Business Development expenses are projected to increase by an average of 3.0 percent per year from FY2024 to FY2027, to $2.9 million in FY2027.

5.4.8 | Other Expenses

Other expenses include employee development and support; equipment rentals and repairs; insurance; operating equipment and systems; operating supplies; tenant improvements; and other expenses. The total amount of these expenses increased from approximately $6.3 million in FY2017 to $6.6 million in FY2020. This line item decreased to $5.9 million in FY2021 as a result of the Authority's cost cutting measures.

Total Other Expenses are budgeted to increase to $7.5 million in FY2022 and $8.0 million in FY2023, due to the cost of new property management software, as well as software system implementations, licenses, and upgrades. Future projections of this category include anticipated increases related to the new Terminal 1, including software systems, IT maintenance and support contracts, common use system maintenance, and insurance. Total Other Expenses are projected to increase to approximately $10.6 million in FY2027.

5.5 | Debt Service and Amortization Charges

As discussed in Section 1, the Airport Authority's Capital Program includes approximately $4.0 billion in capital costs, of which approximately $1.0 billion are being funded with a portion of the proceeds of the Subordinate Series 2021AB Bonds. The Series 2021C Refunding Bonds are being used to refund the Senior Series 2013 Bonds.

The estimated sources and uses of the Subordinate Series 2021 Bonds are presented in Table 38.

Table 38| Estimated Sources and Uses of the Subordinate Series 2021 Bonds (in 000s)

	Series 2021A	Series 2021B	Series 2021C Refunding	Total Series 2021
Sources				
Par Amount	$300,205	$757,935	$378,140	$1,436,280
Premium	65,793	150,125	-	215,917
Debt Service Funds on Hand	-	-	10,831	10,831
Total Sources	$365,998	$908,060	$388,971	$1,663,028
Uses				
Project Fund	$294,520	$702,990	$0	$997,511
Escrow Deposit	-	-	385,942	385,942
Capitalized Interest	43,739	135,059	-	178,798
Debt Service Reserve Fund	25,327	63,944	-	89,270
Underwriters Discount/COI/Rounding	2,412	6,066	3,029	11,507
Total Uses	$365,998	$908,060	$388,971	$1,663,028

Source: Frasca & Associates, LLC.

The estimated debt service requirements assume all-in interest rates of 3.72 percent for the Subordinate Series 2021A Bonds, 3.83 percent for the Subordinate Series 2021B Bonds, and 3.72 percent for the Subordinate Series 2021C Bonds. All assumptions are preliminary and subject to change.

The Airport Authority's Capital Program assumes additional debt issuances during the forecast period to continue to fund the New T1. The debt service projections assume one future subordinate bond issue in January 2023 (the Subordinate Series 2023 Bonds) and two future senior bond issues, one in January 2024 and one in January 2025 (the Senior Series 2024 Bonds and the Senior Series 2025 Bonds). For this analysis, it is assumed that the Subordinate Series 2023 Bonds have an all-in interest rate of 6.0 percent and include about 2.5 years of capitalized interest. It is assumed that both the Senior Series 2024 Bonds and the Senior Series 2025 Bonds have an all-in interest rate of 6.0 percent, with about 1.5 years of capitalized interest for the Senior Series 2024 Bonds and about three years of capitalized interest for the Senior Series 2025 Bonds.

The debt service requirements, summarized in Table 39, are projected to increase during the forecast period, due to the debt service scheduled for the Subordinate Series 2021 Bonds and the assumed future bond financings to fund a portion of the New T1 costs.

Table 39| Projected Debt Service

Bond Series	Historical		Projected				
	Fiscal Years Ending June 30						
	2021	2022	2023	2024	2025	2026	2027
Senior Bonds:							
Series 2013 A	6,711,600	2,796,396	-	-	-	-	-
Series 2013 B	19,288,500	8,034,583	-	-	-	-	-
Total Series 2013	26,000,100	10,830,979	-	-	-	-	-
Planned Series 2024	-	-	-	54,882	112,331	65,731,900	65,730,300
Planned Series 2025	-	-	-	-	323,242	3,878,901	3,878,901
Total Senior Lien	$26,000,100	$10,830,979	$0	$54,882	$435,573	$69,610,801	$69,609,201
Subordinate Obligations:							
Series 2017 A	9,498,750	9,496,500	9,498,000	9,497,750	9,495,500	9,496,000	9,498,750
Series 2017 B	9,420,500	9,419,250	9,416,750	9,417,750	9,416,750	9,418,500	9,417,500
Total Series 2017	$18,919,250	$18,915,750	$18,914,750	$18,915,500	$18,912,250	$18,914,500	$18,916,250
Series 2019 A Refunding	9,570,250	9,570,000	9,572,500	9,572,500	8,470,000	8,470,000	8,470,000
Series 2019 A	5,370,074	6,015,461	10,361,250	10,359,750	10,361,250	10,360,250	10,361,500
Series 2019 B	4,310,158	7,051,453	8,060,350	8,062,100	8,058,100	8,058,350	8,062,350
Total Series 2019	19,250,483	22,636,914	27,994,100	27,994,350	26,889,350	26,888,600	26,893,850
Series 2020 A Refunding	3,263,750	3,260,750	3,263,000	3,260,000	2,726,750	2,724,500	2,727,750
Series 2020 B/C Refunding	22,602,250	22,609,000	22,600,750	22,606,750	17,609,750	17,603,250	17,603,500
Total Series 2020	25,866,000	25,869,750	25,863,750	25,866,750	20,336,500	20,327,750	20,331,250
Planned Series 2021 A	-	305,500	611,000	4,073,500	4,766,083	16,965,250	16,962,500
Planned Series 2021 B	-	-	-	-	479	39,916,750	39,915,750
Planned Series 2021 C Refunding	-	15,162,760	25,998,129	25,997,864	25,995,133	21,433,957	21,434,477
Total Planned Series 2021	-	15,468,260	26,609,129	30,071,364	30,761,696	78,315,957	78,312,727
Planned Series 2023	-	-	75,571	1,064,842	1,247,676	46,029,800	46,032,000
Total Subordinate	64,035,733	82,890,674	99,457,300	103,912,806	98,147,472	190,476,608	190,486,079
Total Debt Service	$90,035,833	$93,721,653	$99,457,300	$103,967,688	$98,583,045	$260,087,409	$260,095,280

Source: Airport Authority records and Frasca & Associates, LLC.

Total annual debt service is projected to increase from $90.0 million in FY2021 to $93.7 million in FY2022. Total annual debt service is projected to increase to $99.5 million in FY2023, mainly due to scheduled increases in the debt service for the Subordinate Series 2019 Bonds. Total debt service is projected to increase to $104.0 million in FY2024, corresponding with the planned completion of two components of the New T1 – the shuttle lot and the administration building. In FY2025, total debt service is projected to decrease to $98.6 million due to refunding savings produced by the Subordinate Series 2020 Bonds. Total annual debt service is projected to increase to $260.1 million in FY2026 and FY2027 with the completion of the capitalized interest period for the Subordinate Series 2021AB Bonds, and the debt service for the assumed future bonds associated with the New T1.

5.6 | Revenues

The Master Senior Indenture defines "Revenues" as all income, receipts, earnings and revenues received by the Airport Authority from the operation and ownership of the Airport. Excluded from the definition of Revenues are PFCs, CFCs, interest income on unspent PFCs and CFCs, and certain other items.[52] The Airport Authority has covenanted that all Revenues will be deposited into the Revenue Account within the Revenue Fund to be pledged as security for the Senior Bonds, the Subordinate Obligations, and any additional bonds issued pursuant to the Master Senior Indenture and the Master Subordinate Indenture.

Historical and projected Revenues are presented on Table 40 and Table 41, respectively. Revenues decreased from approximately $255.5 million in FY2017 to $227.7 million in FY2021, due to the factors described in the sub-sections below. Revenues are projected to increase to $246.6 million in FY2022, and they are projected to increase to $494.7 million in FY2027. The projections of the various categories of Revenues are explained in the sub-sections below.

[52] Although FAA grant receipts, which are reimbursements of capital expenditures, are included in the definition of Revenues in the Master Senior Indenture, they are excluded from the projections of Revenues in this section, in order to reflect only the ongoing operations of the Airport Authority.

Table 40| Historical Revenues

	For Fiscal Years Ended June 30				
	2017	2018	2019	2020	2021
Airline Revenue					
Landing Fees	$24,612,412	$23,900,414	$24,816,308	$33,241,411	$34,046,302
Aircraft Parking Fees	2,926,972	3,235,788	3,471,363	8,354,053	8,541,326
Terminal Rentals	57,756,575	63,533,823	72,319,630	29,764,891	26,948,140
Common Use Fees	-	-	-	7,627,629	7,369,019
FIS Use Charge	-	-	-	3,261,820	984,860
Joint Use Fees	-	-	-	49,426,560	55,330,838
Security Surcharge	29,468,089	32,303,267	33,558,621	-	-
Other Aviation Revenue	1,617,410	183,910	188,211	161,162	884,586
Incentive Program	-	-	-	-	(62,080)
Total Airline Revenue	$116,381,458	$123,157,202	$134,354,133	$131,837,525	$134,042,991
Non-Airline Revenue					
Building and Other Rents	1,556,123	2,035,733	2,163,147	2,460,888	2,589,064
Concessions					
Rental Cars	30,161,820	31,464,479	34,304,635	26,070,018	16,973,062
Food and Beverage	10,974,569	12,640,069	13,949,528	10,753,084	4,206,180
Gifts and News	7,199,925	7,735,413	8,186,875	6,343,380	3,245,777
License Fees	4,948,191	5,782,383	6,849,951	6,174,751	3,369,435
Other Terminal Concessions	3,858,153	3,331,389	3,100,994	3,854,855	1,633,340
Cost Recovery	4,113,155	4,656,124	4,864,309	4,047,234	1,669,075
Total Concessions	$61,255,813	$65,609,858	$71,256,292	$57,243,322	$31,096,869
Parking and Ground	49,407,237	53,254,029	62,817,900	50,750,966	27,446,678
Ground rentals	18,496,911	20,072,905	20,646,993	18,925,455	19,259,872
Other Operating Revenue	1,457,406	1,408,548	1,990,322	1,516,733	1,338,471
Interest Income	7,361,920	11,979,511	13,627,904	17,838,099	11,973,199
Total Non-Airline Revenue	$139,535,410	$154,360,585	$172,502,557	$148,735,463	$93,704,153
Total Revenues	$255,916,868	$277,517,787	$306,856,690	$280,572,988	$227,747,144

[1] Airport Authority records. This table presents Revenues as defined in the Master Senior Indenture.

Table 41| Projected Revenues

	Fiscal Years Ending June 30						Compound Annual Growth
	Budget	Projected					
	2022	2023	2024	2025	2026	2027	2022 - 2027
Airline Revenue							
Landing Fees	$33,619,370	$53,851,720	$55,341,374	$60,474,396	$70,382,777	$71,676,320	16.3%
Aircraft Parking Fees	8,465,602	13,462,930	13,835,344	15,118,599	17,595,694	17,919,080	16.2%
Terminal Rentals	30,768,930	50,034,751	50,649,739	36,207,167	40,895,905	35,487,547	2.9%
Common Use Fees	7,931,826	11,020,228	9,407,026	10,508,028	19,052,974	16,919,316	16.4%
FIS Use Charge	2,343,010	4,197,930	5,139,407	5,653,348	5,766,415	5,881,743	20.2%
Joint Use Fees	60,376,222	85,257,766	87,023,587	104,016,127	187,153,782	168,229,687	22.7%
Other Aviation Revenue	170,584	173,995	173,995	173,995	173,995	173,995	0.4%
Incentive Program	(2,670,724)	(5,521,075)	-	-	-	-	N/A
Total Airline Revenue	$141,004,819	$212,478,245	$221,570,473	$232,151,660	$341,021,543	$316,287,688	17.5%
Non-Airline Revenues							
Building and Other Rents	2,608,202	2,600,164	2,603,924	2,614,605	2,624,969	2,636,070	0.2%
Concessions:							
Rental Cars	18,710,812	22,831,649	27,978,600	32,249,559	33,868,345	34,437,892	13.0%
Food and Beverage	5,104,079	10,137,826	11,111,169	13,037,448	17,431,504	17,688,124	28.2%
Gifts and News	3,843,000	6,082,695	6,666,701	7,111,335	8,093,198	8,212,343	16.4%
License Fees	4,234,577	5,207,475	6,227,913	6,924,872	7,496,624	7,606,986	12.4%
Other Terminal Concessions	1,751,746	4,231,500	4,637,771	4,947,086	5,197,044	5,273,553	24.7%
Cost Recovery	2,536,894	3,784,108	4,528,343	4,980,992	5,113,509	5,253,218	15.7%
Total Concessions	36,181,108	52,275,253	61,150,498	69,251,293	77,200,225	78,472,116	16.7%
Parking & Ground Transportation	33,258,122	41,620,097	46,075,443	56,687,407	60,242,790	61,841,205	13.2%
Ground rentals	22,615,586	22,750,778	22,988,090	23,229,980	23,451,559	23,677,941	0.9%
Other Operating Revenue	1,058,585	1,064,816	1,100,296	1,402,906	1,409,713	1,416,725	6.0%
Interest Income	9,882,578	20,771,948	19,044,439	17,480,185	12,605,939	10,358,150	0.9%
Total Non-Airline Revenues	$105,604,181	$141,083,055	$152,962,690	$170,666,374	$177,535,195	$178,402,207	11.1%
Total Revenues	$246,609,000	$353,561,300	$374,533,163	$402,818,034	$518,556,737	$494,689,896	14.9%

This table presents Revenues as defined in the Master Senior Indenture.[1]

5.6.1 | Airline Revenues

Airline revenues consist of landing fees, aircraft parking fees, terminal rentals, common use fees, FIS use charges, joint use fees, and other aviation revenue, net of reductions for the Air Service Incentive Program, as discussed later this this section. Prior to FY2020, the Signatory Airlines also paid a separate Security Surcharge to reimburse the Airport Authority for the cost of providing security in the airfield and terminal areas. Beginning in FY2020, under the provisions of the new AOLA, security costs are now being recovered through landing fees and terminal rents.

Total airline revenues increased from approximately $116.4 million in FY2017 to $134.4 million in FY2019, mainly due to increases in the amount of O&M Expenses allocated to the airline cost centers resulting from the expansion of Airport facilities, and the increases in debt service with the issuance of the Series 2017 and Series 2019 Bonds. Total airline revenues increased to $131.8 million in FY2020 and $134.0 million in FY2021, as described in the subsections below.

Total airline revenues are budgeted to increase to $141.0 million in FY2022 largely due to increased O&M Expenses. Total airline revenues are projected to increase to approximately $316.3 million in FY2027, mostly due to projected increases in O&M Expenses and increases in debt service requirements, as discussed in the sub-sections below. The components of airline revenue are discussed below.

Landing Fees

Landing fees ranged between $23.9 million and $24.8 million during FY2017 through FY2019 before increasing to $33.2 million in FY2020 and $34.0 million in FY2021. The increase in FY2020 was mainly due to the new provision in the AOLA that allowed the Airport Authority to allocate $15.0 million of the annual MMF deposit to the Airfield cost center. However, to mitigate the effect of this new provision on the landing fee rate during the COVID-19 pandemic, the Airport Authority reduced the MMF deposit in FY2020, and reduced the associated Airfield allocation to $10 million. The Airport Authority also applied federal funds to the Airfield to reduce airline costs in FY2020. In FY2021, the O&M Expenses allocated to the Airfield cost center increased by $5.5 million and the debt service allocated to the Airfield increased by $6.3 million. In addition, the ground handling concession revenues, which are a credit to the Airfield cost center, decreased by $1.3 million. The majority of these changes were offset by the Airport Authority deferring the MMF deposit allocated to the Airfield in FY2021.

The calculations of the projected Airfield Net Requirement and landing fee rate are shown on Table 42. Landing fee revenue (shown on Table 41) is projected to increase from approximately $33.6 million in FY2022 to $53.9 million in FY2023 and $55.3 million in FY2024, with the resumption of the annual MMF deposits in those years, of which $20.0 million per year will be allocated to the Airfield. In FY2022 through FY2024[53], the Airport Authority plans to include a portion of the Federal relief funds in the credits that are deducted from the Total Airfield Requirement to arrive at the Airfield Area Requirement. . In FY2025, the Airport Authority is not planning to include Federal relief funds in the credit to the Airfield Area Requirement, and therefore, landing fees are projected to increase to $60.5 million. Increases are projected in landing fees in FY2026 and FY2027, to $70.4 million and $71.7 million, respectively, due to projected increases in debt service requirements, as well as Coverage Charges required in the AOLA, as described in Section 4.

Based on the financial projections described above, and the forecast aircraft landed weight, the Signatory Landing Fee Rate is projected to increase from $3.55 in FY2022 to $4.82 in FY2027.

[53] The Airport Authority is planning to apply a portion of Federal relief funds received in FY2020 through FY2022, to the Airfield Area Requirement in FY2022 through FY2024, for purposes of airline rates and charges.

Table 42| Projected Landing Fee Rate

Calculation Elements	For Years Ending June 30					
	Budget	Projected				
	2022	2023	2024	2025	2026	2027
Airfield Costs						
O&M Expenses	$57,089,160	$58,545,133	$60,082,776	$61,675,470	$63,177,353	$64,728,098
Debt Service	6,945,198	10,312,960	11,602,482	11,548,821	21,735,835	22,310,428
Coverage Charges	-	-	-	-	1,800,986	954,182
Amortization Charges	5,055,033	5,026,582	4,502,982	4,787,255	4,843,366	4,938,772
Reserve Deposits	349,236	611,910	625,738	1,307,081	630,414	976,254
Major Maintenance Fund	-	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Airfield Requirement	$69,438,628	$94,496,585	$96,813,978	$99,318,628	$112,187,955	$113,907,734
Credits:						
Fuel Flowage	170,584	173,995	173,995	173,995	173,995	173,995
Finger Printing Revenue	90,488	90,488	90,488	90,488	90,488	90,488
Ground Handling Concession Revenue	3,467,669	4,289,917	5,171,976	5,516,919	5,795,669	5,880,990
Inflight Services Revenue (70%)	536,835	642,291	739,156	985,567	1,190,669	1,208,197
Quieter Home Program Grants	17,403,663	16,662,663	16,662,663	16,662,663	16,662,663	16,662,663
TSA Operating Grant Reimbursement	386,348	296,000	296,000	296,000	296,000	296,000
Federal Relief Funds	5,055,033	5,026,582	4,502,982	-	-	-
Total Credits	$27,110,620	$27,181,935	$27,637,260	$23,725,633	$24,209,484	$24,312,334
Airfield Area Requirement	**$42,328,008**	**$67,314,649**	**$69,176,718**	**$75,592,995**	**$87,978,471**	**$89,595,401**
Less: Non-Signatory Landing Fees	1,138,824	1,601,586	1,604,159	1,732,966	1,998,039	2,028,806
Less: Aircraft Parking Position Fees	8,465,602	13,462,930	13,835,344	15,118,599	17,595,694	17,919,080
Airfield Net Requirement	**$32,723,582**	**$52,250,134**	**$53,737,216**	**$58,741,430**	**$68,384,738**	**$69,647,515**
Signatory Landed Weight (1,000 lb. units) [1]	9,219,814	12,142,157	12,938,818	13,625,574	14,249,254	14,447,962
Signatory Landing Fee Rate	$3.55	$4.30	$4.15	$4.31	$4.80	$4.82
Non-Signatory Landing Fee Rate	$4.26	$5.16	$4.98	$5.17	$5.76	$5.78

Aircraft Parking Fees

Aircraft parking fees are assessed based on the number of aircraft parking positions assigned to each airline at the terminal gates and in remote parking positions. Aircraft parking fees increased from $2.9 million in FY2017 to $8.5 million in FY2021. The increased Aircraft parking fees were a result of the change in calculation in the new AOLA. Previously, 10 percent of the Airfield Area Requirement was allocated to the Aircraft Parking Position calculation. In the new AOLA, 20 percent of the Airfield Area Requirement is allocated to the Aircraft Position calculation. The fees also increased because of the Airfield Area Requirement increasing. Aircraft parking fees are projected to increase from $8.5 million in FY2022 to $17.9 million in FY2027, mainly due to the projected increase in Airfield costs, as discussed above.

Terminal Rentals

Terminal rentals increased from approximately $57.8 million in FY2017 to $72.3 million in FY2019, due to the increases in O&M Expenses and debt service requirements associated with the expansion of Terminal 2. The decrease in Terminal rentals to $29.8 million in FY2020 was primarily due to Common Use and Joint Use revenues being accounted for in their own individual accounts. As with the landing fee calculation discussed above, the Airport Authority mitigated the effect of the MMF deposit by reducing the total deposit in FY2020 and allocating only $10.0 million to the Terminal cost center. Terminal rentals decreased to $26.9 million in FY2021, when the Airport Authority deferred the annual MMF deposit and decreased O&M Expenses.

Terminal rentals are budgeted to increase to $30.8 million in FY2022, due to increased O&M Expenses allocated to the Terminal cost center. The effect on the terminal rental rate from the increase in O&M Expenses is partially offset by the reduced debt service included in the terminal rental rate calculation, due to the application of PFCs to debt service. Terminal Rentals are projected to increase to $50.0 million in FY2023, because the Airport Authority does not plan to apply PFCs to debt service in that year, and it plans to begin recovering deferred annual MMF deposit amounts. The Airport Authority plans to include a portion of the Federal relief funds received in FY2020 through FY2022, in the credits deducted from the Total Terminal Requirement to arrive at the Base Terminal Area Requirement in FY2022 through FY2024. Terminal rentals are projected to increase to approximately $40.9 million in FY2026, due to projected increases in O&M Expenses, debt service requirements, as well as Coverage Charges required in the AOLA, as described in Section 4. As shown on Table 43, the terminal rental rate is projected to increase from $167.29 in FY2022 to $386.47 in FY2027.

Common Use Fees

Common Use fees are charged to the airlines for the use of the common use systems. Common Use fees decreased slightly from $7.6 million in FY2020 to $7.4 million in FY2021. The fees decreased in FY2021 because of the reduced terminal rental rate and reduced O&M Expenses allocated to the common use systems. Common Use fees are budgeted to increase to $7.9 million in FY2022 as a result of increased O&M allocated to the terminal, which increases the rate charged for the common use space. Common Use fees are projected to increase to $16.9 million in FY2027 as a result of increased O&M allocated to the terminal and the common use systems and increased debt service allocated to the terminal. The signatory common use fee is projected to increase from $1.82 per enplaned passenger to a $1.97 in FY2027, as shown on Table 44.

FIS Use Charges

Beginning in FY2020, the Airport Authority began charging the airlines $10.00 for each international arriving seat for the use the Airport's international facilities. In FY2020, the Airport Authority collected approximately $3.3 million in FIS Use Charge revenues. This revenue decreased to approximately $1.0 million in FY2021 as a result of the significant reduction in international arriving seats. This revenue is budgeted to increase to $2.3 million in FY2022. As international traffic continues to recover, FIS Use Charge revenues are projected to increase to $5.9 million in FY2027.

Table 43| Projected Terminal Rental Rate

Calculation Elements	Fiscal Years Ending June 30					
	Budget	Projected				
	2022	2023	2024	2025	2026	2027
Terminal Costs						
O&M Expenses	58,494,001	67,723,224	70,229,822	72,828,724	79,791,362	82,410,699
Revenue Bond Debt Service	36,579,332	60,174,024	62,309,853	57,463,490	147,868,825	117,868,539
Coverage Charges	-	-	-	-	16,744,808	6,889,746
Amortization Charges	10,321,940	10,014,123	8,731,516	8,425,996	8,093,622	8,336,806
Reserve Deposits	698,473	1,223,820	1,251,476	2,614,161	1,260,829	1,952,509
Total Terminal Requirement	**$106,093,745**	**$139,135,191**	**$142,522,667**	**$141,332,372**	**$253,759,445**	**$217,458,300**
Credits:						
Operating Grant Revenue	-	-	-	-	-	-
FIS Use Charge	2,343,010	4,197,930	5,139,407	5,653,348	5,766,415	5,881,743
Federal Relief Funds	4,500,833	4,800,455	5,324,055	-	-	
Total Credits	$6,843,843	$8,998,385	$10,463,462	$5,653,348	$5,766,415	$5,881,743
Base Terminal Area Requirement	**$99,249,903**	**$130,136,806**	**$132,059,205**	**$135,679,024**	**$247,993,030**	**$211,576,556**
Terminal Leasable Square Footage	593,293	593,293	593,293	593,293	618,293	618,293
Base Terminal Area Rental Rate	**$167.29**	**$219.35**	**$222.59**	**$228.69**	**$401.09**	**$342.19**
Supplemental Terminal Area Requirement						
Major Maintenance Fund	$0	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000
Airline Leased Square Footge	464,458	451,734	451,734	451,734	451,734	451,734
Supplemental Terminal Rate	**$0.00**	**$44.27**	**$44.27**	**$44.27**	**$44.27**	**$44.27**
Terminal Rental Rate	**$167.29**	**$263.62**	**$266.86**	**$272.96**	**$445.37**	**$386.47**
NonSignatory Terminal Rental Rate	**$200.74**	**$316.34**	**$320.23**	**$327.55**	**$534.44**	**$463.76**

Joint Use Fees

As described above in Section 4, Joint Use fees are charged to the airlines for the use of the joint use facilities at the Airport. Beginning in FY2020, these fees began being accounted for in addition to the terminal rental revenues and the common use fee revenues. Joint Use fee revenues increased from $49.4 million in FY2020 to $55.2 million in FY2021. The increase was a result increased O&M Expenses and debt service allocated to airline terminal support. Joint Use fee revenue is budgeted to increase to $60.4 million in FY2022. Joint Use fee revenue is projected to increase to $168.2 million in FY 2027 because of a higher terminal rental rates and increased O&M Expenses and debt service allocated to airline terminal support.

Security Surcharge

The Signatory Airlines paid a Security Surcharge to reimburse the Authority for the cost of providing security in the airfield and terminal areas. The security costs incorporated into the calculation of the Security Surcharge included allocated O&M Expenses, debt service costs, amortization charges, and terminal rent for the security check point areas used by the TSA for passenger security screening. This revenue category increased from approximately $29.5 million in FY2017 to $33.6 million in FY2019, reflecting the historical increases in the cost of providing security. Beginning in FY2020, under the provisions of the new AOLA, security costs are now included in the Airline Terminal Support cost center.

Other Aviation Revenues

Other Aviation Revenues consist primarily of fuel farm franchise fees. Prior to FY2018, this category also included the capital cost recovery of the fuel farm. With the completion of the capital cost recovery period, this revenue category decreased from approximately $1.6 million in FY2017 to $184,000 in FY2018. Fuel farm franchise fees decreased during the COVID-19 pandemic, but they are projected to increase to $174,000 in FY2027.

Air Service Incentive Program

The Air Service Incentive Program (ASIP), which started on January 1, 2021, is intended to increase the SAN's nonstop destinations, enable fair access for new entrants, promote competition, and restart air service that was impacted by the COVID-19 pandemic. This revenue category is a reduction in airline revenues because it represents the credits awarded by the Airport Authority to qualifying airlines. ASIP credits totaled approximately $62,000 in FY2021, and they are budgeted to increase to $2.7 million in FY2022 and $5.5 million in FY2023.

Table 44| Projected Common Use Fee

Calculation Elements	Fiscal Years Ending June 30					
	Budget	Projected				
	2022	2023	2024	2025	2026	2027
Common Use Ticketing	31,914	31,914	31,914	35,136	37,438	37,438
Terminal Rental Rate	$167.29	$263.62	$266.86	$272.96	$445.37	$386.47
Common Use Requirement	**$5,338,781**	**$8,413,183**	**$8,516,591**	**$9,590,880**	**$16,673,646**	**$14,468,607**
O&M Expenses	$850,500	$864,500	$890,435	$917,148	2,379,328	2,450,708
Annual Net Debt Servie	-	-	-	-	-	-
Amortization Charges	1,742,545	1,742,545	-	-	-	-
Total Common Use Requirement	**$7,931,826**	**$11,020,228**	**$9,407,026**	**$10,508,028**	**$19,052,974**	**$16,919,316**
Non-Signatory Common Use Revenue	($233,377)	($314,711)	($268,642)	($300,083)	($544,106)	($483,174)
Net Common Use Requirement	**$7,698,449**	**$10,705,517**	**$9,138,385**	**$10,207,945**	**$18,508,868**	**$16,436,142**
Total Signatory Enplanements in Common Use Terminal	4,233,408	6,684,195	7,325,951	7,814,554	8,209,394	8,330,250
Common Use Fee	**$1.82**	**$1.60**	**$1.25**	**$1.31**	**$2.25**	**$1.97**
Non-Signatory Common Use Fee	**$2.18**	**$1.92**	**$1.50**	**$1.57**	**$2.71**	**$2.37**

5.6.2 | Non-Airline Revenues

Non-airline revenues consist of building rents, terminal concession revenues, parking and ground transportation revenues, ground rentals, other operating revenue, and interest income. Non-airline revenues increased from $139.5 million in FY2017 to $172.5 million in FY2019, and then decreased to $148.7 million in FY2020 and $93.7 million in FY2021, as explained in the paragraphs below that discuss the components of non-airline revenue. Total non-airline revenues are projected to increase from approximately $105.6 million in FY2022 to $178.4 million in FY2027, as explained in the paragraphs below.

Building and Other Rents

The Airport Authority receives rent from non-airline tenants for space rented in the terminal buildings and other areas. This revenue category increased from $1.6 million in FY2017 to $2.6 million in FY2021, due to the increase in terminal rental rates. Building and Other Rent revenue is projected to remain relatively flat at $2.6 million throughout the projection period.

Concessions

The Airport Authority receives percentage concession fees, subject to a minimum annual guarantee (MAG), from rental car, food and beverage, news and gift, and other concessionaires. The concession revenue is calculated as a percentage of each concessionaire's sales, subject to MAG amounts. The various types of concession revenues and the historical trends and projected future increases are described in the sub-sections below.

Rental Car Concession Revenue

The largest component of the terminal concession revenue category is rental car concession revenue. The rental car companies that operate at the Airport pay a concession fee of 10 percent of their gross revenues, plus a cost recovery fee for the operating expenses of the RCC (defined in Section 1). Rental car concession revenue, including the RCC cost recovery component, increased from approximately $30.2 million in FY2017 to $34.3 million in FY2019, but then decreased to $26.1 million in FY2020 and $17.0 million in FY2021, reflecting the reduced activity during the COVID-19 pandemic.

Rental car concession revenue at SAN, expressed on a per-originating enplanement basis, ranged between $2.84 in FY2017 and $2.66 in FY2020, and then increased significantly to $4.62 in FY2021, reflecting nationwide industry trends after the outbreak of the COVID-19 pandemic, as the rental car companies reduced inventory and increased prices. The ratio of rental car transaction days per originating enplanement decreased from 0.60 in FY2017 to 0.54 in FY2020, and then recovered to 0.55 in FY2021, indicating that rental car demand remained fairly constant in relation to passenger activity at the Airport.

FY2022 rental car concession revenue, including the RCC cost recovery component, is budgeted to increase to $18.7 million due to the anticipated increase in passenger activity. For FY2023 and subsequent years, rental car concession revenue is projected based on an assumed return to pre-COVID pandemic rental car pricing, and using the historical average ratio of transaction days to originating enplanements, applied to forecast air traffic activity. Rental car concession revenue, including the RCC cost recovery component, is projected to increase to $34.4 million in FY2027.

Food and Beverage/Gift and News Concession Revenues

In March 2015, the Airport Authority completed its Concessions Development Program (CDP), which involved a complete revamp of the shopping and dining options in the passenger terminals. The CDP significantly increased the number of shops and restaurants, and it involved the introduction of local San Diego offerings. The CDP was designed to increase competition among concessionaires, to promote a variety of brands and concepts, and to increase the Airport Authority's control over the concessions program – thereby enhancing the customer experience and maximizing concession sales and the resulting revenue to the Airport Authority. The concession leases started on the date the applicable concession space was available for beneficial use by the vendor, with lease terms of 10 years for food and beverage concessions and seven years for gift and news concessions. The leases provide for rental payments equal to the greater of a minimum annual guarantee (MAG) or a percentage of gross income. The leases also provide for the cost recovery of terminal concessions program costs. including: the capital and operating costs of the Receiving and Distribution Center (RDC) located on the north side of the airfield; and marketing, storage, and other O&M Expenses related to the terminal concessions, as discussed in the Cost Recovery revenue category, below. As of the date of this Report, most of the retail concession leases have expired and the retail concessionaires are operating at SAN on a month-by-month basis under the terms of the expired leases. The Airport Authority expects to solicit for new retail concessions in 2022. The concession revenue projections, described below, assume the new retail concession leases will contain provisions substantially similar to the expired leases.

Food and Beverage concession revenue increased from approximately $11.0 million in FY2017 to $13.9 million in FY 2019, and then decreased to $10.8 million in FY2020 and $4.2 million in FY2021. Gift and News concession revenue increased from $7.2 million in FY2017 to $8.2 million in FY2019, and then decreased to $6.3 million in FY 2020 and $3.2 million in FY2021. Due to the significant decrease in passengers in mid-March 2020, the Airport Authority closed about 90 percent of the terminal concessions. As passenger traffic began to recover, some of the terminal concessions re-opened, and by December 2020 about 50 percent of the terminal concessions were open. By the end of September 2021, about 90 percent of the terminal concessions were open with modified hours.

The projections of concession revenues for Food and Beverage and Gift and News are based on pre-COVID-19 pandemic ratios of revenue per enplanement for each category, with assumed increases for inflation, applied to forecast enplanements, plus increases in FY2026 associated with the planned opening of the new Terminal 1. Concession revenue is projected to increase to $17.7 million in FY2027 for Food and Beverage, and $8.2 million for Gift and News.

License Fees

The Airport Authority receives license fees from companies that provide ground handling and in-flight food services. These license fees, which are based on a percentage of the providers' gross revenues, increased from $5.0 million in FY2017 to $6.8 million in FY2019. License Fees decreased to $6.2 million and $3.4 million in FY 2020 and FY 2021, respectively, due to decreased activity, net of license fee waivers of $0.6 million for in-flight food services in FY2021. License Fees are budgeted to total approximately $4.2 million in FY 2022, due to increased activity. Based on anticipated increases in future passenger activity, License Fees are projected to increase to approximately $7.6 million in FY2027.

Other Terminal Concession Revenues

This category includes rents and fees received for advertising displays, luggage carts, ATMs, wifi service providers, security bin advertisements, and other miscellaneous sources. During FY2017 through FY2020, this revenue category fluctuated between $3.9 million and $3.1 million, due to changes in the advertising concession agreement and changes in the way shared tenant services are charged to the concessionaires. This category decreased to $1.6 million in FY2021, due to the decreased air traffic activity. This revenue category is budgeted to increase to $1.8 million in FY2022. Other Terminal Concession Revenues are projected based on the pre-COVID pandemic (FY2019) revenue per enplanement, applied to forecast enplanements. This revenue category is projected to increase to $5.3 million in FY2027.

Cost Recovery Revenue

The Airport Authority receives cost recovery fees as reimbursement for terminal concessions program costs. including: the capital and operating costs of the Receiving and Distribution Center (RDC) located on the north side of the airfield; and marketing, storage, and other O&M Expenses related to the terminal concessions. These fees increased from $4.1 million in FY2017 to $4.9 million in FY2019. As a result of the reduced activity and fee waivers provided by the Airport Authority, these fees decreased to $4.0 million and $1.7 million in FY2020 and FY2021, respectively. Cost recovery revenue is budgeted to increase to $2.5 million in FY2022, and it is projected to increase throughout the forecast period, to $5.3 million in FY2027, due to the projected increases in the various expenses related to the terminal concessions program.

Parking and Ground Transportation

The Airport Authority receives revenues from the public parking lots at the Airport, ground transportation permit and trip fees from TNCs and other ground transportation users, and parking citation revenues. Parking and Ground Transportation revenues increased from approximately $49.4 million in FY2017 to 62.8 million in FY2019, reflecting the increase in passenger traffic during those years. As a result of the significant passenger decrease, Parking and Ground Transportation revenues decreased to $50.8 million in FY2020 and $27.4 million in FY2021.

Parking revenue and TNC trip fees together constituted over 96 percent of total Parking and Ground Transportation revenue in FY2021. The following paragraphs discuss the trends in these two revenue sources:

Parking revenue, which accounted for 80 percent of total FY2021 Parking and Ground Transportation revenue, increased from $41.4 million in FY2017 to $46.6 million in FY2019, and then decreased to $36.4 million in FY2020 and $22.2 million in FY2021. The ratio of parking transactions per originating enplanement decreased from 0.12 in FY2017 to 0.10 in FY2018, and it remained essentially constant at that level through FY2021. Parking revenue is budgeted to increase to $26.1 million in FY2022, reflecting the anticipated increase in passenger activity. Parking revenue through the remainder of the forecast period is projected to increase based on estimated increases in parking transactions per originating enplanement, plus an assumed additional increase in parking transactions in FY2025, with the planned opening of the first phase of the new Terminal 1 Parking Plaza. To be conservative, no parking rate increases are assumed during the forecast period. Parking revenue is projected to increase to $43.1 million in FY2027.

TNC trip fees, which accounted for 16 percent of total FY2021 Parking and Ground Transportation revenue, increased significantly from FY2017 through FY2019, as TNC usage increased and the Airport Authority increased fees charged to the TNCs, as follows: (1) The pick-up fee increased from $2.76 to $4.06 at the start of FY2017, through the first eight months of FY 2018; (2) the pick-up fee was reduced to $3.86 for the last four months of FY 2018; (3) at the beginning of FY 2019, the Airport Authority decreased the pick-up fee to $3.00, but added a $3.00 drop-off fee; (4) in FY2020, the pick-up and drop-off fees were each increased to $3.50. TNC transactions per originating enplanement increased from 0.12 in FY2017 to 0.39 in FY2019, and revenue per originating enplanement increased from $0.48 in FY2017 to $1.16 in FY2019. In FY2021, the ratios of transactions and revenue per originating enplanement were both significantly lower, with a ratio of transactions per originating enplanement of 0.26 and a ratio of revenue per originating enplanement of $0.84. TNC revenues are budgeted to increase to $6.5 million in FY2022, reflecting the anticipated increase in air traffic activity. TNC revenues through the remainder of the forecast period are projected based on current ratios of transactions and revenue per originating enplanement with estimated increases in the ratios, as TNC usage recovers. To be conservative, no future increases in TNC per-trip fees are assumed for the revenue projections. TNC revenues are projected to increase to $17.5 million in FY2027.

Based on the assumptions described above, total Parking and Ground Transportation revenues, including Parking revenue, TNC trip fees, and other Ground Transportation revenues are projected to increase to $61.8 million in FY2027.

Ground and Non-Terminal Rentals

The Airport Authority receives rentals for land parcels containing various facilities, including the RCC, FBO facilities, and facilities used by the passenger and all-cargo airlines. Ground and Non-Terminal Rentals increased from $18.5 million in FY2017 to $20.6 million in FY 2019 before decreasing to between $18.9 million and $19.3 million in FY2020 and FY2021, due to waivers provided by the Airport Authority in those years.

Ground and Non-Terminal Rentals are budgeted to increase to $22.6 million in FY2022 because the Airport Authority will begin to recover capital costs expended for the fuel consortium and O&M Expenses incurred for the Airline Support Building (ASB). This revenue category is projected to increase to $23.7 million in FY2027.

Other Operating Revenues

This revenue category includes finger printing fees, reimbursement of utility expenses, service charges, equipment rentals, non-airline remote aircraft parking fees, and other miscellaneous revenues. From FY2017 through FY2019, the total of this revenue category increased from $1.5 million to $2.0 million, mainly due to increased traffic violations from TNC operators. Revenue in this category decreased to $1.5 million in FY2020 and $1.3 million in FY2021 due to decreased activity. Other Operating Revenues are budgeted at $1.1 million in FY2022 and FY2023, and are projected increase modestly in subsequent years, to $1.4 million in FY2027.

Interest Income

The Airport Authority receives interest income on Airport Authority discretionary cash, promissory notes from the Port District, and the various bond funds and accounts established pursuant to the Master Senior Indenture. Interest Income increased from $7.4 million in FY2017 to $17.8 million in FY2020, due to increased yields and higher cash balances maintained by the Airport Authority. Interest income decreased to $12.0 million in FY2021, and it is budgeted to decrease to $9.9 million in FY 2022 due lower interest rates available. Interest Income is projected to increase to $20.8

million in FY2023, after the deposit of bond proceeds into the Construction Fund, and then decrease each year thereafter to $10.4 million in FY2027, as monies in the Construction Fund are expended to construct the ADP.

5.7 | Key Financial Indicators

This sub-section discusses the projections of the following key financial indicators: (1) the application of Revenues pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture, (2) the Airport Authority's ability to satisfy the Additional Bonds Test, as evidenced by its ability to meet the Senior Rate Covenant and the Subordinate Rate Covenant; and (3) the airline cost per enplaned passenger (CPE).

5.7.1 | Application of Revenues

Table 45 shows the forecast application of Revenues pursuant to the provisions of the Master Senior Indenture, during the forecast period. Revenues are applied in the order shown on Figure 50.

Table 45| Application of Revenues

	Fiscal Years Ending June 30							
	Audited	Actual	Budget	Projected				
	2020	2021	2022	2023	2024	2025	2026	2027
Airport Revenues	$280,572,988	$227,747,144	$246,609,000	$353,561,300	$374,533,163	$402,818,034	$518,556,737	$494,689,896
Application of Airport Revenues								
Operation & Maintenance Subccount	$152,377,707	$139,258,325	$159,141,003	$173,569,698	$179,361,176	$185,357,828	$199,562,855	$205,680,152
Senior Debt Service net of PFCs	15,390,351	14,827,851	10,830,979	-	54,882	435,573	54,610,801	24,609,201
Debt Service Reserve Funds	-	-	-	-	-	-	-	-
Subordinate Debt Service, net of PFCs	71,023,158	55,202,648	52,885,340	99,457,300	103,912,806	98,147,472	160,471,275	160,480,746
Subordinate Debt Service Reserve Fu	-	-	-	-	-	-	-	-
O&M Reserve Subaccount	(3,411,612)	(3,279,846)	4,970,669	3,607,174	1,447,870	1,499,163	3,551,257	1,529,324
Renewal and Replacement Subaccou	-	-	-	-	-	-	-	-
Airport Revenue Fund	45,193,385	21,738,165	18,781,009	76,927,128	89,756,429	117,377,999	100,360,549	102,390,473
Total Airport Revenues Applied	$280,572,988	$227,747,144	$246,609,000	$353,561,300	$374,533,163	$402,818,034	$518,556,737	$494,689,896

5.7.2 | Rate Covenants

The calculations of the Senior Rate Covenant in the Master Senior Indenture and the Subordinate Rate Covenant in the Master Subordinate Indenture are projected on Table 46. The calculations reflect the projected debt service of the Senior Bonds and the Subordinate Obligations after the issuance of the Subordinate Series 2021 Bonds and the refunding of the Senior Series 2013 Bonds.

Under the Master Senior Indenture, the Airport Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues that will satisfy all the Airport Authority's obligations under the Master Senior Indenture, and that will at least equal 125 percent of aggregate annual debt service on the outstanding Senior Bonds (the Senior Rate Covenant). Under the Master Subordinate Indenture, the Airport Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues that will satisfy all the Airport Authority's obligations under the Master Subordinate

Indenture, and that will at least equal 110 percent of aggregate annual debt service on the outstanding Subordinate Obligations (the Subordinate Rate Covenant).

Table 46| Projected Debt Service Coverage

	Fiscal Years Ending June 30							
	Audited	Actual	Projected					
	2020	2021	2022	2023	2024	2025	2026	2027
Senior Bonds:								
Revenues	$280,572,988	$227,747,144	$246,609,000	$353,561,300	$374,533,163	$402,818,034	$518,556,737	$494,689,896
Minus O&M Expenses	(152,377,707)	(139,258,325)	(159,141,003)	(173,569,698)	(179,361,176)	(185,357,828)	(199,562,855)	(205,680,152)
Add: Federal Relief Funds	16,080,061	51,237,039	71,226,429	-	-	-	-	-
Net O&M Expenses	(136,297,647)	(88,021,286)	(87,914,574)	(173,569,698)	(179,361,176)	(185,357,828)	(199,562,855)	(205,680,152)
Net Revenues	$144,275,342	$139,725,858	$158,694,427	$179,991,602	$195,171,987	$217,460,206	$318,993,882	$289,009,744
Senior Bonds Debt Service	$26,006,350	$26,000,100	$10,830,979	$0	$54,882	$435,573	$69,610,801	$69,609,201
Minus PFCs	(11,260,741)	(11,172,249)	-	-	-	-	(15,000,000)	(45,000,000)
Minus Federal Relief Funds	(6,501,585)	(3,406,934)	-	-	-	-	-	-
Senior Bonds Debt Service, Net	$8,244,024	$11,420,917	$10,830,979	$0	$54,882	$435,573	$54,610,801	$24,609,201
Senior Bonds Debt Service Coverage	**17.50**	**12.23**	**14.65**	**N/A**	**3,556.23**	**499.25**	**5.84**	**11.74**
Subordinate Bonds:								
Senior Lien Net Revenues	$144,275,342	$139,725,858	$158,694,427	$179,991,602	$195,171,987	$217,460,206	$318,993,882	$289,009,744
Minus Senior Bonds Debt Service, Net	($8,244,024)	($11,420,917)	($10,830,979)	$0	($54,882)	($435,573)	($54,610,801)	($24,609,201)
Subordinate Lien Net Revenues	$136,031,318	$128,304,941	$147,863,447	$179,991,602	$195,117,105	$217,024,633	$264,383,081	$264,400,543
Subordinate Debt Service	61,133,659	64,035,733	82,890,674	99,457,300	103,912,806	98,147,472	190,476,608	190,486,079
Minus PFCs	(18,744,592)	(8,833,085)	(30,005,333)	-	-	-	(30,005,333)	(30,005,333)
Minus BAB Subsidy	(2,089,397)	-	-	-	-	-	-	-
Minus Federal Relief Funds	(14,313,843)	(22,593,066)	(18,400,000)	-	-	-	-	-
Subordinate Debt Service, Net	25,985,827	32,609,582	34,485,340	99,457,300	103,912,806	98,147,472	160,471,275	160,480,746
Subordinate Debt Service Coverage	**5.23**	**3.93**	**4.29**	**1.81**	**1.88**	**2.21**	**1.65**	**1.65**
Total Debt Service, Net	$34,229,850	$44,030,500	$45,316,320	$99,457,300	$103,967,688	$98,583,045	$215,082,076	$185,089,947
Total Debt Service Coverage	**4.21**	**3.17**	**3.50**	**1.81**	**1.88**	**2.21**	**1.48**	**1.56**
Net Revenues plus PFCs and Federal R	$197,185,501	$185,731,191	$207,099,760	$179,991,602	$195,171,987	$217,460,206	$363,999,215	$364,015,077
Total Debt Service, Gross	87,140,009	90,035,833	93,718,904	99,460,169	103,967,950	98,583,135	260,002,285	260,011,836
Debt Service Coverage - Revenue Method	**2.26**	**2.06**	**2.21**	**1.81**	**1.88**	**2.21**	**1.40**	**1.40**

Net Revenues are defined in the Master Senior Indenture as Revenues minus O&M Expenses. Subordinate Net Revenues are defined in the Master Subordinate Indenture as Net Revenues minus deposits to the Debt Service Funds for the payment of debt service on the Senior Bonds and any reserve fund deposits required pursuant to the Master Senior Indenture.

The Airport Authority has budgeted an allocation of $30.0 million of PFCs to debt service in FY2022. The Airport Authority is not planning to allocate any PFCs to debt service during FY2023 through FY2025, in order to preserve its PFC capacity until later years, after the capitalized interest period ends on the Subordinate Series 2021AB Bonds and the future New T1-related bond issues. Currently, the Airport Authority plans to allocate $45.0 million and $75.0 million to debt service in FY2026 and FY2027, respectively. The amount of PFCs applied to pay debt service on the Senior Bonds or the Subordinate Obligations reduces the debt service for purposes of the Rate Covenant calculations.

The Airport Authority's plan for the Federal relief funds involves applying a portion to O&M Expenses and a portion to debt service requirements, in FY2020 through FY2022. For the purposes of the debt service coverage calculations, the Federal relief funds applied to O&M Expenses reduce O&M Expenses in arriving at Net Revenues. The Federal relief funds applied to debt service reduce the debt service amount for purposes of the debt service calculations.

In FY2011, the Airport Authority began receiving cash subsidy payments from the U.S. Treasury for the portion of the Series 2010 Bonds that were issued as Build America Bonds (the BAB subsidy). The annual BAB subsidy payments ended in FY2020 due to the refunding of those bonds with the issuance of the Series 2019 Bonds. The amount of BAB subsidy payments in FY2020 are treated as a reduction of debt service for purposes of the debt service coverage calculation.

Debt service coverage calculated according to the Senior Rate Covenant is projected to equal at least 5.84 times throughout the forecast period. Debt service coverage calculated according to the Subordinate Rate Covenant is projected to equal at least 1.65 times throughout the forecast period. Therefore, the Airport Authority is projected to satisfy the coverage requirements for both the Master Senior Indenture and the Master Subordinate Indenture.

Total debt service coverage (reflecting Senior Bonds and Subordinate Obligations) is projected to remain at or above 1.48 times throughout the forecast period.

5.7.3 | PFC Cash Flow

The projected PFC cash flow is presented on Table 47. The projections assume the PFC collection level will remain at the current rate of $4.50. PFC collections, net of the airline collection fee, are projected to increase from $35.7 million in FY2022 to $50.1 million in FY2027.

As discussed above, the Airport Authority has budgeted an allocation of $30.0 million of PFCs to debt service in FY2022. The Airport Authority is not planning to allocate any PFCs to debt service during FY2023 through FY2025, in order to preserve its PFC revenues until later years, after the capitalized interest period ends on the Subordinate Series 2021AB Bonds and the future New T1-related bond issues. Currently, the Airport Authority plans to allocate $45.0 and $75.0 million to debt service in FY2026 and FY2027, respectively.

The Airport Authority is also applying PFCs on a Pay-As-You-Go basis toward PFC eligible costs of the Capital Program. In addition, the Airport Authority plans to apply an annual amount to fund a portion of the Quieter Home Program[54]. This annual amount is budgeted at $2.0 million in FY2022, between $3.1 million and $3.2 million during FY2023 through FY2025, and $2.9 million in FY2026 and FY2027.

The balance in the PFC Fund is projected to increase from $51.2 million at the beginning of FY2022 to $157.3 million at the end of FY2027.

Table 47| Projected PFC Cash Flow

	Fiscal Years Ended June 30					
	Budget	Projected				
	2022	2023	2024	2025	2026	2027
PFC Collections						
Projected Enplanements	9,014,181	10,137,826	11,111,169	11,852,226	12,451,075	12,634,375
% Eligible	90.3%	90.3%	90.3%	90.3%	90.3%	90.3%
PFC Eligible Enplanements	8,135,900	9,150,100	10,028,600	10,697,500	11,238,000	11,403,400
Gross PFC Collections						
$4.50 Per Eligible EP	$36,611,600	$41,175,500	$45,128,700	$48,138,800	$50,571,000	$51,315,300
Less: Airline Collection Fee						
$0.11 Per Eligible EP	(894,900)	(1,006,500)	(1,103,100)	(1,176,700)	(1,236,200)	(1,254,400)
Net PFC Collections	$35,716,700	$40,169,000	$44,025,600	$46,962,100	$49,334,800	$50,060,900
PFC Fund						
Beginning Balance	$51,233,050	$56,061,077	$93,642,296	$129,897,374	$176,801,126	$181,791,183
Net PFC Collections	35,716,700	40,169,000	44,025,600	46,962,100	49,334,800	50,060,900
Amounts Applied to:						
Debt Service	(30,005,333)	-	-	-	(45,005,333)	(75,005,333)
PFC Pay-Go	-	(959,199)	(6,756,556)	-	-	-
Quieter Home Program	(1,956,281)	(3,125,616)	(3,249,364)	(3,125,333)	(2,925,333)	(2,925,333)
Interest Income	1,072,941	1,497,034	2,235,397	3,066,985	3,585,923	3,391,036
Ending Balance	$56,061,077	$93,642,296	$129,897,374	$176,801,126	$181,791,183	$157,312,454

5.7.4 | Airline Cost per Enplanement

An important component of the financial feasibility report is an assessment of how the planned capital improvements and the related financings will affect airline rates and charges, as measured through the airline CPE. The projected CPE through FY2027 is presented on Table 48. The FY2021 estimated CPE of $26.18 is unusually high for SAN, due to the significantly reduced enplanements. With the anticipated increase in enplanements in FY2022, the CPE is projected to decrease to

[54] The Quieter Home Program is the Airport Authority's Residential Sound Insulation Program. The FAA has determined that residences within the 65+ decibel level contour map around SAN may be eligible for sound insulation treatments to mitigate aircraft noise. The FAA has set a goal of reducing interior noise levels for eligible residents by at least five decibels inside the home, providing a noticeable reduction in noise. The Quieter Home Program is the means to obtain that goal.

$14.96. The CPE is projected to increase to $20.06 in FY2023 due to increases in airline rates and charges, as discussed above. Despite further anticipated increases in airline rates and charges, in FY2024 and FY2025, the CPE is projected to be lower in those years ($19.11 in FY2024 and $18.74 in FY2025), due to the forecast increase in enplanements. The CPE is projected to increase to $26.39 in FY2026, due to increases in airline rates and charges related to the completion of the New T1, as discussed above. With the continued increase in enplanements forecast for FY2027, the CPE is projected to decrease to $24.07 in that year.

Several large hub airports reported a CPE in 2019 (prior to the effects of the COVID-19 pandemic) at or above $20, including Miami, JFK, Newark, LaGuardia, and Chicago O'Hare. A few other large hub airports that reported a CPE in the $15 to $20 range will likely experience an increase in CPE as they implement future capital improvements. Therefore, SAN's projected CPE reflecting the completion of the New T1 appears to be reasonable in light of industry trends.

Table 48| Projected Airline Cost per Enplanement

	Fiscal Years Ending June 30						
	Actual	Projected					
	2021	2022	2023	2024	2025	2026	2027
Landing Fees	$31,342,218	$31,406,243	$50,866,170	$52,463,601	$57,485,270	$67,056,317	$68,334,494
Aircraft Parking Fees	$6,859,419	$6,336,203	$10,128,876	$10,316,652	$10,905,787	$13,065,769	$13,068,787
Terminal Rents	89,129,702	99,762,680	147,898,987	149,575,971	153,680,436	248,456,826	222,689,549
Incentive Fees	(62,080)	(2,670,724)	(5,521,075)	-	-	-	-
Total Airline Revenue	**$127,269,259**	**$134,834,401**	**$203,372,958**	**$212,356,224**	**$222,071,493**	**$328,578,912**	**$304,092,829**
Enplanements	4,860,931	9,014,181	10,137,826	11,111,169	11,852,226	12,451,075	12,634,375
Cost Per Enplanement	**$26.18**	**$14.96**	**$20.06**	**$19.11**	**$18.74**	**$26.39**	**$24.07**

5.8 | Sensitivity Analysis

A sensitivity analysis was prepared using the low enplanement forecast scenario presented in Section 3. The projections of the key financial variables under the sensitivity analysis, and for comparative purposes, the base enplanement forecast scenario, are summarized on Table 49. Under the low enplanement forecast scenario, the senior debt service coverage and subordinate debt service coverage will be at least 5.59 times and 1.65 times debt service, respectively, throughout the forecast period. The landing fee rate is projected to rise to a high of $5.13 (in FY 2026), and the airline cost per enplanement is projected to increase to a high of $29.28 (in FY 2026). The projected airline costs under the low enplanement forecast scenario would still be reasonable considering that the projections reflect the estimated costs of the Capital Program. Under the low forecast scenario, the PFC Fund balance is projected to equal $145.8 million in FY2027.

Table 49| Key Financial Projections for Sensitivity Analysis

	For Fiscal Years Ended June 30					
	2022	2023	2024	2025	2026	2027
Base Forecast						
Net Revenues	$158,694,427	$179,991,602	$195,171,987	$217,460,206	$318,993,882	$289,009,744
Debt Service Coverage						
Senior	14.65	N/A	3,556.23	499.25	5.84	11.74
Subordinate	4.29	1.81	1.88	2.21	1.65	1.65
Total	3.50	1.81	1.88	2.21	1.48	1.56
Landing Fee Rate	$3.55	$4.30	$4.15	$4.31	$4.80	$4.82
Airline Cost per Enplanement	$14.96	$20.06	$19.11	$18.74	$26.39	$24.07
PFC Fund Balance	$56,061,077	$93,642,296	$129,897,374	$176,801,126	$181,791,183	$157,312,454
Low Forecast						
Net Revenues	$156,014,552	$174,139,690	$188,645,860	$209,818,368	$321,997,918	$292,011,767
Debt Service Coverage						
Senior	14.40	N/A	3,437.32	481.71	5.59	10.58
Subordinate	4.21	1.75	1.81	2.13	1.65	1.65
Total	3.44	1.75	1.81	2.13	1.48	1.55
Landing Fee Rate	$3.06	$4.50	$4.39	$4.56	$5.13	$5.01
Airline Cost per Enplanement	$15.94	$21.59	$20.55	$20.13	$29.28	$25.87
PFC Fund Balance	$53,983,098	$88,687,388	$121,783,477	$165,293,716	$169,714,634	$145,817,994

5.9 | Summary

The following points highlight the significant findings of the financial analysis contained in this section:

- Debt service coverage calculated according to the Senior Rate Covenant is projected to equal at least 5.84 times debt service during the forecast period.
- Debt service coverage calculated according to the Subordinate Rate Covenant equaled 5.23 times debt service in FY2020 and then is projected to equal at least 1.65 times debt service during the remainder of the forecast period.
- The airline CPE is projected to remain reasonable, remaining under $27.00 during the forecast period.
- PFC revenues are projected to increase from $35.7 million in FY2022 to $50.1 million in FY2027. The PFC fund balance is projected to increase from $51.2 million at the beginning of FY2022 to $157.3 million in FY2027.
- Under the low enplanement forecast scenario, senior debt service coverage and subordinate debt service coverage are projected to remain well above the minimum requirements throughout the forecast period. The projected airline cost per enplanement under the low enplanement forecast scenario is projected to remain at or below $30.00 during the forecast period, and the PFC fund balance is projected to increase from $54.0 million in FY2022 to $145.8 million in FY2024.

PURCHASE CONTRACT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

\$[A PAR] Subordinate Airport Revenue Bonds Series 2021A (Governmental/Non-AMT)	**\$[B PAR] Subordinate Airport Revenue Bonds Series 2021B (Private Activity/AMT)**	**\$[C PAR] Subordinate Airport Revenue Refunding Bonds Series 2021C (Federally Taxable)**

[PRICING DATE], 2021

San Diego County Regional Airport Authority
3225 North Harbor Drive, 3rd Floor
San Diego, California 92101

Ladies and Gentlemen:

The undersigned, BofA Securities, Inc. (the "**Representative**"), on behalf of itself and as representative of the other underwriters listed on the signature page hereof (with the Representative, the "**Underwriters**") hereby offers to enter into this Purchase Contract (this "**Purchase Contract**") with the San Diego County Regional Airport Authority (the "**Authority**"). The offer made hereby is subject to acceptance by the Authority by execution and delivery of this Purchase Contract to the Underwriters at or prior to 11:59 p.m., California time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Upon acceptance of this offer by the Authority in accordance with the terms hereof, this Purchase Contract will be binding upon the Authority and upon the Underwriters. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Preliminary Official Statement or the Subordinate Indenture, each as hereinafter defined.

1. **Purchase and Sale**.

(a) Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters, acting as principals and independent contractors and not as agents or fiduciaries, hereby, jointly and severally, agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of the Authority's \$[A PAR] aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "**Series 2021A Bonds**"), \$[B PAR] aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2021B (Private-Activity/AMT) (the "**Series 2021B Bonds**," and together with the Series 2021A Bonds, the "**Series 2021 Tax-Exempt Bonds**") and \$[C PAR] aggregate principal amount of Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "**Series 2021C Bonds**," and together with the Series 2021A Bonds and the Series 2021B Bonds, the "**Series 2021 Bonds**"). The Series 2021 Bonds shall be dated the date of issuance, shall bear interest payable on July 1, 2022 and thereafter semiannually each January 1 and July 1 at the rates, shall mature on July 1 in each year in the amounts, shall be purchased at the prices, and shall be subject to redemption, all as set forth in the attached **Schedule I**. The purchase price for the Series 2021A Bonds shall be $[_____________] (consisting of the aggregate principal amount of the Series 2021A Bonds, plus original issue premium of $[__________], less an underwriters' discount of $[___________]) (the "**Series 2021A Purchase Price**"). The purchase price for the Series 2021B Bonds shall be $[_________] (consisting of the aggregate principal amount of the Series 2021B Bonds, plus original issue premium of $[__________], less an underwriters' discount of $[__________]) (the "**Series B Purchase Price**"). The purchase price for the Series 2021C Bonds shall be $[_________] (consisting of the aggregate principal amount of the Series 2021C Bonds, less an underwriters' discount of $[__________]) (collectively with the Series 2021A Purchase Price and the Series 2021B Purchase Price, the "**Purchase Price**").

(b) In order to assist the Underwriters in complying with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), the Authority will undertake, pursuant to a Continuing Disclosure Certificate, dated as of [CLOSING DATE], 2021 (the "**Continuing Disclosure Certificate**"), to provide certain annual financial and operating information and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in, and a form of the Continuing Disclosure Certificate is attached as Appendix F to, the Preliminary Official Statement and the Official Statement (as hereinafter defined).

(c) The Authority acknowledges and agrees that: (i) the Underwriters are not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended, (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Authority and the Underwriters and the Underwriters have financial and other interests that differ from those of the Authority; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority and have not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (iv) the only obligations the Underwriters have to the Authority with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (v) the Authority has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriters' obligations of fair dealing under the Municipal Securities Rulemaking Board's Rule G-17.

2. **The Series 2021 Bonds**. The Series 2021 Bonds will be issued pursuant to Section 170000 et seq. of the California Public Utilities Code (the "**Act**"); the Revenue Bond Law of 1941 Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code Section 54402(b), which do not apply to the issuance and sale of bonds pursuant to the Act; and the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "**Master Subordinate Indenture**"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "**Subordinate Trustee**"), and the Ninth Supplemental Subordinate Trust Indenture, to be dated as of December 1, 2021 (the "**Ninth Supplemental Subordinate Indenture**," and collectively with the Master Subordinate Indenture and all supplements thereto, the "**Subordinate Indenture**"), by and between the Authority and the Subordinate Trustee. Additionally, the board of directors of the Authority (the "**Board**") authorized the issuance of the Series 2021 Bonds pursuant to a resolution adopted by the Board on November 4, 2021 (the "**Bond

Resolution”). The Series 2021 Bonds shall be payable from Subordinate Net Revenues, and from certain additional limited funds held by the Subordinate Trustee under the Subordinate Indenture.

The proceeds of the Series 2021 Bonds will be used to (a) pay and/or reimburse the Authority for certain capital improvements at the Airport associated with the New T1, (b) refund and defease the Refunded Senior Series 2013 Bonds to realize debt service savings, (c) fund a portion of the interest accruing on the Series 2021A Bonds and Series 2021B Bonds, (d) make a deposit to the Subordinate Reserve Fund, and (e) pay the costs of issuance of the Series 2021 Bonds. The Series 2021 Bonds are being issued for such purposes and shall otherwise be as described in the Subordinate Indenture and the Official Statement.

In connection with the refunding of the Refunded Senior Series 2013 Bonds, the Authority and U.S. Bank National Association, as trustee and escrow agent, will enter into an Escrow Agreement, dated the Closing Date (defined below) (the “Escrow Agreement”).

3. **Use and Preparation of Official Statement**.

(a) The Authority hereby ratifies, approves and confirms the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement of the Authority with respect to the Series 2021 Bonds, dated [POS DATE], 2021 (including the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the “**Preliminary Official Statement**”), in connection with the offering and sale of the Series 2021 Bonds. It is acknowledged by the Authority that the Underwriters may deliver the Preliminary Official Statement and the final Official Statement (defined below) electronically over the internet and in printed paper form. The Authority deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12, except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) The Authority hereby agrees to deliver or cause to be delivered to the Underwriters, in sufficient time to accompany any confirmation that requests payment from any customer (but in no event later than the earlier of seven business days after the date hereof or two business days prior to the Closing Date (as hereinafter defined)), copies of the final Official Statement, dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Authority and the Representative) (the “**Official Statement**”) in sufficient quantity (which may be in electronic form) and in a form (including a word-searchable pdf format including any amendments thereto) to enable the Underwriters to comply with the rules of the Securities and Exchange Commission (the “**SEC**”) and the Municipal Securities Rulemaking Board (the “**MSRB**”). The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Authority shall only make such other additions, deletions and revisions in the Official Statement that are agreed to by the Authority and the Representative. The Authority hereby approves of the use and distribution by the Underwriters of the Official Statement in connection with the offer and sale of the Series 2021 Bonds. At the time of or prior to the date of Closing (as hereinafter defined), the Underwriters shall file a copy of the Official Statement with the MSRB on its Electronic Municipal Markets Access (“**EMMA**”) system.

4. **Representations, Warranties, Covenants and Agreements of the Authority**. The Authority represents and warrants to and covenants and agrees with the Underwriters that as of the date hereof:

(a) The Authority is a local governmental entity of regional government with jurisdiction extending throughout the County of San Diego, organized and existing pursuant to the provisions of the Act and the Constitution of the State of California (the "State").

(b) The Authority has full legal right, power and authority to enter into this Purchase Contract, the Continuing Disclosure Certificate, the Escrow Agreement and the Subordinate Indenture, to execute this Purchase Contract, the Ninth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate and the Escrow Agreement, to adopt the Bond Resolution and to observe, perform and consummate the covenants, agreements and transactions required or contemplated by this Purchase Contract, the Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement and to issue, sell and deliver the Series 2021 Bonds to the Underwriters as provided herein; and by all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Board has duly adopted the Bond Resolution and approved the Preliminary Official Statement and the Official Statement; the Bond Resolution is in full force and effect and has not been amended, modified or rescinded; the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations contained in, as applicable, the Series 2021 Bonds, the Subordinate Indenture, the Official Statement, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Contract, and the consummation by it of all other transactions contemplated by this Purchase Contract to have been performed or consummated at or prior to the Closing Date; and the Authority is in compliance in all respects with the terms of the Act and with the obligations in connection with the issuance of the Series 2021 Bonds on its part contained in the Bond Resolution, the Subordinate Indenture, the Series 2021 Bonds and this Purchase Contract.

(c) As of the date thereof and the date hereof, the Preliminary Official Statement (except for the information relating to DTC, Euroclear, Clearstream, the Book-Entry System, the Clearing Systems, the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Preliminary Official Statement and in Table 24 in the forepart of the Preliminary Official Statement, the information under the captions "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES," "UNDERWRITING" and "RELATED PARTIES," Appendix G of the Preliminary Official Statement and information permitted to be excluded pursuant to Rule 15c2-12 as to which no representation is made (except as provided in subsection (o) below)) did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Preliminary Official Statement.

As of the date hereof and the Closing Date, the Official Statement (except for the information relating to DTC, Euroclear and Clearstream, the Book-Entry System, the Clearing Systems, the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Official Statement and in Table 24 in the forepart of the Official Statement, the information under the captions "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES," "UNDERWRITING" and "RELATED PARTIES" and

Appendix G of the Official Statement as to which no representation is made (except as provided in subsection (o) below)) does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Official Statement.

(d) If between the date hereof and 25 days after the End of the Underwriting Period (as hereinafter defined) (i) any event shall occur or any fact or condition shall become known to the Authority which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriters thereof, and (ii) in the reasonable opinion of the Authority or the Representative, following consultation with the other party hereto, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement.

As used herein, and for the purposes of the foregoing, the term **"End of the Underwriting Period"** shall mean the later of (i) the Closing Date or (ii) the date on which the End of the Underwriting Period for the Series 2021 Bonds has occurred under Rule 15c2-12; provided, however, that the Authority may assume that, unless notified otherwise in writing by the Representative on or before the Closing Date, the End of the Underwriting Period for the Series 2021 Bonds will occur on the Closing Date.

For the purposes of this subsection (d), between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2021 Bonds, the Authority will furnish such information with respect to itself and the Airport as the Underwriters may from time to time reasonably request.

(e) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Between the date hereof and the Closing Date, except as contemplated by the Official Statement, the Authority will not without the prior written consent of the Representative offer or issue any bonds, notes or other obligations for borrowed money, or, except for its Subordinate Revolving Obligations or in the ordinary course of business incur any other material liabilities, direct or contingent, in each case payable from Net Revenues or Subordinate Net Revenues.

(g) The Authority is not in violation of, or in material breach of or in material default under, any applicable constitutional provision, law or administrative regulation or order of the State of California or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, or other agreement or instrument to which the Authority is a party or to which the Authority or any of its properties is otherwise bound, and no event has occurred to the knowledge of the Authority and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, in any such event which violation or breach would have a material adverse effect on the ability of the Authority to repay the Series 2021 Bonds or on the security therefor; and the execution and delivery of this Purchase Contract, the Ninth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement and the Series 2021 Bonds, the adoption of the Bond Resolution, and compliance with the provisions of this Purchase Contract, the Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement, the Bond Resolution and the Series 2021 Bonds do not conflict with or constitute a material breach of or material default under any California constitutional provision, law, administrative regulation, order, judgment, court decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Authority is a party, or by which it or any of its properties are bound, nor does any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its properties or under the terms of any such law, regulation or instrument, except as provided by the Series 2021 Bonds or except to the extent that such breach, or the creation or imposition of such lien or charge, would not have a material adverse effect on the security for the Series 2021 Bonds.

(h) Except as expressly set forth in the Official Statement, there is no action, suit, proceeding, hearing, inquiry or investigation, at law or in equity, before or by any California or Federal court, government agency, public board or body, pending or, to the best of the Authority's knowledge, threatened against the Authority (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices in which an adverse decision would affect the Board's adoption of the Bond Resolution or its approval of this Purchase Contract, the Ninth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement, the Preliminary Official Statement, the Official Statement or the Series 2021 Bonds; (ii) in any way contesting, affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Series 2021 Bonds, or the collection of revenues pledged to pay the principal of and interest on the Series 2021 Bonds, or the pledge of such revenues, or the application of the proceeds of the Series 2021 Bonds; (iii) affecting or seeking to prohibit, restrain or enjoin the imposition, collection or use of the PFCs for the payment of debt service as described in the Preliminary Official Statement and in the Official Statement; (iv) in any way contesting or affecting the validity or enforceability of the Series 2021 Bonds, the Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement or this Purchase Contract, or contesting the powers of the Authority or any authority for the issuance of the Series 2021 Bonds, the adoption of the Bond Resolution, or the execution and delivery by the Authority of, the Ninth Supplemental Subordinate Indenture, this Purchase Contract, the Escrow Agreement or the Continuing Disclosure Certificate; (v) which may result in any material adverse change relating to the business, operations or financial condition of the Authority or the ability of the Authority to pay the Series 2021 Bonds; or (vi) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Authority shall advise the Representative promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Series 2021 Bonds.

(i) The Authority will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the Authority in cooperation with the Underwriters as may be reasonably requested (i) to qualify the Series 2021 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriters; and (ii) to determine the eligibility of the Series 2021 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2021 Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(j) The Series 2021 Bonds, when issued and delivered in accordance with the Bond Resolution and the Subordinate Indenture and sold to the Underwriters as provided herein, will be the legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against local government entities in the State of California, and (subject to the immediately preceding limitations) the owners of the Series 2021 Bonds will be entitled to the benefits of the Subordinate Indenture; upon such issuance and delivery the Subordinate Indenture will provide, for the benefit of the owners from time-to-time of the Series 2021 Bonds, a legally valid and binding pledge of and lien on the Subordinate Net Revenues and the funds and accounts pledged to such Series 2021 Bonds under the Subordinate Indenture. The Series 2021 Bonds and the Subordinate Indenture conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(k) When executed, this Purchase Contract, the Subordinate Indenture, the Escrow Agreement and the Continuing Disclosure Certificate (assuming due authorization, execution and delivery by the other parties thereto, if applicable) will constitute the valid and legally binding obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against local government entities in the State of California.

(l) All authorizations, approvals, licenses, permits, consents and orders of any federal or California governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter, or of any airline or tenant of the Authority, which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Authority of, its respective obligations under this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate, the Subordinate Indenture and the Series 2021 Bonds, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2021 Bonds.

(m) The Authority's Financial Statements set forth as Appendix B to the Preliminary Official Statement and the Official Statement and the financial information regarding the Authority included in Table 16 of the Preliminary Official Statement and the Official Statement fairly present the financial position of the Authority as of the dates indicated and the results of its operations, the sources and uses of its cash and the changes in its fund balances for the periods therein specified to the extent included therein, and are in conformity with generally accepted accounting principles applied on a consistent basis, and there has been no material adverse change in the financial condition or results of operations of the Authority since the date thereof.

(n) The Authority has the right, power and authority to conduct its business and operations with respect to the Airport as described in the Preliminary Official Statement and the Official Statement.

(o) The forecasts included in the Financial Feasibility Report set forth in Appendix A of the Preliminary Official Statement and the Official Statement and in Table 24 in the forepart of the Preliminary Official Statement and the Official Statement are based on information and assumptions that were provided by and/or reviewed with and agreed to by Authority management. The forecasts reflect Authority management's expected course of action during the forecast period, and in Authority management's judgment, present fairly the expected financial results of the Authority.

(p) The Authority is in compliance with all conditions, and has obtained all approvals and consents, necessary for the imposition and use of PFCs, as set forth in the Preliminary Official Statement and the Official Statement, including paying a portion of the debt service on the PFC Eligible Bonds.

(q) Any certificate signed by any authorized official of the Authority and delivered to the Underwriters shall be deemed to be a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(r) The Authority will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial and operating information and notices of the occurrence of certain enumerated events pursuant to Section (b)(5) of Rule 15c2-12. Except as otherwise described under the caption "CONTINUING DISCLOSURE" in the Preliminary Official Statement and the Official Statement, for the last five years, the Authority has been, and is now, in compliance with all of its continuing disclosure obligations under Rule 15c2-12.

(s) Between the date hereof and the Closing Date, the Authority will not supplement or amend the Bond Resolution or the Subordinate Indenture (except as provided in the Ninth Supplemental Subordinate Indenture), without the prior written consent of the Representative.

(t) The Authority, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations payable from Net Revenues or Subordinate Net Revenues which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

5. **Offering; Representation of the Underwriters**.

(a) It shall be a condition to the Authority's obligations to sell and to deliver the Series 2021 Bonds to the Underwriters and to the Underwriters' obligations to purchase and to accept delivery of the Series 2021 Bonds that the entire $____________principal amount of the Series 2021 Bonds shall be issued, sold and delivered by the Authority and purchased, accepted and paid for by the Underwriters on the Closing Date.

(b) The Underwriters intend to make an initial bona fide public offering of all of the Series 2021 Bonds at prices not in excess of the initial public offering prices or at yields not lower than the yields described in Schedule I hereto; provided, however, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Series 2021 Bonds (but, with respect to the Series 2021 Tax-Exempt Bonds, in all cases subject to the requirements of Section 6 hereof), and may offer and sell the Series 2021 Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth in Schedule I hereto (but, with respect to the Series 2021 Tax-Exempt Bonds, in all cases subject to the requirements of Section 6 hereof).

(c) The Representative is authorized to enter into this Purchase Contract on behalf of the Underwriters and this Purchase Contract is enforceable against the Underwriters in accordance with its terms. The Representative is authorized to take any action under this Purchase Contract required to be taken by the Underwriters. The signatory of this Purchase Contract on behalf of the Representative has been duly authorized to execute this Purchase Contract.

6. **Establishment of Issue Price**.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2021 Tax-Exempt Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2021 Tax-Exempt Bonds.

(b) [Except for the Hold-the-Price Maturities described in subsection (c) below and Schedule I attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Series 2021 Tax-Exempt Bonds (the "**10% test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Schedule I attached hereto sets forth the maturities of the Series 2021 Tax-Exempt Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the "**10% Test Maturities**") and the prices at which the Underwriters have sold such 10% Test Maturities to the public.

(c) [With respect to the maturities of the Series 2021 Tax-Exempt Bonds that are not 10% Test Maturities, as described in Schedule I attached hereto (the "**Hold-the-Price Maturities**"), the Representative confirms that the Underwriters have offered such maturities of the Series 2021 Tax-Exempt Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Schedule I attached hereto. The Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to the Hold-the-Price Maturities, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Underwriters shall neither offer nor sell unsold bonds of such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Representative shall advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters have sold 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.]

[(c)(d)] The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2021 Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2021 Tax-Exempt Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2021 Tax-Exempt Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2021 Tax-Exempt Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2021 Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2021 Tax-Exempt Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2021 Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2021 Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2021 Tax-Exempt Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2021 Tax-Exempt Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Series 2021

Tax-Exempt Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the underwriter or the dealer and as set forth in the related pricing wires.

[(d)(e)] The Authority acknowledges that, in making the representations set forth in this subsection, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Series 2021 Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Tax-Exempt Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2021 Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2021 Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Tax-Exempt Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2021 Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Series 2021 Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement to adhere to the requirements for establishing issue price of the Series 2021 Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Tax-Exempt Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Series 2021 Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Tax-Exempt Bonds.

[(e)(f)] The Underwriters acknowledge that sales of any Series 2021 Tax-Exempt Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2021 Tax-Exempt Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "*public*" means any person other than an underwriter or a related party,

(ii) "*underwriter*" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2021 Tax-Exempt Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2021 Tax-Exempt Bonds to the public),

(iii) a purchaser of any of the Series 2021 Tax-Exempt Bonds is a "*related party*" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "*sale date*" means the date of execution of this Purchase Contract by all parties.

7. **Closing.** At 8:00a.m., California time, on [CLOSING DATE], 2021 or at such other time as shall have been mutually agreed upon by the Authority and the Representative (the **"Closing Date"),** the Authority will deliver or cause to be delivered to the Representative, under the Fast Automated Securities Transfer System of The Depository Trust Company **("DTC"),** the Series 2021 Bonds, in the form of a separate single fully registered bond for each Series, maturity date and interest rate of the Series 2021 Bonds duly executed by the Authority and authenticated by the Subordinate Trustee, together with the other documents hereinafter mentioned. The Representative will accept such delivery and pay the Purchase Price of the Series 2021 Bonds as set forth in Section I hereof by wire transfer in immediately available funds on the Closing Date. The Series 2021 Bonds shall be made available to the Subordinate Trustee and the Representative not later than one business day before the Closing Date. Upon initial issuance, the ownership of such Series 2021 Bonds shall be registered in the registration books kept by the Subordinate Trustee in the name of Cede & Co., as the nominee of DTC.

Payment for the Series 2021 Bonds, together with delivery of the documents hereinafter mentioned shall be coordinated at the offices of the Authority in San Diego, California, or at such other place as shall have been mutually agreed upon by the Authority and the Representative. Such payment and delivery is herein called the "**Closing**." The Representative shall order CUSIP identification numbers and the Authority shall cause such CUSIP identification numbers to be printed on the Series 2021 Bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Representative to accept delivery of and pay for the Series 2021 Bonds on the Closing Date in accordance with the terms of this Purchase Contract.

8. **Closing Conditions**. The obligations of the Underwriters hereunder shall be subject to the performance by the Authority of its obligations hereunder at or prior to the Closing and are also subject to the following conditions:

(a) The representations and warranties of the Authority contained herein shall be true, complete and correct in all material respects on the date hereof and on the Closing Date as if made on the Closing Date.

(b) At the time of the Closing (i) this Purchase Contract, the Bond Resolution, the Subordinate Indenture, the Continuing Disclosure Certificate and the Escrow Agreement shall be in full force and effect as valid and binding agreements, as applicable, between the parties thereto and the Official Statement shall have been duly authorized, executed and delivered, in substantially the form heretofore submitted to the Underwriters, and the Subordinate Indenture, the Continuing Disclosure Certificate, the Escrow Agreement, the Bond Resolution and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the

Representative (subject to the provisions of this Purchase Contract), and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby; (ii) the Authority shall perform or have performed its obligations required under or specified in this Purchase Contract, the Bond Resolution, the Continuing Disclosure Certificate, the Escrow Agreement and the Subordinate Indenture to be performed at or prior to the Closing; and (iii) there shall have been no material adverse change in the financial or physical condition of the Authority or its properties.

(c) At or prior to the Closing, the Underwriters shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative and to its counsel, Nixon Peabody LLP ("**Underwriters' Counsel**"):

(i) the unqualified approving opinion of Kutak Rock LLP ("**Bond Counsel**"), dated the Closing Date, addressed to the Authority, substantially in the form set forth as Appendix E to the Official Statement, together with a letter to the Underwriters stating that the Underwriters may rely on the same;

(ii) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that: (A) this Purchase Contract, the Continuing Disclosure Certificate and the Escrow Agreement have been duly executed and delivered by the Authority and, assuming the due authorization, execution and delivery by the other party thereto, as applicable, constitute the binding and enforceable agreements of the Authority; (B) the Series 2021 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Subordinate Indenture is exempt from qualification under to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"); and (C) the statements contained in the Official Statement under the captions "DESCRIPTION OF THE SUBORDINATE SERIES 2021 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS," "TAX MATTERS," "APPENDIX C-1—CERTAIN DEFINITIONS," "APPENDIX C-2—SUMMARY OF THE MASTER SENIOR INDENTURE," "APPENDIX C-3—SUMMARY OF THE MASTER SUBORDINATE INDENTURE," and "APPENDIX C-4—SUMMARY OF THE NINTH SUPPLEMENTAL SUBORDINATE INDENTURE," excluding any materials that may be treated as included under such captions by cross reference, insofar as such statements expressly summarize certain provisions of the Subordinate Indenture, the Master Senior Indenture, the Series 2021 Bonds and Bond Counsel's opinion concerning federal tax matters relating to the Series 2021 Bonds, are accurate in all material respects;

(iii) a letter from Kutak Rock LLP, Disclosure Counsel to the Authority ("**Disclosure Counsel**"), dated the Closing Date and addressed to the Authority and the Underwriters, substantially in the form attached as Exhibit A to this Purchase Contract;

(iv) an opinion of Bond Counsel to the effect that the Refunded Senior Series 2013 Bonds have been defeased and are no longer outstanding under the Subordinate Indenture;

(v) an opinion, dated the Closing Date and addressed to the Underwriters, of the General Counsel to the Authority, substantially in the form attached as Exhibit B to this Purchase Contract;

(vi) an opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Underwriters, acceptable in form to the Representative;

(vii) an opinion of counsel to the Subordinate Trustee, dated the date of Closing, addressed to the Authority and the Underwriters, to the effect that:

> (A) the Subordinate Trustee is a national banking association organized and existing under the laws of the United States of America, having full power and being qualified to enter, accept and administer the trust created under the Subordinate Indenture and the Escrow Agreement and to authenticate and deliver the Series 2021 Bonds;
>
> (B) the Series 2021 Bonds have been duly authenticated by the Subordinate Trustee in accordance with the Subordinate Indenture, and the Ninth Supplemental Subordinate Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Subordinate Trustee and, assuming due authorization, execution and delivery thereof by the Authority, the Subordinate Indenture and the Escrow Agreement constitute the legal, valid and binding obligations of the Subordinate Trustee enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;
>
> (C) the execution, delivery and performance of the Subordinate Indenture and the Escrow Agreement will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Subordinate Trustee is bound;
>
> (D) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Subordinate Indenture or the Escrow Agreement or the authentication of the Series 2021 Bonds by the Subordinate Trustee; and
>
> (E) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Subordinate Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Subordinate Bonds or the application of proceeds thereof in accordance with the Subordinate Indenture, or in any way contesting or affecting the Subordinate Bonds or the Subordinate Indenture.

(viii) a certificate, dated the Closing Date, of the Authority executed by the President and CEO and one other Designated Officer (as defined in the Bond Resolution), to the effect that (A) the representations and warranties of the Authority in this Purchase Contract are true and correct as of the Closing Date, as if made on the Closing Date; (B) the representations and warranties of the Authority contained in the Subordinate Indenture were true as of the date originally made and are true and correct as of the Closing Date, as if made on the Closing Date; (C) the Authority has complied with all agreements and covenants and satisfied all conditions contemplated by this Purchase Contract, the Bond Resolution, the Subordinate Indenture and the Escrow Agreement on its part to be performed or satisfied at or prior to the Closing Date; (D) the Official Statement (except for the information relating to DTC, Euroclear and Clearstream, the Book-Entry System, the Clearing Systems, the forecasts included in the Financial Feasibility Report set forth in Appendix A of the

Official Statement and in Table 24 in the forepart of the Official Statement, the information under the captions "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES," "UNDERWRITING" and "RELATED PARTIES" and Appendix G as to which no view need be expressed (except as provided in (E) below)) as of its date and as of the Closing Date did not and does not contain any untrue statement of a material fact or omit any statement or information which is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Official Statement; and (E) the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Official Statement and in Table 24 in the forepart of the Official Statement (1) are based on information and assumptions that were provided by and/or reviewed with and agreed to by Authority management, and (2) reflect Authority management's expected course of action during the forecast period, and in Authority management's judgment, present fairly the expected financial results of the Authority;

(ix) a certificate of the Subordinate Trustee, dated the Closing Date, to the effect that:

(A) the Subordinate Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into, accept the trusts created under and perform its duties under the Subordinate Indenture and the Escrow Agreement and to authenticate the Series 2021 Bonds;

(B) the Subordinate Trustee was and is duly authorized to enter into the Subordinate Indenture and the Escrow Agreement and to authenticate and deliver the Series 2021 Bonds to the Underwriters pursuant to the terms of the Subordinate Indenture;

(C) The Series 2021 Bonds have been duly authenticated by the Subordinate Trustee;

(D) the execution and delivery by the Subordinate Trustee of the Ninth Supplemental Subordinate Indenture and the Escrow Agreement, and compliance with the terms of the Subordinate Indenture and the Escrow Agreement, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Subordinate Trustee is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Subordinate Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Subordinate Trustee with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery or compliance result in the creation or imposition of a lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Subordinate Trustee pursuant to the lien created by the Subordinate Indenture under the terms of any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Subordinate Indenture;

(E) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the Subordinate Trustee, threatened against or affecting the existence of the Subordinate Trustee, or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Series 2021 Bonds, the Subordinate Indenture or the Escrow Agreement or contesting the powers of the Subordinate Trustee or its authority to enter into and perform its obligations under any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Subordinate Trustee or the transactions contemplated in connection with the issuance and sale of the Series 2021 Bonds, or which, in any way, would adversely affect the validity of the Series 2021 Bonds, the Subordinate Indenture, the Escrow Agreement or any agreement or instrument to which the Subordinate Trustee is a party and which is used or contemplated for use in the Subordinate Indenture of the Escrow Agreement, or the consummation of the transactions contemplated in connection with the issuance and sale of the Series 2021 Bonds; and

(F) subject to the provisions of the Ninth Supplemental Subordinate Indenture, the Subordinate Trustee will apply the proceeds from the Series 2021 Bonds to the purposes specified in the Ninth Supplemental Subordinate Indenture;

(x) a certified copy of the Bond Resolution;

(xi) certified copies of the Master Senior Indenture and the Master Subordinate Indenture, as heretofore amended;

(xii) an executed copy of the Ninth Supplemental Subordinate Indenture;

(xiii) an executed copy of the Continuing Disclosure Certificate;

(xiv) an executed copy of the Escrow Agreement;

(xv) a duly executed tax certificate of the Authority with respect to the Series 2021 Tax-Exempt Bonds in form satisfactory to Bond Counsel;

(xvi) a copy of the Official Statement, signed by the President and CEO/Executive Director of the Authority;

(xvii) an executed copy of the Financial Feasibility Report, together with the consent and certificate of Unison Consulting, Inc. (the "**Feasibility Consultant**") substantially in the form of Exhibit C attached hereto;

(xviii) a DTC Letter of Representation, executed by the Authority and accepted by DTC;

(xix) evidence satisfactory to the Representative that Fitch Ratings **("Fitch")**, and Moody's Investors Service, Inc **("Moody's")**] have assigned ratings of "[___]" and "[___]," respectively, to the Series 2021 Bonds;

(xx) a Verification Report of [______________________] (the "**Verification Agent**") stating that the amounts to be deposited in the escrow funds to be established pursuant to the Escrow Agreement will be sufficient to pay when due the principal of and interest on the Refunded Senior Series 2013 Bonds;

(xxi) a copy of the Report of Proposed Debt Issuance required to be delivered to the California Debt and Investment Advisory Commission;

(xxii) evidence that Forms 8038-G and 8038 relating to the Series 2021 Tax-Exempt Bonds have been executed by the Authority and will be filed with the Internal Revenue Service within the applicable time limit; and

(xxiii) such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of the Authority contained in this Purchase Contract and the due performance or satisfaction by the Authority at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the Authority pursuant to this Purchase Contract.

(d) If on the Closing Date the Authority fails to deliver any of the certificates, documents or opinions listed in Section 8(c) hereof or is otherwise unable to satisfy the conditions to the obligations of the Underwriters hereunder, this Purchase Contract shall terminate at the option of the Representative and neither party shall have any further obligations hereunder.

9. **Termination.**

The Representative, on behalf of the Underwriters, may terminate this Purchase Contract, without liability therefor (evidenced by a written notice to the Authority terminating the obligation of the Underwriters to accept delivery of and make any payment for the Series 2021 Bonds and stating the reasons therefor), if at any time subsequent to the date of this Purchase Contract and prior to the Closing:

(a) There shall occur any of the following which in such case, in the reasonable opinion of the Representative will materially adversely affect (1) the marketability or the market price of the Series 2021 Bonds at the initial offering prices set forth in the Official Statement or (2) the ability of the Underwriters to enforce contracts for the sale of the Series 2021 Bonds:

(i) there shall occur any change, or any development involving a prospective change, in or affecting the business, properties or financial condition of the Authority;

(ii) An amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been enacted by the Congress of the United States or the legislature of the State, or introduced by amendment or otherwise in or passed by either House of the Congress or the legislature of the State, or recommended or endorsed to the Congress or to the State for passage by the President of the United States or favorably reported for passage to either House of the Congress of the United States by any committee of such House or the legislature of the State, to which such legislation has been referred for consideration, or recommended or endorsed for passage or presented for consideration by any member of any such committee or by the Treasury Department of the United States, the Internal Revenue Service, or the staff of the Joint Committee on

Taxation of the Congress, or a decision shall have been rendered by a court of the United States or of the State, or the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement shall have 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, with respect to federal taxation of interest received on the Series 2021 Bonds or securities of the general character of the Series 2021 Bonds or which would have the effect of changing, directly or indirectly, the federal or State tax consequences of receipt of interest on the Series 2021 Bonds or securities of the general character of the Series 2021 Bonds in the hands of the owners thereof;

(iii) there shall have occurred a declaration of war by the United States, any new outbreak of hostilities, or any escalation of existing hostilities, or any other national or international calamity, crisis or event;

(iv) any underlying rating (without taking into account any credit support provided by a third party) of the Series 2021 Bonds, or any other bonds, notes or other obligations of the Authority shall have been downgraded, suspended or withdrawn, or the possibility of such a downgrading, suspension or withdrawal shall have been publicly announced, by Fitch or Moody's; or

(v) any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State or the United States, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered, affecting the Authority or the Series 2021 Bonds.

(b) There shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State or a major financial crisis (including a material disruption or deterioration in the fixed income or municipal securities market) or a material disruption in commercial banking or securities settlement, payment or clearance services materially affecting the Series 2021 Bonds.

(c) There shall be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or the New York Stock Exchange, other national securities exchange or any governmental authority shall impose, as to the Series 2021 Bonds or obligations of the general character of the Series 2021 Bonds, any material restrictions not in force or not being enforced, or a material increase of those now in force, including, without limitation, with respect to the extension of credit by, or the charges to the net capital requirements of, the Underwriters as of the date hereof, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of any governmental authority having jurisdiction.

(d) An event occurs, or information becomes known, which, in the reasonable judgment of the Representative makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, in any such event, (i) the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or (ii) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Representative, to materially adversely affect the marketability or market price of the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2021 Bonds to customers.

(e) Legislation shall be enacted or a decision of a court of the United States shall be rendered or any action, including a stop-order, shall be taken by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter or any other event occurs which, in the opinion of counsel to the Underwriters and Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2021 Bonds to be registered under the Securities Act or the Securities Exchange Act of 1934, as amended, or the Subordinate Indenture to be qualified under the Trust Indenture Act, or that would make illegal the reoffering, issuance or sale of the Series 2021 Bonds or beneficial interests therein.

(f) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Series 2021 Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Authorizing Resolution, this Purchase Contract, the Ninth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate or the Escrow Agreement or the existence or powers of the Authority with respect to its obligations under such agreements.

10. **Expenses**.

(a) The Underwriters shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder including but not limited to (i) the cost of the preparation, printing, or other reproduction (for distribution on or prior to the date hereof), and delivery of the Subordinate Indenture; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Feasibility Consultant, the independent auditors, the Verification Agent and the Subordinate Trustee, and any other experts or consultants retained by the Authority; (iii) the cost of preparation and printing and signing of the Series 2021 Bonds and the registration of the Series 2021 Bonds; (iv) the cost of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; (v) charges of rating agencies for the ratings of the Series 2021 Bonds; (vi) the out-of-pocket expenses (which may be included as an expense component of the Underwriters' discount) of travel and meals for Authority representatives and its advisors to attend pricing meetings, and transaction tokens, relating to the issuance of the Series 2021 Bonds, and (vii) all other costs connected to issuance of the Series 2021 Bonds, except costs specifically described in Section 10(b) below. To the extent such amounts are paid by any Underwriter and not otherwise reimbursed in-full by the Authority pursuant to this paragraph, the Authority acknowledges that a portion of the Underwriters' discount is intended to reimburse the Underwriters for the expenses listed above as well as incidental expenses (including, but not limited to, transportation, lodging and meals of Authority and Underwriter personnel) incurred by the Underwriters (on their own behalf and/or on behalf of Underwriter personnel and Authority personnel and advisors, as applicable) in connection with the consummation of the transaction contemplated by this Purchase Contract.

(b) The Underwriters shall pay (from the expense component of the Underwriters' discount) (i) the cost of preparation and printing of the Blue Sky memorandum to be used by them and the cost, if any, of printing of this Purchase Contract; (ii) all advertising expenses incurred by them in connection with the public offering of the Series 2021 Bonds; (iii) the fees and disbursements of Underwriters' Counsel; and (iv) all other expenses incurred by them in connection with their public offering and distribution of the Series 2021 Bonds. The Underwriters are required to pay fees to the

California Debt and Investment Advisory Commission in connection with the offering of the Series 2021 Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Authority agrees to reimburse the Underwriters for such fees.

11. **Notices**. Any notice or other communication to be given to the Authority under this Purchase Contract (other than the acceptance hereof as specified in Section 1 hereof) may be given by delivering the same in writing to the San Diego County Regional Airport Authority, 3225 North Harbor Drive, 3rd Floor, San Diego, California 92101, Attention: Vice President, Chief Financial Officer; any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to BofA Securities, Inc., One Bryant Park, 12th Floor, New York, New York 10036, Attention: Cory Czyzewski.

12. **Governing Law**. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

13. **Parties in Interest**. This Purchase Contract when accepted by the Authority in writing as heretofore specified shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters. No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Series 2021 Bonds hereunder, and (c) any termination of this Purchase Contract.

14. **Use of Documents.** The Authority hereby authorizes the Underwriters to use, in connection with the public offering and sale of the Series 2021 Bonds, this Purchase Contract, the Preliminary Official Statement, the Official Statement, the Subordinate Indenture, the Continuing Disclosure Agreement and the Escrow Agreement, and the information contained herein and therein.

15. **Headings**. The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

16. **Effectiveness**. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable at the time of such acceptance.

17. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

THE UNDERWRITERS:

BOFA SECURITIES, INC.
SIEBERT WILLIAMS SHANK & CO., LLC
ACADEMY SECURITIES, INC.
JEFFERIES LLC
MORGAN STANLEY & CO. LLC
SAMUEL A. RAMIREZ & CO., INC.
STERN BROTHERS & CO.
By: BOFA SECURITIES, INC., as Representative of the Underwriters

By____________________________________
Cory Czyzewski
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____________________________________
Vice President, Chief Financial Officer

APPROVED AS TO FORM:

By ____________________________________
General Counsel
San Diego County Regional Airport Authority

[Signature page to Purchase Contract]

SCHEDULE I

$[A PAR]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021A
(Governmental/Non-AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	

C Priced to par call on July 1, 20__.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities
*** Hold-the -Price Maturities

4834-6723-0974.2

$[B PAR]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	

C Priced to par call on July 1, 20____.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities.
*** Hold-the -Price Maturities

$[C PAR]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Refunding Bonds
Series 2021C
(Federally Taxable)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	

* Term Bonds, subject to mandatory sinking fund redemption.

4834-6723-0974.2

REDEMPTION PROVISIONS

[to come]

EXHIBIT A

FORM OF DISCLOSURE COUNSEL'S NEGATIVE ASSURANCE LETTER

[to come]

EXHIBIT B

FORM OF OPINION OF THE GENERAL COUNSEL OF THE AUTHORITY

[Closing Date]

San Diego County Regional Airport Authority
San Diego, California

BofA Securities, Inc., as Representative of the Underwriters
[Los Angeles, California]

Re: San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT)
Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT)
Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable)

Ladies and Gentlemen:

I am General Counsel to the San Diego County Regional Airport Authority (the "Authority") and have served as such in connection with the issuance, sale and delivery of its (a) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "Series 2021A Bonds"), (b) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "Series 2021B Bonds") and (c) San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "Series 2021C Bonds," and collectively with the Series 2021A Bonds and the Series 2021B Bonds, the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to the San Diego County Regional Airport Authority Act (Section 170000 et seq. of the California Public Utilities Code) (the "Act"); the Revenue Bond Law of 1941 Chapter 6 (commencing with Section 54300) of Part l of Division 2 of Title *5* of the California Government Code, excluding Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title *5* of the California Government Code and the limitations set forth in California Government Code Section 54402(b), which do not apply to the issuance and sale of bonds pursuant to the Act; the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"); and the Ninth Supplemental Trust Indenture, dated as of [December 1, 2021] (the "Ninth Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture, the "Subordinate Indenture"), by and between the Authority and the Subordinate Trustee.

In connection with such advice, I have examined copies of the Subordinate Indenture; the Purchase Contract, dated [PRICING DATE], 2021 (the "Purchase Contract"), between BofA Securities, Inc., as Representative of the Underwriters, and the Authority; the Continuing Disclosure Certificate, dated [CLOSING DATE], 2021 (the "Disclosure Certificate"), executed by the Authority; the Escrow Agreement, dated [CLOSING DATE], 2021 (the "Escrow Agreement"), between the Authority and U.S. Bank National Association, as trustee and escrow agent; the Tax Compliance Certificate, dated [CLOSING DATE], 2021, with respect to the Series 2021A Bonds and the Series 2021B Bonds (the "Tax Certificate") executed by the Authority; and copies of the Preliminary Official Statement, dated [__________, 2021] with respect to the Series 2021 Bonds (the "Preliminary Official

Statement") and the Official Statement, dated [__________, 2021], with respect to the Series 2021 Bonds (the "Official Statement"). The Subordinate Indenture, the Purchase Contract, the Disclosure Certificate, the Escrow Agreement and the Tax Certificate are collectively referred to herein as the "Legal Documents." Additionally, I have reviewed a certified copy of Resolution No. 2021-___, adopted by the board of directors of the Authority (the "Board") on [November 4, 2021] (the "Bond Resolution''). In connection with the delivery of the opinion in numbered paragraph 3 below, I have reviewed my records and consulted with the other attorneys in my office, the President and CEO, and the Vice President, Chief Financial Officer.

All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Purchase Contract.

Based upon such examination and considerations of law and fact as I have deemed necessary for the purpose of the opinions expressed herein, I am of the opinion that:

1. The Authority is a local governmental entity of regional government duly organized, validly existing and in good standing under the Act and the laws of the State of California. The Authority has all requisite power and authority to (a) adopt the Bond Resolution and enter into, execute, deliver and perform its covenants and agreements under the Legal Documents, (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement, (c) to issue, sell, execute and deliver the Series 2021 Bonds, (d) to pledge the Subordinate Revenues as contemplated by the Legal Documents, and (e) to carry on its activities as currently conducted.

2. The Bond Resolution was duly adopted at a meeting of the Board which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. Except as disclosed in the Preliminary Official Statement and the Official Statement, to the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, threatened against or affecting the Authority, which would materially and adversely impact the Authority's ability to complete the transactions described in and contemplated by the Preliminary Official Statement and the Official Statement, to restrain or enjoin the payments of debt service on the Series 2021 Bonds from Subordinate Net Revenues (as defined in the Subordinate Indenture) or the collection of the Subordinate Net Revenues, in any way contesting or affecting the validity of the Legal Documents, the Bond Resolution or the Series 2021 Bonds, or contesting in any way the completeness or accuracy of the Official Statement.

4. The execution and delivery of the Ninth Supplemental Subordinate Indenture, the Purchase Contract, the Disclosure Certificate, the Escrow Agreement and the Tax Certificate, the adoption of the Bond Resolution and the approval of the Preliminary Official Statement and the Official Statement, and compliance with the provisions of the Legal Documents, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach· of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject.

5. The Legal Documents, have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto

constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against local government entities in the State of California.

6. No authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California, other than the Board (which has been obtained), is required for the valid authorization, execution and delivery of the Legal Documents, and the approval and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion is give as to any action required under state securities or Blue Sky laws in connection with the purchase of the Series 2021 Bonds by the Underwriters).

7. Based upon examinations which I have made and my discussions in conferences with certain officials of the Authority and others with respect to the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement (including the Appendices attached thereto), nothing has come to my attention which would lead me to believe that the Preliminary Official Statement as of its date and as of [PRICING DATE], 2021 or the Official Statement as of its date and as of the date hereof (other than financial and statistical data therein and incorporated therein by reference, and other than information relating to DTC, Euroclear, Clearstream, the Book-Entry System, the Clearing Systems, information under the caption "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES," information provided by the Underwriters or the Feasibility Consultant for inclusion in the Preliminary Official Statement and the Official Statement, the information included in Appendix G to the Preliminary Official Statement and the Official Statement, or with respect to the Preliminary Official Statement, information permitted to be omitted therefrom under Securities Exchange Commission Rule 15c2-12, as to which no opinion is expressed) contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. ·

This opinion is given in an official capacity and not personally and no personal liability shall derive therefrom.

The use of the term "to the best of my knowledge" or similar phrases to qualify a statement in this Opinion means I do not have current actual knowledge that the statement is inaccurate. ·

This letter is for the sole benefit of the addressees in connection with the sale of the Series 2021 Bonds and is not to be used, circulated, quoted or otherwise referred to for any purpose. No other person may rely on this letter without my prior written consent. I do not undertake, and expressly disclaim, any obligation to amend or supplement this opinion as facts and circumstances come to my attention, or changes in law occur, after the date hereof which could affect such opinion.

Very truly yours,

EXHIBIT C

FORM OF CERTIFICATE OF THE FEASIBILITY CONSULTANT

The undersigned authorized representative of Unison Consulting, Inc. (the "Feasibility Consultant") hereby certifies that:

1. This Certificate is furnished pursuant to Section 8(c)(xvi) of the Purchase Contract, dated [PRICING DATE], 2021 by and between BofA Securities, Inc., as representative of the underwriters named therein (the "Underwriters"), and the San Diego County Regional Airport Authority (the ''Authority"), relating to the sale by the Authority of $[A PAR] aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "Series 2021A Bonds"), $[B PAR] aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "Series 2021B Bonds"), and $[C PAR] San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "Series 2021C Bonds," and collectively with the Series 2021A Bonds and the Series 2021B Bonds, the "Series 2021 Bonds"), as more fully described in the Preliminary Official Statement, dated [______________, 2021], with respect to the Series 2021 Bonds (the "Preliminary Official Statement") and the Official Statement, dated [_______________, 2021], with respect to the Series 2021 Bonds (the "Official Statement").

2. The Feasibility Consultant has been retained by the Authority as its independent consultant to prepare the Financial Feasibility Report, dated [_________, 2021] (the "Report"), included as Appendix A to the Preliminary Official Statement and the Official Statement, and consent is hereby given to the references to the Feasibility Consultant on the masthead page and under the captions ["INTRODUCTION-Financial Feasibility Report," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS-Additional Subordinate Obligations," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2021 BONDS - Use of PFCs to Pay Debt Service," "FINANCIAL FEASIBILITY REPORT" and "CERTAIN INVESTMENT CONSIDERATIONS-Financial Feasibility Report"] in the Preliminary Official Statement and the Official Statement and to the inclusion of the Report in Appendix A to the Preliminary Official Statement and the Official Statement.

3. In connection with the preparation of the Report, personnel for the Feasibility Consultant have participated in certain meetings and conference calls with representatives of the Authority, the Authority's Bond Counsel and Disclosure Counsel, the Authority's Municipal Advisor, the Underwriters for the Series 2021 Bonds and their counsel with respect to the issuance of the Series 2021 Bonds. Nothing has come to the attention of the Feasibility Consultant in relation to the preparation of the Report that would cause them to believe the Report was, as of its date or as of the date hereof, or any of the statements in the Preliminary Official Statement and the Official Statement specifically attributed to the Feasibility Consultant were, as of the date of the Preliminary Official Statement or as of the date of the Official Statement, or as of the date hereof, inaccurate in any material respect.

4. This Certificate is solely for the information of, and assistance to, the Authority, its Disclosure Counsel and the Underwriters in conducting and documenting their investigation of the matters covered by the Report in connection with the offering pursuant to the Preliminary Official Statement and the Official Statement of the Series 2021 Bonds, and is not to be used, circulated, quoted

or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the purchase or sale of securities (other than the Series 2021 Bonds), nor is it to be referred to in whole or in part in any other document (other than the Preliminary Official Statement of the Official Statement), except that reference may be made to it in the documents related to the Series 2021 Bonds. The Feasibility Consultant acknowledges and agrees that this Certificate will become part of the transcript related to the Series 2021 Bonds and will be publicly available.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of December, 2021.

UNISON CONSULTING, INC.

By:______________________________

Title: ____________________________

EXHIBIT D

ISSUE PRICE CERTIFICATE
(Representative)

$[A PAR] **San Diego County** **Regional Airport Authority** **Subordinate Airport Revenue Bonds** **Series 2021A** **(Governmental/Non-AMT)**	**$[B PAR]** **San Diego County** **Regional Airport Authority** **Subordinate Airport Revenue Bonds** **Series 2021B** **(Private Activity/AMT)**

The undersigned, on behalf of BofA Securities, Inc. (the "Representative"), on behalf of itself and Siebert Williams Shank & Co., LLC, Academy Securities, Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Samuel A. Ramirez & Co., Inc., and Stern Brothers & Co. (collectively, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2021 Tax-Exempt Bonds").

1. ***Sale of the 10% Test Maturities***. As of the date of this certificate, for each Maturity of the Series 2021 Tax-Exempt Bonds listed as a "10% Test Maturity" in Schedule A attached hereto, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

[2. ***Initial Offering Price of the Hold-the-Price Maturities***.

(a) The Underwriting Group offered the "Hold-the-Price Maturities" (as listed in Schedule A attached hereto) to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the "Initial Offering Prices") on or before the Sale Date.

(b) With respect to the Hold-the-Price Maturities, as agreed to in writing by the Representative in the Purchase Contract, dated _________, 2021, between the Representative and the Authority, the Representative has not offered or sold any of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for such Maturities of the Series 2021 Tax-Exempt Bonds during the Holding Period.]

3. ***Pricing Wire or Equivalent Communication***. A copy of the pricing wire or equivalent communication for the Series 2021 Tax-Exempt Bonds is attached to this certificate as Schedule B.

4. ***Establishment of Reserve Fund***. The establishment of the Reserve Fund (as defined in the hereinafter defined Tax Compliance Certificate), at the level of funding described in Section ___ of the Tax Compliance Certificate, in the best judgment of the undersigned, was reasonably required to market the Series 2021 Tax-Exempt Bonds at the prices and yields listed in Schedule A attached hereto and is reasonable and customary in marketing obligations of the same general type as the Series 2021 Tax-Exempt Bonds.

5. ***Defined Terms***.

(a) *10% Test Maturities* means those Maturities of the Series 2021 Tax-Exempt Bonds listed in Schedule A hereto as the "10% Test Maturities."

(b) *Authority* means the San Diego County Regional Airport Authority.

(c) *Hold-the-Price Maturities* means those Maturities of the Series 2021 Tax-Exempt Bonds listed in Schedule A hereto as the "Hold-the-Price Maturities."

(d) *Holding Period* means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(e) *Maturity* means Series 2021 Tax-Exempt Bonds with the same credit and payment terms. Series 2021 Tax-Exempt Bonds with different maturity dates, or Series 2021 Tax-Exempt Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(g) *Related Party*. A purchaser of any Series 2021 Tax-Exempt Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2021 Tax-Exempt Bonds. The Sale Date of the Series 2021 Tax-Exempt Bonds is November __, 2019.

(i) *Tax Compliance Certificate* means the Tax Compliance Certificate, dated December 11, 2019, executed and delivered by the Authority in connection with the issuance of the Series 2021 Tax-Exempt Bonds.

(j) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Tax-Exempt Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Tax-Exempt

Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Tax-Exempt Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2021 Tax-Exempt Bonds, and by Kutak Rock LLP, as Bond Counsel to the Authority, in connection with rendering its opinion that the interest on the Series 2021 Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that it may give to the Authority from time to time relating to the Series 2021 Tax-Exempt Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

BofA SECURITIES, INC., as Representative of the Underwriting Group

By ____
Authorized Representative

Dated: December ___, 2021

SCHEDULE A

SALE PRICES OF THE 10% TEST MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES

$__________
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021A
(Governmental/Non-AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

C Priced to par call on July 1, 20__.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities
*** Hold-the-Price Maturities

$__________

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/Non-AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

C Priced to par call on July 1, 20__.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities
*** Hold-the-Price Maturities

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached*)

EXHIBIT E

ISSUE PRICE CERTIFICATE
(Group Member)

[To be used only if there are Hold-the-Price-Maturities]

$[A PAR] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021A (Governmental/Non-AMT)	**$[B PAR] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2021B (Private Activity/AMT)**

1. The undersigned [Siebert Williams Shank & Co., LLC/Academy Securities, Inc./Jefferies LLC/Morgan Stanley & Co. LLC/Samuel A. Ramirez & Co., Inc./Stern Brothers & Co.] (the "Group Member"), has acted as an underwriter pursuant to the Purchase Contract, dated __________, 2021 (the "Purchase Contract"), between BofA Securities, Inc. (the "Representative"), on behalf of itself, the Group Member and [Siebert Williams Shank & Co., LLC/Academy Securities, Inc./Jefferies LLC/Morgan Stanley & Co. LLC/Samuel A. Ramirez & Co., Inc./Stern Brothers & Co.], and the San Diego County Regional Airport Authority (the "Authority"), in connection with the sale and issuance of the above-captioned obligations (the "Series 2021 Tax-Exempt Bonds").

2. The Series 2021 Tax-Exempt Bonds are being issued on the date hereof, and the Group Member understands that the Representative has made certain representations to the Authority with respect to the offering and sale of the Series 2021 Tax-Exempt Bonds. With respect to the Group Member's offering and sale of the Series 2021 Tax-Exempt Bonds, the Group Member hereby certifies and represents that, with respect to the "Hold-the-Price Maturities" (as listed in Schedule A attached hereto), as agreed to in writing in the Purchase Contract by the Representative on behalf of the Group Member, neither the Group Member [nor any broker-dealer who is participating in the initial sale of the Series 2021 Tax-Exempt Bonds as a party to a retail distribution agreement or other written contract with the Group Member (if any)] has offered or sold any of the Hold-the-Price Maturities to any person at a price that is higher than or a yield lower than the respective Initial Offering Prices for such Maturities of the Series 2021 Tax-Exempt Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *Initial Offering Price* means the prices or yields listed in Schedule A attached hereto.

(b) *Hold-the-Price Maturities* means those Maturities of the Series 2021 Tax-Exempt Bonds listed in Schedule A hereto as the "Hold-the-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which at least 10% of such Hold-the-Price Maturity was sold to the Public at prices that are no higher than or yields that are no lower than the Initial Offering Price for such Hold-the-Price Maturity.

(d) *Maturity* means Series 2021 Tax-Exempt Bonds with the same credit and payment terms. Series 2021 Tax-Exempt Bonds with different maturity dates, or Series 2021 Tax-Exempt Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2021 Tax-Exempt Bonds. The Sale Date of the Series 2021 Tax-Exempt Bonds is __________, 2021.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Tax-Exempt Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Tax-Exempt Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Tax-Exempt Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Group Member's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2021 Tax-Exempt Bonds, and by Kutak Rock LLP, as Bond Counsel to the Authority, in connection with rendering its opinion that the interest on the Series 2021 Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Forms 8038 and 8038-G, and other federal income tax advice that it may give to the Authority from time to time relating to the Series 2021 Tax-Exempt Bonds.

[GROUP MEMBER]

By ____
Authorized Representative

Dated: December __, 2021

SCHEDULE A

SALE PRICES OF THE 10% TEST MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-PRICE MATURITIES

$__________
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021A
(Governmental/Non-AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

C Priced to par call on July 1, 20__.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities
*** Hold-the-Price Maturities

$__________

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2021B
(Private Activity/Non-AMT)

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price

C Priced to par call on July 1, 20__.
* Term Bonds, subject to mandatory sinking fund redemption.
** 10% Test Maturities
*** Hold-the-Price Maturities

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached*)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "***Certificate***") is executed and delivered by the San Diego County Regional Airport Authority (the "***Authority***") in connection with the issuance of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021A (Governmental/Non-AMT) (the "***Subordinate Series 2021A Bonds***"), San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2021B (Private Activity/AMT) (the "***Subordinate Series 2021B Bonds***"), and San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "***Subordinate Series 2021C Bonds***," and collectively with the Subordinate Series 2021A Bonds and the Subordinate Series 2021B Bonds, the "***Subordinate Series 2021 Bonds***"). The Subordinate Series 2021 Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "***Master Subordinate Indenture***"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "***Subordinate Trustee***"), and the Ninth Supplemental Subordinate Trust Indenture, dated as of December 1, 2021 (the "***Ninth Supplemental Subordinate Indenture***," and collectively with the Master Subordinate Indenture and all supplements thereto, the "**Subordinate Indenture**"), by and between the Authority and the Subordinate Trustee. Additionally, the Subordinate Series 2021 Bonds have been authorized by Resolution No. 2021-[_] adopted by the board of directors of the Authority on November 4, 2021 (the "***Resolution***"). The Subordinate Series 2021 Bonds are being issued pursuant to Section 170000 et seq. of the California Public Utilities Code (the "***Act***"), and in accordance with Revenue Bond Law of 1941 Chapter 6 (commencing with §54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with §54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code §54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act.

In consideration of the purchase of the Subordinate Series 2021 Bonds by the Participating Underwriter (as defined below), the Authority covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Subordinate Series 2021 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Subordinate Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 hereof.

"*Beneficial Owner*" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Subordinate Series 2021 Bonds (including persons holding Subordinate Series 2021 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Subordinate Series 2021 Bonds for federal income tax purposes.

"*Dissemination Agent*" means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"*Financial Obligation*" shall mean, for purposes of the Listed Events set out in Sections 5(a)(10) and (5)(b)(8) hereof, a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"*Holders*" means either the registered owners of the Subordinate Series 2021 Bonds, or if the Subordinate Series 2021 Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

"*Listed Events*" means any of the events listed in Sections 5(a) and 5(b) hereof.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligated Person*" means the Authority and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues of the Airport System for the prior two Fiscal Years of the Authority. At the time of issuance of the Subordinate Series 2021 Bonds, the Authority is the only Obligated Person.

"*Official Statement*" means the Updated Official Statement, dated November [_], 2021, as supplemented, prepared and distributed in connection with the initial sale of the Subordinate Series 2021 Bonds.

"*Participating Underwriter*" means any of the original underwriters of the Subordinate Series 2021 Bonds required to comply with the Rule in connection with the offering of the Subordinate Series 2021 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of California.

Section 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB) an Annual Report which is consistent with the requirements of Section 4 hereof by not later than 181 days after the end of the Authority's fiscal year in each fiscal year. The Authority's first Annual Report shall be due December 27, 2021. Not later than 15 Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Authority may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted within 210 days after the end of the Authority's fiscal year. If the Authority's fiscal year changes, the Authority, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Authority) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with subsection (a).

(c) If the Authority is unable to provide to the MSRB or the Dissemination Agent (if other than the Authority), an Annual Report by the date required in subsection (a), the Authority shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (if other than the Authority) shall confirm in writing to the Authority that the Annual Report has been filed as required hereunder, stating the date filed.

Section 4. Content of Annual Reports.

(a) The Authority's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Subordinate Series 2021 Bonds, unless otherwise noted):

(i) Audited financial statements of the Authority, updated to incorporate information for the most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) Outstanding principal amounts of the Senior Bonds (including the Senior Series 2013 Bonds) and the Subordinate Obligations (including the Subordinate Series 2010 Bonds, the Subordinate Series 2017 Bonds, the Subordinate Series 2019 Bonds, the Subordinate Series 2020 Bonds, the Subordinate Series 2021 Bonds, the Subordinate Revolving Obligations and the Subordinate Drawdown Bonds);

(iii) Table 4 — San Diego County Regional Airport Authority, Existing Subordinate Bonds;

(iv) Table 5 — San Diego International Airport, Debt Service Requirements Senior and Subordinate Bonds;

(v) Table 6 — San Diego International Airport, Future Rental Commitments;

(vi) Table 7 — San Diego International Airport, Air Carriers Serving San Diego International Airport;

(vii) Table 8 — San Diego International Airport, Total Enplanements and Deplanements;

(viii) Table 9 — San Diego International Airport, Revenue Operations;

(ix) Table 10 — San Diego International Airport, Historical Enplaned and Deplaned Freight and U.S. Mail Cargo;

(x) Table 11 — San Diego International Airport, Enplanements By Air Carrier;

(xi) Table 12 — San Diego County Regional Airport Authority, Total Revenue Landed Weight;

(xii) Table 13 — San Diego County Regional Airport Authority, Signatory Passenger Airlines and Their Affiliate Airlines;

(xiii) Table 14 — San Diego County Regional Airport Authority, Terminal Concessions Gross Sales and Airport Authority Operating Revenues;

(xiv) Table 15 — San Diego County Regional Airport Authority, Investments;

(xv) Table 16 — San Diego County Regional Airport Authority, Statements of Revenues, Expenses and Change in Net Position;

(xvi) Table 17 — San Diego International Airport, Top Ten Operating Revenue Providers;

(xvii) Table 18 — San Diego County Regional Airport Authority, Top Ten Operating Revenue Sources; and

(xviii) Table 19 — San Diego County Regional Airport Authority, Historical Senior and Subordinate Debt Service Coverage;

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any fiscal year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2021 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions with respect to the tax status of the Subordinate Series 2021 Bonds or the issuance by the Internal Revenue Service of

proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Subordinate Series 2021 Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Department, any of which reflect financial difficulties.

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

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2021 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Subordinate Series 2021 Bonds or other material events affecting the tax status of the Subordinate Series 2021 Bonds;

2. Modifications to rights of the Beneficial Owners or Holders of the Subordinate Series 2021 Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Subordinate Series 2021 Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional trustee or the change of name of a trustee; or

8. Incurrence of a Financial Obligation of the Authority, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders;

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in (b)(3) need not be given under this subsection any earlier than the notice of such event is given to Beneficial Owners and Holders of the affected Subordinate Series 2021 Bonds pursuant to the Subordinate Indenture.

(f) The Authority intends to comply with the Listed Events described in Sections 5(a)(10) and 5(b)(8) hereof, and the definition of "Financial Obligation" in Section 2 hereof, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the SEC in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the SEC or its staff with respect the amendments to the Rule effected by the 2018 Release.

Section 6. Termination of Reporting Obligation. The Authority's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Subordinate Series 2021 Bonds, or upon delivery to the Dissemination Agent (if other than the Authority) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Subordinate Series 2021 Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. From time to time, the Authority may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Authority) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Authority) shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Authority may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an Obligated Person with respect to the Subordinate Series 2021 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Subordinate Series 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Subordinate Series 2021 Bonds in the same manner as provided in the Subordinate Indenture for amendments to the Subordinate Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Subordinate Series 2021 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Subordinate Series 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Dissemination Agent (if other than the Authority), as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Subordinate Indenture and the sole remedy under this Certificate in the event of any failure of the Authority or the Dissemination Agent (if other than the Authority) to comply with this Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Subordinate Indenture. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Subordinate Series 2021 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Subordinate Series 2021 Bonds, and shall create no rights in any other person or entity.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this [_] day of December, 2021.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ______________________________________
Scott M. Brickner
Vice President, Chief Financial Officer

Approved as to form:

By ________________________________
Amy Gonzalez
General Counsel

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	San Diego County Regional Airport Authority
Name of Bond Issue:	Subordinate Airport Revenue Refunding Bonds, Series 2021A (Governmental/Non-AMT)
	Subordinate Airport Revenue Refunding Bonds, Series 2021B (Private Activity/Non-AMT)
	Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable)
Date of Issuance:	December [_], 2021
CUSIP:	[____]

NOTICE IS HEREBY GIVEN that the San Diego County Regional Airport Authority (the "Authority") has not provided an Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated December [_], 2021, executed by the Authority for the benefit of the holders and beneficial owners of the above referenced bonds. The Authority anticipates that the Annual Report will be filed by _________, 20__.

Dated:___________________

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By: ____
Authorized Representative

ESCROW AGREEMENT

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee and Escrow Agent

Dated [December •], 2021

relating to

San Diego County Regional Airport Authority Senior Airport Revenue Bonds Series 2013A	San Diego County Regional Airport Authority Senior Airport Revenue Bonds Series 2013B

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated [December •], 2021 (this "***Escrow Agreement***"), 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 **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized and existing under the laws of the United States of America, formerly known as The Bank of New York Trust Company, N.A., as trustee under the hereinafter defined Master Indenture and Third Supplemental Indenture, and as escrow agent (the "***Trustee/Escrow Agent***").

W I T N E S S E T H :

WHEREAS, the Authority has previously issued its (a) San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013A (the "***Series 2013A Bonds***"), and (b) San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B (the "***Series 2013B Bonds***," and together with the Series 2013A Bonds, the "***Series 2013 Bonds***") pursuant to the Master Trust Indenture, dated as of November 1, 2005, as amended (the "***Master Indenture***"), by and between the Authority and the Trustee/Escrow Agent, as trustee, and the Third Supplemental Trust Indenture, dated as of January 1, 2013 (the "***Third Supplemental Indenture***"), by and between the Authority and the Trustee/Escrow Agent, as trustee; and

WHEREAS, the Authority is, simultaneously with the execution of this Escrow Agreement, issuing $[•] aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Refunding Bonds, Series 2021C (Federally Taxable) (the "***Series 2021C Subordinate Bonds***"), under the terms of the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended, by and between the Authority and U.S. Bank National Association, as successor trustee (the "***Subordinate Trustee***"), and the Ninth Supplemental Subordinate Trust Indenture, dated as of [December] 1, 2021, by and between the Authority and the Subordinate Trustee; and

WHEREAS, the Series 2021C Subordinate Bonds are being issued to, among other things, advance refund and defease the Series 2013A Bonds set forth in Exhibit A attached hereto (the "***Refunded Series 2013A Bonds***"), and advance refund and defease the Series 2013B Bonds set forth in Exhibit A attached hereto (the "***Refunded Series 2013B Bonds***," and together with the Refunded Series 2013A Bonds, the "***Refunded Series 2013 Bonds***"); and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Creation of Series 2013 Escrow Funds.

(a) There is hereby created and established with the Trustee/Escrow Agent a special and irrevocable escrow fund designated as "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013A Escrow Fund" (herein referred to as the "***Series 2013A Escrow Fund***") to be held in the custody of the Trustee/Escrow Agent in trust under this Escrow Agreement for the benefit of the owners of the Refunded Series 2013A Bonds. Except as otherwise provided in Section 5 hereof, the Authority shall have no interest in the funds or investments held in the Series 2013A Escrow Fund.

(b) There is hereby created and established with the Trustee/Escrow Agent a special and irrevocable escrow fund designated as "San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B Escrow Fund" (herein referred to as the "***Series 2013B Escrow Fund***," and together with the Series 2013A Escrow Fund, the "***Series 2013 Escrow Funds***") to be held in the custody of the Trustee/Escrow Agent in trust under this Escrow Agreement for the benefit of the owners of the Refunded Series 2013B Bonds. Except as otherwise provided in Section 5 hereof, the Authority shall have no interest in the funds or investments held in the Series 2013B Escrow Fund.

Section 2. Deposits to the Series 2013 Escrow Funds.

(a) (i) Concurrently with the execution and delivery of this Escrow Agreement, the Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, deposit the sum of $[•], to be received from the Subordinate Trustee, derived from the proceeds of the sale of the Series 2021C Subordinate Bonds, to the Series 2013A Escrow Fund.

(ii) Additionally, on or before [December •], 2021, the Authority hereby directs the Trustee/Escrow Agent, as trustee under the Master Indenture and the Third Supplemental Indenture, to, and the Trustee/Escrow Agent shall (i) transfer $[•] from the Interest Account of the Series 2013A Debt Service Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, (ii) transfer $[•] from the Principal Account of the Series 2013A Debt Service Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, and (iii) transfer $[•] from the Series 2013 Reserve Account of the Reserve Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, to the Series 2013A Escrow Fund.

(iii) The Trustee/Escrow Agent hereby acknowledges receipt of $[•] as described in clauses (i) and (ii) above, and that such amounts were deposited in the Series 2013A Escrow Fund.

(b) (i) Concurrently with the execution and delivery of this Escrow Agreement, the Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, deposit the sum of $[•], to be received from the

Subordinate Trustee, derived from the proceeds of the sale of the Series 2021C Subordinate Bonds, to the Series 2013B Escrow Fund.

(ii) Additionally, on or before [December •], 2021, the Authority hereby directs the Trustee/Escrow Agent, as trustee under the Master Indenture and the Third Supplemental Indenture, to, and the Trustee/Escrow Agent shall (i) transfer $[•] from the Interest Account of the Series 2013B Debt Service Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, (ii) transfer $[•] from the Principal Account of the Series 2013B Debt Service Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, and (iii) transfer $[•] from the Series 2013 Reserve Account of the Reserve Fund maintained by the Trustee/Escrow Agent pursuant to the Master Indenture and the Third Supplemental Indenture, to the Series 2013B Escrow Fund.

(iii) The Trustee/Escrow Agent hereby acknowledges receipt of $[•] as described in clauses (i) and (ii) above, and that such amounts were deposited in the Series 2013B Escrow Fund

Section 3. Investment of the Series 2013 Escrow Funds.

(a) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on [December •], 2021, use $[•] on deposit in the Series 2013A Escrow Fund to purchase the securities described in Schedule I attached hereto (the "***Series 2013A Initial Government Securities***"), and shall retain $[•] in the Series 2013A Escrow Fund as a beginning cash balance.

The Trustee/Escrow Agent shall purchase the Series 2013A Initial Government Securities as provided in this Section and shall hold such Series 2013A Initial Government Securities, the beginning cash balance, and any earnings received thereon and any reinvestment thereof pursuant to this Escrow Agreement and disburse such amounts as provided herein. The Trustee/Escrow Agent shall collect amounts due and shall sell or otherwise liquidate investments in the Series 2013A Escrow Fund as needed to make the payments required by this Escrow Agreement and may substitute difference Government Securities, as defined and subject to the terms and limitations of Section 7 hereof, for the Series 2013A Initial Government Securities, but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Series 2013A Initial Government Securities.

(b) The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, on [December •], 2021, use $[•] on deposit in the Series 2013B Escrow Fund to purchase the securities described in Schedule II attached hereto (the "***Series 2013B Initial Government Securities***," and together with the Series 2013A Initial Government Securities, the "***Series 2013 Initial Government Securities***"), and shall retain $[•] in the Series 2013B Escrow Fund as a beginning cash balance.

The Trustee/Escrow Agent shall purchase the Series 2013B Initial Government Securities as provided in this Section and shall hold such Series 2013B Initial Government Securities, the beginning cash balance, and any earnings received thereon and any reinvestment thereof pursuant to this Escrow Agreement and disburse such amounts as provided herein. The Trustee/Escrow Agent shall collect amounts due and shall sell or otherwise liquidate investments in the Series 2013B Escrow Fund as needed to make the payments required by this Escrow Agreement and may substitute different Government Securities, as defined and subject to the terms and limitations of Section 7 hereof, for the Series 2013B Initial Governmental Securities, but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Series 2013B Initial Government Securities.

Section 4. Creation of Lien on the Series 2013 Escrow Funds.

(a) The deposit of the moneys, the Series 2013A Initial Government Securities and any other Government Securities in the Series 2013A Escrow Fund shall constitute an irrevocable deposit in trust for the benefit of the holders of the Refunded Series 2013A Bonds. The holders of the Refunded Series 2013A Bonds are hereby granted an express lien on the Series 2013A Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 hereof.

(b) The deposit of the moneys, the Series 2013B Initial Government Securities and any other Government Securities in the Series 2013B Escrow Fund shall constitute an irrevocable deposit in trust for the benefit of the holders of the Refunded Series 2013B Bonds. The holders of the Refunded Series 2013B Bonds are hereby granted an express lien on the Series 2013B Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 hereof.

Section 5. Use of Series 2013 Escrow Funds.

(a) ***Series 2013A Escrow Fund***. The Trustee/Escrow Agent shall withdraw the amounts described in Schedule III attached hereto on the dates set forth in such Schedule III from the Series 2013A Escrow Fund and use such amounts in its capacity as trustee for the Refunded Series 2013A Bonds to pay the principal and redemption price of and interest on the Refunded Series 2013A Bonds as directed pursuant to the Third Supplemental Indenture.

The Trustee/Escrow Agent shall retain all unclaimed moneys, together with interest thereon, in the Series 2013A Escrow Fund and shall invest such unclaimed moneys as directed in writing by an Authorized Authority Representative (as defined in the Master Indenture). At such time as the Authority delivers to the Trustee/Escrow Agent written notice that no additional amounts from the Series 2013A Escrow Fund will be needed to redeem the Refunded Series 2013A Bonds, or on July 5, 2023, whichever occurs first, the Trustee/Escrow Agent shall transfer all amounts then remaining in the Series 2013A Escrow Fund to the Authority and thereafter the holders of the Refunded Series 2013A Bonds shall look only to the Authority for payment and the Trustee/Escrow Agent shall have no responsibility or liability whatsoever with respect to any of such moneys. At such time as no amounts remain in the Series 2013A Escrow Fund, such fund shall be closed.

(b) ***Series 2013B Escrow Fund***. The Trustee/Escrow Agent shall withdraw the amounts described in Schedule IV attached hereto on the dates set forth in such Schedule IV from the Series 2013B Escrow Fund and use such amounts in its capacity as trustee for the Refunded Series 2013B Bonds to pay the principal and redemption price of and interest on the Refunded Series 2013B Bonds as directed pursuant to the Third Supplemental Indenture.

The Trustee/Escrow Agent shall retain all unclaimed moneys, together with interest thereon, in the Series 2013B Escrow Fund and shall invest such unclaimed moneys as directed in writing by an Authorized Authority Representative (as defined in the Master Indenture). At such time as the Authority delivers to the Trustee/Escrow Agent written notice that no additional amounts from the Series 2013B Escrow Fund will be needed to pay or redeem the Refunded Series 2013B Bonds, or on July 5, 2023, whichever occurs first, the Trustee/Escrow Agent shall transfer all amounts then remaining in the Series 2013B Escrow Fund to the Authority and thereafter the holders of the Refunded Series 2013B Bonds shall look only to the Authority for payment and the Trustee/Escrow Agent shall have no responsibility or liability whatsoever with respect to any of such moneys. At such time as no amounts remain in the Series 2013B Escrow Fund, such fund shall be closed.

Section 6. Notices of Redemption and Defeasance of the Refunded Series 2013 Bonds. By the execution of this Escrow Agreement and delivery hereof to the Trustee/Escrow Agent, the Authority hereby delivers irrevocable notice to the Trustee/Escrow Agent that pursuant to the Master Indenture and the Third Supplemental Indenture that, on July 1, 2023, the Authority wishes to redeem all of the Refunded Series 2013 Bonds maturing on and after July 1, 2024 in accordance with the provisions of Section 3.03 of the Third Supplemental Indenture. The Trustee/Escrow Agent hereby waives any right to receive any other notices that it may be entitled to from the Authority under the Master Indenture and the Third Supplemental Indenture with respect to the redemption of the Refunded Series 2013 Bonds. The Authority hereby directs the Trustee/Escrow Agent to give or cause to be given, and the Trustee/Escrow Agent agrees to give or cause to be given, notice of the redemption of the Refunded Series 2013 Bonds maturing on and after July 1, 2024 (a form such notice being attached hereto as Exhibit B) after May 2, 2023, but prior to June 1, 2023, in such manner as required pursuant to Section 3.01 of the Third Supplemental Indenture to the owners of the Refunded Series 2013 Bonds.

Additionally, the Authority hereby directs the Trustee/Escrow Agent to give or cause to be given on the date hereof, and the Trustee/Escrow Agent agrees to give or cause to be given on the date hereof, notice of the defeasance of the Refunded Series 2013 Bonds (a form of such notice being attached hereto as Exhibit C). Such notice of defeasance shall be mailed (or delivered via such other approved delivery method, including via electronically) to The Depository Trust Company as required pursuant to Article VII of the Master Indenture.

Section 7. Reinvestment; Substitution of Government Securities. EXCEPT AS SPECIFICALLY PROVIDED BELOW, THE TRUSTEE/ESCROW AGENT MAY NOT SELL,

TRANSFER, REQUEST THE REDEMPTION OF OR OTHERWISE DISPOSE OF THE SERIES 2013 INITIAL GOVERNMENT SECURITIES.

(a) Interest income and other amounts received by the Trustee/Escrow Agent as payments on the Series 2013A Initial Government Securities held in the Series 2013A Escrow Fund shall be held as part of such escrowed funds to be used for the purposes set forth in Section 5(a) hereof and may be invested by the Trustee/Escrow Agent at the written direction of an Authorized Authority Representative; provided that (a) such amounts may only be invested in Government Securities as defined in this Section 7; and (b) such investments shall have maturities which do not extend beyond the dates on which the moneys so invested will be needed to make payments required by Section 5(a) hereof.

Upon the fulfillment of the conditions set forth in this Section 7, the Trustee/Escrow Agent at the written direction of the Authority may sell, liquidate or otherwise dispose of some or all of the Series 2013A Initial Government Securities then held as an investment of the Series 2013A Escrow Fund and reinvest the proceeds thereof, together with other moneys held in the Series 2013A Escrow Fund in different Government Securities; provided that no such substitution shall occur unless the Authority shall first deliver to the Trustee/Escrow Agent, (a) an opinion by an independent certified public accountant that, after such reinvestment or substitution, the principal amount of the Government Securities then held in the Series 2013A Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the principal of and interest with respect to the Refunded Series 2013A Bonds on the dates and in the amounts as required pursuant to the Third Supplemental Indenture; and (b) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Government Securities is permitted under this Escrow Agreement, the Third Supplemental Indenture and the Master Indenture, and will not have any adverse effect with respect to the exemption of the interest on the Refunded Series 2013A Bonds from income taxation under the Internal Revenue Code of 1986, as amended; provided further that no opinions shall be required pursuant to this Section 7 with respect to the reinvestment of any moneys derived from Government Securities held in the Series 2013A Escrow Fund hereunder which have matured so long as such moneys are reinvested in Government Securities maturing not later than the date such funds are required to pay and redeem the Refunded Series 2013A Bonds.

(b) Interest income and other amounts received by the Trustee/Escrow Agent as payments on the Series 2013B Initial Government Securities held in the Series 2013B Escrow Fund shall be held as part of such escrowed funds to be used for the purposes set forth in Section 5(b) hereof and may be invested by the Trustee/Escrow Agent at the written direction of an Authorized Authority Representative; provided that (a) such amounts may only be invested in Government Securities as defined in this Section 7; and (b) such investments shall have maturities which do not extend beyond the dates on which the moneys so invested will be needed to make payments required by Section 5(b) hereof.

Upon the fulfillment of the conditions set forth in this Section 7, the Trustee/Escrow Agent at the written direction of the Authority may sell, liquidate or otherwise dispose of some or all of the Series 2013B Initial Government Securities then held as an investment of the Series 2013B Escrow Fund and reinvest the proceeds thereof, together with other moneys held in the Series 2013B Escrow Fund in different Government Securities; provided that no such substitution shall occur unless the Authority shall first deliver to the Trustee/Escrow Agent, (a) an opinion by an independent certified public accountant that, after such reinvestment or substitution, the principal amount of the Government Securities then held in the Series 2013B Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the principal of and interest with respect to the Refunded Series 2013B Bonds on the date and in the amounts as required pursuant to the Third Supplemental Indenture; and (b) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Government Securities is permitted under this Escrow Agreement, the Third Supplemental Indenture and the Master Indenture, and will not have any adverse effect with respect to the exemption of the interest on the Refunded Series 2013B Bonds from income taxation under the Internal Revenue Code of 1986, as amended; provided further that no opinions shall be required pursuant to this Section 7 with respect to the reinvestment of any moneys derived from Government Securities held in the Series 2013B Escrow Fund hereunder which have matured so long as such moneys are reinvested in Government Securities maturing not later than the date such funds are required to pay and redeem the Refunded Series 2013B Bonds.

(c) "***Government Securities***," as used in this Escrow Agreement, means only noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of, the United States of America, and which are limited to:

(i) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series—"SLGS" and any stripped interest on the principal portion of such U.S. Treasury Certificates, Notes and Bonds); and

(ii) Resolution Funding Corp. (REFCORP), only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable).

(d) If the Trustee/Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a SLGS subscription that is to be submitted pursuant to this Escrow Agreement, the Trustee/Escrow Agent shall promptly request alternative written investment instructions from the Authority with respect to escrowed funds which were to be invested in SLGS. The Trustee/Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Trustee/Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Trustee/Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Trustee/Escrow Agent may conclusively rely upon the Authority's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 8. Liability of Trustee/Escrow Agent.

(a) The Trustee/Escrow Agent shall not under any circumstance be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Trustee/Escrow Agent shall have no lien whatsoever on the Series 2013 Escrow Funds or moneys on deposit in the Series 2013 Escrow Funds for the payment of fees and expenses for services rendered by the Trustee/Escrow Agent under this Escrow Agreement or otherwise.

(b) The Trustee/Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Series 2013 Escrow Funds or the Series 2013 Initial Government Securities or any Government Securities purchased at the direction of the Authority to pay the principal of and interest on the Refunded Series 2013 Bonds.

(c) The Authority agrees that if for any reason the investments and moneys and other funds available to pay principal of and interest on the Refunded Series 2013 Bonds are insufficient therefor, the Authority shall continue to be liable for payment therefor in accordance with the terms of the Master Indenture and the Third Supplemental Indenture.

(d) No provision of this Escrow Agreement shall require the Trustee/Escrow Agent to expend or risk its own funds.

(e) The Trustee/Escrow Agent may consult with bond counsel to the Authority or with such other counsel of its own choice subject to reasonable approval by the Authority (which may but need not be counsel to the Authority) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(f) Whenever in the administration of this Escrow Agreement the Trustee/Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or not taking any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or willful misconduct on the part of the Trustee/Escrow Agent, be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, and such certificate shall, in the absence of gross negligence or willful misconduct on the part of the Trustee/Escrow Agent, be full warrant to the Trustee/Escrow Agent for any action taken or not taken by it under the provisions of this Escrow Agreement in reliance thereon. Except with respect to any future reinvestment or substitution of Government Securities as may be directed by the Authority as set forth in Section 7 hereof, the Trustee/Escrow Agent hereby represents that, as of the date hereof, it does not need any further certificate or direction from any other party in order to carry out the terms of this Escrow Agreement.

(g) The Trustee/Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and shall be protected and indemnified as set forth in Section 12 hereof, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Trustee/Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(h) The Trustee/Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Trustee/Escrow Agent.

(i) The Trustee/Escrow Agent shall not have any liability hereunder except to the extent of its own gross negligence or willful misconduct. In no event shall the Trustee/Escrow Agent be liable for any special, indirect or consequential damages.

(j) The Trustee/Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

(k) The Trustee/Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("***Instructions***") given pursuant to this Escrow Agreement and delivered using Electronic Means ("***Electronic Means***" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee/Escrow Agent, or another method or system specified by the Trustee/Escrow Agent as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee/Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("***Authorized Officers***") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee/Escrow Agent Instructions using Electronic Means and the Trustee/Escrow Agent in its discretion elects to act upon such Instructions, the Trustee/Escrow Agent's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee/Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Trustee/Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee/Escrow Agent have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee/Escrow Agent and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee/Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee/Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee/Escrow Agent, including without limitation the risk of the Trustee/Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting

Instructions to the Trustee/Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee/Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

(l) The Trustee/Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(m) The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee/Escrow Agent will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee/Escrow Agent hereunder.

Section 9. Successor Trustee/Escrow Agent. Any corporation into which the Trustee/Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee/Escrow Agent shall be a party or any corporation succeeding to the corporate trust business of the Trustee/Escrow Agent, shall be the successor Trustee/Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Trustee/Escrow Agent under the provisions hereof shall have been made. Any deficiency in the amounts required to be paid hereunder shall be paid by the Authority. The Authority hereby directs the Trustee/Escrow Agent to, and the Trustee/Escrow Agent shall, (a) distribute any moneys remaining in the Series 2013A Escrow Fund at the time of such termination to the Authority as required pursuant to Section 5(a) hereof, and (b) distribute any moneys remaining in the Series 2013B Escrow Fund at the time of such termination to the Authority as required pursuant to Section 5(b) hereof. Any deficiency in the amounts required to be paid hereunder shall be paid by the Authority.

Section 11. Tax-Exempt Nature of Interest on the Refunded Series 2013 Bonds. The Authority covenants and agrees for the benefit of the holders of the Refunded Series 2013 Bonds that it will not direct or permit anything or act to be done in such manner as would cause interest on the Refunded Series 2013 Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

Section 12. Compensation and Indemnity of Trustee/Escrow Agent. For acting under this Escrow Agreement, the Trustee/Escrow Agent shall be entitled to payment of fees pursuant to the schedule of fees provided to the Authority for its services, including, without limitation, reasonable compensation for all services rendered in the execution, exercise and performance of any of the duties of the Trustee/Escrow Agent to be exercised or performed pursuant to the provisions of this Escrow Agreement, and all reasonable expenses, disbursements and advances incurred in accordance with any provisions of this Escrow Agreement (including the reasonable compensation and expenses and disbursements of independent counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder and out-of-pocket expenses including, but not limited to, postage, insurance, wires, stationery, costs of printing forms and letters and publication of notices of redemption); however, such amount shall never be payable from or become a lien upon the Series 2013 Escrow Funds, which funds shall be held solely for the purposes and subject to the liens set forth in Sections 4 and 5, respectively, hereof. To the extent permitted by law, the Authority agrees to indemnify and hold the Trustee/Escrow Agent and its officers, agents, employees and directors harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys' fees of counsel reasonably acceptable to the Authority), losses and damages suffered by it as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Trustee/Escrow Agent of its duties under this Escrow Agreement; provided, however, that such indemnification shall not extend to claims, suits and actions brought against the Trustee/Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee/Escrow Agent's gross negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Series 2013 Escrow Funds, which funds shall be held solely for the purpose and subject to the liens set forth in Sections 4 and 5, respectively, hereof. The obligations of the Authority under this Section 12 shall remain in effect and continue notwithstanding the termination of this Escrow Agreement.

Section 13. Third-Party Beneficiaries and Amendments. The owners of the Refunded Series 2013A Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Series 2013A Escrow Fund, as applicable, as set forth in Sections 4(a) and 5(a) hereof. The owners of the Refunded Series 2013B Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Series 2013B Escrow Fund, as applicable, as set forth in Sections 4(b) and 5(b) hereof.

Section 14. Replacement and Resignation of Trustee/Escrow Agent. The Authority may remove the Trustee/Escrow Agent and/or the Trustee/Escrow Agent may resign pursuant to the provisions of Section 9.09 of the Master Indenture and the applicable provisions of the Third Supplemental Indenture.

Section 15. Severability. If any one or more of the provisions of this Escrow Agreement should be determined by a court of competent jurisdiction to be contrary to law, such provision shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 16. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Authority or the Trustee/Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 17. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

Section 18. Headings. Any headings preceding the text of the several Sections hereof shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

Section 19. Amendments. The Authority and the Trustee/Escrow Agent shall not modify this Escrow Agreement without the consent of all of the owners of the Refunded Series 2013 Bonds affected by such modification which have not been paid in full.

Section 20. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

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

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ______________________________
Kimberly J. Becker,
President and CEO

Attest:

By ______________________________
Tony R. Russell,
Director, Board Services/Authority Clerk

Approved as to form:

By ______________________________
Amy Gonzalez
General Counsel

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee and Escrow Agent

By ______________________________
Authorized Representative

[Signature page to Escrow Agreement]

EXHIBIT A

REFUNDED SERIES 2013 BONDS

Refunded Series 2013A Bonds

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013A

Maturity Date (July 1)	Principal to be Paid/Redeemed	Redemption Price	Payment/ Redemption Date	CUSIP Number
2022	$ 2,420,000	N/A	July 1, 2022	79739GDL7
2023	2,540,000	N/A	July 1, 2023	79739GDM5
2024	2,670,000	100%	July 1, 2023	79739GDN3
2025	2,805,000	100	July 1, 2023	79739GDP8
2026	2,945,000	100	July 1, 2023	79739GDQ6
2027	3,090,000	100	July 1, 2023	79739GDR4
2028	3,210,000	100	July 1, 2023	79739GDS2
2029	3,340,000	100	July 1, 2023	79739GDT0
2030	3,475,000	100	July 1, 2023	79739GDU7
2043	15,000,000	100	July 1, 2023	79739GDV5
2043	51,455,000	100	July 1, 2023	79739GDW3

Refunded Series 2013B Bonds

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013B

Maturity Date (July 1)	Principal to be Paid/Redeemed	Redemption Price	Payment/ Redemption Date	CUSIP Number
2022	$ 6,305,000	N/A	July 1, 2022	79739GEE2
2023	6,630,000	N/A	July 1, 2023	79739GEF9
2024	6,955,000	100%	July 1, 2023	79739GEG7
2025	7,300,000	100	July 1, 2023	79739GEH5
2026	7,670,000	100	July 1, 2023	79739GEJ1
2027	8,055,000	100	July 1, 2023	79739GEK8
2028	8,455,000	100	July 1, 2023	79739GEL6
2029	8,870,000	100	July 1, 2023	79739GEM4
2030	9,325,000	100	July 1, 2023	79739GEN2
2031	4,070,000	100	July 1, 2023	79739GEP7
2032	4,585,000	100	July 1, 2023	79739GEQ5
2033	5,075,000	100	July 1, 2023	79739GER3
2038	36,645,000	100	July 1, 2023	79739GES1
2043	139,620,000	100	July 1, 2023	79739GET9

EXHIBIT B

FORM OF NOTICE OF REDEMPTION

NOTICE OF REDEMPTION

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013A
Series 2013B

Redemption Date: July 1, 2023

NOTICE IS HEREBY GIVEN that, pursuant to the Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Indenture"), by and between the San Diego County Regional Airport Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), and the Third Supplemental Trust Indenture, dated as of January 1, 2013 (the "Third Supplemental Indenture"), by and between the Authority and the Trustee, the Authority's Senior Airport Revenue Bonds, Series 2013A, as described below (the "Series 2013A Bonds"), and Senior Airport Revenue Bonds, Series 2013B, as described below (the "Series 2013B Bonds," and together with the Series 2013A Bonds, the "Series 2013 Bonds"), shall be redeemed on July 1, 2023 (the "Redemption Date") at the redemption price of 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest thereon.

The Series 2013A Bonds selected for full redemption are as follows:

Maturity Date July 1	Principal Redeemed	Interest Rate	CUSIP Number*	Date of Original Issuance
2024	$ 2,670,000	5.000%	79739GDN3	January 30, 2013
2025	2,805,000	5.000	79739GDP8	January 30, 2013
2026	2,945,000	5.000	79739GDQ6	January 30, 2013
2027	3,090,000	4.000	79739GDR4	January 30, 2013
2028	3,210,000	4.000	79739GDS2	January 30, 2013
2029	3,340,000	4.000	79739GDT0	January 30, 2013
2030	3,475,000	4.000	79739GDU7	January 30, 2013
2043	15,000,000	3.500	79739GDV5	January 30, 2013
2043	51,455,000	5.000	79739GDW3	January 30, 2013

*Neither the Authority nor the Trustee shall be responsible for the selection or use of the CUSIP Numbers, nor is representation made as to their correctness indicated in this Notice of Redemption. They are included solely for the convenience of the Bondholders.

The Series 2013B Bonds selected for full redemption are as follows:

Maturity Date July 1	Principal Redeemed	Interest Rate	CUSIP Number*	Date of Original Issuance
2024	$ 6,955,000	5.000%	7939GEG7	January 30, 2013
2025	7,300,000	5.000	7939GEH5	January 30, 2013
2026	7,670,000	5.000	7939GEJ1	January 30, 2013
2027	8,055,000	5.000	7939GEK8	January 30, 2013
2028	8,455,000	5.000	7939GEL6	January 30, 2013
2029	8,870,000	5.000	7939GEM4	January 30, 2013
2030	9,325,000	5.000	7939GEN2	January 30, 2013
2031	4,070,000	5.000	7939GEP7	January 30, 2013
2032	4,585,000	5.000	7939GEQ5	January 30, 2013
2033	5,075,000	5.000	7939GER3	January 30, 2013
2038	36,645,000	5.000	7939GES1	January 30, 2013
2043	139,620,000	5.000	7939GET9	January 30, 2013

*Neither the Authority nor the Trustee shall be responsible for the selection or use of the CUSIP Numbers, nor is representation made as to their correctness indicated in this Notice of Redemption. They are included solely for the convenience of the Bondholders.

Payment of the Redemption Price and the accrued interest thereon, will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

By Mail, Hand, or Overnight Mail:

BNY Mellon Corp Trust
Attn: Transfers/Redemption
2001 Bryan Street 10th Floor
Dallas, Texas 75201

Interest on the Series 2013 Bonds shall cease to accrue on and after the Redemption Date.

IMPORTANT NOTICE

Withholding of 24% of gross redemption proceeds of any payment made within the United States may be required by U.S. federal tax law, unless the Trustee has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Bondholders who wish to avoid the application of these provisions should submit a completed Form W-9 when presenting their Series 2013 Bonds.

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Dated: ____________, 2023

EXHIBIT C

FORM OF NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

RELATING TO:

San Diego County Regional Airport Authority
Senior Airport Revenue Bonds
Series 2013A
Series 2013B

Notice is hereby given to the holders of the below listed San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013A (the "Series 2013A Bonds"), and San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B (the "Series 2013B Bonds," and together with the Series 2013A Bonds, the "Series 2013 Bonds") that (i) there has been deposited with The Bank of New York Mellon Trust Company, N.A., as Trustee and Escrow Agent, moneys and investment securities as permitted by the Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Indenture"), by and between the San Diego County Regional Airport Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), and the Third Supplemental Trust Indenture, dated as of January 1, 2013 (the "Third Supplemental Indenture," and together with the Master Indenture, the "Indenture"), by and between the Authority and the Trustee, the principal of and interest on which when due will provide moneys which, together with such other moneys deposited with the Trustee/Escrow Agent, will be sufficient and available on (a) January 1, 2022 to pay the interest then due on the Series 2013 Bonds, (b) July 1, 2022 to pay the principal of the Series 2013 Bonds maturing on July 1, 2022 and the interest then due on the Series 2013 Bonds, (c) January 1, 2023 to pay the interest then due on the Series 2013 Bonds, and (d) July 1, 2023 to pay the principal of the Series 2013 Bonds maturing on July 1, 2023, the redemption price of the Series 2013 Bonds maturing on and after July 1, 2024 and the interest then due on the Series 2013 Bonds, and (ii) the Series 2013 Bonds are deemed paid for purposes of the Indenture.

The Series 2013A Bonds consist of the following:

CUSIP Number*	Maturity Date (July 1)	Principal Amount	Interest Rate
79739GDL7	2022	$2,420,000	5.000%
79739GDM5	2023	2,540,000	5.000
79739GDN3	2024	2,670,000	5.000
79739GDP8	2025	2,805,000	5.000
79739GDQ6	2026	2,945,000	5.000
79739GDR4	2027	3,090,000	4.000
79739GDS2	2028	3,210,000	4.000
79739GDT0	2029	3,340,000	4.000
79739GDU7	2030	3,475,000	4.000
79739GDV5	2043	15,000,000	3.500
79739GDW3	2043	51,455,000	5.000

* Neither the Authority nor the Trustee/Escrow Agent shall be responsible for the selection or use of the CUSIP Numbers, nor is any representation made as to their correctness indicated in this Notice of Defeasance. They are included solely for the convenience of the Bondholders.

The Series 2013B Bonds consist of the following:

CUSIP Number*	Maturity Date (July 1)	Principal Amount	Interest Rate
7939GEE2	2022	$ 6,305,000	5.000%
7939GEF9	2023	6,630,000	5.000
7939GEG7	2024	6,955,000	5.000
7939GEH5	2025	7,300,000	5.000
7939GEJ1	2026	7,670,000	5.000
7939GEK8	2027	8,055,000	5.000
7939GEL6	2028	8,455,000	5.000
7939GEM4	2029	8,870,000	5.000
7939GEN2	2030	9,325,000	5.000
7939GEP7	2031	4,070,000	5.000
7939GEQ5	2032	4,585,000	5.000
7939GER3	2033	5,075,000	5.000
7939GES1	2038	36,645,000	5.000
7939GET9	2043	139,620,000	5.000

* Neither the Authority nor the Trustee/Escrow Agent shall be responsible for the selection or use of the CUSIP Numbers, nor is any representation made as to their correctness indicated in this Notice of Defeasance. They are included solely for the convenience of the Bondholders.

After May 2, 2023 and prior to June 1, 2023, in accordance with the terms of the Indenture, the Trustee will mail a redemption notice with respect to the Series 2013 Bonds maturing on and after July 1, 2024 to the Bondholders thereof.

Dated this [•] day of December, 2021

San Diego County Regional Airport Authority

The Bank of New York Mellon Trust Company, N.A. as Trustee

SCHEDULE I

SERIES 2013A INITIAL GOVERNMENT SECURITIES

Maturity Date	Type	Coupon	Price	Par Amount	Total Cost

Uninvested cash: $[______]

SCHEDULE II

SERIES 2013B INITIAL GOVERNMENT SECURITIES

Maturity Date	Type	Coupon	Price	Par Amount	Total Cost

Uninvested cash: $[______]

SCHEDULE III

PAYMENT REQUIREMENTS FOR REFUNDED SERIES 2013A BONDS

Redemption Date	Principal	Interest	Total
January 1, 2022	$ 0.00	$2,145,675.00	$ 2,145,675.00
July 1, 2022	2,420,000.00	2,145,675.00	4,565,675.00
January 1, 2023	0.00	2,085,175.00	2,085,175.00
July 1, 2023	90,530,000.00	2,085,175.00	92,615,175.00

SCHEDULE IV

PAYMENT REQUIREMENTS FOR REFUNDED SERIES 2013B BONDS

Redemption Date	Principal	Interest	Total
January 1, 2022	$ 0.00	$6,489,000.00	$ 6,489,000.00
July 1, 2022	6,305,000.00	6,489,000.00	12,794,000.00
January 1, 2023	0.00	6,331,375.00	6,331,375.00
July 1, 2023	253,255,000.00	6,331,375.00	259,586,375.00

Item 5

San Diego County Regional Airport Authority

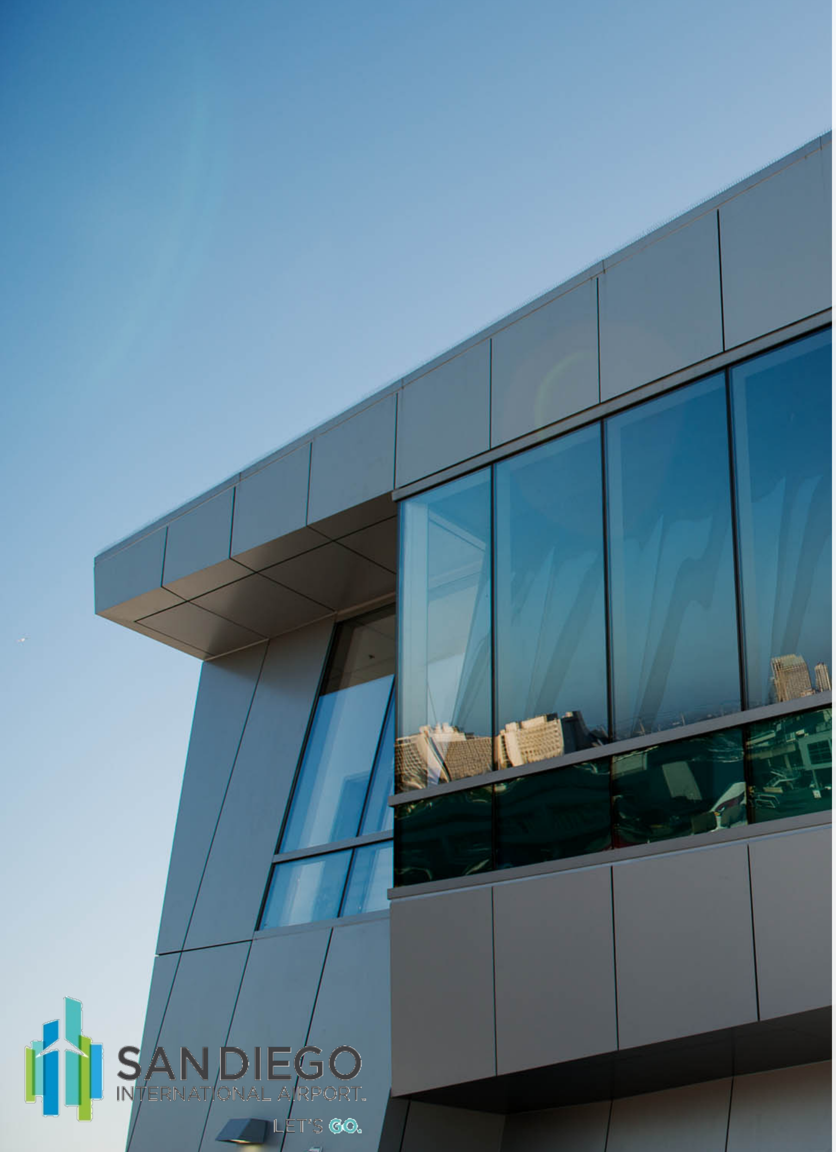
SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

Subordinate Airport Revenue and Bonds Series 2021A (Non-AMT)

Subordinate Airport Revenue Bonds Series 2021B (AMT)

Subordinate Airport Revenue Refunding Bonds Series 2021C (Taxable)

October 25th, 2021



Introduction

In November 2021, the Airport Authority plans to price Subordinate Lien General Airport Revenue and Revenue Refunding Bonds (GARBs) to:

- Fund portions of The New T1 Projects,
- Refund GARB Series 2013 bonds, and
- Pay cost of issuance and fund required reserves

Staff is seeking Board Approval to issue up to $2.5 Billion of Subordinate GARB Bonds and will ask the Finance Committee to forward item to the Board with a recommendation for approval.

SAN DIEGO
INTERNATIONAL AIRPORT.
LET'S GO.

The New T1

At the October 2021 meeting the Board:

- Approved a Maximum Contract Price of $2.6 billion for the Terminal and Roadways portion of the New T1
- Awarded a contract for $251.7 million for the airside improvements associated with the New T1
- Amended FY 2022 – 2026 Capital Program budget and approved the New T1 Plan of Finance

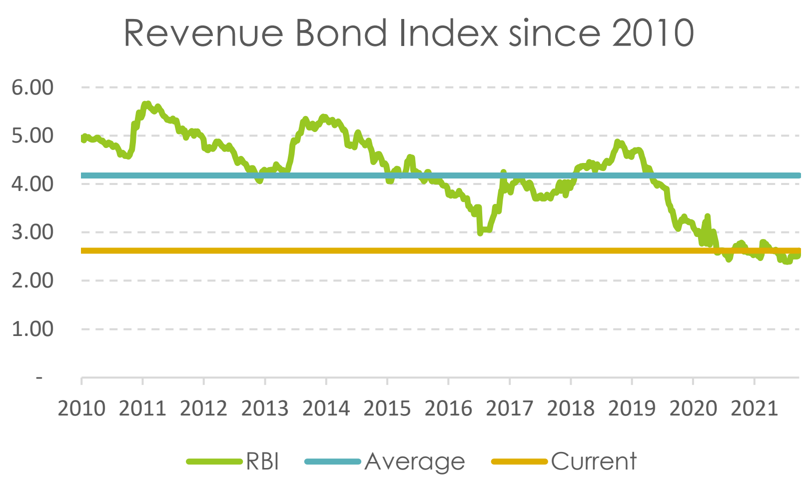
(in millions)

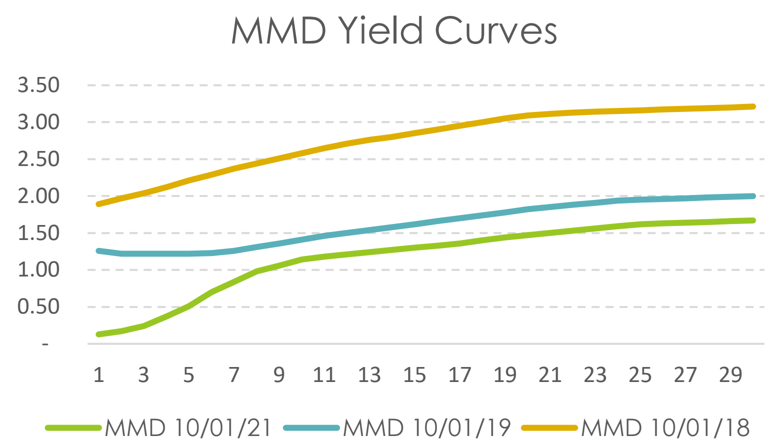
New T1 Program	**TOTAL**
Airport Revenue Bonds	$ 3,139
Airport Cash	220
Federal Grants	78
Major Maintenance Funds	20
Passenger Facility Charges	8
New T1 Program Total	**$ 3,464**
Capital Improvement Program (CIP)	
Airport Revenue Bonds	$ 257
Airport Cash	111
Major Maintenance Funds	122
Federal Grants	20
Other	48
Passenger Facility Charges	1
CIP Total	**$ 561**
Total Capital Program [1]	**$ 4,025**

[1] Total may differ due to rounding

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

Municipal Bonds Yield Environment





- Rates remain near historic lows across the yield curve

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Planned Debt Issuance

(in millions)

	Calendar Year 2021	Calendar Year 2023	Calendar Year 2024	Calendar Year 2025	Total
Par	$ 1,058	$ 529	$ 764	$ 885	$ 3,236
Premium / (Discount)	216	119	172	199	706
Total Sources [1]	**$ 1,274**	**$ 648**	**$ 935**	**$ 1,084**	**$ 3,942**
Project Funds	998	503	779	830	3,109
Capitalized Interest Fund Deposit	179	95	84	170	527
Reserve Fund Deposit	89	46	66	77	278
Costs of Issuance	8	5	7	8	27
Total Uses [1]	**$ 1,274**	**$ 648**	**$ 935**	**$ 1,084**	**$ 3,942**

[1] *Total may differ due to rounding*

- New T1 Plan of Finance includes $3.9 Billion of new money debt, including $1.3 billion in 2021 for project funds and required reserves
- Authority may seek to increase the 2021 debt issuance to take advantage of a favorable market and mitigate future interest rate risk
- Final sizing will be determined during pricing as market conditions and investor demand are evaluated

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

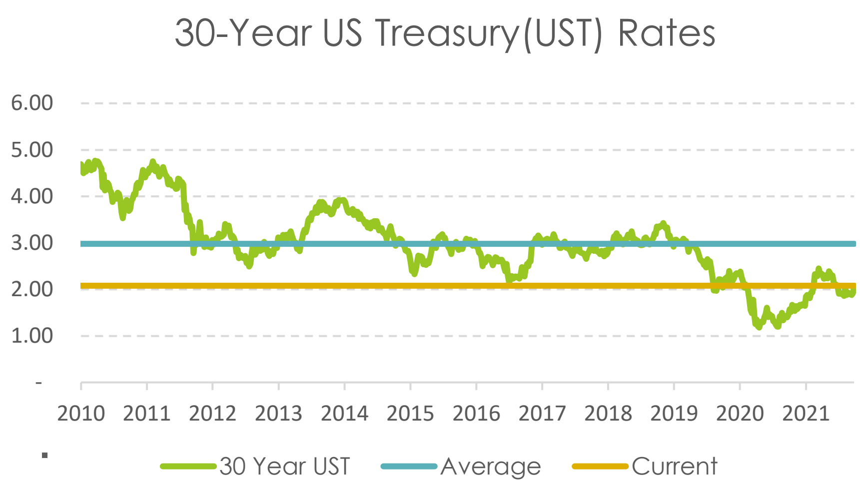
2013 Bonds Refunding Opportunity

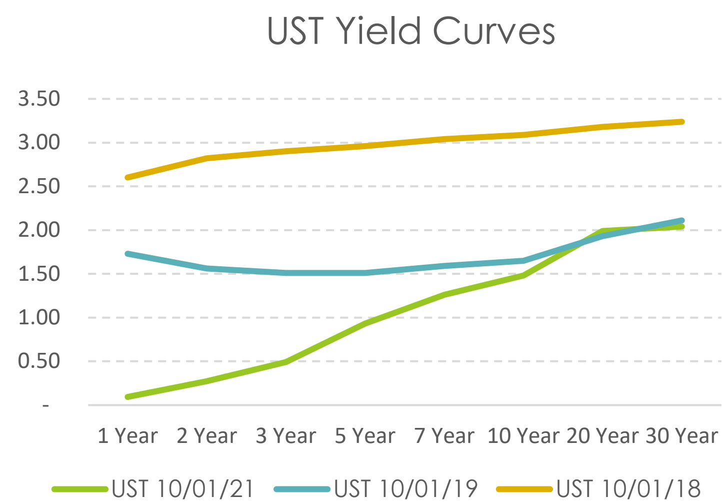
Favorable interest rate environment makes refunding for savings an attractive option

- The 2013 bonds were issued with a 10-year par call, which allows a tax-exempt refunding in April 2023
- Tax-exempt advance refunding's are not permitted under current IRS Code, however taxable advance refunding's are still permitted
- Breakeven of a taxable advance refunding today vs. a tax-exempt refunding in April 2023 is 0.75%
- Debt service savings of $23 million over the life of the bonds

Taxable Bonds Yield Environment

- The low yield environment provides favorable market conditions
- The 30-Year bonds can now be refunded as 20-Year bonds





SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Existing Debt Profile*

Outstanding Debt	Lien	Par ($Millions)	Term	Coupons	Tax Status
2013A	Senior	$ 93.0	2015-2043	3.50%-5.00%	Non-AMT
2013B	Senior	259.6	2015-2043	5.00%	AMT
2017A	Subordinate	136.5	2018-2047	5.00%	Non-AMT
2017B	Subordinate	135.4	2018-2047	5.00%	AMT
2019A	Subordinate	335.6	2031-2040	4.00%-5.00%	Non-AMT
2019B	Subordinate	123.4	2020-2049	5.00%	AMT
2020A (2010A/B)	Subordinate	202.1	2021-2040	5.00%	Non-AMT
2020C (2010A)	Subordinate	24.9	2021-2040	5.00%	AMT
Revolving Obligations	Subordinate	80.1	2023	Floating**	Non-AMT & AMT
Total before Issuance		**$1,390.6**			

* 2014 Special Facility CFC Bonds not listed
** Currently .52% for AMT/Non-AMT

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Projected Debt Profile**

Outstanding Debt	Lien	Par ($Millions)	Term	Coupons	Tax Status
2017A	Subordinate	$ 136.5	2017-2047	4.00-5.00%	Non-AMT
2017B	Subordinate	135.4	2017-2047	5.00%	AMT
2019A	Subordinate	335.6	2031-2040	5.00%	Non-AMT
2019B	Subordinate	123.4	2020-2049	5.00%	AMT
2020A (2010A/B)	Subordinate	202.1	2021-2040	5.00%	Non-AMT
2020C (2010A)	Subordinate	24.9	2021-2040	5.00%	AMT
Revolving Obligations	Subordinate	80.1	2023	Variable**	Non-AMT & AMT
2021A	Subordinate	300.2			Non-AMT
2021B	Subordinate	757.9			AMT
2021C	Subordinate	362.5			Taxable
Total		**$2,458.6**			

* 2014 Special Facility Bonds not listed
** Currently 52% for AMT/Non-AMT

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Principal Documents of the GARB Sale

DOCUMENT	PURPOSE OF DOCUMENT
Resolution	**Authorizes the issuance of the Series 2021 GARBS** (new money and refunding bonds) and approves the bond financing documents
Escrow Agreement	**Establishes the creation of escrow funds and how the escrow funds are to be managed.** There will be an escrow agreements for the funds relating to the 2013 taxable refunding
Continuing Disclosure Certificates	**Sets forth the Authority's obligation to provide updated financial and operational information and notices of certain material events (as and if they occur) annually to Municipal Securities Rule Making Board**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Principal Documents of the GARB Sale

DOCUMENT	PURPOSE OF DOCUMENT
Supplemental Indenture Ninth Supplemental Subordinate Trust Indenture (2021 Series Bonds)	**Supplements the Master Subordinate Indenture[1] by presenting the specific terms and features of the Series 2021 GARBS :** Sets Forth principal amounts and interest rates for the 2021 Bonds Defines when Interest and Principal payments are due for 2021 Bonds Establishes funds and accounts for 2021 Bonds Establishes redemption terms of 2021 Bonds [1] This Master Subordinate Indenture is the financing document that sets forth the general terms of the Authority's pledge of Subordinate Net Revenues and provides for the terms and conditions upon which airport revenue obligations may be issued by the Authority

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Principal Documents of the GARB Sale

DOCUMENT	PURPOSE OF DOCUMENT
Official Statement (Preliminary & Final)	**Discloses to investors information about the GARBs, the projects being financed with GARB proceeds and the Authority's and Airport's activities and financial condition**
Bond Purchase Contract	**Commits the Underwriters to purchase the bonds from the Authority, and the Authority to sell the bonds to the Underwriters at the publicly offered prices.** **Sets forth the conditions that must be met by the Authority prior to the Underwriters purchasing bonds.**
Feasibility Report	**Provides an independent forecast of traffic, revenues and expenses, and determines the sufficiency of net revenues to repay the GARBs**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

The Authority's Team

ROLE	FIRM	PRINCIPAL TASKS
Bond/ Disclosure Counsel	***Kutak Rock***	• Prepares Indentures, Resolution and other bond documents, and provides Validity and Tax Opinions • Prepares Official Statement and provides 10(b)5 ("no material omission") opinion
Financial Advisor	***Frasca & Associates***	• Provides financial analysis, prepares Rating Agency materials, negotiates with Underwriters
Feasibility Consultant	***Unison Consulting***	• Prepares Report appended to the Official Statement that forecasts traffic and projects net revenues over the next five years in order to satisfy the "Additional Bonds Test" and the "Rate Covenant"

The Authority's Team

ROLE	FIRM	PRINCIPAL TASKS
Underwriters	***Bank of America (Sr Manager)*** ***Siebert Williams Shank & Co. (Co-Senior)*** ***Academy Securities*** ***Jefferies*** ***Morgan Stanley*** ***Samuel A Ramirez*** ***Stern Brothers***	• Price and distribute Bonds to investors
Underwriters' Counsel	***Nixon Peabody LLP***	• Prepares Bond Purchase Contracts and documents related to the underwriters
Trustee and Escrow Agent	***US Bank*** ***Bank of New York Mellon Trust***	• Holds funds that are pledged to Bondholders and takes action on their behalf
Verification Agent	***Robert Thomas CPA, LLC***	• Verifies sufficiency of escrow balances

SAN DIEGO INTERNATIONAL AIRPORT.
LET'S GO.

Preliminary Timeline

DATE	EVENT	RESPONSIBLE PARTY
10/27/21	Finance Committee Meeting to Forward Item to Board	Finance Committee
11/3/21	Due Diligence Meeting/Call	Authority Staff, Underwriters' Counsel, Underwriters, Bond Counsel
11/4/21	**Board Meeting to Approve Transaction**	**Authority Board**
11/5/21	Receive Ratings & Post POS	Authority Staff, Financial Advisor
11/8/21-Pricing	Marketing Period	Underwriters
Week of 11/15/21	Price Bonds	Underwriters, Authority Staff, Financial Advisor
Week of 12/6	Closing & Delivery 2021 bonds	Entire Team

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Staff's Request of the Finance Committee

Forward to Board and recommend approval:

- Authorizing the issuance and sale of not-to-exceed $2.5 billion in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue And Revenue Refunding Bonds; Approving the forms of a Ninth Supplemental Subordinate Trust Indenture, Preliminary And Final Official Statements, A Purchase Contract, An Escrow Agreement, A Continuing Disclosure Certificate, and certain related matters.

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Questions?

SAN DIEGO
INTERNATIONAL AIRPORT.
LET'S GO.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item No. 6

Executive Committee Staff Report

Meeting Date: October 25, 2021

Subject:

Pre-Approval of Travel Requests and Approval of Business and Travel Expense Reimbursement Requests for Board Members, the President/CEO, the Chief Auditor and General Counsel

Recommendation:

Pre-approve Travel Requests and approve Business and Travel Expense Reimbursement Requests.

Background/Justification:

Authority Policy 3.30 (3)(b) and (4) require that travel and business expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved or pre-approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

On August 23, 2021, the Executive Committee pre-approved set dollar amounts for routine, in-town business expenses to be used during Fiscal Year 2021 for the President/CEO, General Counsel and Chief Auditor as authorized in Policy 3.30(3)(b)(i)(C).

The attached reports are being presented to comply with the requirements of Policy 3.30.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2022 Budget.

Authority Strategies/Focus Areas:

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

Strategies

☒ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Focus Areas

☐ Advance the Airport Development Plan ☐ Transform the Customer Journey ☒ Optimize Ongoing Business

Environmental Review:

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

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

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

Application of Inclusionary Policies:

Not applicable.

Prepared by:

Tony R. Russell
Director, Board Services/Authority Clerk

BUSINESS EXPENSE REIMBURSEMENT

Johanna Schiavoni

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2021

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME Johanna Schiavoni			PERIOD COVERED 9/1-30/21	
DEPARTMENT/DIVISION Board				
Date	**Miles driven**	**Destination and purpose of trip**	**Parking fees & other transportation costs paid**	**$$$**
			ACE Parking for Downtown Parternship Event on 9/22/21	35.00
SUBTOTAL	-		SUBTOTAL	35.00

Computation of Reimbursement

		-
REIMBURSEMENT RATE: (see below) *	**Rate as of January 2021** X	0.560
TOTAL MILEAGE REIMBURSEMENT		-
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)		35.00
TOTAL REIMBURSEMENT REQUESTED		$ 35.00

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

Business Expense Reimbursement Policy 3.30

Johanna Schiavoni (Oct 5, 2021 10:08 PDT)

SIGNATURE OF EMPLOYEE	DEPT./DIV. HEAD APPROVAL

Schiavoni - Parking for Downtown Partnership

ACE

Date: 09/22/2021 Time: 18:15
Employee #: 080139

event

Fifth Avenue Landing Lot

$35.00 Rate
$35.00 (Credit)

NO REFUNDS. NO IN/OUT PRIVILEGES.
THIS CONTRACT LIMITS OUR LIABILITY - READ IT

The Management hereby declares itself not responsible for fire, theft, damage or loss of car or any article left in same, all of such risk being assumed by licensee. Only a rental spaces license is granted hereby and no bailment is intended or granted.

NO OVERNIGHT PARKING. Permit expires at 2:00am. Any vehicles left after 2:00am will be subject to tow at owners' expense.

REFUNDS & general questions email:
* space@aceparking.com *

If you suspect fraud, please email:
* ethics@aceparking.com *
* (619) 800-6855 *

006674917

TRAVEL EXPENSE REIMBURSEMENT

Kim Becker

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

TRAVEL EXPENSE REIMBURSEMENT REPORT - Board Members, President/CEO, General Counsel, Chief Auditor

(To be completed within 30 days from travel return date for domestic travel; 45 days for international travel)

Refer to Authority Policy 3.30 - Business and Travel Expense Reimbursement Policy, outlining appropriate reimbursable expenses. Attach all required supporting documentation. All receipts must be detailed (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

Policy 3.30 - Business and Travel Expense Reimbursement   Businss and Travel Reimbursement Guidelines

Employee/Trip Information   **Date:**

Name: Kimberly J. Becker   **Dept:** 6- Executive Division

Departure Date: 9/24/2021   **Return Date:** 10/3/2021   **Report Due:** 11/2/21

Destination: Savannah, GA

Business Purpose: AAAE - Russell Hoyt National Airports Conference & Policy Council Meeting

Expense items not included in Per Diem	**Authority Prepaid Expenses**	**Employee Paid Expenses**							**TOTAL**
		9/24/21 Friday	9/25/21 Saturday	9/26/21 Sunday	9/27/21 Monday	9/28/21 Tuesday	9/29/21 Wednesday	9/30/21 Thursday	
Air Fare, Railroad, Bus	565.79								-
Conference Fees	760.00								-
Rental Car									-
Gas									-
Parking & Tolls									-
Mileage - Attach mileage form									-
Taxi / TNC / Shuttle Fare		29.99			31.93				61.92
Lodging		264.01	264.01	264.01					792.03
Telephone, Internet and Fax									-
Laundry									-
Miscellaneous:									-
									-
	$ 1,325.79								$ 853.95

Expense items included in Per Diem:

Meals & Incidental Expenses (M&IE)

Meals will be reimbursed at established Per Diem rates. Receipts shall not be required except for authorized meals above per diem rate (approved by CEO or Vice President below). If a meal is provided by a conference or meeting, do not include the meal for reimbursement below. On first travel day, only include lunch and dinner if flight departs after 9:00 a.m. On last travel day, only include breakfast and lunch if flight returns before 6:00 p.m.

GSA Per Diem for Domestic   US Dept of State Per Diem for International

	Enter Daily Per Diem Rate	9/24/21 Friday	9/25/21 Saturday	9/26/21 Sunday	9/27/21 Monday	9/28/21 Tuesday	9/29/21 Wednesday	9/30/21 Thursday	
Breakfast	$14.00	14.00	14.00						28.00
Lunch	$16.00	16.00	16.00						32.00
Dinner	$26.00	26.00			26.00				52.00
Incidentals	$5.00	5.00	5.00	5.00	5.00				20.00
Total M&IE	$61.00	61.00	35.00	5.00	31.00				132.00
Approved Meal Exception Above Per Diem Rate[1]					40.24				40.24
Total Meal and Incidental Expenses		$ 61.00	$ 35.00	$ 5.00	$ 71.24	$ -	$ -	$ -	172.24

Explanation: Substantiation for exception should be attached

09/27/21 - Breakfast meeting with Arpit Malaviya of Prodigiq. Discussion of safety protocols at SAN.

Trip Grand Total	2,351.98
Less Cash Advance (Attach copy of Authority check)	-
Less Expenses Prepaid by Authority	1,325.79
Due Traveler - if positive amount, prepare check request **Due Authority** - if negative, attach check payable to SDCRAA	$1,026.19

Note: Send this report to Accounting even if the amount is $0.

By signing below, TRAVELER: (a) acknowledges understanding and agreeing to be bound by Authority Policy 3.30 - Business and Travel Expense Reimbursement Policy; (b) certifies that this report is true and correct and all claimed expenses were incurred in connection with official Authority business; and (c) understands that any purchases/claims that are not allowed will be traveler's responsibility. By signing below, ADMINISTRATOR certfiies, based on reasonable inquiry, that expenses approved in this report were reasonable, necessary, directly related to the Authority's business, and that they are reimbursable under Authority Policy 3.30.

Prepared By: Diane Casey   Ext.: 2445

Traveler's Signature: KJ Becker   Date: 10/7/21

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, ______________ hereby certify that this document was approved by the Executive Committee at it's meeting on ______________

Clerk Signature: ______________   Date: ______________

Kim Becker
Savannah
9/24 - 9/27
Registration

Casey Diane

From:	member.services@aaae.org
Sent:	Tuesday, August 31, 2021 9:35 AM
To:	Casey Diane
Subject:	AAAE Receipt

Dear Kimberly,

Thank you for your order! This is a receipt for your transaction - if applicable, you will receive a more detailed confirmation soon.

Here are the details of your order. Please retain this email for your records.

Order Number: 1089570
Order Date: Aug 31, 2021 12:34 PM
Bill To: Ms. Kimberly J. Becker, C.M.
Order Total: 760.00
Payment Method: DV VISA ************6785
Name on Card: Diane Casey

Item	Price	Qty	Total
210921 - F. Russell Hoyt National Airports Conference (NAC) - Ms. Kimberly J. Becker, C.M. *When:* Sep 26, 2021 - Sep 28, 2021 *Where:* Savannah, GA United States	760.00	1	760.00

Registration option: Sep 26, 2021 - Registration

Item Total	760.00
Shipping	0.00
Handling	0.00
Item Grand Total	760.00
Transaction Grand Total	760.00

Thank you again!

AAAE

Connect with us:
American Association of Airport Executives | The Barclay Building | 601 Madison St. | Alexandria, VA 22314

Kim Becker
Savannah
9/24 - 9/27
Registration

Casey Diane

From: aaaemeetings@aaae.org
Sent: Tuesday, August 31, 2021 9:35 AM
To: Becker Kimberly
Subject: Registration Confirmation: 2021 National Airports Conference

Registration Date: 8/31/2021

Ms. Kimberly J. Becker, C.M.
Informal Name: Kim
President & Chief Executive Officer
San Diego County Regional Airport Authority
PO Box 82776 San Diego, CA 92138-2776 UNITED STATES

Dear Kim:

Thank you for registering for the **2021 National Airports Conference**, to be held September 26-28, at the Westin Savannah Harbor Resort in Savannah, Georgia. Please review your name, title, address and nickname for the badge above so that the conference materials are printed correctly. If you have any changes, email Jonna Thoma. *If you are a resident of the European Union, please be sure to check your profile and make the appropriate third party sharing selections to ensure that you will receive information from fellow attendees, exhibitors and sponsors of the meeting.*

HELPFUL SUMMIT WEB LINKS

- Conference Website
- Agenda
- Hotel Reservations
- Official Airlines and Ground Transportation

CONFERENCE INFORMATION
All sessions will be held at the Westin Savannah Harbor Resort. The Conference will begin Sunday, September 26 at 6 PM with the Welcome Reception. Registration opens at 3 PM Sunday. The conference will conclude by at 5:15 PM on Tuesday, September 28. All times are subject to change. View the online agenda for the most up-to-date information. Registration fees include the two continental breakfasts, two lunches, refreshment breaks, one reception, and all handouts. Dress for the NAC is business casual.

CANCELLATION POLICY
Registrations, cancellations and refund requests must be submitted in writing. All cancellation requests for registrations received on or before Friday, September 10, 2021, are subject to a $125 cancellation processing fee; approved refunds will be processed after the meeting takes place. There will be no refunds of any kind after this date. Cancellations with outstanding invoices received within two weeks of the start of the conference, will require full payment on the balance due. Refunds will not be provided, and balance dues will not be forgiven for no-shows. Substitutions within the same conference will be accepted without penalties. The difference between member and non-member price will be charged if a non-member replaces a member. Substitutions will be accepted with a written request to AAAEmeetings@aaae.org. The individual substituting for the original registrant is responsible for all financial obligations (balance due; difference in fees due to membership type) associated with that substitution. For all inquiries regarding

Kim Becker
Savannah
9/24 - 9/27
Registration

cancellations, refunds and substitutions, please contact the AAAE Meetings Department at 703.824.0504 or email AAAEmeetings@aaae.org. Please note failure to receive a confirmation letter before an event will not be grounds for a refund or credit..

HAVE A QUESTION OR NEED ASSISTANCE?
The AAAE Team is here to answer all your questions and ensure that you have a positive experience. For program/agenda information, email Barbara Cook. For registration or hotel inquiries, email Jonna Thoma. For sponsorship/exhibit information, email Amy Trivette. Press inquiries can be directed to Joel Bacon.

Connect with us:
American Association of Airport Executives | The Barclay Building | 601 Madison Street | Alexandria, VA 22314

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Interoffice Communication

Date: October 7, 2021
To: File
From: Diane Casey
Subject: Travel Expense Reimbursement – Kim Becker

Kim Becker attended the AAAE NAC Conference on September 24 - September 27, which was held in Savannah, GA.

Rather than purchase a round-trip ticket from San Diego to Savannah to San Diego, Kim added a side trip to Tampa, FL for vacation time. The airline ticket purchased through Travel Trust was as follows:

- September 24th, San Diego to Savannah (Travel Trust)
- September 27th, Savannah to Tampa (Kim purchased the one-way ticket)
- October 3rd, Tampa to San Diego (Travel Trust)
    - The cost of this ticket was $540.79

If a roundtrip ticket had been purchased for just the conference portion of the trip:

- September 24th, San Diego to Savannah
- September 27th, Savannah to San Diego
    - The cost of this ticket would have been $562.33

Because the cost of the flight with the Tampa leg included was less than the straight cost of the conference airfare, Kim will not be responsible for reimbursing any portion of the ticket to the Authority.

Respectfully, Diane Casey

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

Created 8/31/2021 1:47 PM PDT

TRAVELTRUST

Traveltrust
374 North Coast Highway 101
Encinitas, CA 92024
760-635-1700

For a single calendar entry click here

Travel Itinerary

Passenger Names

BECKER/KIMBERLY JANE - 02

Traveltrust Business Hours are Monday 5am - Friday 5pm Pacific

Agency Reference Number: SUFONL

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt

Travel requirements are being updated constantly, please be sure to check with your airline or CDC.gov for the latest in travel requirements and restrictions.

American Airlines - Flight Number 1651 — Confirmation: SUFONL

Departure: Fri, 09/24/2021 7:19 AM
Departure City: San Diego, CA (SAN)
Departing Terminal: TERMINAL 2
Status: Confirmed

Arrival: Fri, 09/24/2021 3:05 PM
Arrival City: Charlotte, NC (CLT)
Arrival Terminal:
Class of Service: V - ECONOMY

Equipment: 738
Meal: Refreshment
Travel Time: 4 hour(s) 46 minute(s)
Add flight to Calendar
Baggage Info
Weather
CHECK IN NOW

Seat Assignments: BECKER/KIMBERLY JANE - 09C
MAIN CABIN EXTRA AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER MTJ4330

American Airlines - Flight Number 2519 — Confirmation: SUFONL

Departure: Fri, 09/24/2021 4:34 PM
Departure City: Charlotte, NC (CLT)
Departing Terminal:
Status: Confirmed

Arrival: Fri, 09/24/2021 5:37 PM
Arrival City: Savannah, GA (SAV)
Arrival Terminal:
Class of Service: V - ECONOMY

Equipment: 320
Travel Time: 1 hour(s) 3 minute(s)
Add flight to Calendar
Baggage Info
Weather
CHECK IN NOW

Seat Assignments: BECKER/KIMBERLY JANE - 11C
MAIN CABIN EXTRA EXIT ROW AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER MTJ4330

American Airlines - Flight Number 1116 — Confirmation: SUFONL

Departure: Sun, 10/3/2021 2:00 PM
Departure City: Tampa, FL (TPA)
Departing Terminal:

Arrival: Sun, 10/3/2021 3:44 PM
Arrival City: Dallas/Ft Worth, TX (DFW)
Arrival Terminal:

Equipment: 321
Meal: Refreshment
Travel Time: 2 hour(s) 44 minute(s)

Status: Confirmed | **Class of Service:** G - ECONOMY | Add flight to Calendar
Baggage Info
Weather
CHECK IN NOW

Seat Assignments: BECKER/KIMBERLY JANE - 09C
MAIN CABIN EXTRA AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER MTJ4330

American Airlines - Flight Number 0687 — Confirmation: SUFONL

Departure: Sun, 10/3/2021 5:47 PM	**Arrival:** Sun, 10/3/2021 6:45 PM	**Equipment:** 738
Departure City: Dallas/Ft Worth, TX (DFW)	**Arrival City:** San Diego, CA (SAN)	**Meal:** Refreshment
Departing Terminal:	**Arrival Terminal:** TERMINAL 2	**Travel Time:** 2 hour(s) 58 minute(s)
Status: Confirmed	**Class of Service:** G - ECONOMY	Add flight to Calendar Baggage Info Weather CHECK IN NOW

Seat Assignments: BECKER/KIMBERLY JANE - 09D
MAIN CABIN EXTRA AISLE SEAT CONFIRMED
FREQUENT FLYER NUMBER MTJ4330

Invoice Detail

Name: BECKER/KIMBERLY JANE **American Airlines Ticket:** 0017571941990 **Invoice Number:** 5592121	**Issue Date:** 07/13/2021	**Amount:** $722.74
Service Fee: 8900802119366	**Issue Date:** 07/13/2022	**Amount:** $30.00
Name: BECKER/KIMBERLY JANE **American Airlines Ticket:** 0017572978265 **Invoice Number:** 5592166	**Issue Date:** 07/14/2021	**Amount:** $722.74
Service Fee: 8900802138044	**Issue Date:** 07/14/2022	**Amount:** $25.00
Name: BECKER/KIMBERLY JANE **American Airlines Ticket:** 0017662916963 **Invoice Number:** 5595348	**Issue Date:** 08/31/2021	**Amount:** $540.79
Service Fee: 8900803292660	**Issue Date:** 08/31/2021	**Amount:** $25.00
		Total Fare:USD $2,066.27

NOTE - The original flight ticket included a leg to Washington, DC for the SD Chamber's mission to DC. That trip was rescheduled to Spring 2022 due to covid.

Your total has been charged to American Express ending In 1013

General Remarks

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR
THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED
OR CANCELLED. BEFORE THE DEPARTURE OF YOUR FLIGHTS
IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE
YOUR OUTBOUND FLIGHT TO CHANGE IF NECESSARY.
PER MANDATORY IATA RESOLUTION 830D
YOUR CONTACT DETAILS HAVE BEEN GIVEN
TO THE AIRLINES FOR FLIGHT MODIFICATIONS ONLY

TSA Guidance- a government issued photo id is needed for check-in. Please allow minimum 3-hour check-in for International flights and 2 hours for Domestic. For Additional security information visit www.tsa.gov. Thank you for choosing Traveltrust! For

Mock TRIP
San to SAV
SAV to SAN

Casey Diane

From: Scott Mackerley <smackerley@Traveltrust.com>
Sent: Tuesday, October 5, 2021 12:21 PM
To: Casey Diane
Subject: RE: Mock Trip Information

Hi Diane,

Sorry about the delay.

The SAN to SAV leg on Sep 24th would have been $284.33 including the taxes.

For the return I can only give you an educated guess since SAV to SAN was never booked. When I plug in an itinerary and back date it to July 13 which was the original ticketing date I get $278.00.

Hope this helps!

$284.33
278.00
$562.33

Thanks,
Scott

TRAVELTRUST

Scott Mackerley
Director, Travel Services, West
+1-760-635-1700
smackerley@Traveltrust.com | www.traveltrust.com

From: Casey Diane <dcasey@san.org>
Sent: Friday, October 1, 2021 3:56 PM
To: Scott Mackerley <smackerley@Traveltrust.com>
Subject: Mock Trip Information

Hi Scott,

With all the changes from Kim's trip to Savannah (SUFONL) and the removal of the Washington leg of the trip, I need to make sure we are pricing this correctly for Kim's personal part of the trip (from Tampa). Could you tell me what the cost of the following trip would have been:

- SAN to SAV, September 24th – American Airlines #1651 through Charlotte (this is the true piece of her trip)
- SAV to SAN, September 27th – American Airlines

(Kim flew herself to Tampa and will then use the other part of the Authority ticket from TPA to SAN)

Thanks and take care, Di

The Westin Savannah Harbor
1 Resort Drive
Savannah, GA 31421
United States Of America
Tel: 912-201-2000 Fax: 912-201-2001

WESTIN® HOTELS & RESORTS

KIMBERLY BECKER
PO BOX 82776
SAN DIEGO, CA, 92138
United States Of America
AA3113 - AAAE NATIONAL AIRPORTS CONFERE

Page Number	:	1		Invoice Nbr	: 4541740
Guest Number	:	1186716			
Folio ID	:	A			
Arrive Date	:	24-SEP-21	19:52		
Depart Date	:	27-SEP-21	12:06		
No. Of Guest	:	1			
Room Number	:	831			
Marriott Bonvoy Number	:	9603			

Tax Invoice

Tax ID :
WI Savannah SAVWI SEP-27-2021 12:10 JJOHN862

Date	Reference	Description	Charges (USD)	Credits (USD)
24-SEP-21	market	Gift Shop Merchandise	16.08	09/24 = Dinner
24-SEP-21	market	Gift Shop Tax	1.13	
24-SEP-21	RT831	Room Chrg - Grp - Association	227.00	09/24 - $264.01
24-SEP-21	RT831	State Tax	15.89	Room
24-SEP-21	RT831	City/Local Tax	13.62	
24-SEP-21	RT831	City Occupancy Fee	2.50	
24-SEP-21	RT831	GA Hotel Fee	5.00	
25-SEP-21	6695	Escape	21.88	09/25 - Lunch
25-SEP-21	RT831	Room Chrg - Grp - Association	227.00	09/25 - $264.01
25-SEP-21	RT831	State Tax	15.89	Room
25-SEP-21	RT831	City/Local Tax	13.62	
25-SEP-21	RT831	City Occupancy Fee	2.50	
25-SEP-21	RT831	GA Hotel Fee	5.00	
26-SEP-21	RT831	Room Chrg - Grp - Association	227.00	09/26 - $264.01
26-SEP-21	RT831	State Tax	15.89	Room
26-SEP-21	RT831	City/Local Tax	13.62	
26-SEP-21	RT831	City Occupancy Fee	2.50	
26-SEP-21	RT831	GA Hotel Fee	5.00	
27-SEP-21	3876	Aqua Star	40.24	09/27 - Breakfast
27-SEP-21	MC	Mastercard-8103		-871.36

For Authorization Purpose Only
xxxxxx8103

Date	Time	Code	Authorized

Continued on the next page

The Westin Savannah Harbor
1 Resort Drive
Savannah, GA 31421
United States Of America
Tel: 912-201-2000 Fax: 912-201-2001

WESTIN®
HOTELS & RESORTS

KIMBERLY BECKER
PO BOX 82776
SAN DIEGO, CA, 92138
United States Of America
AA3113 - AAAE NATIONAL AIRPORTS CONFERE

Page Number	:	2	Invoice Nbr	:	4541740
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No. Of Guest	:	1			
Room Number	:	831			
Marriott Bonvoy Number	:	9603			

24-SEP-21 19:51 14972Z 1362.00

Approve EMV Receipt for MC - 8103: Signature Captured
TC:74F514150489ACCF
IAD:0110607001220000 5C3100000000000000FF TVR:0000008000
AID:A0000000041010 Application Label:Mastercard

** Total	871.36	-871.36
*** Balance	0.00	

I agreed to pay all room & incidental charges.

Stay well, no matter where you travel. Reconnect with your well-being and find your next destination at westin.com.

Tell us about your stay. www.westin.com/reviews

Signature____________________

Bring the Westin experience home. Shop WestinStore.com.

Kim Becker
Savannah
09/24 - 09/27

09/27 - Breakfast

Arpit Malviya
Prodigiq

reservation # 1186716

& & & 401 & & &
Westin Savannah Harbor
Aqua Star
1 Resort Drive
Savannah, GA 31421
912-201-2000

911690320 Edwin C.

CHK 3876 TBL 58/1 GST 2
9/27/2021 8:12 AM

1 Oatmeal	8.00
1 BFST Buffet	19.00
1 Tazo Tea	5.00
Subtotal:	$32.00
Tax:	$2.24
Total:	**$34.24**

TIP 6—

TOTAL 40.24

ROOM NO. 831

PRINT NAME Kimberly J Becker

SIGNATURE

****THANK YOU****

Kim Becker
Savannah
9/24 - 9/27

Casey Diane

From: Kim Becker <kbeckersj@yahoo.com>
Sent: Saturday, September 25, 2021 6:23 PM
To: Casey Diane
Subject: Fwd: Lyft Tip Increase Receipt

09/24 - Transportation
$29.99

2nd receipt of two.

Sent from my iPhone

Begin forwarded message:

> **From:** Lyft <receipts@lyftmail.com>
> **Date:** September 25, 2021 at 9:05:55 PM EDT
> **To:** kbeckersj@yahoo.com
> **Subject: Lyft Tip Increase Receipt**

lyft

Tip Increase Receipt

Ride with Corey ending September 24 at 7:49 PM

Increase Tip	$4.00
Charges to PayPal account:	$4.00

© Lyft 2021
548 Market St., P.O. Box
68514
San Francisco, CA 94104

Questions? Visit our Help Center

3:23

Sep 24, 2021, 7:24 PM

Thanks for riding with Corey

Your Trip

400 Airways Ave Savannah	Pickup 7:24 PM
1 Resort Dr Savannah	Drop-off 7:49 PM

Payment

$29.99

Lyft fare (14.61mi, 25m 9s)	$25.99
Increase Tip	$4.00

Business
PayPal

Kim Becker
Savannah
9/24-9/27

Casey Diane

From: no-reply@lyftmail.com on behalf of Lyft Receipts <no-reply@lyftmail.com>
Sent: Tuesday, September 28, 2021 12:07 PM
To: Becker Kimberly
Subject: Your ride with Justin on September 27

09/27 - Transportation
$31.93

SEPTEMBER 27, 2021 AT 2:45 PM

Thanks for riding with Justin!

100% of tips go to drivers. Add a tip

Lyft fare (18.39mi, 20m 39s)	$28.93
PayPal account	**$28.93**

Pickup 2:45 PM
1 Resort Dr, Savannah, GA

Drop-off 3:06 PM
402 Airways Ave, Savannah, GA

TIP DRIVER

3:23

Sep 27, 2021, 2:45 PM

Your Trip

1 Resort Dr Savannah	Pickup 2:45 PM
402 Airways Ave Savannah	Drop-off 3:06 PM

Payment

$28.93

Lyft fare (18.39mi, 20m 39s)	$28.93
Increase Tip	$3.00

Business
PayPal

Your payment method has already been charged. Changing profiles here will not affect the payment method used for this ride.

Expense Code

Find lost item

Get help

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: **Kimberly J. Becker** Department: **Executive, BU6**
Position: ☐ Board Member ☒ President/CEO ☐ General Counsel ☐ Chief Auditor
☐ All Other Authority Employees

DATE OF REQUEST: **06/02/21** DATE OF DEPARTURE/RETURN: **09/24/2021 / 09/28/2021**

DESTINATION / BUSINESS PURPOSE:

Destination: Savannah, GA

Business Purpose: AAAE – Russell Hoyt National Airports Conference & AAAE Policy Council Meeting

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare ☒ *check box for business class or equivalent (international only)*	$ 500.00
• Rental Car	$
• Other Transportation *(Taxi, TNC, Train, Bus)*	$ 200.00
• Auto *(Gas, Parking/Tolls, Mileage)*	$
B. Lodging	$ $1,200.00
C. Meals and Incidental Expenses *(Per Diem)*	$ 244.00
D. Seminar and Conference Fees	$ 640.00
E. Entertainment	$
TOTAL PROJECTED TRAVEL EXPENSES	$ 2,784.00

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: KJB kbecker@san.org Date: Jun 2, 2021

CERTIFICATION BY ADMINISTRATOR *(If Administrator is Executive Committee, Clerk certifies below.)*

By my signature below, I certify the following:

1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: ______________________ Date: ____________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Dusti Hein, Authority Clerk I, certify that this document was approved
(Name of Clerk)

by the Executive Committee at its 6/21/21 meeting.
(Meeting Date)

September 26-28, 2021 | Savannah, Georgia

View this email in a browser.

NAC21

2021 F. Russell Hoyt National Airports Conference

September 26-28, 2021 | Savannah, Georgia

REGISTRATION IS NOW OPEN

Registration for the **F. Russell Hoyt National Airports Conference (NAC)**, to be held September 26-28, 2021, in Savannah, Georgia, is now open. The NAC offers incomparable opportunities to engage in meaningful discussions with colleagues on priorities within our industry, and strengthen partnerships to advance operations within our airports.

AAAE and the NAC Planning Committee have put together an impressive program that revisits conversations happening before the pandemic to ensure we can move ahead. Topics include PFAS, unmanned aircraft systems (UAS), alternate and resilient energy sources, airport insurance and liability, the future of concessions, how to create healthy terminals, and more.

RESERVE YOUR HOTEL ROOM

Once you have registered, be sure to book your housing in our official hotel block at the **Westin Savannah Harbor Golf Resort & Spa**. We have secured a special rate for NAC attendees, and we expect the hotel to sell out, so don't wait to make your reservations.

ABOUT THE HOST CITY

Known for its rich history, stunning architecture, and Southern hospitality, it is no wonder Savannah has been nicknamed the Hostess City. Visit one of Savannah's world-famous museums, take a tour at Bonaventure Cemetery, and sit back to enjoy a meal served right from the coast. Savannah truly offers something special for every visitor.

We look forward to welcoming you to Savannah in September.

AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

AAAE DELIVERS SERVICE. INNOVATION. RESULTS.

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WILLIAM W. WYATT

PRESIDENT & CEO
TODD J. HAUPTLI

DATE: **September 16, 2021**

TO: **Ms. Kimberly J. Becker, C.M.**

FROM: **Jacky Sher Raker, Executive Vice President, Meetings, Membership, Marketing, Administration and AAAE Foundation**

RE: **Leadership Schedule for the F. Russell Hoyt National Airports Conference**

Below is the schedule for the AAAE Leadership events taking place in conjunction with the 2021 F. Russell Hoyt National Airports Conference, along with your hotel information.

Our records show you will be arriving on **Friday, 9/24/21** and departing on **Monday, 9/27/21.**
Your confirmation number at The Westin Savannah Harbor Golf Resort & Spa is **81115785**. The Westin Savannah Harbor Golf Resort & Spa is located at 1 Resort Drive, Savannah, GA 31421, and phone (912) 201-2000.

Saturday, September 25

6:30 – 8:30 p.m. **Club Pavilion**	**Leadership Dinner** Hosted by the Savannah-Hilton Head International Airport *The Pavilion is a brief walk from the Westin, or the hotel provides transportation from the Lobby.*

Sunday, September 26

8 – 8:30 a.m. **SHCC - 102**	Continental Breakfast for AAAE Board of Directors/Policy Review Committee Meeting
8:30 a.m. – 12:30 p.m. **SHCC - 103/104**	AAAE Board of Directors/Policy Review Committee Meeting
12:30 – 1:30 p.m. **Harbor B – Westin Hotel**	AAAE Board of Directors/Policy Review Committee Lunch

SHCC – Meetings taking place at the Savannah Harbor Conference Center, accessible just beyond the Westin's Lobby via a covered walkway outside.

Sunday, September 26 – Tuesday, September 28
The F. Russell Hoyt National Airports Conference officially begins on Sunday, September 26 with an Opening Reception at 6 p.m. and concludes on Tuesday, September 28 with a Kick-Off Reception for NAC 2022 at 5:15 p.m. Savannah is predicted to have temperatures ranging from a high of 85 and a low of 65 degrees. Dress is business casual for all meetings and events.

Transportation
The Westin Savannah Harbor Resort & Spa is located 18 miles from Savannah/Hilton Head International Airport (SAV) and the ride takes approximately 20 minutes. A taxi will cost approximately $40 one-way. Alternatively, Transportation Network Companies (TNC) Uber and Lyft do operate at the airport and may be less expensive. Get more information on ground transportation at SAV.

If you are aware of changes to your travel schedule, contact me at (703) 801-5180 jacky.sherraker@aaae.org. In addition, if there is anything that we can do to make your stay more pleasant, please let me know. We look forward to seeing you in Savannah!

U.S. General Services Administration

FY 2021 Per Diem Rates for Savannah, Georgia

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & LastDay of Travel
Savannah	Chatham	$61	$14	$16	$26	$5	$45.75

TRAVEL REQUEST

Kim Becker

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: **Kimberly J. Becker** Department: **Executive, BU6**
Position: ☐ Board Member ☒ President/CEO ☐ General Counsel ☐ Chief Auditor
☐ All Other Authority Employees

DATE OF REQUEST: **10/14/2021** DATE OF DEPARTURE/RETURN: **01/24/2022 / 01/26/2022**

DESTINATION / BUSINESS PURPOSE:

Destination: Dallas, TX

Business Purpose: Air Service Headquarters Visits to American Airlines and Southwest Airlines

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:		
• Airfare ☒ *check box for business class or equivalent (international only)*	$	**400.00**
• Rental Car	$	
• Other Transportation *(Taxi, TNC, Train, Bus)*	$	**50.00**
• Auto *(Gas, Parking/Tolls, Mileage)*	$	
B. Lodging	$	**500.00**
C. Meals and Incidental Expenses *(Per Diem)*	$	**138.00**
D. Seminar and Conference Fees	$	
E. Entertainment	$	
TOTAL PROJECTED TRAVEL EXPENSES	$	**1,088.00**

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kbg J Bl Date: 10/14/21

CERTIFICATION BY ADMINISTRATOR *(If Administrator is Executive Committee, Clerk certifies below.)*

By my signature below, I certify the following:

1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: ____________________ Date: __________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ____________________ , certify that this document was approved
(Name of Clerk)

by the Executive Committee at its ____________________ meeting.
(Meeting Date)

Casey Diane

From:	D'Amico Brian
Sent:	Tuesday, September 21, 2021 8:47 AM
To:	Casey Diane; Hawthorne Cynthia
Cc:	Platt Robyn; Brown Hampton
Subject:	WN and AA HQ meetings confirmed in January

Hi Di and Cynthia,

We heard back from American and they have confirmed Wed January 26 at 10 am. Southwest had already confirmed Tuesday January 25 at 2pm. Please double confirm we can block this off for Hampton and Kim so I can confirm the attendance from our side will be Kim, Hampton, Robyn and myself.

Hampton – looking at flights, Southwest appears to have no morning departures to DAL. To be able to take Southwest for at least one leg I included a Monday departure option below. Flight options include:

Depart San Diego:
Monday 1/24 – on WN 1387 leaving SAN at 1235 arriving DAL at 1720
Tuesday 1/25 – on AA 1055 leaving SAN at 0630 arriving DFW at 1137

Meetings:
Tuesday 1/25 – Southwest at 2PM Central
Wednesday 1/26 – American at 10AM Central

Depart Dallas:
Wednesday 1/26 – on AA 2584 leave DFW at 1440 arriving SAN at 1580
Wednesday 1/26 – on AA 2586 leave DFW at 1630 arriving SAN at 1705

Thank you,
Brian

Brian D'Amico
Program Manager, Air Service Development
Office 619.400.2872
bdamico@san.org
SAN.ORG

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

U.S. General Services Administration

FY 2022 Per Diem Rates for Dallas, Texas

Meals & Incidentals (M&IE) Breakdown

Primary Destination	County	M&IE Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & LastDay of Travel
Dallas	Dallas	$69	$16	$17	$31	$5	$51.75

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All out-of-town travel requests must conform to applicable provisions of Policy 3.30.
B. Once traveler completes form, submit to the traveler's Administrator for approval (for Board Members, President/CEO, General Counsel and Chief Auditor, Administrator is Board Executive Committee).

TRAVELER INFORMATION:

Traveler Name: **Kimberly J. Becker** Department: **Executive, BU6**

Position: ☐ Board Member ☒ President/CEO ☐ General Counsel ☐ Chief Auditor
☐ All Other Authority Employees

DATE OF REQUEST: **10/14/2021** DATE OF DEPARTURE/RETURN: **01/08/2022 / 01/12/2022**

DESTINATION / BUSINESS PURPOSE:

Destination: Kauai, HI

Business Purpose: AAAE – Aviation issues Conference & Policy Review Council Meeting

PROJECTED OUT-OF-TOWN TRAVEL EXPENSES:

A. Transportation Costs:	
• Airfare ☒ *check box for business class or equivalent (international only)*	$ **500.00**
• Rental Car	$
• Other Transportation *(Taxi, TNC, Train, Bus)*	$ **150.00**
• Auto *(Gas, Parking/Tolls, Mileage)*	$
B. Lodging	$ **1,400.00**
C. Meals and Incidental Expenses *(Per Diem)*	$ **700.00**
D. Seminar and Conference Fees	$ **760.00**
E. Entertainment	$
TOTAL PROJECTED TRAVEL EXPENSES	$ **3,510.00**

CERTIFICATION BY TRAVELER

By my signature below, I certify the following:

1. The above-listed projected out-of-town travel expenses conform to Policy 3.30, are reasonable and directly related to Authority business; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Travelers Signature: Kimy J Beck Date: 10/14/21

CERTIFICATION BY ADMINISTRATOR *(If Administrator is Executive Committee, Clerk certifies below.)*

By my signature below, I certify the following:

1. I have reviewed this out-of-town travel request and made inquiries to determine that the out-of-town travel and identified expenses are directly related to and necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefits to the Authority; and
2. I have attended training regarding my responsibilities pursuant to Policy 3.30 within the past two years.

Administrator's Signature: ______________________ Date: __________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ______________________________ , certify that this document was approved
(Name of Clerk)

by the Executive Committee at its ______________________ meeting.
(Meeting Date)

Casey Diane

From: Jacky Sher Raker <Jacky.Sher@aaae.org>
Sent: Wednesday, October 6, 2021 10:45 AM
Cc: Jacky Sher Raker; Jonna Thoma
Subject: 2022 Aviation Issues Conference Leadership Travel Information

AAAE Leaders –

The Aviation Issues Conference will be held January 9 – 13, 2022 in Kauai, Hawaii at the Grand Hyatt Kauai Resort & Spa. There will be a reception for our leadership and conference sponsors on Saturday, January 8 in the evening, followed by the Board of Directors | Policy Review Council Meeting (for all leaders) on the morning of Sunday, January 9. The conference starts with a reception on Sunday evening and our programming ends Thursday, September 13 at Noon.

Please complete the travel form so that AAAE can assist in making your hotel reservation. We will do our best to accommodate the room category of your choice, but rooms are limited so please note that reservations will be made in the order forms are received and we would like to have your travel form returned by Wednesday, October 20. We're also requesting that you let us know in advance should you intend to use funds from your leadership travel account for your travel. As a reminder, expenses can be submitted for reimbursement once the travel has been completed. You can submit that information to me or to Mimi Yohanes of our finance team.

Registration will open shortly so you can expect to receive a link to register for the conference. Vaccinations will be required for all registered conference participants and we will provide more information, including how to provide your proof of vaccination. As such, everyone will need to be registered for the conference to attend – this includes spouses and guests – and demonstrate they are fully vaccinated prior to the conference.

Let me know if you have any questions or if I can further assist with your travel arrangements. Thanks, Jacky

Jacky Sher Raker
Executive Vice President, Meetings, Membership, Marketing, Administration & Foundation
e. jacky.sherraker@aaae.org
p. 703.575.2472 | c. 703.801.5180

American Association of Airport Executives
The Barclay Building I 601 Madison Street I Alexandria, VA 22314

REGISTRATION FEES & DEADLINES

Registration for the 2022 Aviation Issues Conference will open on or before Friday, October 15. Fees are subject to increase for each category and will be confirmed when registration opens.

Includes all handouts, four breakfast buffets, two receptions and all breaks. All fees are in U.S. funds drawn on a U.S. bank.

	Early Registration on or Before December 3, 2021	Late Registration After December 3, 2021
AAAE Airport Member	$760	$860
Airport Non-Member	$925	$1,030
AAAE Corporate Member, AAAE Association Member or 2020 Aviation Issues Conference Sponsoring Organization	$995	$1,095
Corporate Non-Member	$2,700	$3,700
U.S. Federal Employee	$400	$425
Spouse/Guest*, **	$250	$350
Golf Tournament	$235	$235

You acknowledge that in registering for and attending this AAAE event, you agree to adhere to the cancellation policy noted below, AAAE's Duty of Care , and AAAE Event Participant Terms and Conditions.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

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

Ex-Officio Board Members
Col. Thomas M. Bedell
Gustavo Dallarda
Gayle Miller

President/CEO
Kimberly J. Becker

DRAFT
Board Meeting Agenda

Thursday, November 4, 2021
9:00 A.M.

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

This meeting of the Board of the San Diego County Regional Airport Authority will be conducted pursuant to the provisions of California Assembly Bill 361 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Board Members will be participating in the meeting electronically. In accordance with the Assembly Bill, there will be no members of the public in attendance at the Board Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

Public Comment during Board/Committee Meetings

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

- **Step 1**: Watch the meeting via the live Webcast located at the following link, https://www.san.org/Airport-Authority/Meetings-Agendas/authority-board?EntryId=13949

  PLEASE NOTE: There is approximately 20 seconds of lag time between the meeting and the Webcast.

- **Step 2:** When the Chair introduces the item that you would like to comment on, *(or indicates that it is time for Non-Agenda Public Comment),* call into the public comment line by following the following directions :

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CALL TO ORDER:

ROLL CALL:

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021:
Presented by Scott Brickner, Vice President/Chief Financial Officer

B. 2020-2021 AIRPORT AUTHORITY SUSTAINABILITY REPORT:
Presented by Michelle Brega, St. Director, External Relations

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

- **AUDIT COMMITTEE:**
  Committee Members: Blakespear, Casillas Salas, Lloyd, Vann (Chair), Newsom, Vargas, Wong Nickerson

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
  Committee Members: Blakespear, Cabrera, McNamara (Chair), Schiavoni, von Wilpert

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
  Committee Members: McNamara, Robinson (Chair), Schiavoni, Vargas

- **FINANCE COMMITTEE:**
  Committee Members: Casillas Salas, Lloyd (Chair), Schiavoni, von Wilpert

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
  Liaison: Casillas Salas (Primary), Robinson

- **ARTS ADVISORY COMMITTEE:**
  Liaison: Schiavoni

LIAISONS

- **CALTRANS:**
  Liaison: Dallarda

- **INTER-GOVERNMENTAL AFFAIRS:**
  Liaison: Cabrera

- **MILITARY AFFAIRS:**
  Liaison: Bedell

- **PORT:**
  Liaisons: Robinson, Cabrera (Primary), Vargas

- **WORLD TRADE CENTER:**
  Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:**
  Representative: Cabrera (Primary), Schiavoni

- **SANDAG TRANSPORTATION COMMITTEE:**
  Representatives: Lloyd (Primary), Robinson

CHAIR REPORT:

PRESIDENT/CEO REPORT:

NON-AGENDA PUBLIC COMMENT:

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CONSENT AGENDA (ITEMS 1- 13):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. **APPROVAL OF MINUTES:**
   RECOMMENDATION: Approve the minutes of the September 27, 2021, special and October 7, 2021, regular Board meetings.

2. **ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**
   RECOMMENDATION: Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.
   (Board Services: Tony R. Russell, Director/Authority Clerk)

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM SEPTEMBER 13, 2021 THROUGH OCTOBER 10, 2021 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 12, 2021 THROUGH OCTOBER 10, 2021:**
   RECOMMENDATION: Receive the report.
   (Procurement: Jana Vargas, Director)

4. **NOVEMBER 2021 LEGISLATIVE REPORT:**
   RECOMMENDATION: Adopt Resolution No. 2021-____, approving the November 2021 Legislative Report.
   (Government Relations: Matt Harris, Director)

5. **AMENDMENT TO THE AMENDED AND RESTATED SUBORDINATED, PROMISSORY NOTE BETWEEN THE SAN DIEGO UNIFIED PORT DISTRICT AND SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY:**
   RECOMMENDATION: Adopt Resolution No. 2021-____, approving an amendment to the amended and restated subordinated, promissory note between the San Diego Unified Port District and San Diego County Regional Airport Authority.
   (Finance & Risk Management: John Dillon, Director)

6. **CONSIDERATION OF WHETHER TO CONTINUE VIRTUAL MEETINGS FOR AUTHORITY BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361:**
RECOMMENDATION: Adopt Resolution No. 2021-____, finding that it is in the best interest of the Authority and the public it serves to continue to hold virtual public meetings of the Board and its Committees because a declared state of emergency is ongoing and continues to directly impact the ability of the Board and its Committees to meet safely in person and state and local officials recommend measures to promote social distancing.
(Legal: Amy Gonzalez, General Counsel)

7. **AUTHORIZE THE GRANTING OF AN EASEMENT TO THE CITY OF SAN DIEGO FOR DRAINAGE SERVING SAN DIEGO INTERNATIONAL AIRPORT AND THE VACATION OF AN EASEMENT TO THE CITY OF SAN DIEGO FOR DRAINAGE SERVING SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the granting of: 1) granting of an easement to the City of San Diego for drainage serving San Diego International Airport commensurate with the remaining or extended term of the Authority's Lease from the San Diego Unified Port District currently expiring December 31, 2068; and 2) the vacation of an easement to the City of San Diego for drainage serving San Diego International Airport commensurate with the remaining or extended term of the Authority's Lease from the San Diego Unified Port District currently expiring December 31, 2068.
(Airport Design and Construction: Bob Bolton, Director)

CLAIMS

COMMITTEE RECOMMENDATIONS

8. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
(Finance: Scott Brickner, Vice President/CFO)

9. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2021:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
(Business and Financial Management: Geoff Bryant, Manager, Airport Finance)

CONTRACTS AND AGREEMENTS

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A THIRD AMENDMENT TO THE CONCESSION LEASE WITH IN-TER-SPACE SERVICES., DBA CLEAR CHANNEL AIRPORTS:
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the president/CEO to negotiate and execute a third amendment to the concession lease with In-Ter-Space Services., dba Clear Channel Airports.
(Revenue Generation & Partnership Development: Jim DeCock, Interim Director)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING $1 MILLION

11. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 11, GROUP 5, PROJECT NO. 381105 THIRTY-FOUR (34) NON-HISTORIC MULTI-FAMILY UNITS ON NINETEEN (19) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:
RECOMMENDATION: Adopt Resolution No. 2021-____, awarding a contract to S&L Specialty Construction, Inc. in the amount of $1,419,951.90 for Phase 11, Group 5, Project No. 381105, of the San Diego County Regional Airport Authority's ("Authority") Quieter Home Program.
(Planning & Environmental Affairs: Brendan Reed, Director)

12. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND SIGN A CONTRACT FOR THE OWNERS CONSTRUCTION INSURANCE PROGRAM (OCIP):
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the President/CEO to negotiate and sign a contract for the Owners Construction Insurance Program (Ocip) with a Maximum Contract Price of $____ for a period of five years.
(Finance & Risk Management: John Dillon, Director)

13. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND SIGN A CONTRACT FOR THE BUILDERS RISK INSURANCE POLICY:
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the President/CEO to negotiate and sign a contract for the Builders Risk Insurance Policy with a Maximum Contract Price of $____ for a period of five years.
(Finance & Risk Management: John Dillon, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. **AUTHORIZATION AND APPROVAL OF THE SALE OF UP TO $2.5 BILLION OF SUBORDINATE AIRPORT REVENUE AND REVENUE REFUNDING BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY AND APPROVAL OF RELATED DOCUMENTS, TO FUND THE NEW T1 PROJECTS AND TO REFUND THE AUTHORITY'S OUTSTANDING SENIOR SERIES 2013 BONDS:**
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2021____, authorizing the issuance and sale of not to exceed $2.5 billion in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue and Revenue Refunding Bonds; Approving the forms of a Ninth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, an Escrow Agreement, a Continuing Disclosure Certificate, and certain related matters.
(Scott Brickner, Vice President/CFO and John Dillon, Director, Finance & Risk Management)

15. **AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A CONTRACT FOR AIRPORT BUS AND SHUTTLE SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the President/CEO to negotiate and execute a Contract for Airport Bus and Shuttle Services.
(Ground Transportation: Marc Nichols, Director)

16. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A 20-YEAR TELECOMMUNICATION LICENSE AGREEMENT TO CELLCO PARTNERSHIP DBA VERIZON WIRELESS TO FINANCE, DESIGN, BUILD, OPERATE AND MAINTAIN AND MANAGE AN AIRPORT CAMPUS-WIDE CELLULAR SERVICE INFRASTRUCTURE AND SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing the President/CEO to negotiate and execute a 20-year Telecommunication License Agreement to Cellco Partnership dba Verizon Wireless to finance, design, build, operate, and maintain and manage an Airport Campus-wide Cellular Service Infrastructure and Services.
(Revenue Generation & Partnership Development: Jim DeCock, Interim Director)

17. **AWARD A TEN-YEAR CONCESSION LEASE TO AIRPORT DIMENSIONS TO DESIGN, BUILD AND OPERATE A COMMON USE LOUNGE WITHIN TERMINAL 2 WEST:**
RECOMMENDATION: Adopt Resolution No. 2021-____, awarding a non-exclusive concession lease to Airport Dimensions to design, build and operate an airport lounge within Terminal 2 West at San Diego International Airport for a term not to exceed ten years with rent of the greater of 30% gross revenues or the required Minimum Annual Guarantee for each year and authorizing the President/CEO to take all necessary actions to execute the concession lease.
(Revenue Generation & Partnership Development: Jim DeCock, Interim Director)

18. **AUTHORIZE A 2% SURCHARGE FOR ALL FOOD AND BEVERAGE CONCESSIONS TO BE USED FOR EMPLOYEE COMPENSATION AND RETENTION:**
RECOMMENDATION: Adopt Resolution No. 2021-____, authorizing an amendment to food and beverage concession leases to allow the inclusion of a voluntary surcharge of 2% for food and beverage to be used for employee benefits and retention.
(Revenue Generation & Partnership Development: Jim DeCock, Interim Director)

CLOSED SESSION:

19. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

20. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of case: Neighbors Against Noise and Traffic v. City of El Cajon, et al., San Diego Superior Court Case No. 37-2021-00016823-CU-TT-CTL

21. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS
Number of potential cases: 1

22. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:
(Government Code §54956.8)
Property: 2 parcels of land situated in the City of San Diego, County of San Diego, State of California, said parcels being a portion of that 231.21 acre tract of land acquired by Warranty Deed from San Diego Securities Company dated June 4, 1917 and recorded June 9,1917 in Book 740 at page 61 of Deeds in the Office of the Recorder of San Diego County and a portion of that 180.34 acre tract of land acquired by Deed from the City of San Diego dated December 1, 1916 and recorded September 5, 1917 in Book 739 at page 307 of Deeds In the Office of the Recorder of San Diego County and said parcels being designated for the purpose of this description as Parcel 1 and Parcel 2. Parcel 1- approximately 14.03 acres of land and Parcel 2-approximately 2.39 acres of land as more specifically described in the Lease Agreement between the United States of America and the San Diego County Regional Airport Authority, Authority Lease No. LE-0107.
Agency negotiator: Hampton Brown, Matt Harris, Susan Diekman, Jim DeCock, Amy Gonzalez
Negotiating parties: David Bixler, Michael Oestericher, Russell Rang, Reid Merrill, Curtis Permito- United State of America, Department of the Navy
Under negotiation: Price and terms of payment

REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

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

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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

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

Ex-Officio Board Members
Col. Thomas M. Bedell
Gustavo Dallarda
Gayle Miller

President/CEO
Kimberly J. Becker

DRAFT
Airport Land Use Commission Agenda

Thursday, November 4, 2021
9:00 A.M. or immediately following the Board Meeting

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

This meeting of the Airport Land Use Commission of the San Diego County Regional Airport Authority will be conducted pursuant to the provisions of California Assembly Bill 361 which suspends certain requirements of the Ralph M. Brown Act. During the current State of Emergency and in the interest of public health, all Commission Members will be participating in the meeting electronically. In accordance with the Assembly Bill, there will be no members of the public in attendance at the Commission Meeting. We are providing alternatives to in-person attendance for viewing and participating in the meeting. In lieu of in-person attendance, members of the public may submit their comments in the following manner.

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ROLL CALL:

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1. **APPROVAL OF MINUTES:**
   RECOMMENDATION: Approve the minutes of the October 7, 2021 regular meeting.

CONSISTENCY DETERMINATIONS

2. **REPORT OF DETERMINATIONS OF CONSISTENCY WITH AIRPORT LAND USE COMPATIBILITY PLANS: SAN DIEGO INTERNATIONAL AIRPORT ALUCP 4741-4743 NIAGARA AVENUE, 1620 UNION STREET, 4928 BRIGHTON AVENUE:**
   RECOMMENDATION: Receive the report.
   (Planning & Environmental Affairs: Ralph Redman, Manager, Airport Planning)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

COMMISSION COMMENT:

ADJOURNMENT:

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