

SUPPLEMENT TO OFFICIAL STATEMENT DATED OCTOBER 6, 2021

\$35,105,000

**SYRACUSE REGIONAL AIRPORT AUTHORITY
SENIOR AIRPORT REVENUE REFUNDING BONDS, SERIES 2021**

This Supplement to Official Statement (the “Supplement”) supplements the Official Statement dated October 6, 2021 (the “Official Statement”) with respect to the above-referenced Bonds. This Supplement constitutes an integral part of the Official Statement and should be read in conjunction with the Official Statement. All capitalized terms not defined herein shall have the meaning set forth in the Official Statement.

The table of maturities, principal amounts, interest rates, yields, and CUSIP Numbers set forth on the inside cover of the Official Statement is hereby deleted in its entirety and replaced with the following:

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS
\$35,105,000
SYRACUSE REGIONAL AIRPORT AUTHORITY**

SENIOR AIRPORT REVENUE REFUNDING BONDS, SERIES 2021 (AMT)

Maturity (July 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	CUSIP Number [†]
2022	450,000	4.000	0.270	871740AA4
2023	2,065,000	5.000	0.410	871740AB2
2024	2,170,000	5.000	0.520	871740AC0
2025	2,285,000	5.000	0.680	871740AD8
2026	2,395,000	5.000	0.880	871740AE6
2027	2,515,000	5.000	1.110	871740AF3
2028	2,640,000	5.000	1.300	871740AG1
2029	2,775,000	5.000	1.500	871740AH9
2030	2,915,000	5.000	1.650	871740AJ5
2031	3,060,000	5.000	1.750	871740AK2
2032	2,145,000	5.000	1.820*	871740AL0
2033	2,255,000	5.000	1.890*	871740AM8
2034	2,365,000	5.000	1.930*	871740AN6
2035	2,485,000	4.000	2.070*	871740AP1
2036	2,585,000	4.000	2.100*	871740AQ9

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*Priced at the stated yield to the July 1, 2031 optional redemption date at a redemption price of 100%.

October 14, 2021

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NEW ISSUE – BOOK-ENTRY ONLY

Ratings: See “RATINGS” herein

In the opinion of Hancock Estabrook, LLP, Bond Counsel to the Authority, under existing statutes and court decisions, and assuming compliance with certain tax covenants described herein, interest on the Series 2021 Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except for interest on any Series 2021 Bonds for any period during which such Series 2021 Bond is owned by a person who, within the meaning of Section 147(a) of the Code is a “substantial user” of the facilities financed or refinanced with proceeds of the Series 2021 Bonds or any person who is related to such person; and (b) treated as an “item of tax preference” for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, based on existing law, for so long as interest on the Series 2021 Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. See “TAX MATTERS” herein.



\$35,105,000

**SYRACUSE REGIONAL AIRPORT AUTHORITY
SENIOR AIRPORT REVENUE REFUNDING BONDS
SERIES 2021 (AMT)**

Dated: Date of Delivery

Due: July 1, as shown on inside cover

The Syracuse Regional Airport Authority (the “Authority”) is issuing its Senior Airport Revenue Refunding Bonds, Series 2021 (AMT) (the “Series 2021 Bonds”) under and pursuant to the Syracuse Regional Airport Authority Act constituting Title 34 of Article 8 of the Public Authorities Law of the State of New York (the “Act”), a Master Resolution adopted by the Authority on September 24, 2021 (the “Master Resolution”), a First Supplemental Resolution adopted by the Authority on September 24, 2021 (the “First Supplemental Resolution” and, together with the Master Resolution, the “Resolution”), and a Certificate of Determination to be dated as of October 28, 2021. Manufacturers and Traders Trust Company will act as trustee for the Series 2021 Bonds under the Resolution (the “Trustee”) and will also serve as registrar and paying agent for the Series 2021 Bonds. See “DESCRIPTION OF THE SERIES 2021 BONDS” herein.

The proceeds of the Series 2021 Bonds will be used together with other available funds of the Authority to (i) currently refund the City of Syracuse’s (the “City”) General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A (Subject to the Alternative Minimum Tax) (the “Series 2011A Bonds”) relating to the 2011 Project Facility (as defined herein), (ii) currently refund the Authority’s Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 (the “Series 2019 Notes”), (iii) fund the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds.

Interest on the Series 2021 Bonds will be payable on January 1 and July 1 of each year commencing on July 1, 2022. The Series 2021 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple of \$5,000 in excess thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2021 Bonds. See “APPENDIX B – BOOK-ENTRY ONLY SYSTEM” herein.

The Series 2021 Bonds are subject to optional redemption prior to maturity, as more fully described herein.

THE SERIES 2021 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF NET REVENUES (AS DEFINED HEREIN) DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE SYRACUSE HANCOCK INTERNATIONAL AIRPORT (THE “AIRPORT”), AND SUCH OTHER AMOUNTS, FUNDS AND ACCOUNTS PLEDGED UNDER THE RESOLUTION. THE SERIES 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY. NONE OF THE PROPERTIES OF THE AUTHORITY ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN (EXCEPT FOR THE LIEN CREATED BY THE RESOLUTION ON THE NET REVENUES) FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2021 BONDS AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF NEW YORK (THE “STATE”) OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2021 BONDS.

The Series 2021 Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer, the receipt of the approving opinion as to the validity of the Series 2021 Bonds of Hancock Estabrook, LLP, Bond Counsel. Certain legal matters with respect to the Official Statement will be passed upon by Hancock Estabrook, LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Authority by R. John Clark, General Counsel to the Authority. Certain legal matters will be passed upon for the Underwriter by its counsel, Barclay Damon LLP. It is anticipated that the Series 2021 Bonds will be available for delivery in Jersey City, New Jersey, or as may be agreed upon, on or about October 28, 2021.

Morgan Stanley

October 6, 2021

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS
\$35,105,000
SYRACUSE REGIONAL AIRPORT AUTHORITY

SENIOR AIRPORT REVENUE REFUNDING BONDS, SERIES 2021 (AMT)

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2027	2,515,000	5.000	1.110	871740AF3
2028	2,640,000	5.000	1.300	871740AG1
2029	2,775,000	5.000	1.500	871740AH9
2030	2,915,000	5.000	1.650	871740AJ5
2031	3,060,000	5.000	1.750	871740AK2
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2035	2,485,000	4.000	2.070*	871740AP1
2036	2,585,000	4.000	2.100*	871740AQ9

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*Priced at the stated yield to the July 1, 2031 optional redemption date at a redemption price of 100%.

SYRACUSE REGIONAL AIRPORT AUTHORITY
Syracuse, New York

VOTING MEMBERS

Name	Office	Term Expires
Jo Anne C. Gagliano	Chair	December 31, 2024
William P. Fisher	Vice Chair	December 31, 2022
Dr. Shiu-Kai Chin	Financial Officer	December 31, 2023
William Meyer	Member	December 31, 2021
Michael J. Lazar	Member	December 31, 2024
Robert Simpson	Member	December 31, 2022
Michael Frame	Member	December 31, 2023
Latoya Allen	Member	December 31, 2022
Kenneth J. Kinsey	Member	December 31, 2024
Hon. Michael Quill	Member	December 31, 2024
Dr. Donna De Siato	Member	December 31, 2024

ADVISORY MEMBERS

Name	Term Expires
Hon. Morris Sorbello	December 31, 2021
Gary E. Robb	December 31, 2021
Christopher J. Randall	December 31, 2021
Michael C. Lawrence	December 31, 2021
Grant Sussey	December 31, 2021
Ronald VanDee	December 31, 2021
Michael Chapman	December 31, 2021
Daniel DeGear	December 31, 2021

SENIOR EXECUTIVE STAFF

Name	Title
H. Jason Terreri	Executive Director
John Carni	Chief Operations Officer
Robin Watkins	Chief Financial Officer
R. John Clark, Esq	General Counsel
Jason Mehl	Chief Commercial Officer
Debi Marshall	Human Resources Manager

PROFESSIONAL SERVICES

Hancock Estabrook, LLP
Bond Counsel and Disclosure Counsel

Frasca & Associates, LLC
Municipal Advisor

No dealer, broker, sales representative or other person has been authorized by the Authority or the Underwriter to give any information or to make any representations with respect to the Series 2021 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained by the Authority from Authority records and from other sources that are believed by the Authority to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2021 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. This Official Statement is submitted in connection with the sale of the Series 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Authority and purchasers or owners of any of the Series 2021 Bonds.

Neither the Authority's independent auditor nor any other independent accountants have compiled, examined, or performed any additional procedures with respect to the financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the financial information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2021 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The statements contained in this Official Statement and in the Appendices hereto that are not purely historical, are forward-looking statements, including statements regarding the 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 Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the 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 Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

The 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 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 ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, IS NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2021 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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OFFICIAL STATEMENT

relating to

\$35,105,000

SYRACUSE REGIONAL AIRPORT AUTHORITY SENIOR AIRPORT REVENUE REFUNDING BONDS SERIES 2021 (AMT)

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover pages and Appendices attached hereto, is to provide information with respect to the issuance by the Syracuse Regional Airport Authority (the “Authority”) of its \$35,105,000 aggregate principal amount of Senior Airport Revenue Refunding Bonds, Series 2021 (AMT) (the “Series 2021 Bonds”).

The Authority

The Authority is a public benefit corporation established and existing pursuant to the Syracuse Airport Authority Act, constituting Title 34 of Article 8 of the New York State Public Authorities Law (the “Act”). The State of New York (the “State”) created the Authority in 2011 with the purpose, among others, of promoting safe, secure, and economical air travel in the Central Upstate New York region.

The Authority’s board consists of eleven voting members. Seven of the voting members are appointed by the Mayor of the City of Syracuse (the “City”). Three voting members are appointed by, respectively, the County Executive of the County of Onondaga, the town board of the Town of Dewitt, and the Board of Education of the East Syracuse Minoa Central School District. Each of the foregoing members is appointed for a four (4) year term. The final voting member is appointed for a period of one year, this member is appointed by, in alternating years, the Board of Education of North Syracuse Central School District and the respective town boards of the Towns of Salina, Cicero, or Clay. Currently, this voting member has been appointed by the town board of the Town of Cicero. See “THE AUTHORITY”.

The Authority’s non-voting regional advisory board consists of eight non-voting members appointed by the County Executive of the County of Oneida, the respective chairperson of the County Legislatures of Onondaga County, Oswego County, Cortland County, Cayuga County, and Jefferson County, the Board of Supervisors of Madison County, and the Common Council of the City.

The Airport

The Syracuse Hancock International Airport (the “Airport”) is owned by the City and is occupied and operated by the Authority under an Airport Lease Agreement with the City dated November 25, 2013 (the “City Lease”), pursuant to which the City leased the Airport to the Authority for an original term of forty (40) years commencing March 31, 2014. Pursuant to the City Lease, the Authority has covenanted to maintain the Airport on behalf of the City, and is responsible for all revenue-producing functions, facilities, and properties associated with the Airport. The City has covenanted in the City Lease, among other things, that the City will not impair the rights or obligations of the Authority to fulfill the terms of any agreements with the holders of the Authority’s bonds. See “THE AUTHORITY - The City Lease” and “APPENDIX D – SUMMARY OF THE CITY LEASE”.

The Airport is the primary provider of commercial air transportation serving the Central Upstate New York Region, including the City. The Airport's primary air service area (the area from which the Airport draws the majority of its passengers) encompasses Onondaga County, Oswego County, Madison County and Cayuga County. The Airport's secondary air service area includes additional counties in the upstate region of the State: Jefferson, St. Lawrence, Tioga, Broome, Chenango, Cortland, Tompkins, Oneida, Lewis, Herkimer, Seneca and Chemung. The Airport, classified by the Federal Aviation Administration (the "FAA") as a "small hub" airport, enplaned 433,775 passengers in calendar year 2020 and 1,271,872 passengers in calendar year 2019 according to FAA data. Like other airports, the level of enplaned passengers in calendar year 2020 was negatively impacted by the COVID-19 pandemic. See "THE AIRPORT – Regional Airport Perspective" and "THE AUTHORITY – Impact of the COVID-19 Pandemic on the Airport and the Authority's Response".

Authorization

The Series 2021 Bonds are being issued by the Authority pursuant to the Act, a Master Resolution adopted by the Authority on September 24, 2021 (the "Master Resolution"), a First Supplemental Resolution adopted by the Authority on September 24, 2021 (the "First Supplemental Resolution" and, together with the Master Resolution, collectively, the "Resolution"), and a Certificate of Determination to be dated as of October 28, 2021 (the "Certificate of Determination"). Manufacturers and Traders Trust Company will act as trustee for the Series 2021 Bonds under the Resolution (the "Trustee") and will also serve as registrar and paying agent for the Series 2021 Bonds.

Purpose of the Issue

The proceeds of the sale of the Series 2021 Bonds, together with other available funds of the Authority, will be used to provide funds to (i) currently refund the City's General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A (Subject to the Alternative Minimum Tax) (the "Series 2011A Bonds") relating to the 2011 Project Facility (as defined herein), (ii) currently refund the Authority's Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 (the "Series 2019 Notes") , (iii) fund the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds.

See "PLAN OF FINANCE," and "ESTIMATED SOURCES AND USES OF FUNDS."

Security for the Series 2021 Bonds

The Series 2021 Bonds are payable solely from and secured solely by a pledge of and lien upon the Net Revenues (as defined herein) derived by the Authority from operation of the Airport, and such other amounts, funds and accounts established or continued by the Master Resolution. The Authority has covenanted in the Resolution that no additional bonds or other securities will be issued with a lien on or security interest granted in Net Revenues senior to the lien of the Series 2021 Bonds. At the time of this Official Statement, there are no outstanding obligations under the Master Resolution issued on a parity basis with the Series 2021 Bonds. The Series 2021 Bonds are secured by a pledge of and lien on Net Revenues on a parity with any additional bonds issued on a parity with respect to Net Revenues pursuant to the terms of the Master Resolution. For purposes of this Official Statement, "Bonds" means the Series 2021 Bonds and any additional bonds issued on parity with the Series 2021 Bonds in accordance with the terms of the Master Resolution. See "APPENDIX C – CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION."

Subject to certain exclusions, "Revenues" are defined to include all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport, as determined in accordance with generally accepted accounting principles, as modified from time to time.

Pursuant to the Master Resolution, passenger facility charges ("PFCs") may be included in the definition of Revenues. A portion of the Series 2021 Bonds are designated as PFC Bonds (as defined herein). The portion of the Series 2021 Bonds designated as PFC Bonds are secured by an additional pledge and assignment of Available PFC Revenues (as defined herein).

“Available PFC Revenues” means (i) with respect to the pledge and deposit requirements under the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting such PFCs) collected by the Authority pursuant to the PFC Acts (as defined herein), and (ii) for any historical or projected twelve-month period relating to compliance with the test for Additional Bonds described under the Master Resolution or for purposes of determining compliance with debt service coverage covenant of the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting the PFCs) collected or accrued or projected to be collected or accrued by the Authority pursuant to the PFC Acts during such period. The Authority has not previously pledged its PFC revenues. See “AUTHORITY FINANCIAL MATTERS – The PFC Program.”

Limited Obligations of the Authority

THE SERIES 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS SOLELY FROM THE NET REVENUES OF THE AUTHORITY PLEDGED THEREFOR UNDER THE TERMS OF THE RESOLUTION AND AVAILABLE FOR SUCH PAYMENT. THE SERIES 2021 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF SYRACUSE, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF SYRACUSE, SHALL BE LIABLE THEREON. THE SERIES 2021 BONDS SHALL NOT BE PAYABLE FROM ANY OTHER FUNDS OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Additional Bonds

The Authority may in the future issue one or more series of Additional Bonds on a parity as to security and payment with the Series 2021 Bonds, and any other series of Bonds then outstanding, subject to the statutory cap of \$200,000,000 set forth in the Act and subject to satisfying certain tests in the Master Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Additional Bonds.” The Authority is also permitted to incur subordinate indebtedness under the Master Resolution, the subordinate indebtedness is also subject to the statutory cap set forth in the Act. See “APPENDIX C – CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION-Subordinate Obligations”.

Redemption

The Series 2021 Bonds maturing after July 1, 2031 are subject to optional redemption prior to maturity, as more fully described herein. See “DESCRIPTION OF THE SERIES 2021 BONDS – Redemption Provisions”.

COVID-19 Global Pandemic

The outbreak of COVID-19 in 2020 and the continuing impacts of the pandemic in 2021 and related restrictions and measures adopted to contain the spread of the virus have had a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and its concessionaires, and have caused high unemployment and a contraction of global and national economies. Airlines reported a drastic and unprecedented decrease in traffic, causing the cancellation of numerous flights, as well as expectations for continued reduced levels of traffic. Likewise, retail concessionaires at the Airport either temporarily closed certain locations or reported drastic declines in sales. These concession arrangements include gross sales payment mechanisms and, accordingly, such reductions in sales can be expected to reduce Airport revenues from these concessionaires. In addition to the impact on concessionaires, the reduction in air travel has had an adverse effect on parking, ground transportation and rental car revenues at the Airport. The Authority has undertaken certain measures to alleviate the effects of the reduction in travel, including deferrals of certain payments by the airlines and concessionaires, temporary closure of facilities, and certain targeted reductions in operating expenses. In response to the COVID-19 pandemic, the Authority received certain grant funds which serve to mitigate the reduction in revenues. See “THE AUTHORITY – Impact of the COVID-19 Pandemic on the Airport and the Authority’s Response.”

Continuing Disclosure

In accordance with Rule 15c2-12(b)(5) of the U.S. Securities and Exchange Commission, the Authority has covenanted to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agreement (as defined herein) in substantially the form appearing as APPENDIX F to this Official Statement. See “CONTINUING DISCLOSURE” and APPENDIX F.

Investment Considerations

The purchase and ownership of the Series 2021 Bonds involve investment risks. Prospective purchasers of the Series 2021 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2021 Bonds, see “INVESTMENT CONSIDERATIONS.”

Forward-Looking Statements

The statements contained in this Official Statement and in the Appendices hereto that are not purely historical, are forward-looking statements, including statements regarding the 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 Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the 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 Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Additional Information

Brief descriptions of the Series 2021 Bonds, the Airport, the Master Resolution, the First Supplemental Resolution 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. Information contained herein has been obtained from officers, employees and records of the Authority and from other sources believed to be reliable. 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 Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority and purchasers or owners of any of the Series 2021 Bonds. The Authority maintains certain websites, 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 Series 2021 Bonds.

PLAN OF FINANCE

General

The proceeds of the sale of the Series 2021 Bonds, together with other available funds of the Authority, will be used to provide funds to (i) currently refund the City's Series 2011A Bonds; (ii) currently refund the Authority's Series 2019 Notes, (iii) fund the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds.

Plan of Refunding

Series 2011A Bonds

Prior to March 1, 2014, capital expenditures for the Airport were financed by the City. The City previously caused to be executed and delivered its \$44,330,000 Series 2011A Bonds. The proceeds of the Series 2011A Bonds were used to finance the acquisition, construction, and improvement of certain portions of the Airport, including relocation of the baggage screening area to the rear of the Airport terminal, including construction of new baggage belt processing, reconstruction of two checkpoint areas into one checkpoint area on the Airport second level, and the equipping of the terminal with certain items of equipment, machinery, fixtures, and other items of tangible personal property (collectively, the "2011 Project Facility").

The Authority intends to redeem all of the currently outstanding Series 2011A Bonds (the "Refunded 2011A Obligations") identified below:

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> ¹	<u>CUSIP Number</u> ²
2022	\$1,550,000	871702F68
2023	1,615,000	871702F76
2024	1,680,000	871702F84
2025	1,755,000	871702F92
2026	1,830,000	871702G26
2031	10,565,000	871702G34
2036	13,490,000	871702G42

¹ The Refunded 2011A Obligations will be redeemed at par plus accrued interest.

² CUSIP numbers are provided only for the convenience of the reader. Neither the Authority nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in this list of CUSIP numbers.

The net proceeds of the Series 2021 Bonds allocable to the refunding of the Refunded 2011A Obligations will be deposited with the Trustee, as paying agent and escrow agent (the "Escrow Agent"), and held in an escrow fund (the "Series 2011A Escrow Fund") created under the terms of an escrow agreement dated the date of delivery of the Series 2021 Bonds (the "Series 2011A Escrow Agreement"), by and between the Authority and the Escrow Agent. Proceeds deposited into the Series 2011A Escrow Fund will be held uninvested in cash, and such amounts will be used to pay all principal and interest due on the Refunded 2011A Obligations on November 29, 2021.

Precision Analytics Inc. (the "Verification Agent") will verify that the amounts deposited to the Series 2011A Escrow Fund will be sufficient to pay all principal and interest due on the Refunded 2011A Obligations on November 29, 2021. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Series 2019 Notes

The Authority previously caused to be executed and delivered its \$15,757,000 aggregate principal amount of the Series 2019 Notes. The proceeds of the Series 2019 Notes were used to refinance certain revolving indebtedness of the Authority to KeyBank National Association, the proceeds of which were used to finance the acquisition, construction, and improvement of certain portions of the Airport's terminal, and the equipping of the terminal with certain items of equipment, machinery, fixtures, and other items of tangible personal property.

The Authority intends to redeem all of the Series 2019 Notes (the “Refunded 2019 Obligations” and, together with the Refunded 2011A Obligations, the “Refunded Obligations”) identified below:

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal¹</u>	<u>CUSIP Number²</u>
2021	\$4,221,000	N/A
2022	3,694,000	N/A
2024	1,583,000	N/A
2025	1,583,000	N/A
2026	1,720,000	N/A

¹ The Refunded 2019 Obligations will be redeemed at a 1% premium plus accrued interest.

² CUSIP numbers are provided only for the convenience of the reader. Neither the Authority nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in this list of CUSIP numbers.

The net proceeds of the Series 2021 Bonds allocable to the refunding of the Refunded 2019 Obligations will be deposited with the Escrow Agent and held in an escrow fund (the “Series 2019 Escrow Fund”) created under the terms of an escrow agreement dated the date of delivery of the Series 2021 Bonds (the “Series 2019 Escrow Agreement”), by and between the Authority and the Escrow Agent. Proceeds deposited into the Series 2019 Escrow Fund will be held uninvested in cash, and such amounts will be used to pay all principal and interest due on the Refunded 2019 Obligations on October 29, 2021.

The Verification Agent will verify that the amounts deposited to the Series 2019 Escrow Fund will be sufficient to pay all principal and interest due on the Refunded 2019 Obligations on October 29, 2021. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds realized upon the sale of the Series 2021 Bonds and the implementation of the Plan of Finance described above:

SOURCES:	
Principal Amount	\$35,105,000.00
Original Issue Premium	7,468,403.30
Authority Funds	3,471,943.75
TOTAL	\$46,045,347.05
USES	
Deposit to Escrow Funds	\$42,066,774.07
Deposit to Reserve Fund	3,510,500.00
Costs of Issuance*	468,072.98
TOTAL	\$46,045,347.05

* Includes Underwriter’s discount, fees of Trustee, Financial Advisor, Escrow Agent, Verification Agent, Bond Counsel, printing expenses and miscellaneous fees and expenses.

DESCRIPTION OF THE SERIES 2021 BONDS

General

The Series 2021 Bonds will bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2021 Bonds will be dated their date of delivery and will bear interest from that date payable semi-annually on January 1 and July 1 of each year, commencing July 1, 2022 (each an “Interest Payment Date”). Interest due and payable on the Series 2021 Bonds on any Interest Payment Date will be paid to the person who is the registered owner as of the close of business on the 15th day of the calendar month next preceding such Interest Payment Date. Each 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 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 Series 2021 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to April 1, 2022, in which event such Series 2021 Bond will bear interest from its date of initial delivery. If interest on the Series 2021 Bonds is in default, Series 2021 Bonds issued in exchange for 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 Series 2021 Bonds surrendered.

The Series 2021 Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository (the “Securities Depository”) for the Series 2021 Bonds. Individual purchases will be made in book-entry form only in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2021 Bonds. See “APPENDIX B - BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions

Optional Redemption. The Series 2021 Bonds maturing after July 1, 2031 are subject to redemption by the Authority at its option on or after July 1, 2031, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bonds or portions thereof to be redeemed, plus accrued interest, if any, to the Redemption Date. The Trustee will call the Series 2021 Bonds for redemption upon receipt of notice from the Authority, directing such redemption, which notice shall be sent to the Trustee at least twenty days prior to the Redemption Date or such fewer number of days as shall be acceptable to the Trustee, and shall specify (i) the Series 2021 Bonds so to be called for redemption, and (ii) the Redemption Price.

Purchase in Lieu of Redemption. If some or all of the Series 2021 Bonds are called for redemption in whole or in part pursuant to the terms of the Resolution, such Series 2021 Bonds called for redemption may be purchased in lieu of redemption in accordance with the Resolution. Purchase in lieu of redemption shall be available for all of the Series 2021 Bonds called for redemption or for such lesser portion of such Series 2021 Bonds in denominations of \$5,000 or any integral multiple in excess thereof. The Authority may direct the Trustee to purchase all or such lesser portion of the Series 2021 Bonds so called for redemption. Any such direction to the Trustee must: (i) be in writing; (ii) state either that all of the Series 2021 Bonds called for redemption are to be purchased or, if less than all of the Series 2021 Bonds called for redemption are to be purchased, identify those Series 2021 Bonds to be purchased; and (iii) be received by the Trustee no later than 12:00 noon, New York City time, one Business Day prior to the Redemption Date.

See “APPENDIX C – CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION”

Notice of Redemption

When Series 2021 Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Authority stating: (i) the Series 2021 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof (except in the case of a mandatory sinking fund redemption of Series 2021 Bonds without premium, in which case the principal will be due and payable on the Redemption Date and the interest will be paid on such date as provided in the Resolution), and (v) that from and after the Redemption Date interest thereon shall cease to accrue. With respect to any redemption described under the heading “Optional Redemption” above, any such notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee, on or prior to the Redemption Date, of moneys sufficient, together with any other moneys held by the Trustee and available therefor, to pay on the Redemption Date the Redemption Price of the Series 2021 Bonds to be redeemed, and that if such moneys are not received on or prior to the Redemption Date such notice shall be of no force or effect and such Series 2021 Bonds shall not be required to be redeemed. The Trustee shall mail a copy of such notice postage prepaid, not less than 20 days nor more than 60 days prior to the Redemption Date, to each Holder at the address of such Holder appearing on the registration books of the Authority, maintained by the Trustee, as Bond Registrar. Such mailing shall not be a

condition precedent to such redemption, and failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Series 2021 Bonds.

Partial Redemption of Series 2021 Bonds

Upon surrender of any Series 2021 Bond for redemption in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Holder thereof a new Series 2021 Bond or Series 2021 Bonds of the same series in an aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Selection of Bonds to be Called for Redemption

If less than all Series 2021 Bonds of the same series and maturity are to be redeemed, the Series 2021 Bonds of such series and maturity to be called for redemption shall be selected by lot. If less than all of the Series 2021 Bonds of the same series and different maturities are to be redeemed, the Series 2021 Bonds to be redeemed shall be as directed by the Authorized Representative of the Authority in writing, or if no such written direction is received by the Trustee, the principal amount of such redemption shall be applied in inverse order of maturity and by lot within a maturity.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS

Following is a summary of certain provisions of the Resolution, including, among other things, sections of the Master Resolution detailing the pledge of Net Revenues, the rate covenant, the funding and utilization of the Reserve Fund and the issuance of Series 2021 Bonds. These summaries are not comprehensive or definitive. See APPENDIX C for a more complete description of these provisions of the Master Resolution.

Pledge of Net Revenues

The Series 2021 Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of Net Revenues derived by the Authority from the operations of the Airport, and such other amounts, funds and accounts pledged therefor under the Resolution, as further described herein.

The Master Resolution generally defines “Net Revenues” to mean, for any given period, the Revenues (as defined below) for such period, less the Maintenance and Operation Costs (as defined below) for such period.

The Master Resolution generally defines “Revenues” to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the Authority from the operation and ownership, and lease of the Airport, 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 Authority for the use or availability of the Airport, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport or activities or undertakings related thereto. Additionally, “Revenues” shall 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 Resolution to fund the Construction Fund) from the investment of amounts held in the Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Reserve Fund, any Debt Service Reserve Fund and such additional revenues, if any, as are designated as “Revenues” under the terms of any Supplemental Resolution. Additionally, “Revenues” shall also include Available PFC Revenues to the extent and for so long as Available PFC Revenues have been pledged to the payment of PFC Bonds under the terms of any Supplemental Resolution, but shall be excluded with respect to any Bonds which are not PFC Bonds. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the Authority gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of “Revenues” which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (ii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt

service on the Bonds (except to the extent Net Proceeds are utilized to pay Maintenance and Operation Costs), and (iii) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in the Master Resolution). In addition, the following, including any investment earnings thereon, are specifically excluded from “Revenues”, unless designated as “Revenues” under the terms of a Supplemental Resolution: (A) any termination payments paid to the Authority pursuant to a Qualified Swap, (B) Facilities Construction Credits, (C) Passenger Facility Charges unless otherwise so pledged as Available PFC Revenues, (D) Consolidated Facility Charges unless otherwise so pledged under the terms of any Supplemental Resolution, (E) Federal Direct Payments unless otherwise so pledged under the terms of any Supplemental Resolution, (F) Released Revenues, (G) subject to (i) in the previous sentence, grants and other charges authorized on or after the date of this Master Resolution by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport, (H) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, (I) any arbitrage earnings which are required to be deposited in the Arbitrage Rebate Fund and paid to the U.S. Government pursuant to Section 148 of the Code; and (J) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Resolution are specifically excluded from “Revenues”, unless otherwise provided for in such Supplemental Resolution.

The Master Resolution generally defines “Maintenance and Operation Costs” to mean, reasonable and necessary costs paid or incurred by the Authority for maintaining and operating the Airport, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport in good repair and working order, and including all administrative costs of the Authority that are charged directly or apportioned to the operation of the Airport, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the Authority or charges required to be paid by the Authority in order to comply with the terms hereof; but excluding in all cases payments in lieu of taxes to be paid by the Airport to the Authority, depreciation, replacement and obsolescence charges or reserves therefor, any principal payment in respect of capital leases or indebtedness including the Bonds, amortization or intangibles and any Maintenance and Operation Costs payable from moneys other than Revenues.

See “APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION.”

Pledge of Available PFC Revenues

The proceeds of the Series 2021 Bonds used to refund the Refunded Series 2011A Obligations will be designated as PFC Bonds and will be secured by an additional pledge and assignment of Available PFC Revenues. Pursuant to the Master Resolution, the Available PFC Revenues will be pledged and assigned as security for the repayment of PFC Bonds for so long as any PFC Bonds are outstanding and will be included in the definition of “Revenues” and for purposes of calculating the Reserve Requirement for so long as any PFC Bonds remain outstanding. The Authority has not previously issued any PFC Bonds.

The Master Resolution generally defines “PFC Bonds” to mean the ratable principal amount of any Bonds so-designated by the Authority at the time of issuance and delivery thereof, or from time to time thereafter, the proceeds from the sale of which are used to fund PFC Projects, fund the ratable portion of the Reserve Requirement with respect thereto, and pay the ratable portion of the costs of issuance thereof, or to refund Bonds meeting such requirements.

The Master Resolution generally defines “Available PFC Revenues” to mean, with respect to the pledge and deposit requirements under the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting such PFCs) collected by the Authority pursuant to the PFC Acts (as defined herein), and (ii) for any historical or projected twelve-month period relating to compliance with the test for additional Bonds described under the Master Resolution or for purposes of determining compliance with debt service coverage covenant of the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting the PFCs) collected or accrued or projected to be collected or accrued by the Authority pursuant to the PFC Acts during such period. The Authority has not previously pledged its PFC revenues.

See “AUTHORITY FINANCIAL MATTERS – The PFC Program.”

Limited Obligations

THE SERIES 2021 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT, AND SUCH OTHER AMOUNTS, FUNDS, AND ACCOUNTS PLEDGED UNDER THE RESOLUTION. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS SOLELY FROM THE NET REVENUES OF THE AUTHORITY PLEDGED THEREFOR UNDER THE TERMS OF THE RESOLUTION AND AVAILABLE FOR SUCH PAYMENT. NONE OF THE PROPERTIES OF THE AIRPORT AND THE AUTHORITY ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2021 BONDS. THE SERIES 2021 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF SYRACUSE, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF SYRACUSE, SHALL BE LIABLE THEREON. THE SERIES 2021 BONDS SHALL NOT BE PAYABLE FROM ANY OTHER FUNDS OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Flow of Funds

Pursuant to the Master Resolution, the Authority covenants that all Revenues will be received by the Authority in trust and will be deposited when and as received in the Authority's Revenue Fund (the "Revenue Fund") maintained by the Authority Treasurer, and all moneys in the Revenue Fund will be applied and used as provided in the Master Resolution.

As long as there are any Outstanding Bonds, all Revenues will be deposited by the Authority in the Revenue Fund and will be set aside, along with any other money, for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed:

First: The Authority shall pay all Maintenance and Operations Costs (including any amounts reasonably required be set aside in contingency reserves for Maintenance and Operations Costs, the payment of which is not then immediately required) and all fees, costs, and expenses of the Trustee (including all annual fees and charges) from the Revenue Fund as they become due and payable;

Second: To the Trustee for deposit in the Debt Service Fund (i) for a Series of Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in Section 5.07 hereof to provide for the payment of (A) the principal of and interest to become due on the Outstanding Bonds of a Series, (B) the principal and Sinking Fund Installments of Outstanding Bonds of a Series in the manner described in Section 5.07, and (C) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.07 hereof; or (ii) for a Series of Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

Third: To the Trustee, for deposit in the Reserve Fund an amount necessary to make the funds on deposit therein equal the Reserve Requirement;

Fourth: To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Debt Service Fund the amounts as are sufficient to pay the debt service on any indebtedness, including Subordinated Obligations, issued pursuant to the terms of a Subordinate Resolution or other agreement, but only to the extent (except as otherwise provided herein) a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness;

Fifth: To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Reserve Fund amounts as are sufficient to pay any reserve requirement for debt service for any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Resolution, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of any such debt service reserve requirement on such indebtedness;

Sixth: To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction;

Seventh: To the payments of amounts required to be deposited in the Maintenance and Operating Reserve Fund, if any, determined by the Authority pursuant to the Master Resolution.

All moneys and investments on deposit in the Revenue Fund and not on deposit in any of the funds or accounts or used for any of the purposes provided for above, or as otherwise provided for in a Supplemental Resolution or related Certificate of Determination, will remain on deposit in the Revenue Fund and used by the Authority for any lawful purpose.

So long as any PFC Bonds remain outstanding, the Master Resolution requires that PFC revenues be deposited in accordance with the following special procedures:

First: To the Trustee for deposit to separate sub-accounts in the Debt Service Fund established by the Supplement Resolution authorizing such PFC Bonds (i) for any PFC Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in Section 5.07 hereof to provide for the payment of (A) the principal of and interest to become due on the Outstanding PFC Bonds of a Series, (B) the principal and Sinking Fund Installments of Outstanding PFC Bonds of a Series in the manner described in Section 5.07, and (C) the purchase price or Redemption Price of Outstanding PFC Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.07 hereof; or (ii) for any PFC Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

Second: To the Trustee, for deposit to a separate account in the Reserve Fund established by the Supplemental Resolution authorizing, an amount necessary to make the funds on deposit therein equal the Reserve Requirement relating to any PFC Bonds;

Third: To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

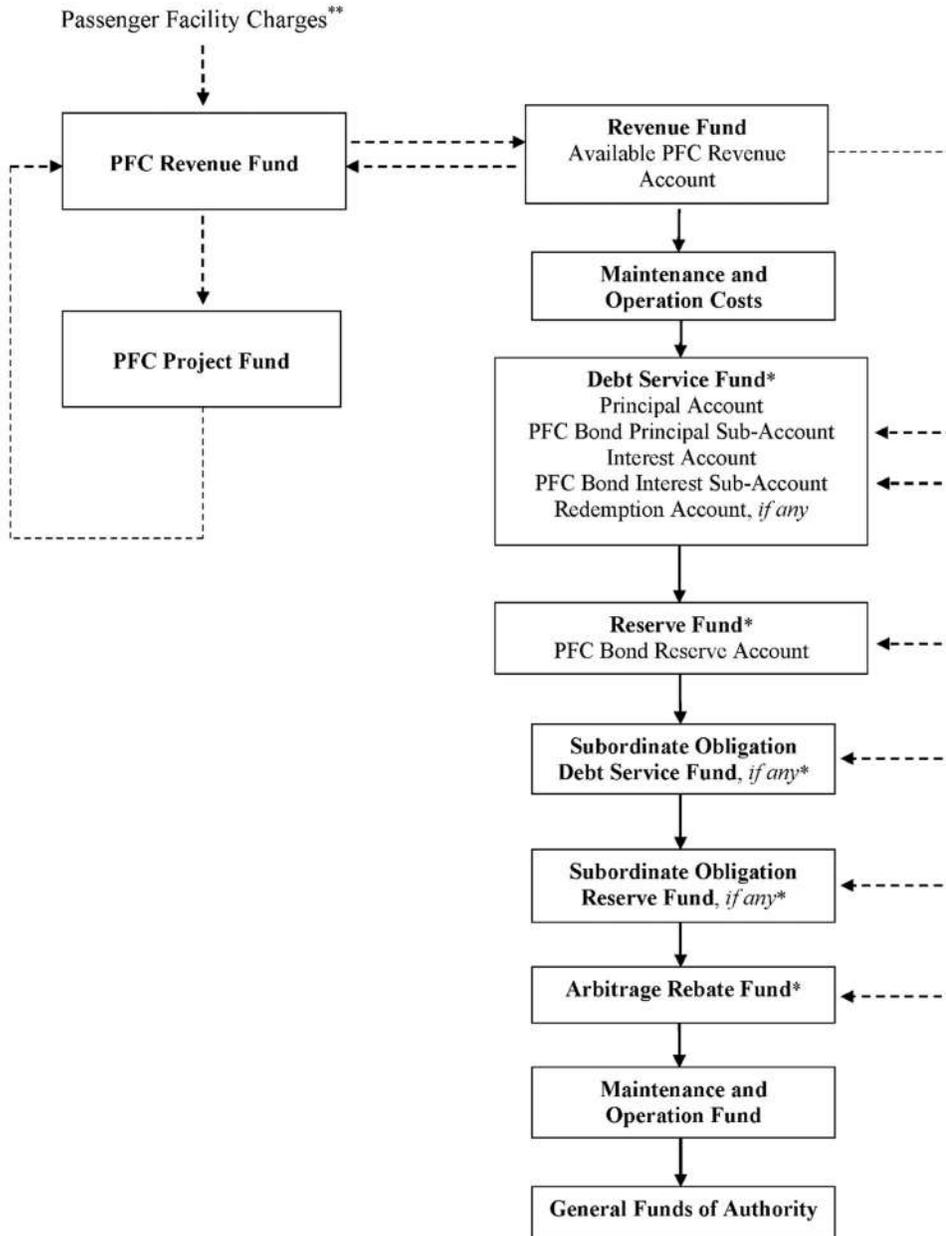
Fourth: To the Authority, to be restored to the PFC Revenue Fund for any lawful purpose.

Available PFC Revenues may not be used to pay Maintenance and Operation Costs, but shall be deposited directly from the Available PFC Revenue Account of the Revenue Fund into the appropriate funds and accounts under the Master Resolution.

If the Authority does not use the full amount of Available PFC Revenues to pay debt service on PFC Bonds in any Fiscal Year, any unused portion may be transferred to the PFC Revenue Fund and used for any lawful purpose.

The following graphic summarizes the flow of funds described herein:

FLOW OF FUNDS UNDER THE RESOLUTION



Dashed lines indicate transfers of PFCs, including Available PFC Revenues.

**Funds of Accounts held by Trustee.*

****For deposit of PFC revenues.** The Authority also may determine to irrevocably commit Available PFC Reserves to pay debt service on PFC Bonds in the future. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 Bonds – Pledge of Available PFC Revenues" above. Available PFC Revenues may not be used for either: (i) the payment of Maintenance and Operation Expenses; or (ii) deposited into the Maintenance and Operation Reserve Fund.

See “APPENDIX C — CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION.”

Rate Covenant

Under the Master Resolution, the Authority covenants that while any Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the Authority as of the date of execution of the Master Resolution setting forth restrictions relating thereto), it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

- (a) the Annual Debt Service on any Outstanding Bonds required to be funded by the Authority in such Fiscal Year as required by the Master Resolution or any Supplemental Resolution with respect to the Outstanding Bonds;
- (b) the required deposits to the Debt Service Reserve Fund, if any, or any other Reserve Fund which may be established by a Supplemental Resolution or a related Certificate of Determination;
- (c) the reimbursement or repayment of other amounts owed to any Credit Facility Provider or Liquidity Facility Provider as required by a Supplemental Resolution or a related Certificate of Determination;
- (d) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than for Outstanding Bonds, including Subordinate Obligations; and
- (e) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

The Authority will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any Transfer, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of this paragraph, the amount of any Transfer taken into account will not exceed 25% of the Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

If Net Revenues, together with any Transfer (as applied in accordance the above), in any Fiscal Year are less than the amount specified above, the Authority shall, within sixty (60) days of such determination, retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport and its schedule of rentals, rates, tolls, fees and charges for the use of the Airport and for services rendered by the Authority in connection with the Airport. The Consultant shall be given sixty (60) days following such engagement to deliver a written report setting forth the foregoing recommendations, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Authority shall, within sixty (60) days following the receipt thereof, take all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as may be necessary to produce Net Revenues in the amount specified in paragraph (a) or (b) of this Section in the next succeeding Fiscal Year.

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

The definition of “Revenues” in the Master Resolution does not include, among other things, PFC revenues, except to the extent PFC revenues are specifically designated as Revenues by the Authority. The Master

Resolution provides, however, that in the event the Authority issues PFC Bonds secured by a pledge of PFC revenues, Available PFC Revenues must be included in the definition of Revenues for purposes of calculating the rate covenant with respect to such PFC Bonds.

See “AUTHORITY FINANCIAL MATTERS – The PFC Program.”

Reserve Fund

The Reserve Fund (the “Reserve Fund”) will be established and maintained by the Trustee or any agent of the Trustee pursuant to the Master Resolution. Pursuant to the First Supplemental Resolution, the Authority will elect to have the Series 2021 Bonds participate in the Reserve Fund. The Reserve Fund is required to be funded in an amount equal to the Reserve Requirement. The Reserve Requirement is equal to the lesser of (a) Maximum Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund, or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, (b) 10% of the principal amount of the Bonds that have been issued and are participating in the Reserve Fund or the Bonds that have been issued and are participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, less the amount of original issue discount with respect to any Bond if such original issue discount exceeded 2% on such Bond at the time of its original sale, and (c) 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be. Upon issuance of the Series 2021 Bonds, the Reserve Requirement will be met by depositing a portion of the proceeds of the Series 2021 Bonds into the Reserve Fund and by the transfer of funds from the Authority. The Reserve Requirement upon the issuance of the Series 2021 Bonds will be equal to \$3,510,500.

At the option of the Authority, at the time of issuance of any additional Bonds, the Authority may elect to have such additional Bonds also participate in the Reserve Fund. In the event the Authority issues any additional Bonds pursuant to a Supplemental Resolution or a related Certificate of Determination under which the Authority elects to have such additional Bonds participate in the Reserve Fund, the Authority is required to deposit an amount into the Reserve Fund sufficient to cause the amount on deposit in the Reserve Fund to equal the Reserve Requirement for the Series 2021 Bonds and the additional Bonds participating in the Reserve Fund.

A reserve fund surety policy (“Reserve Fund Facility”) will be acceptable in lieu of a deposit of cash or securities into the Reserve Fund, or may be substituted for amounts on deposit in the Reserve Fund, only if at the time of such deposit (i) such Reserve Fund Facility extends to the maturity of the Series of Bonds to which the Reserve Fund Facility relates, or the Authority has agreed, by Supplemental Resolution or related Certificate of Determination, that the Authority will replace such Reserve Fund Facility prior to its expiration with another Reserve Fund Facility which will have no adverse effect on the ratings, if any, then in effect on the Bonds participating in the Reserve Fund, or with cash and (ii) the face amount of the Reserve Fund Facility, together with amounts on deposit in the Reserve Fund, including the face amount of any other Reserve Fund Facility, is at least equal to the Reserve Requirement with respect to the Bonds participating in the Reserve Fund.

Moneys held in the Reserve Fund will be used for the purpose of paying principal of and interest on the Series 2021 Bonds and any other Bonds participating in the Reserve Fund on a basis *pari passu* with all Bonds then participating in the Reserve Fund. If, on any Payment Date, the amounts in the Debt Service Fund for the Series 2021 Bonds and any other Bonds participating in the Reserve Fund available therefor are insufficient to pay in full the amount then due on such Bonds, moneys held in the Reserve Fund will be used for the payment of principal of and interest thereon.

All money remaining in the Reserve Fund on the final Payment Date of the Bonds participating in the Reserve Fund in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of such Bonds will be transferred to the Authority for deposit in the Revenue Fund.

The definition of “Revenues” in the Master Resolution does not include, among other things, PFC revenues, except to the extent PFC revenues are specifically designated as Revenues by the Authority. The Master Resolution provides, however, that in the event the Authority issues PFC Bonds secured by a pledge of PFC

revenues, Available PFC Revenues must be included in the definition of Revenues for purposes of calculating the Reserve Fund Requirement with respect to such PFC Bonds.

See “APPENDIX C — CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION. “

Additional Bonds

Bonds may be issued under the Master Resolution on a parity with the Series 2021 Bonds, provided, among other things, that there is first delivered to the Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by a Consultant or Authorized Officer of the Authority showing the Net Revenues for any twelve consecutive months out of the most recent eighteen consecutive months immediately preceding the date of issuance of the proposed Series of Bonds or preceding the first issuance of the proposed Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding; or

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

(i) the Net Revenues for the last audited Fiscal Year or for any twelve consecutive months out of the most recent eighteen consecutive months immediately preceding the date of issuance of the proposed Series of Bonds or the establishment of a Program, were at least equal to 125% of the sum of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds or the proposed Program Bonds) for such Fiscal Year or other applicable period; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Bonds during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Bonds, or (B) the third full Fiscal Year during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues for each such Fiscal Year, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding).

For purposes of subsection (b)(ii) above, in estimating Net Revenues, the Consultant or Authorized Officer 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 Authority and will be in effect during the period for which the estimates are provided, (3) any other increases in Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Maintenance and Operation Costs, the Consultant or Authorized Officer will use such assumptions as the Consultant or Authorized Officer believes to be reasonable, taking into account: (i) historical Maintenance and Operation Costs, (ii) Maintenance and Operation Costs associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant or Authorized Officer believes to be appropriate. The Consultant or Authorized Officer 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 Net Revenues and will also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant or Authorized Officer.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized Officer may rely upon financial statements prepared by the 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 a Consultant or Authorized Officer 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.

If Available PFC Revenues are included in determining compliance with the requirements of the Master Resolution, the following rules will apply:

(a) The Consultant or Authorized Officer may assume (A) that the rate of the levy of Passenger Facility Charges constituting a part of the Available PFC Revenues in effect on the date of issuance of the Applicable PFC Bonds will be in effect for the entire forecast period, and (B) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at the Airport pursuant to such legislation prior to the date of the Consultant's report;

(b) The Consultant or Authorized Officer, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Consultant is issued (or such shorter period for which Passenger Facility Charges have been collected);

(c) Available PFC Revenues may be taken into account in an amount not greater than the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing approved PFC applications, were or will be available during the applicable period; and

(d) The amount of Available PFC Revenues included in determining compliance with the requirements of the Master Resolution shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Annual Debt Service in any Fiscal Year in the applicable period on the PFC Bonds, and the PFC Bonds, if any, then proposed to be issued.

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

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

(b) if the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Officer showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any twelve consecutive months out of the most recent twenty-four months immediately preceding the issuance of the proposed Notes and there is delivered to the Trustee a certificate of an Authorized Officer setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with the rate covenant under the Master Resolution; or

(c) if the Bonds being issued are to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Officer and there is delivered to the 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 Officer of the Authority to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Bonds plus moneys available in the Construction Fund established for the Project

(including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

Permitted Investments

Moneys held in the Reserve Fund under the Resolution or Certificate of Determination may be invested and reinvested by the Trustee as directed by the Authority in Permitted Investments, subject to the restrictions set forth in the Resolution and subject to restrictions imposed on the Authority. See “APPENDIX C — CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION.”

Events of Default and Remedies; No Acceleration

Events of Default under the Resolution and related remedies are described in the summary of certain provisions of the Resolution attached as APPENDIX C. The occurrence of an Event of Default does not grant any right to accelerate payment of the Series 2021 Bonds. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the obligations of the Authority under the Resolution.

DEBT SERVICE REQUIREMENTS AND OUTSTANDING OBLIGATIONS

Senior Bonds

The Series 2021 Bonds are the first issuance of Bonds under the Master Resolution. The following table presents the debt service requirements associated with the Series 2021 Bonds.

Year Ending <u>June 30</u>	Series 2021 Bonds <u>Principal</u>	Series 2021 Bonds <u>Interest</u>	Series 2021 Bonds <u>Debt Service</u>
2022	\$ 450,000	\$ 1,147,553.75	\$ 1,597,533.75
2023	2,065,000	1,682,050.00	3,747,050.00
2024	2,170,000	1,578,800.00	3,748,800.00
2025	2,285,000	1,470,300.00	3,755,300.00
2026	2,395,000	1,356,050.00	3,751,050.00
2027	2,515,000	1,236,300.00	3,751,300.00
2028	2,640,000	1,110,550.00	3,750,550.00
2029	2,775,000	978,550.00	3,753,550.00
2030	2,915,000	839,800.00	3,754,800.00
2031	3,060,000	694,050.00	3,754,050.00
2032	2,145,000	541,050.00	2,686,050.00
2033	2,255,000	433,800.00	2,688,800.00
2034	2,365,000	321,050.00	2,686,050.00
2035	2,485,000	202,800.00	2,687,800.00
2036	2,585,000	103,400.00	2,688,400.00
Total	<u>\$35,105,000</u>	<u>\$13,696,083.75</u>	<u>\$48,801,083.75</u>

Note: Totals may not sum due to rounding.

Subordinate Obligations

The Authority may, from time to time, incur indebtedness which is subordinate to the Series 2021 Bonds and any additional Bonds and which indebtedness is referred to herein as Subordinate Obligations. Such indebtedness will be incurred at such times and upon such terms as the Authority determines, provided that:

- (a) any Supplemental Resolution authorizing the issuance of any Subordinate Obligations specifically states that such lien on or security interest granted in the Net Revenues and the other security

set forth in the Granting Clause of the Master Resolution is junior and subordinate to the lien on and security interest in such Net Revenues and the other security set forth in the Granting Clause of the Master Resolutions and other assets granted to secure the Series 2021 Bonds and any additional Bonds;

(b) payment of principal of and interest and other amounts due on such Subordinate Obligations will be permitted, provided that all deposits and payments required to be made pursuant to the Master Resolution hereof have been made or satisfied.

Other Obligations

Future Financings. The Authority has commenced efforts to develop a new master plan for the Airport. As a result of those efforts, the Authority may determine the need for future financings. In addition, the Authority has retained consultants to develop plans for a landside redevelopment and a replacement of the covered parking garage adjacent to the Airport's terminal. The consultants have determined that the current covered parking garage at the Airport will need to be demolished and replaced within the next three to five years, at an estimated cost of \$100 million to \$160 million. The Authority will determine how to approach the replacement of the covered parking garage and other projects as part of its new master plan and may undertake the projects in multiple phases to spread out the cost and any future financings. The Authority may use other funding sources for this project, however, and at this time the Authority does not anticipate undertaking a financing within the next five years. See "AIRPORT CAPITAL IMPROVEMENT PLAN"

Outstanding City of Syracuse General Obligation Airport (Serial) Bonds, Series 2013B (Subject to the Alternative Minimum Tax) (the "Series 2013B Bonds"). The Authority, pursuant to the provisions of the Act and City Lease, has agreed to assume the primary payment responsibility for certain bonds issued by the City to fund improvements to the Airport, including the Refunded 2011A Obligations and the Series 2013B Bonds. Upon the redemption of the Refunded 2011A Obligations, the Authority will continue to be obligated to pay the debt service on the Series 2013B Bonds to the City. As of September 1, 2021, the outstanding Series 2013B Bonds consist of \$250,000 due June 1, 2022 and \$250,000 due June 1, 2023. The interest rate on each maturity is 3.00%. The Authority funds these obligations with PFC reserves. See "THE AUTHORITY – The City Lease" and "APPENDIX D – SUMMARY OF THE CITY LEASE."

Special Facility Obligations. The Authority may designate an existing facility or a planned facility as a "Special Facility" and may incur indebtedness to acquire, construct, renovate or improve such facility or to finance the acquisition, construction, renovation or improvement thereof by a third party. Additionally, the Authority may provide that certain contractual payments derived from or related to such Special Facility, together with other income and revenues available therefrom, will constitute "Special Facilities Revenue" and will not be included as 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 (including Special Facility Obligations issued to refinance Special Facility Obligations) are fully paid or otherwise discharged, all revenues received by the Authority from such facility will be included as Revenues. The Master Resolution provides that to the extent Special Facility Revenues exceed the amounts required to pay the principal of and interest on Special Facility Obligations when due, and to the extent not otherwise encumbered, the excess may constitute Revenues as determined by the Authority.

The Authority does not currently have any outstanding Special Facility Obligations.

Repayment Obligations. Under certain circumstances the obligation of the 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 a parity with the Bonds. If a Credit Provider or Liquidity Provider advances funds to pay principal of or to purchase Bonds, all or a portion of the Authority's Repayment Obligation may be afforded the status of a Bond under the Master Resolution. The Authority currently does not have any Repayment Obligations outstanding. See "APPENDIX C — CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION — Repayment Obligations Afforded Status of Bonds."

THE AUTHORITY

General

The Authority was created in 2011 as a body corporate and politic constituting a public benefit corporation pursuant to the Act. The Authority is governed by a board consisting of eleven voting members (the “Member” or “Members”). Seven of the voting Members are appointed by the Mayor of the City. Three Members are appointed by, respectively, the County Executive of the County of Onondaga, the Town Board of the Town of Dewitt, the Board of Education of the East Syracuse Minoa Central School District. Each of the foregoing Members is appointed for a four-year term. The final voting member is appointed for a period of one year; this member is appointed by, in alternating years, the Board of Education of the North Syracuse Central School District and the respective Town Board of the Towns of Salina, Cicero, or Clay. Currently, this voting member has been appointed by the Town Board of the Town of Cicero.

The current Members, their offices, their appointing authority, and the dates on which their terms expire are set forth below:

<u>Name</u>	<u>Office</u>	<u>Appointing Authority</u>	<u>Term Expires</u>
Jo Anne C. Gagliano	Chair	Mayor - City of Syracuse	December 31, 2024
William P. Fisher	Vice Chair	Executive – Onondaga County	December 31, 2022
Dr. Shiu-Kai Chin	Financial Officer	Mayor – City of Syracuse	December 31, 2023
William Meyer	Member	Town Board – Town of Cicero	December 31, 2021
Michael J. Lazar	Member	Town Board – Town of Dewitt	December 31, 2024
Robert Simpson	Member	Mayor - City of Syracuse	December 31, 2022
Michael Frame	Member	Mayor - City of Syracuse	December 31, 2023
Latoya Allen	Member	Mayor - City of Syracuse	December 31, 2022
Kenneth J. Kinsey	Member	Mayor - City of Syracuse	December 31, 2024
Hon. Michael Quill	Member	Mayor - City of Syracuse	December 31, 2024
Dr. Donna De Siato	Member	Board of Education – East Syracuse Minoa Central School District	December 31, 2024

The Authority also has a non-voting regional advisory board consisting of eight non-voting members (each an “Advisory Member”) appointed by the County Executive of the County of Oneida, the Chairperson of the County Legislatures of Onondaga County, Oswego County, Cortland County, Cayuga County, and Jefferson County, the Board of Supervisors of Madison County, and the Common Council of the City. Each Advisory Member serves for a term of one year.

The current Advisory Members, their appointing authorities, and the dates on which their terms expire are set forth below:

<u>Name</u>	<u>Appointing Authority</u>	<u>Term Expires</u>
Hon. Morris Sorbello	Legislature – Oswego County	December 31, 2021
Gary E. Robb	Common Council – City of Syracuse	December 31, 2021
Christopher J. Randall	Legislature – Onondaga County	December 31, 2021
Michael C. Lawrence	Executive – Oneida County	December 31, 2021
Grant Sussey	Legislature – Jefferson County	December 31, 2021
Ronald VanDee	Legislature – Cortland County	December 31, 2021
Michael Chapman	Legislature – Cayuga County	December 31, 2021
Daniel DeGear	Board of Supervisors – Madison County	December 31, 2021

Senior Staff

General

The Authority employs an Executive Director and other officers, agents, employees and advisors. The Executive Director and Authority staff implement the policies established by the Authority's board. In addition to the Executive Director, the senior management team of the Authority is composed of the Chief Operations Officer, the Chief Financial Officer, the General Counsel, the Chief Commercial Officer, and Human Resources Manager. The following individuals are directly responsible for the executive administration of the Airport, its finances or its legal affairs:

H. Jason Terreri, Executive Director. Mr. Terreri was appointed Executive Director of the Authority in April 2019. Mr. Terreri is responsible for the management of the affairs of the Authority and the day-to-day management of the Airport. Prior his appointment, Mr. Terreri served as Senior Operations Project Director for Airports Worldwide, Inc. in Sanford, Florida and Assistant Director of Airports for the Horry County, South Carolina Department of Airports. Mr. Terreri serves on the board of directors for both the Airports Council International's U.S. Policy Council and the American Association of Airport Executives' Northeast Chapter. Mr. Terreri graduated from the Florida Institute of Technology with a degree in Aviation Management, and received a master's degree in Public Administration with a concentration in Aviation Policy from the University of Nebraska.

John Carni, Chief Operations Officer. Mr. Carni was appointed Chief Operations Officer of the Authority in November 2020, with oversight of airfield maintenance, terminal and landside operations, building trades, and airport security. Prior to appointment to his current position, Mr. Carni has served at various roles in the City's Department of Aviation in a career spanning over thirty years beginning as Information Attendant, and progressing to Airport Security Coordinator, Airport Operations Officer, and Deputy Commissioner of Aviation. The Authority appointed Mr. Carni as Director of Airport Operations in 2018. Mr. Carni holds an associate's degree from Herkimer Community College.

Robin Watkins, Chief Financial Officer. Ms. Watkins was appointed Chief Financial Officer of the Authority on March 2020 and has overall responsibility for the financial affairs of the Authority and the Airport. Ms. Watkins is a practicing Certified Public Accountant. Prior to joining the Authority, Ms. Watkins served as Director of Operations at Gardner Denver Oberdorfer Pumps, Inc. and Director of Finance/CFO at Syracuse Community Health Center, Inc. Ms. Watkins holds a bachelor's degree in Accounting from the State University of New York College at Oswego and has received Six Sigma Green Belt Training at Villanova University.

R. John Clark, Esq., General Counsel. Mr. Clark was appointed General Counsel in July 2020 and has overall responsibility for the legal affairs of the Authority. Mr. Clark has been a practicing attorney since 1987 and was previously a partner at the law firm of Hancock Estabrook, LLP where he served as outside counsel to the Authority from 2013 until his appointment as General Counsel. Mr. Clark holds a bachelor's degree in Biological Sciences from Lemoyne College, a master's degree in Environment Science/Land Use Planning from the State University of New York College of Environmental Science and Forestry, and a juris doctor from Syracuse University.

Jason Mehl, Chief Commercial Officer. Mr. Mehl was appointed to his position in May 2021 and has responsibility for business development at the Airport. Mr. Mehl previously served as Interim Finance Director for the Authority. Prior to joining the Authority, Mr. Mehl worked for Metro Mattress Corp. for twenty years first as controller, then as Executive Vice President and Chief Financial Officer, and finally as Chief Executive Officer and President. Mr. Mehl holds a bachelor's degree in Accounting from Lemoyne College.

Debi Marshall, Human Resources Manager. Ms. Marshall was appointed to her position in May 2017 and has responsibility for labor and employment matters at the Airport. Prior to joining the Authority, Ms. Marshall served as a Human Resources Generalist for the Upper New York Annual Conference of the United Methodist Church. Ms. Marshall holds a bachelor's degree in English/Writing Arts from the State University of New York College at Oswego.

Impact of the COVID-19 Pandemic on the Airport and the Authority's Response

The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on the Airport, its operations and its financial condition. The Authority is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be "Annual Financial Information" under the Authority's Rule 15c2-12 undertakings under the First Supplemental Resolution. See "CONTINUING DISCLOSURE".

Background

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a public health emergency on January 30, 2020 and a global pandemic on March 11, 2020 by the World Health Organization. Across the country, states and local governments have issued "stay at home" or "shelter in place" orders, which severely restricted movement and limit businesses and activities to essential functions. The President of the United States issued a national emergency on March 13, 2020 retroactive to March 1, 2020.

The COVID-19 pandemic and the responsive measures taken in connection therewith, at international and U.S. federal, state and local levels, have depressed and continue to depress demand for domestic and international travel and travel-related industries. Airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service.

Due to the continually evolving nature of the COVID-19 pandemic, including variants of COVID-19 and the effectiveness of the COVID-19 vaccines, the full impact of the COVID-19 pandemic on the Airport cannot be fully quantified at this time. Prospective investors should be aware that the restrictions and limitations related to COVID-19, and the current impact to the air travel industry and the national and global economies may continue or increase for an indeterminate period of time and, therefore, have an adverse impact on the operations and revenues of the Airport. See "INVESTMENT CONSIDERATIONS – COVID-19 Related Matters."

Summary of the Impact on Enplanements at the Airport

The decrease in enplanements at the Airport for Fiscal Year 2020 was fully experienced in the last four months of the Fiscal Year, from March to June. For the first eight months of Fiscal Year 2020 (ended February 29, 2020) prior to the pandemic, Airport enplanements increased 10.6% compared with the same period in Fiscal Year 2019. For the last four months of Fiscal Year 2020 (ended June 30, 2020) (i.e., during the initial months of the pandemic), Airport enplanements decreased 77.7% compared with the same period in Fiscal Year 2019. In Fiscal Year 2021, enplanements decreased 62.2% from Fiscal Year 2019 levels.

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The table below compares Airport enplanements by month in Fiscal Years 2019, 2020, and 2021.

**SYRACUSE HANCOCK INTERNATIONAL AIRPORT
MONTHLY ENPLANEMENTS FISCAL YEARS 2019-2021**

	<u>FY 2019</u>	<u>FY 2020</u>	<u>Change vs FY 2019</u>	<u>FY 2021</u>	<u>Change vs FY 2019</u>
July	110,919	123,947	11.7%	23,927	-78.4%
August	109,613	124,608	13.7%	26,349	-76.0%
September	94,907	105,130	10.8%	23,489	-75.3%
October	107,426	117,855	9.7%	29,865	-72.2%
November	98,723	106,346	7.7%	27,064	-72.6%
December	94,647	106,613	12.6%	28,870	-69.5%
January	85,812	93,383	8.8%	25,598	-70.2%
February	88,986	96,958	9.0%	31,122	-65.0%
March	107,201	57,699	-46.2%	50,289	-53.1%
April	102,828	4,392	-95.7%	55,933	-45.6%
May	114,544	12,397	-89.2%	67,257	-41.3%
June	<u>109,483</u>	<u>22,371</u>	-79.6%	<u>73,748</u>	-32.6%
Fiscal Year	1,225,089	971,699	-20.7%	463,511	-62.2%
Eight Months July-February	791,033	874,840	10.6%	216,284	-72.7%
Four Months March-June	434,056	96,859	-77.7%	247,227	-43.0%

Source: The Authority

The pandemic continued to affect passenger traffic in Fiscal Year 2021, although the magnitude of reductions versus the pre-pandemic period has decreased as the U.S. population has become vaccinated and traveler confidence has increased. Enplanements in July 2021 were 91,230, a decrease of 26.4% compared with July 2019.

The following table sets forth the actual enplanements at the Airport for the first two months of Fiscal Year 2022 compared against the Authority's budgeted enplanements for such months, and the actual enplanements for such months in Fiscal Year 2021. As is set forth in such table, the enplanements at the Airport exceed the budgeted enplanements by 17.3% and 4.4%, respectively, and the actual enplanements in the same period in Fiscal Year 2021 by 281% and 232%, respectively

**SYRACUSE HANCOCK INTERNATIONAL AIRPORT
COMPARISON OF ENPLANEMENTS FOR JULY AND AUGUST OF FISCAL YEAR 2022**

	<u>Jul</u>	<u>Aug</u>
Actual Enplanements FY 2022	91,230	87,501
Budgeted Enplanements FY 2022	77,752	83,781
Actual Enplanements FY 2021	23,927	26,349
Difference to Budget FY 2022	13,478	3,720
Percentage Difference to Budget	17.3%	4.4%
Difference to Actual FY 2021	67,303	61,152
Percentage difference to Actual FY 2021	281%	232%

Source: The Authority

Summary of the Authority's Responses to the Impact of COVID-19 at the Airport

The Authority has taken the following actions in response to the impacts of COVID-19:

- A number of temporary measures intended to mitigate operational impacts to the Authority have been implemented, including closing certain parking facilities; increasing sanitation procedures; creating COVID-19 public service announcements; adjusting customer and facility services to reflect lower passenger counts, and modifying terminal seating arrangements where possible to better facilitate the physical distancing recommended by health authorities.
- Use of CARES Act (as defined herein) grants for Fiscal Year 2021 in the amount of approximately \$11.36 million to reimburse operating expenses
- Airline payments for April and May 2020 were deferred to September 2020 (at which time such amounts were paid in full) and airline rates were held constant through Fiscal Year 2021 with no year-end settlement as the Authority mitigated increases in airline rates and charges levels through the use of CARES Act (as defined herein) grants to reduce allocable operating expenses.
- Car rental minimum annual guarantees were waived for calendar year 2020 and percentage rent payments for April and May 2020 were deferred through September 2020. Rent payments for 2021 are due per the terms of the agreements other than rental credits allocated by CRRSA (as defined herein) and ARPA (as defined herein) grants.
- Food and beverage concession minimum annual guarantees were waived through March 31, 2021 while the percentage rental rate has been increased for the balance of the lease term. Rental credits allocated by CRRSA and ARPA grants are being applied to the food and beverage and other concessionaires.

Federal Relief Efforts

The United States government, the Federal Reserve Board and foreign governments are taking legislative and regulatory actions and implementing measures to mitigate the broad disruptive effects of the COVID-19 pandemic. 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, is one of the legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports and direct aid, loans and loan guarantees for passenger and cargo airlines.

Provisions of the CARES Act, which provide \$10 billion of grant assistance to airports, generally include the following: (i) \$3.7 billion to be allocated among all U.S. commercial service airports based on number of enplanements in calendar year 2018, (ii) \$3.7 billion to be allocated among all U.S. commercial service airports based on formulas that consider Fiscal Year 2018 debt service relative to other airports, and cash-to-debt service ratios, (iii) \$2 billion to be apportioned in accordance with Airport Improvement Program ("AIP") entitlement formulas, subject to CARES Act formula revisions, (iv) \$500 million to increase the federal share to 100% for grants awarded in federal fiscal year 2020 under certain grant programs including the AIP, and (v) \$100 million reserved for general aviation airports.

On April 14, 2020, the FAA announced that it had allocated approximately \$12.9 million of grant assistance under the CARES Act to the Airport for items described in (i), (ii) and (iii) in the above paragraph. The Authority can draw on allocated CARES Act funds on a reimbursement basis for any purpose for which Revenues may be lawfully used in accordance with FAA rules and regulations. Currently, the Authority has applied the use of CARES Act funds, as described above, to pay eligible operating expenses. The Authority used \$11.4 million of the CARES Act funding to reimburse operating expenses and withstand decreases in Revenues during Fiscal Year 2021 as a result of the current and ongoing effects of the COVID-19 pandemic.

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (“CRRSA”). Title IV of CRRSA provides approximately \$2 billion in economic relief to airports to mitigate, prepare for, and respond to the COVID-19 pandemic, including relief from rent and minimum annual guarantees (“MAG”). The \$2 billion generally includes the following: (i) \$1.75 billion to be apportioned in accordance with AIP entitlement formulas, subject to CARES Act formula revisions with the balance allocated among all U.S. commercial service airports based on number of enplanements in calendar year 2018, (ii) \$45 million for general aviation and non-primary commercial service airports, (iii) \$200 million to be provided to commercial services airports to provide relief for rent and minimum annual guarantees for on-airport parking, on-airport rental car and in-terminal airport concessions located at primary airports, and (iv) \$5 million to the Small Community Air Service Development Program.

On February 19, 2021, the FAA announced that it had allocated assistance under the CRRSA to the Airport of approximately \$4.9 million for items described in (i) and \$272,402 for items described in (iii) in the above paragraph.

The American Rescue Plan Act of 2021 (“ARPA”), signed into law by the President on March 11, 2021, includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the COVID-19 pandemic. The FAA will make these funds to all airports that are part of the national airport system, including all commercial service airports. The Authority has received approximately \$11,119,000 from these programs, plus approximately \$1,090,000 for concession relief.

The Authority has received the following awards under these programs (amounts in thousands):

	CARES Act	CRRSA	CRRSA - Concessions	ARPA	ARPA – Concessions	Total
Amount Awarded	\$12,921	\$4,881	\$272	\$11,119	\$1,090	\$30,283
Amount Spent in FY 2021	<u>11,359</u>	<u>--</u>	<u>272</u>	<u>--</u>	<u>--</u>	<u>11,631</u>
Remaining Amount	\$1,563	\$4,881	\$--	\$11,119	\$1,090	\$18,653

Source: The Authority

Liquidity and Financial Position

As of June 30, 2021, the Airport had \$24.41 million in unrestricted and discretionary reserves. Based upon \$28.76 million in Maintenance and Operation Costs (excluding depreciation and non-cash Other Post-Employment Benefits in compliance with GASB 75), the Airport’s days of cash on hand (“DCOH”) was 310 days as of June 30, 2021.

In addition, the Airport maintains restricted reserves, including \$21.59 million in PFC fund balance and \$2.97 million in CFC reserves as of June 30, 2021.

Impact on Passenger Facility Charges Revenues

PFC revenues consist of all revenue received by the Airport from the passenger facility charges imposed by the Authority at the Airport pursuant to applicable law. In Fiscal Year 2021, the Authority estimates total PFC revenues to be \$1.8 million, which is 64% less than Fiscal Year 2019.

Impact on Certain Non-Airline Revenues

With the decrease in enplaned passengers, there have been corresponding decreases in demand for parking, rental cars, TNCs and passenger terminal concessions. Due to the impacts from COVID-19, non-airline revenues decreased from \$18.1 Million in Fiscal Year 2019 to \$15.9 million in Fiscal Year 2020 and \$12.1 million in Fiscal Year 2021. Fiscal Year 2021 parking, rental car, TNC, and passenger terminal concessions revenue have decreased approximately 37% percent from Fiscal Year 2019 revenues.

See “AUTHORITY FINANCIAL MATTERS – Management’s Discussion of Recent Financial Results”

The City Lease and Assignment and Assumption Agreement

Rights of the Authority

The City and the Authority entered into the City Lease on November 25, 2013. Under the terms of the City Lease, the physical and operational transfer of the Airport from the City to the Authority was to occur on or about the date the Authority received its part 139 operating certificate from the FAA (the "Operating Certificate"). The Authority received the Operating Certificate on February 28, 2014. The official transfer of a leasehold interest in the Airport to the Authority and the commencement of the Authority's operations occurred on March 1, 2014. Pursuant to the City Lease, the Authority's right to occupy and operate the Airport expires following a period of forty years, on February 28, 2054. The term of the City Lease automatically extends for an additional term of ten years unless five years' advance written notice is given by either party beginning on the thirty-fifth anniversary of the City Lease or any subsequent ten-year renewal term thereof.

Pursuant to the City Lease, the Authority leases the entirety of the premises constituting the Airport, including all land, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances. The Authority also has the right to collect all revenues derived from the operation and leasing of the Airport. The Authority has the right to improve the Airport at its discretion. In addition, subject to approval of the FAA, the Authority may mortgage its leasehold interest in the Airport.

Provided it is consistent with the Airport's current layout, the Authority has the right to demolish, replace, or rebuild all or any part of the Airport, and to construct any improvement of any nature. All land acquired and improvements (including all additions, extensions and betterments) made by or on behalf of the Authority to the Airport during the term of the City Lease become the property of the City upon the termination or expiration of the City Lease.

At the time the parties executed the City Lease, the City assigned to the Authority its rights to the City's then-current aviation enterprise fund, all rights in grant agreements and awards, and all PFC revenues received or collected. The Authority has since established, applied, contracted for, or collected each of the foregoing amounts in its own name and for its own account.

The City has agreed to defend, indemnify and hold harmless the Authority from all costs and liabilities arising from (a) the negligence or willful misconduct of the City; (b) any claim by employees of the City or former employees of the City for benefits or compensation, except as otherwise specifically provided in the City Lease; (c) any claim related to the collection or disposition of funds received by the City under any grant agreements to the extent any such claim arises from any negligent acts or omissions of the City (or its representatives) or violations by the City (or its representatives) of the grant agreements; and (d) any claim made with respect to violations of the grant agreements to the extent any such claim arises from any negligent acts or omissions of the City (or its representatives). To date, the Authority has not invoked the indemnity clause and the statutes of limitations for many of the claims that could arise under the indemnity clause have lapsed.

Rights of the City

In consideration of the above, the Authority agreed to pay certain indebtedness of the City used to improve the Airport, including the Series 2011A Bonds and the Series 2013B Bonds. Under the terms of the City Lease, this City indebtedness has not been assumed. Rather, the Authority pays the debt service on such indebtedness to the City five days prior to the payment dates thereof. The Authority may prepare its obligation to the City provided the City indebtedness is by its terms subject to redemption prior to maturity, if there is a related redemption premium, the Authority makes an additional payment to the City in the amount of the redemption premium and in the opinion of the City's bond counsel, the prepayment may be used to redeem the City indebtedness prior to maturity.

Certain rights are reserved to the City to reassume operation of the Airport in the event the Authority is dissolved, the City Lease is not renewed, or upon an event of default under the City Lease.

The Authority has agreed to defend, indemnify, and hold harmless the City from and against all liabilities, claims, actions, demands, damages and costs of every nature, including attorneys' fees, brought against the City and its officers, employees or agents, for any injury to person (including wrongful death) or damage to property directly or indirectly arising out of, or incidental to (a) the City Lease; and (b) any claim related to the collection or disposition of funds received by the Authority under any grant agreements to the extent any such claim arises from any negligent acts or omissions of the Authority (or its representatives) or violations by the Authority (or its representatives) of the grant agreements; and (c) occasioned by the negligence or willful misconduct of the Authority.

Payments-in-Lieu-of-Taxes

Pursuant to the City Lease, the Authority has agreed to make certain payments-in-lieu-of-taxes (the "PILOT Payments") to the Town of Dewitt and the East Syracuse Minoa School District. The PILOT Payments are made pursuant to a written agreement with each taxing jurisdiction. The agreements to make PILOT Payments were effective as of August 13, 2009 and survive so long as the Authority exists. The PILOT Payments may not exceed the actual tax rate on property located in those jurisdictions. The PILOT Payments to the Town of Dewitt are invoiced in January of each year and due within thirty days of the date of the invoice in the amount of \$120,000. The PILOT Payments to the East Syracuse Minoa School District are invoiced in September of each year and due within thirty days of the invoice in the amount of \$220,000. The Authority does not make PILOT Payments to any other taxing jurisdiction in which the Airport is located.

Default and Termination

Under the City Lease, if the Authority fails to pay any amount due and owing to the City or fails to perform any other material obligation, the City must give the Authority written notice specifying the default, and ninety days' to cure. If the Authority fails to cure the default within such period, the City may terminate the City Lease upon 180 days' notice. If the default is of such a nature that it cannot reasonably be cured within such ninety-day period, and the Authority has commenced a cure within such period, then the cure period is extended for such time as is reasonably necessary to complete a cure. The Authority has not received a notice of default under the City Lease and is not aware of any event which would give rise to such notice.

See "APPENDIX D – SUMMARY OF THE CITY LEASE."

Assignment and Assumption Agreement

In addition to the City Lease, the Authority and the City entered into an Assignment and Assumption Agreement dated November 25, 2013 (the "Assignment and Assumption"). Under the Assignment and Assumption, the City assigned, and the Authority agreed to assume and be liable for, all agreements with the FAA, United States Department of Transportation, United States Air National Guard, Department of Homeland Security, Transportation Safety Administration, and any other then-existing agreement effective as of March 1, 2014. In the event the City reassumes operation of the Airport, the Authority is required to reassign these agreements.

In addition, the City assigned to the Authority all right, title, and interest in and to all personal property used in connection with the operation of the Airport. The Authority has purchased replacement and additional personal property with its own funds following its assumption of the operation of the Airport.

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THE AIRPORT

Air Service Area

General

The primary air service area (the “Primary Air Service Area”) of the Airport is the Syracuse-Auburn Consolidated Statistical Area (as defined by the United States Census Bureau and which includes the Counties of Onondaga, Madison, Oswego and Cayuga) and the Utica-Rome Metropolitan Statistical Area (as defined by the United States Census Bureau and which includes the Counties of Oneida and Herkimer). According to the 2020 United States Census (the “2020 US Census”), the Primary Air Service Area’s population is estimated to be approximately 1,030,569.

The Airport’s secondary service area (the “Secondary Air Service Area” and, together with the Primary Air Service Area, the “Air Service Area”) consists of other upstate New York state counties, including Jefferson, St. Lawrence, Tioga, Broome, Chenango, Cortland, Tompkins, Lewis, Seneca, and Chemung, whose residents choose to fly from the Airport due to the availability of nonstop air service and competitive air fares. The estimated population of the Secondary Service Area, according to the 2020 US Census, is approximately 816,667.

According to survey data compiled by the Authority for calendar year 2019, the counties of the Primary Service Area account for approximately 79% of originating passenger traffic from the Airport, while approximately 21% of passengers originate from Secondary Air Service Area.

The overall population of upstate New York, including the Air Service Area, has generally declined over the past decade. The table below sets forth the estimated population of the Air Service Area, the percentage change in population, and the percentage of originating passengers at the Airport across the Air Service Area for calendar year 2019.

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AIR SERVICE AREA POPULATION ESTIMATES AND SHARE OF ORIGINATING PASSENGERS

	<u>2010 (a)</u>	<u>2020 (b)</u>	<u>Share of 2020</u>	<u>Percent change</u>	<u>Originating passengers (c)</u>	<u>Share of total</u>
Primary Air Service Area Counties						
Syracuse-Auburn Combined Statistical Area (CSA)						
Onondaga	467,533	476,516	25.8%	1.9%	351,231	46.9%
Oswego	122,137	117,525	6.4%	-3.8%	50,031	6.7%
Madison	73,440	68,016	3.7%	-7.4%	45,785	6.1%
Cayuga	<u>79,895</u>	<u>76,248</u>	<u>4.1%</u>	<u>-4.6%</u>	<u>29,168</u>	<u>3.9%</u>
Subtotal Syracuse-Auburn CSA	743,005	738,305	40.0%	-0.6%	476,215	63.6%
Utica-Rome Metropolitan Statistical Area (MSA)						
Oneida	234,756	232,125	12.6%	-1.1%	99,016	13.2%
Herkimer	<u>64,470</u>	<u>60,139</u>	<u>3.3%</u>	<u>-6.7%</u>	<u>15,104</u>	<u>2.0%</u>
Subtotal Utica-Rome MSA	<u>299,226</u>	<u>292,264</u>	<u>15.8%</u>	<u>-2.3%</u>	<u>114,120</u>	<u>15.2%</u>
Subtotal Primary Air Service Area	1,042,231	1,030,569	55.8%	-1.1%	590,335	78.8%
Secondary Air Service Area Counties						
Broome	200,481	198,683	10.8%	-0.9%	31,346	4.2%
Jefferson	116,592	116,721	6.3%	0.1%	42,174	5.6%
St. Lawrence	111,812	108,505	5.9%	-3.0%	11,961	1.6%
Tompkins	101,740	105,740	5.7%	3.9%	27,791	3.7%
Chemung	88,895	84,148	4.6%	-5.3%	1,150	0.2%
Tioga	51,008	48,455	2.6%	-5.0%	5,380	0.7%
Chenango	50,399	47,220	2.6%	-6.3%	11,218	1.5%
Cortland	49,279	46,809	2.5%	-5.0%	18,642	2.5%
Seneca	35,266	33,814	1.8%	-4.1%	4,136	0.6%
Lewis	<u>27,077</u>	<u>26,582</u>	<u>1.4%</u>	<u>-1.8%</u>	<u>4,679</u>	<u>0.6%</u>
Subtotal Secondary Air Service Area	<u>832,549</u>	<u>816,677</u>	<u>44.2%</u>	<u>-1.9%</u>	<u>158,477</u>	<u>21.2%</u>
TOTAL	1,874,780	1,847,246	100.0%	-1.5%	748,812	100.0%

(a) Census Bureau estimates as of July 1, 2019.

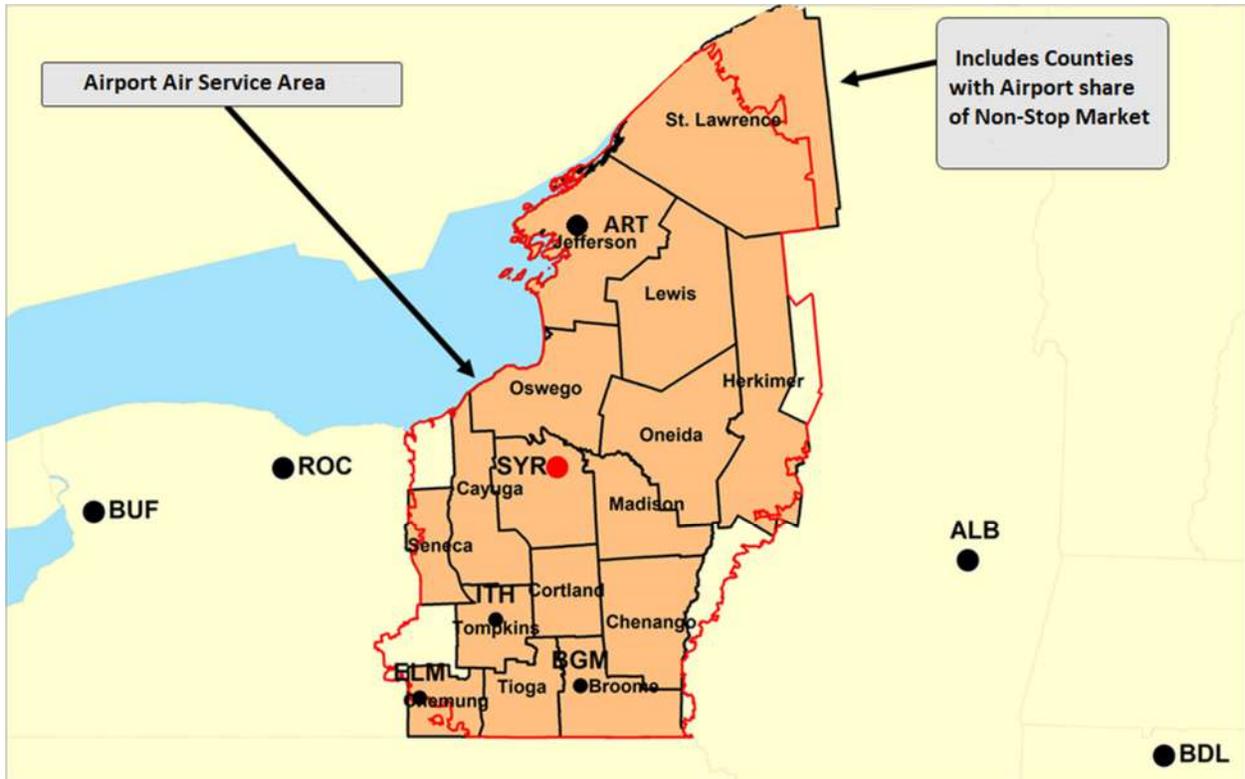
(b) Census Bureau, 2020 US Census.

(c) Campbell Hill 2020 study, using Calendar Year 2019 data.

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The nearest commercial service airports to the Airport are Ithaca Tompkins International Airport (ITH; approximately forty-one miles to the south); Greater Binghamton Airport (BGM; approximately fifty-six miles to the south); Watertown International Airport (ART; approximately sixty-nine miles to the north); and Elmira Corning Regional Airport (ELM; approximately seventy-two miles to the southwest). Additionally, the Airport competes for air service with Greater Rochester International Airport (ROC; approximately ninety-three miles to the west) and Albany International Airport (ALB; approximately 120 miles to the east), both classified as small hub airports by the FAA.

The map below shows the Air Service Area together with the nearest commercial airports:



Source: The Authority

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Local Economy

The Airport is the primary airport for business travelers in the Air Service Area. Based on the Airport's Wi-Fi data, approximately 40% of passengers served by the Airport are business travelers. The following table sets forth the largest employers in the Air Service Area by number of employees as of calendar year 2019:

**LARGEST EMPLOYERS IN THE AIR SERVICE AREA
CALENDAR YEAR 2019**

Employer	Number of Employees
Cornell University	8,514
SUNY Upstate Medical University	7,523
St. Joseph's Health Care Center	4,824
Oneida Indian Nation Enterprise	4,750
Syracuse University	4,683
Walmart	4,600
Mohawk Valley Health System	4,200
Lockheed Martin	4,100
Price Chopper Supermarkets	3,900
Crouse Health	3,200
Tops Friendly Markets	3,170
National Grid	2,500
Loretto	2,307
The Raymond Corporation	1,900
Target Corp.	1,755

Source: CNY Business Journal News Network 2021 Book of Lists

In addition, Amazon.com, Inc. opened a 3.8 million square foot distribution center in the Town of Clay, New York, a town to the immediate north of the Airport, in June 2021, which is expected to bring an additional 1,000 jobs to the Air Service Area when operating at full capacity.

Colleges, universities, and other educational institutions constitute large employers in the Air Service Area and also serve as large economic hubs. Approximately 100,000 students live on campus in 13 colleges and universities within the Air Service Area, including major research institutions such as Cornell University, Syracuse University, and SUNY Upstate Medical University.

The Airport is also the closest and largest passenger airport serving Fort Drum, a United States Army base which employs over 65,000 people. Fort Drum is home to the United States Army's Tenth Mountain Division, which is the most deployed division in the United States Military.

Tourism and Leisure

Based upon Airport Wi-Fi data, the remaining approximately 60% of passenger traffic at the Airport consists of tourism and leisure passengers. The Air Service Area's climate offer's four distinct seasons and varied topography, which offer year-round outdoor recreational activities such as camping, hiking, mountain biking, boating, alpine and cross-country skiing, snowmobiling, and ice skating. The Air Service Area encompasses parts of the Finger Lakes region, which is well-known for its gorges and lakes; the Adirondack Park, which includes mountains, lakes and streams; and the Syracuse-area, which is known for its rolling hills, greenery, and college athletics. The Air Service Area is also home to more than 130 world class wineries renowned for their Rieslings, and a growing number of microbreweries and distilleries.

Syracuse is home to the New York State Fair, which is a significant draw for tourism. Each year hundreds of thousands of visitors from across the world visit the New York State Fair, which is a significant source of tourism activity in the Air Service Area.

The Air Service Area also includes world-class concert venues, casinos, golf courses, college athletics, and auto-racing venues, including close proximity to the NASCAR auto race in Watkins Glen, New York. College athletics, particularly at Syracuse University and Cornell University, is a significant driver of the leisure economy in the Air Service Area.

UAV Usage

The Airport is the only commercial airport in the United States that services coordinated commercial and unmanned aerial vehicle (“UAV”) traffic. In addition, the Airport constitutes the western terminus of an approximately fifty-mile-long UAV corridor approved by the FAA between the Airport and Griffiss International Airport (“Griffiss”) in Oneida County (the “UAV Corridor”). Significant public and private investments have been made on UAV infrastructure including radar installations, tracking, and other instrumentation, to permit private companies and local, state, and federal governments to develop UAV technologies. The Airport is one of only five Airports in the United States that has been designated for this type of program, and Griffiss is one of only seven FAA-approved UAV testing sites in the United States, and the only site of its type in the northeastern United States.

Description of the Airport

General

The Airport was dedicated for commercial service at the end of the City’s centennial year of 1948, and opened to the public on September 17, 1949 as the Clarence E. Hancock Airport. On September 19, 1949, a Colonial Airlines flight became the first departure from the Airport, traveling to Wilkes Barre, Pennsylvania, then on to Baltimore, Maryland, and Washington, D.C., before returning to the Airport. A short time later, an American Airlines Convair arrived from Buffalo, New York, becoming the Airport’s first arriving flight. In 1949, four airlines operated at the Airport: American, Buffalo, Colonial and Robinson Airlines, with a combined total of thirty scheduled flights per day. In 1962, a new Airport terminal opened at the center of the airfield to provide access to the newly planned Interstate 81. In 1970, the International Civil Airport Organization awarded the Airport international airport status, and the name of the Airport was changed to its current designation.

The Airport is the primary commercial aviation facility in the Air Service Area. The Airport now encompasses approximately 2,000 acres. The Airport is located approximately four- and one-half miles northeast of the City, approximately twenty-five miles east of the City of Auburn, and approximately thirty-seven miles south of the City of Oswego. Access to the Airport is provided by Interstate 81 and 90, both of which are located within three miles of the Airport.

Airfield

The Airport has two operational grooved asphalt runways and an associated system of taxiways. Almost all taxiways are at least seventy-five feet wide and have paved surfaces that are up to twelve inches thick on top of several feet of compacted sub-base material. The primary air carrier runway is Runway 10-28 which is 9,003 feet long and 150 feet wide. Runway 10-28 has a Category II Instrument Landing System. The second operational runway is Runway 15-33 which is 7,500 feet and 150 feet wide. Runway 15-33 utilizes a non-precision instrument landing approach. Public safety services (aircraft rescue firefighting, emergency medical and police/security) are provided by the Authority.

Passenger Terminal Facilities

A two-level, approximately 410,000-square foot passenger terminal facility is operated and maintained at the Airport by the Authority pursuant to the City Lease. It is located at the center of the airfield. Pre-security landside facilities include airline ticket counters and offices, four baggage claim devices, rental car counters and offices, a four-lane TSA security checkpoint, a snack bar, and related support facilities. Post-security airside facilities on the second level include nineteen loading bridge-equipped departure gates; six food and beverage, and three news and gift concession outlets; and related support facilities. These outlets are operated by Delaware North Companies Travel Hospitality Services, Inc. (“Delaware North”) See “THE AIRPORT – Agreements for Use of Airport Facilities.”

Beginning in 2011 and finishing in 2013, the City undertook a \$49.7 million improvement project at the terminal to combine the previously separate security checkpoints into a single, centralized screening location on the second level of the center terminal.

The Authority completed a \$45 million upgrade project of the pre-security areas of the terminal in 2018. Improvements include new facade, doors, flooring, counters and other publicly used amenities (museum, rest rooms). Funding was provided by grants from the FAA, the State Department of Transportation, and Onondaga County.

The terminal aircraft parking apron consists of approximately 78,000 square yards of pavement, which can accommodate up to 12 narrowbody jet aircraft at the terminal gates and an additional 3 remote aircraft parking positions for remain overnight and overflow parking. Of the 19 gates, 1 is capable of accommodating Airplane Design Group (ADG)-IV (or smaller) aircraft such as the Boeing 767, and 14 are capable of accommodating ADG-III (or smaller) aircraft such as the Airbus A320 and Boeing 737.

The passenger terminal facility also includes adjacent public automobile parking lot capable of accommodating approximately 4,500 vehicles. Parking includes a covered garage consisting of approximately 2,650 spaces and an open lot consisting of approximately 1,938 spaces. Other vehicle accommodations include various employee surface parking lots; a 446-space rental car ready-return within the covered garage; and extensive facilities for commercial ground transportation vehicles, including Transportation Network Companies (such as Lyft and Uber) (“TNCs”), taxis, and shuttles. In addition, seven individual rental car service centers are located to the south of the passenger terminal facility, and facilitate the storage, servicing, and fueling of rental car vehicles.

General Aviation Facilities

General aviation (“GA”) comprises all civilian aircraft operations not classified as air carrier or taxi and commuter operations. Approximately sixty-eight acres of the Airport are currently allocated to general aviation operations, which include leases to two fixed-based operators (“FBOs”): Signature Flight Support and Million Air for facilities, hangars, tiedowns, and aircraft parking aprons. There are approximately 40 GA aircraft based at the Airport. The Authority has elected not to renew the lease of Signature Flight Support.

The Airport provides commercial airline services (fueling, deicing and some maintenance/repair) for the Airlines through the FBOs as well as the sale of general aviation products and services to the public. Through the FBOs it also provides GA facilities for the basing and servicing of private aircraft maintained by individuals or organizations located on the Airport.

Fuel Farms

The main fuel farm facility (the “Fuel Farm”) at the Airport is currently owned by the City and subject to the City Lease with the Authority. The Fuel Farm is currently operated by Signature Flight Support, one of the FBOs located at the Airport. The Fuel Farm is comprised of both vertical and horizontal storage tanks located within a single clay-lined secondary containment and separately contained pump station and truck load stations. The facility receives, stores, and discharges Jet-A, Diesel, MoGas, and Glycol. The facility contains both above ground and belowground piping for fuel and Glycol circulation. Receipt and discharge of Jet-A, Diesel, MoGas, and Glycol are all performed by trucking operation. Airlines purchase and store their own fuel at the Fuel Farm and use primarily

FBO or third-party-owned trucks and equipment to fuel and deice aircraft. The Authority has elected not to renew leases with Signature Flight Support for Fuel Farm operation and general aviation services and has entered into negotiations with Signature for the Authority to assume operations at the Fuel Farm and related general aviation services or to transfer such operations to a third-party. The Authority expects negotiations to conclude by December 31, 2021. No loss or interruption of service is anticipated as a result of a transition of the operation of the Fuel Farm and general aviation services from Signature Flight Support to the Authority or a third-party operator. Million Air, another FBO located at the Airport, operates a separate and smaller fuel farm which it utilizes to serve its general aviation customers.

Regional Airport Perspective

The vast majority of passenger activity (more than 95%) at the Airport consists of origin-and-destination (“O&D”), not connecting, traffic. O&D passengers are those who either begin or end their journey at the Airport.

The Airport’s share of O&D passengers is among the principal commercial service airports serving the Upstate New York region. The Airport’s share of Upstate New York O&D passengers accounts for approximately 17% percent of all such passengers across the region. The following table presents the historical shares of Upstate New York O&D passengers for the eight principal commercial service airports serving the Upstate New York region.

SYRACUSE HANCOCK INTERNATIONAL AIRPORT AVERAGE DAILY DEPARTING SEATS

Airport	Air miles from SYR ^(a)	Fiscal Year 2019 Enplanements ^(b)	Average daily departing seats ^(c)		
			June 2019	June 2021	Percent Change
All U.S. airports	n.a.	n.a.	3,319,275	2,677,180	-19.3%
Syracuse (SYR)	n.a.	1,188,814	4,661	3,242	-30.4%
Buffalo (BUF)	133	2,473,805	8,839	6,035	-31.7%
Albany (ALB)	120	1,452,702	5,148	4,136	-19.7%
Rochester (ROC)	79	1,262,142	4,404	3,077	-30.1%
Elmira (ELM)	77	147,523	586	309	-47.3%
Ithaca (ITH)	46	99,425	448	250	-44.2%
Binghamton (BGM)	63	36,768	142	50	-64.8%
Watertown (ART)	61	23,370	100	92	-8.1%

(a) Great Circle Mapper, www.gcmap.com.

(b) U.S. Department of Transportation T100 database, accessed via Diio Mi, August 1, 2021, Data are for the 12 months ended June 30, 2019 for all airports.

(c) Diio Mi Schedules database, accessed August 1, 2021.

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Passenger Enplanements

The Airport is classified by the FAA as a “small hub facility” based on its percentage of nationwide enplanements.

The table below presents historical enplanements for the Airport.

SYRACUSE HANCOCK INTERNATIONAL AIRPORT HISTORICAL ENPLANEMENTS Fiscal Years 2011 through 2021

Fiscal Year	Airport Enplanements	Change
2011	1,030,882	--
2012	981,167	-4.8%
2013	998,647	1.8%
2014	994,538	-0.4%
2015	994,626	0.0%
2016	995,622	0.1%
2017	1,017,642	2.2%
2018	1,085,817	6.7%
2019	1,225,089	12.8%
2020	971,699	-20.7%
2021	463,511	-52.3%

Source: The Authority

As shown, passenger activity at the Airport increased from 1,030,882 enplanements in Fiscal Year 2011 to 1,225,089 in Fiscal Year 2019. This increase represents a compounded annual growth rate of 2.2% during this period.

Enplanement activity in Fiscal Year 2020 was 971,699, a decrease of 20.7% compared to Fiscal Year 2019, reflecting the impacts of the COVID-19 pandemic reducing passenger traffic in March through June 2020.

Fiscal Year 2021 enplanements decreased to 463,511 as the impacts of the COVID-19 pandemic continued to reduce the demand for air travel at the Airport and worldwide. The Fiscal Year 2021 enplanements were 62.2% below Fiscal Year 2019 activity.

Air Carriers Serving the Airport

The Airport is presently served by six passenger air carriers and two all-cargo carriers.

SYRACUSE HANCOCK INTERNATIONAL AIRPORT AIRLINES SERVING THE AIRPORT

Passenger Airlines

Allegiant Air
American Airlines
Delta Air Lines
Frontier Airlines
JetBlue Airways
United Airlines

Cargo Carriers

Federal Express
United Parcel Service

Source: Syracuse Regional Airport Authority. In addition, prior to the COVID-19 pandemic, Air Canada served the Airport.

On June 10, 2021, Southwest Airlines announced that it will begin scheduled service to the Airport commencing on November 14, 2021, with three daily flights to Baltimore-Washington International Airport and once-weekly flights to Orlando International beginning November 20, 2021. Both American Airlines and Frontier Airlines are starting service to Miami International Airport during November 2021. Non-stop scheduled passenger service to Dallas-Fort Worth International Airport started on August 18, 2021. For calendar year 2021, the Airport has scheduled non-stop service to the following twenty-five airport destinations, including seasonal destinations:

**SYRACUSE HANCOCK INTERNATIONAL AIRPORT
SCHEDULED SERVICE – CALENDAR YEAR 2021**

Airport	Airline
Atlanta (ATL)	Delta
Boston (BOS)	American
Charlotte (CLT)	American
Chicago O'Hare (ORD)	American, United
Dallas-Ft. Worth (DFW)	American
Denver (DEN)	Frontier, United
Detroit (DTW)	Delta
Ft. Lauderdale (FLL)*	Allegiant
Ft. Myers (RSW)*	Frontier
Myrtle Beach (MYR)*	Allegiant
Nashville (BNA)	Allegiant
Newark (EWR)	United
New York JFK (JFK)	Delta, JetBlue
New York LaGuardia (LGA)	Delta
Orlando (MCO)	Frontier, JetBlue
Orlando Sanford (SFB)*	Allegiant
Philadelphia (PHL)	American
Punta Gorda (PGD)*	Allegiant
Sarasota Bradenton (SRQ)*	Allegiant
St. Petersburg (PIE)	Allegiant
Tampa (TPA)*	Frontier
Washington Dulles (IAD)	United
Washington National (DCA)	American

ANNOUNCED FUTURE SERVICE

Baltimore-Washington (BWI)**	Southwest
Miami (MIA)**	American, Frontier
Orlando (MCO)**	Southwest

Source: Diiomi as of August 26, 2021

* Seasonal service ** Starting in November 2021

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The following graphic illustrates the non-stop service available at the Airport during calendar year 2021, including seasonal destinations:



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Market Share of the Airlines

American Airlines is the leading carrier at the Airport in terms of passenger activity followed by Delta Air Lines. The following table presents shares of enplanements by airlines at the Airport for Fiscal Years 2017 through 2021 by number of passengers and by market share.

**SYRACUSE HANCOCK INTERNATIONAL AIRPORT
HISTORICAL PASSENGER ENPLANEMENTS AND MARKET SHARES BY AIRLINE
Fiscal Years 2017 through 2021**

Airline	Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
	Enplaned Passengers	Share								
American	331,682	32.6%	355,527	32.7%	352,044	28.7%	297,402	30.6%	166,035	35.9%
Delta	341,986	33.6%	346,837	31.9%	351,258	28.7%	244,492	25.2%	102,237	22.1%
United	158,935	15.6%	98,878	9.1%	219,898	17.9%	178,610	18.4%	64,172	14.2%
Allegiant	42,361	4.2%	27,583	4.4%	98,921	7.7%	86,437	8.9%	57,250	12.4%
JetBlue	134,425	13.2%	154,772	14.3%	128,732	10.5%	88,528	9.1%	37,115	8.0%
Frontier	-	-	73,960	6.8%	75,140	6.1%	76,230	0.3%	34,396	7.4%
Air Canada	8,271	0.8%	8,260	0.8%	4,096	0.3%	-	-	-	-
Airport Total	1,017,642	100%	1,085,817	100%	1,225,089	100%	971,699	100%	463,511	100%

Source: The Authority

Note: Percentages may not total due to rounding

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Landed Weight

The following table presents the share of landed weight by passenger airlines and all-cargo carriers at the Airport for Fiscal Years 2017 through 2021.

SYRACUSE HANCOCK INTERNATIONAL AIRPORT HISTORICAL LANDED WEIGHT BY AIRLINE Fiscal Years 2017 through 2021 (Weight in Thousand Pounds)

Airline	Fiscal Year 2017		Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020		Fiscal Year 2021	
	Landed Weight	Share								
American	400,609	26.6%	422,535	26.6%	405,872	22.5%	365,777	22.8%	211,092	20.2%
Delta	394,589	26.2%	400,601	25.2%	402,451	22.3%	307,464	19.1%	170,316	16.3%
United	174,212	11.6%	216,694	13.6%	254,087	14.1%	229,714	14.3%	94,879	9.1%
Allegiant	40,804	2.7%	46,531	2.9%	99,813	5.5%	86,503	5.4%	90,953	8.7%
JetBlue	154,652	10.3%	163,298	10.3%	162,420	9.0%	124,553	7.8%	58,749	5.6%
Frontier	-	0.0%	-	0.0%	70,841	3.9%	64,836	4.0%	40,894	3.9%
Air Canada	16,091	1.1%	15,975	1.0%	7,519	0.4%	-	0.0%	-	-
Subtotal – Passenger Carriers	1,180,957	78.6%	1,265,634	79.5%	1,403,003	77.7%	1,178,845	73.4%	608,134	58.1%
UPS*	169,218	11.3%	169,829	10.7%	195,628	10.8%	225,225	14.0%	236,198	22.6%
FedEx	153,259	10.2%	155,937	9.8%	206,951	11.5%	202,269	12.6%	202,863	19.4%
Subtotal – Cargo Carriers	322,477	21.4%	325,766	20.5%	402,579	22.3%	427,494	26.6%	439,061	41.9%
Total Landed Weight	1,503,433	100.0%	1,591,400	100.0%	1,805,582	100.0%	1,606,339	100.0%	1,047,195	100.0%

* Includes Wiggins Airways, a subcontractor of UPS

Source: The Authority

Air Service Development Incentive Program

The Authority has an Air Service Development Incentive Program which consists of incentives for (i) new entrant carriers, (ii) service to an unserved domestic market, and (iii) service to an unserved international market. The Air Service Development Incentive Program has two components: (i) waivers for landing fees, per-turn gate fees, fixed terminal fees and per-passenger terminal fees; and (ii) marketing support for the eligible new nonstop service. Fee waivers are available for qualifying service for a period of up to two years. The marketing incentives can be used for advertising campaigns, radio, direct mail, internet marketing, or other agreed upon promotions.

In Fiscal Year 2022, the commencement of service by Southwest Airlines at the Airport and non-stop service by American Airlines to Dallas-Ft. Worth and Miami International Airports have qualified for the Air Service Development Incentive Program.

Agreements for Use of Airport Facilities

The 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 buildings and cargo and hangar facilities; and concession agreements relating to the sale

of food and beverages, and goods and services at the Airport. The following is a summary of the more significant agreements relating to the Airport.

Airline Agreements

Airline agreements (each an “Airline Agreement” and collectively, the “Airline Agreements”) are in effect for the following airlines (each a “Signatory Airline” and collectively, the “Signatory Airlines”):

The Airline Agreement is dated July 1, 2016 and expires on June 30, 2025. The Airline Agreements have been signed by five passenger airlines and two cargo airlines.

Signatory Airlines

<u>Passenger</u>	<u>Cargo</u>
Allegiant Air	Federal Express
American Airlines	United Parcel Service
Delta Air Lines	
JetBlue Airways	
United Airlines	

Southwest Airlines has indicated its intent to execute an Airline Agreement with the Authority prior to initiating service in November 2021. If Southwest Airlines does execute an Airline Agreement with the Authority, it will also expire on June 30, 2025.

See “INVESTMENT CONSIDERATIONS — Expiration of Airline Agreements.”

The Airline Agreement covers the use and rate-setting mechanisms for the airfield and terminal facilities at the Airport.

Under each Airline Agreement, a Signatory Airline leases exclusive/preferential use space that typically consists of hold rooms, ticket counters, operations and office space and ramp areas. The Signatory Airlines receive the non-exclusive right to use joint-use space that typically includes baggage makeup and baggage system equipment and other areas used by multiple Signatory Airlines. The Signatory Airlines also receive the non-exclusive right to use common use space that includes hallways, stairwells and rest rooms used by the airlines and other building tenants.

Pursuant to the Airline Agreements, landing fees are calculated on a cost center residual rate setting methodology and terminal rents are calculated on a modified commercial compensatory methodology. Each Signatory Airline is required to pay landing fees on a monthly basis equal to the landed weight of each aircraft multiplied by the landing fee rate. The landing fee rate is equal to the net airfield requirement divided by the landed weight for all planes landing at the Airport. The net airfield requirement represents the total direct and indirect non-grant funded operating expenditures of the Airfield Cost Center (as defined in the Airline Agreements) including maintenance, security and administrative operating expenses, and reserve funds for capital projects, in excess of revenues of the Airfield Cost Center. Debt service (including debt service on the Series 2021 Bonds) is not included in the calculation of the landing fee rate. Each year, the difference between budgeted versus actual expenditures, as well as budgeted versus actual landed weights, are calculated as a prior year adjustment which becomes a component of the current year airfield requirement.

The net terminal requirement represents non-grant funded direct and indirect operating of the terminal building including maintenance, security and administrative expenses and reserve funds for capital projects related to the Terminal Cost Center (as defined in the Airline Agreements) and revenue offsets including utility reimbursements and ground handling fees. The net terminal requirement is divided by the rentable square footage of the terminal building to arrive at a terminal rental rate. Debt service (including debt service on the Series 2021 Bonds) is not included in the calculation of the terminal rental rate. The terminal rental rate is then multiplied by the

square footage of airline space to establish the Airline Terminal Requirement (as defined in the Airline Agreements). The Airline Terminal Requirement is allocated in each Fiscal Year as follows: 70% based on passengers, 20% based on the number of preferential use gates used by each airline, and 10% based on the number of airlines serving the Airport. Each year, the difference between the budgeted versus the actual expenditures is calculated as a prior year adjustment which becomes a component of the current year terminal requirement. Each Signatory Airline is required to pay terminal rentals on a monthly basis.

In addition to landing fees and terminal rentals, the Signatory Airlines are required to pay other fees and charges, including rent for ancillary spaces and overnight parking charges (if airline uses areas other than its preferential use gates).

The Airline Agreements provide for the ability to adjust airline rental fees and charges for the then current Fiscal Year if the Authority's forecasts show an underpayment or overpayment of 10% or more of the amount required to be generated by the Authority. Airline rates and charges are subject to a mid-year adjustment if needed.

The Airline Agreements provide for net revenue sharing with the Signatory Airlines. If the Authority has 300 days cash on hand or less, up to 25% of net revenues are shared with the Signatory Airlines. If the Authority has more than 300 days cash on hand, up to 50% of net revenues are shared with the Signatory Airlines.

The Airline Agreements are subordinate to the Master Resolution for the purposes of meeting the rate covenant prescribed in the Master Resolution, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS."

The Airline Agreements require Signatory Airline approval of most capital projects. Capital projects that are required by a governmental authority, repairing damage, or with a cost of \$1.0 million or less, net of grant and/or PFC funding, are excluded from the requirement for Signatory Airline approval. Other capital improvement projects must follow the Signatory Airline concurrence process. Under the Airline Agreement, capital projects are deemed approved by the Signatory Airlines unless they are specifically disapproved by a Majority-in-Interest ("MII") of the Signatory Airlines. For projects affecting the terminal rental rates, MII is defined as more than 67% of the passenger Signatory Airlines that together accounted for more than 50% of the passengers enplaned at the Airport during the most recent 12-month period. For projects affecting the landing fee rate, MII is defined as more than 67% of the Signatory Airlines (passenger and cargo) that together accounted for more than 50% of the landed weight at the Airport during the most recent 12-month period. As the Series 2021 Bonds are refunding Bonds, no Signatory Airline approval is needed for their issuance.

Non-Signatory Airlines

Frontier Airlines is the only non-signatory commercial airline and Wiggin Airways, a subcontractor of UPS, is the only non-signatory cargo carrier (the "Non-Signatory Airlines") serving the Airport pursuant to agreements with the Authority (the "Non-Signatory Agreements") and are not parties to Airline Agreements. The Authority assesses fees, rentals, and charges to the Non-Signatory Airlines at 125% the fees, rentals, and charges charged to the Signatory Airlines. The Non-Signatory Airlines neither participate in the end-of-year rates and charges recalculation and reconciliation, nor do they receive a share of the passenger incentive. The Non-Signatory Agreements are on a month-to-month basis and may be terminated by either the Authority or the applicable Non-Signatory Airline upon thirty days' notice.

Parking Agreement

The Authority has entered into an agreement with SP Plus Corporation ("SP Plus") for the management of the parking facilities at the Airport. The agreement expires on November 30, 2025. The agreement requires SP Plus to pay to the Authority, on a monthly basis, the greater of a percentage of parking revenues or a Minimum Fee as defined in the agreement.

The Authority sets rates for parking in the Airport's garage and parking lots. As of September 1, 2021, parking rates in the surface parking lot start at \$5 for the first hour and increase to \$13 per day. Parking rates in the covered garage start at \$6 for the first hour with a maximum of \$15 per day.

Rental Car Concession Agreement

As of August 1, 2021, there were seven rental car companies authorized by the Authority to provide rental car services at the Airport. All of the major national brands are represented at the Airport (Alamo, Avis, Budget, Dollar, Enterprise, Hertz and National). Each of the rental car companies has entered into a nonexclusive car rental concession agreement (each a "Rental Car Concession Agreement") with the Authority that expires on December 31, 2022. The car rental facilities occupy office and counter space within the first and second floor of the Airport garage adjacent to the terminal in addition to designated parking spaces for each company.

Under each Rental Car Concession Agreement, the Authority receives a minimum annual guaranteed payment and 10% of the concessionaire's gross revenue attributable to the concessionaire's operations at the Airport. The minimum annual guaranteed payment is \$1,065,000 in the first year of each agreement, and in the second year of the Rental Car Concession Agreement thereafter, 85% of the aggregate gross revenues paid by the concessionaire for the prior agreement year, but in no event less than in the prior agreement year.

In addition, each concessionaire is required to pay the Authority \$42.53 in rent per square foot of space it leases in the terminal and \$182.50 per return parking space in the Airport's parking facilities. These rental amounts are adjusted are inflation-adjusted each year using the United States Department of Labor Statistics' Consumer Price Index for All Urban Consumers.

Transportation Network Companies (TNCs)

The Authority has issued permits to Rasier, LLC (commonly known as Uber) and Lyft, Inc. granting them the privilege of providing ground transportation services at the Airport as TNCs. TNCs are app-based transportation companies that connect paying passengers with non-commercially licensed drivers providing ground transportation services. In accordance with the permits, the TNCs remit payment to the Authority of \$2.00 for each pick-up or drop-off made at the Airport.

Terminal Concession Agreement

The Airport has a master lease, development, and concession agreement (the "Concession Agreement") with Delaware North for all of the Airport's food & beverage, news & gift and retail concessions. The current agreement expires on March 31, 2029. As of August 2021, there were seven food and beverage outlets and news and gift or retail outlets operating throughout the terminal facility.

The Concession Agreement provides for rental payments equal to the greater of a (a) 85% of the rent for the previous lease year (but in no event less than \$500,000); or (b) the percentages of the tenant's gross revenue as follows: (i) food & beverage (non-alcoholic) – 11%, (ii) alcoholic beverages – 16%, and (iii) retail and specialty retail – 15%. Any gross revenues of Delaware North which do not clearly fit into the foregoing categories are characterized as food and beverage.

For Fiscal Year 2020, the Authority received \$1.3 million under the Concession Agreement, or the equivalent of \$1.34 per enplaned passenger. Due to the effects of the COVID-19 pandemic, the Authority received \$0.65 million under the Concession Agreement for Fiscal Year 2021 and agreed to waive the minimum payment.

See "AUTHORITY FINANCIAL MATTERS — Management's Discussion of recent Financial Results."

Military Use of Airport Facilities

The United States Air Force’s Hancock Field Air National Guard Base is co-located with the Airport, and consists of approximately 350 acres of flight line, aircraft ramp, and support facilities on the south side of the Airport. The base houses the New York Air National Guard’s 174th Attack Wing and 274th Support Operations Squadron and includes approximately 2,000 personnel consisting of full-time Active Guard and Reserve. Use of manned military aircraft at the Airport ceased in March 2010 and was replaced by the remotely piloted General Atomics MQ-9 Reaper unmanned aerial vehicle. The Authority is currently negotiating a new lease with the United States Department of Defense for its use of Airport facilities. The new lease is expected to take effect in November 2021.

AIRPORT CAPITAL IMPROVEMENT PLAN

The Airport’s six-year (Fiscal Years 2022 through 2027) capital improvement plan (the “CIP”) includes projects with a total estimated cost of approximately \$41.091 million.

**Syracuse Regional Airport Authority
FY 2022 – 2027 Capital Projects
(\$’s in thousands)**

	2022	2023	2024	2025	2026	2027	Total
Passenger Boarding Bridges	\$7,200	\$1,175					\$8,375
Rehabilitate Taxiway A West	360			\$4,100			4,460
Update Master Plan	1,350						1,350
Updates APMS Study	178						178
ARFF Vehicle & PPE Equipment			\$1,400				1,400
Chemical Storage Building			250		\$1,500		1,750
Rehabilitate Taxiways and Aprons		405		4,700	1,350	\$11,500	17,955
Environmental Study				256			256
Terminal Roadway Signage	450						450
Baggage Belt Upgrades	350						350
Parking Lot Paving	400						400
Signage – Ticket Counters	175						175
Communication Center	250						250
Administration Office Buildout	375						375
Maintenance & Custodial Rehab	1,200						1,200
Capital Purchases – Other	741	700	294	272	160		2,167
	<u>Total</u>						
	\$13,029	\$2,280	\$1,944	\$9,328	\$3,010	\$11,500	\$41,091

Source: The Authority

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CIP Funding

The Authority plans to fund the CIP with federal AIP grants from the FAA, New York State matching fund grants, PFCs, grants made available under the CARES Act, and Authority funds. The Authority does not anticipate issuing Bonds or other indebtedness to fund projects in the CIP.

Syracuse Regional Airport Authority
FY 2022 – 2027 Capital Projects – Funding Sources
((\$'s in thousands)

	Total
AIP Grants	\$21,061
New York State Grants	\$2,077
CARES Act Funds	\$3,200
PFCs	\$9,743
Authority Funds	\$4,010
Total Funding	\$41,091

Note: Numbers may not add due to rounding.

Source: The Authority

Replacement of Parking Garage and other Landside Projects.

The Authority and its consultants have determined that the 2650-space covered parking garage adjacent to the Airport terminal will be required to be demolished and replaced within the next three to five years. Estimates of the cost of the demolition and replacement range from \$100 million to \$160 million. The Authority will determine how to approach the replacement of the covered parking garage and other projects as part of its new master plan and may undertake the projects in multiple phases to spread out the cost and any future financings. Funding sources may include the issuance of Additional Bonds, rental car Consolidated Facility Charges (“CFCs”), grants and Authority funds. At this time, the Authority does not anticipate undertaking a financing within the next five years, however. Under the Airline Agreements, financing of the replacement parking garage would not be subject to approval by the Signatory Airlines.

In addition, the Authority is currently developing a new master plan with the assistance of its consultants, which may include additional capital projects throughout the Airport. Development of the new master plan is expected to continue into calendar year 2022, and the Authority has not may any decisions as to which landside capital projects it may undertake and how such projects will be financed.

AUTHORITY FINANCIAL MATTERS

Summary of Financial Operating Information

The Authority accounts for the activities of the Airport on an accrual basis of accounting according to generally accepted accounting principles. The general purpose financial statements of the Authority for the Fiscal Years ended June 30, 2021 and 2020, included in this Official Statement as APPENDIX A, have been audited by Fust Charles Chambers LLP, independent auditors.

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A summary of revenues and expenses for the Airport for the Fiscal Years ended June 30, 2017 through June 30, 2021, is provided in the following table. This summary has been derived from and should be read together with the applicable audited financial statements of the Authority and related notes.

Syracuse Regional Airport Authority
Statement of Revenues, Expenses and Change in Net Position
Fiscal Years (ending June 30) 2017 – 2021
Amounts in thousands

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Operating Revenues:</u>					
Landing & Parking Fees	\$6,920	\$8,126	\$8,059	\$8,090	\$5,853
Airline Terminal Fees	6,441	6,666	6,464	6,240	4,224
Concessions	6,950	7,023	7,838	6,881	6,815
Transportation/Parking	8,738	8,997	10,242	9,064	5,137
Other Income	--	53	21	170	111
Total	\$29,048	\$30,866	\$32,623	\$30,445	\$22,140
<u>Operating Expenses:</u>					
Operating & Administrative	\$22,284	\$25,369	\$30,571	\$39,344	\$30,136
Net Operating Revenues Before Depreciation and Aviation Fund Lease Payments					
	\$6,764	\$5,497	\$2,052	(\$8,899)	(\$7,996)
Depreciation	\$561	\$713	\$1,184	\$1,193	\$1,230
Aviation Fund Lease	5,574	3,464	3,336	3,328	3,321
Net Operating Income/(Loss)	\$629	\$1,321	(\$2,468)	(\$13,420)	(\$12,546)
<u>Non-Operating Income (Expense):</u>					
Capital Grants*	1,946	30,711	16,495	7,636	19,219
Capital Contribution Expense to City's Aviation Fund	(2,100)	(6,437)	(59,050)	(447)	(1,655)
Passenger Facility Charges	4,139	4,518	5,119	3,862	2,183
Consumer Facility Charges	--	--	--	1,922	1,682
Other Income	32	--	--	--	--
Interest Income	94	51	66	63	42
Interest Expense	--	(7)	(489)	(320)	(313)
Increase (Decrease) in Net Position	4,740	30,157	(40,328)	(704)	8,611
Net Position, Beginning of Year	44,850	47,774	77,930	37,602	36,898
Change in Accounting Principle	(1,816)	--	--	--	--
Net Position, End of Year	\$47,774	\$77,930	\$37,602	\$36,898	\$45,510

Source: The Authority

*Includes 11,631 in CARES ACT funds

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Management’s Discussion of Recent Financial Results

Airline Revenues. The following table presents the estimated payments made by passenger airlines at the Airport per enplaned passenger for Fiscal Year 2017 through Fiscal Year 2021:

Syracuse Regional Airport Authority
Passenger Airline Revenue Per Enplaned Passenger
Fiscal Years (ending June 30) 2017 – 2021
Amounts in thousands (except Revenue Per Enplanement)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Landing Fees	\$6,920	\$8,126	\$8,059	\$8,090	\$5,853
Terminal Rents	6,441	6,666	6,464	6,240	4,224
Less: Landing Fees from Cargo Carriers	(1,015)	(1,519)	(2,438)	(2,326)	(2,018)
Passenger Airline Revenue	\$12,346	\$13,273	\$12,085	\$12,004	\$8,059
Enplanements	1,018	1,086	1,225	972	464
Revenue per Enplanement	\$12.13	\$12.22	\$9.86	\$12.35	\$17.37

Source: The Authority

Non-Airline Revenues. The Authority also receives revenues from a variety of sources other than the airlines serving the Airport. The most significant sources of non-airline revenue are derived from parking, car rentals, FBOs paying airfield land lease rentals, non-aviation leases and restaurant/concessions. Non-airline revenues generated at the Airport increased from \$15.7 million in Fiscal Year 2017 to \$18.1 million in Fiscal Year 2019 based on the increase in enplanements over the same time period. Non-airline revenues dipped to \$16.19 million in Fiscal Year 2020 and further eroded to \$12.1 million in Fiscal Year 2021 as a direct result of reduced activity due to the impacts from COVID-19.

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In Fiscal Year 2021, parking accounted for \$5.137 million (42.6%) of total non-airline revenues; car rentals accounted for \$1.995 million (15.8%); and FBOs accounted for \$2.233 million (18.5%). Non-aviation revenues also include the leased property at the Airport and accounted for \$0.602 million (5.0%) of total non-airline revenues in Fiscal Year 2021.

Syracuse Regional Airport Authority
Total Non-Airline Revenues
Fiscal Years (ending June 30) 2020 – 2021
Amounts in thousands

	<u>2020</u>	<u>2021</u>
<u>Concessions:</u>		
Food, Beverage, & Retail	\$1,004	\$509
Advertising	294	191
Ground Handling	319	184
Land Leases - Airfield/FBO	490	2,233
Land Leases - Cargo	451	324
Car Rental	2,990	1,995
Car Rental Ready Return	671	543
Ground Transportation	278	94
Land Leases - Commercial	473	278
Other*	<u>0</u>	<u>464</u>
Total Concessions	\$6,881	\$6,815
Parking	\$9,064	\$5,137
Other	170	111
Total Non-Airline Revenues	\$16,115	\$12,063

Source – The Authority. *Note:* Numbers may not total due to rounding.
 *Other includes security reimbursements and concessionaire leases.

Operating Costs. Maintenance and Operation Costs increased from \$22.3 million in Fiscal Year 2017 to \$30.1 million in Fiscal Year 2021, a compounded annual growth rate of 7.9%. Maintenance and Operation Cost categories include personnel support, materials, supplies and services, and terminal operation and maintenance costs.

Included in the Maintenance and Operation costs are non-cash accruals for Other Post-Employment Benefits (OPEB) in compliance with GASB 75. Airport personnel were transferred from the City’s payroll to the Authority’s payroll resulting in an increased OPEB liability and creating significant expense adjustments. All personnel transfers were completed in FY 2021.

<i>In thousands</i>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
OPEB GASB 75					
Expense Accrual	\$193	\$325	\$6,321	\$9,601	\$1,372

Additionally, expenses incurred in Fiscal Year 2020 in response to the COVID-19 pandemic included the implementation of enhanced sanitization and distancing requirements, increased cleaning rotations and installation of UV lighting in the HVAC systems and on escalator handrails. These enhanced sanitation measures continued into Fiscal Year 2021.

Fiscal Year 2020 and Fiscal Year 2021 also include additional costs for implementing new financial accounting systems.

Aviation Fund Lease amounts included by the Authority as an operating expense represent payments made to the City for debt service on the City’s outstanding general obligation bonds which funded capital projects at the Airport. As this debt is refunded or retired in full, these payments will end.

Fiscal Year 2022 Budget

The Authority established the Fiscal Year 2022 budget with a 1% increase operating expenses over Fiscal Year 2021 while anticipating a 47% increase in revenues over the prior year. The Authority’s Fiscal Year 2022 budget reflects, among other things, the upward trend of enplanements at the end of Fiscal Year 2021. See “THE AUTHORITY – Impact of the COVID-19 Pandemic on the Airport and the Authority’s Response.”

The following table sets forth a comparison between the Authority’s actual results for Fiscal Year 2021 and budget for Fiscal Year 2022.

**Syracuse Regional Airport Authority
Fiscal Year 2021 Results vs Fiscal Year 2022 Budget
(Amounts in thousands)**

	Fiscal Year 2021	Fiscal Year 2022 Budget
Landing & Parking Fees	\$5,853	\$7,508
Airline Terminal Fees	4,224	5,486
Concessions/Land Leases	6,815	4,343
Transportation	5,137	14,580
Other Income	111	607
Total Operating Revenue	\$22,140	\$32,525
Total Operating Expenses	\$30,136	\$30,424

Source: The Authority

Given the uncertainty created by the COVID-19 pandemic and the evolving nature of its effects, forecasts are subject to some level of volatility. The Authority’s Fiscal Year 2022 budget reflects, among other things, the continued potential impacts of the COVID-19 pandemic, on the sources of revenue available to the Authority and the need to control costs as the COVID-19 pandemic persists. See “INVESTMENT CONSIDERATIONS” – COVID-19 Related Matters.

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Proforma Historical Debt Service Coverage

The following table shows *proforma* historical debt service coverage on the Series 2011A Bonds and Series 2013B Bonds for Fiscal Years 2017 through 2021 presented in accordance with the terms of the Master Resolution.

Syracuse Regional Airport Authority
Proforma Debt Service Coverage
Fiscal Years (ending June 30) 2017 – 2021
Amounts in thousands (except Debt Service Coverage)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Operating Revenues	\$29,048	\$30,866	\$32,623	\$30,445	\$22,140
Operating Expenses	22,284	25,369	30,571	39,344	30,136
Net Operating Revenues Before Depreciation and Aviation Fund Lease Payments	\$6,764	\$5,497	\$2,052	(\$8,899)	(\$7,996)
<u>Adjustments:</u>					
CARES Act Grants Funding of Operating Expenses	\$--	\$--	\$--	\$--	\$11,631
Non-Cash GASB 75 OPEB Expenses*	193	325	6,321	9,601	1,372
Passenger Facility Charges	4,139	4,330	4,170	3,862	2,182
Interest Income	94	51	66	63	42
Transfer Funds from Coverage Deposit Account	1,394	866	834	832	830
Net Pledged Revenue	\$12,584	\$11,069	\$13,443	\$5,459	\$8,061
Debt Service on Series 2011A Bonds and Series 2013B Bonds***	5,574	3,464	3,336	3,328	3,321
Debt Service Coverage	2.26x	3.20x	4.03x	1.64x	2.432x

Source: The Authority.

* Included in Operating Expenses

** PFCs are capped at the lesser of PFC Revenues or 125% of PFC-funded debt service.

*** Excludes the Series 2019 Notes, which are funded from AIP and NY State Grants.

PFC Program

The Aviation Safety and Capacity Expansion Act of 1990 (the “1990 PFC Act”) and the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (“AIR 21,” and collectively with the 1990 PFC Act, the “PFC Acts”) permit public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge each enplaning passenger a PFC of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50. Public agencies wishing to impose and use PFCs must apply to the FAA for the authority to do so. The purpose of the PFC is to develop additional capital funding sources to provide for the expansion of the national airport system. The proceeds from PFCs must be used to finance eligible airport-related projects that preserve or enhance the 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.

PFCs are collected by air carriers as part of the price of a ticket and then remitted to the airport. The air carriers are permitted by the PFC Acts to retain a portion of each PFC collected (currently \$0.11 of each PFC collected) as compensation for collecting and handling PFCs. PFCs received by an airport are net of this collection fee. With respect to an airline operating at an airport which is involved in bankruptcy proceedings, it is unclear whether an airport would be afforded the status of a secured creditor with regard to PFCs collected or accrued with respect to that airline. See “ INVESTMENT CONSIDERATIONS — Effect of Signatory Airline Bankruptcy on the Airline Agreements.”

The Airport has received approval from the FAA to impose and use \$135.2 million of PFCs, which approval is estimated to expire on June 1, 2030. Such approval is to collect a \$4.50 PFC on each enplaning passenger. As of June 30, 2021, the Airport had collected, including interest earnings thereon, \$98.6 million of PFCs.

The definition of “Revenues” in the Master Resolution does not include, among other things, PFC revenues, except to the extent PFC revenues are specifically designated as Revenues by the Authority. The Master Resolution provides, however, that in the event the Authority issues PFC Bonds secured by a pledge of PFC revenues, Available PFC Revenues must be included in the definition of Revenues for purposes of calculating the rate covenant with respect to such PFC Bonds.

The actual amount of Available PFC Revenues received in each Fiscal Year will vary depending on the number of qualifying passenger enplanements at the Airport. See “ INVESTMENT CONSIDERATIONS” for discussion of a number of factors that may impact the number of passenger enplanements. See also “ INVESTMENT CONSIDERATIONS — Effect of Signatory Airline Bankruptcy on the Airline Agreements.”

The Airport’s ability to impose and use PFCs is subject to certain terms and conditions provided in the PFC Acts, the FAA’s PFC regulations and the specific FAA approvals applicable to the Airport’s PFC program. The Airport’s authority to impose the PFC is also subject to certain provisions of the Airport Noise and Capacity Act of 1990 (the “Noise Act”) and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. A failure by the Airport to comply with any of these requirements, or a violation by the Airport of the Noise Act, could result in a reduction or termination of the Airport’s authority to impose PFCs and to use PFCs to finance a portion of its CIP. Additionally, no assurance can be given that the Airport’s authority to impose the PFC will not be terminated by Congress, 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 or that the Airport will not seek to decrease the amount of the PFC to be collected.

AIP and ATSA Federal Grants

Under the AIP, the FAA awards grant moneys to airports around the country for capital improvement projects. AIP grants include entitlement funds, which are apportioned annually based upon enplaned passengers and cargo traffic, as well as discretionary funds, which are available at the discretion of the FAA based on a national priority system. In Fiscal Year 2021, the Authority authorized the acceptance of approximately \$4.8 million in federal AIP grants.

Pursuant to Section 119 of the Aviation and Transportation Security Act (“ATSA”), the Authority is eligible to receive moneys from the federal government as reimbursement for costs associated with additional law enforcement personnel, airport surveillance and the revalidation of all airport issued and approved identification. During Fiscal Year 2021, the Authority received approximately \$124,100 for security related reimbursements at the Airport. Such amounts are netted from operating expenses

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Employer/Employee Relations

The Airport is budgeted for 114 regular (full-time) employees. All full-time, regular Airport employees are included in the State and Local Retirement System (the “Retirement System”).

The Authority has agreements with labor unions as shown in the following table.

<u>Union Name</u>	<u>Department</u>	<u>FTEs</u>	<u>Contract Start Date</u>	<u>Contract Termination Date</u>
Council 66 and its affiliate Local Union 1773a of the American Federation of State, County & Municipal Employees AFL-CIO	Terminal, Landside Operations Airfield Maintenance	10	7/1/2018	6/30/2023
Council 66 and its affiliated Local Union 400a of the American Federation of State, County & Municipal Employees AFL-CIO	Terminal, Landside Operations Airfield Maintenance	50	1/1/2020	6/30/2024
Central and Northern NY Building Trades Council and Signatory Local Unions.	Trades	6	10/1/2020	6/30/2025

Pension Plans and Post Employment Healthcare Benefits

All full-time, regular Airport employees are eligible to enroll in the Airport provided health care plan. The plan provides coverage for the employee and eligible dependents. The Authority covers 80% of the premium costs. Retirees from the Authority are eligible to continue enrollment in the health insurance plan provided they meet certain criteria and cover the employee portion of the premium. The Authority is a participating employer in the Retirement System. Regular, full time employees must join the Retirement System at the time of their permanent appointment. Employee contributions are determined based on enrollment date. The Authority provides contributions based on active employees and records a liability for benefits as outlined in GASB 68.

Insurance commercial insurance or provide Qualified Self Insurance (as defined below) with respect to the facilities constituting the Airport and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports

Pursuant to the Master Resolution, the Authority, subject to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, is required to procure and maintain commercial insurance or provide Qualified Self Insurance (as defined in the Master Resolution) with respect to the facilities constituting the Airport and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports. The Master Resolution does not specify any minimum amount of insurance coverage that the Authority must carry with respect to the Airport. The Authority has expansive coverage tailored for Aviation Operations through QBE. This coverage includes medical, fire, personal injury, ground hangar keepers, property, umbrella, vehicle and cargo. Coverages range from \$1,000,000 to \$250,000,000.

INVESTMENT CONSIDERATIONS

The purchase of the Series 2021 Bonds involves certain investment risks and considerations. Prospective purchasers should read this Official Statement in its entirety. In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement and should specifically consider certain risks associated with the ability of the Authority to repay the Series 2021 Bonds. Following is a discussion of some, but not necessarily all, of the possible considerations and risks that should be carefully evaluated by purchasers of the Series 2021 Bonds. As the financial strength of the airlines serving the Airport are key determinants of airline traffic, there is no assurance that the Airport, despite a demonstrated level of service and operations, will maintain such levels of operations in the future.

General

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

COVID-19 Related Matters

The COVID-19 pandemic and resulting restrictions have severely disrupted and continue to disrupt the economies of the United States and other countries, leading to volatility in the capital markets and a steep decline in the U.S. gross domestic product and employment. Many of those markets have lost significant value and the speed and sustainability of economic recovery likely depends on the duration of the pandemic. Increased business failures, worker layoffs and consumer and business bankruptcies occurred and the pace of national economic recovery is uncertain. The spread of COVID-19 has and will continue to have a material adverse effect on the demand for passenger air travel for the duration of the pandemic. The length of the 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. The longer the pandemic persists, the greater the ultimate effect on the airline industry is likely to be.

Social distancing guidelines and stay-at-home directives include avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding congregating in groups and the strict regulation of restaurants and bars. The Authority cannot predict how long social distancing guidelines will be in effect nor whether stay-at-home directives will go back into effect. During the stay-at-home directives, however, the Airport Facilities continued to operate as essential services. Airport personnel necessary to maintain and operate the Airport Facilities were determined to be essential personnel who were exempted from the stay-at-home orders. Other Authority personnel operated remotely during the stay-at-home directive.

The outbreak of COVID-19 and related restrictions and measures adopted to contain the spread of the virus have had a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and Airport concessionaires, and caused record-high unemployment and a devastating contraction of global and national economies. Airlines have reported a drastic and unprecedented decrease in traffic,

causing the cancellation of numerous flights, as well as expectations for continued reduced levels of traffic. Likewise, retail concessionaires at the Airport have either temporarily closed or have reported drastic declines in sales. These concession arrangements include gross sales payment mechanisms and, accordingly, such reductions in sales can be expected to reduce Authority revenues from these concessionaires. The concession arrangements also include minimum annual guarantee payments, some of which have been temporarily waived by the Authority. In addition to the impact on concessionaires, the reduction in air travel has had an adverse effect on parking, ground transportation (such as taxi and limousine) and rental car revenues at the Airport.

According to the United States Centers for Disease Control and Prevention (the “CDC”), three COVID-19 vaccines are currently available in the United States, which are produced by Pfizer Inc., Moderna, Inc., and Janssen Pharmaceuticals (a wholly owned subsidiary of Johnson & Johnson), respectively. In the State, vaccine distribution to front-line healthcare workers began in December 2020. Over the following months, residents of the State had access to COVID-19 vaccines based upon a phased schedule of priority populations, informed by guidance from the CDC and State healthcare officials. As of April 16, 2021, all individuals of the age of 12 are eligible to receive the COVID-19 vaccine vaccinations. As of August 1, 2021, approximately 59% of the total population of the State was fully vaccinated, and approximately 71% of the population of the State over the age of 18 was fully vaccinated.

On January 21, 2021 the President issued an executive order titled *Promoting COVID-19 Safety in Domestic and International Travel*, which requires masks to be worn in all airports, on commercial aircraft, and in various modes of surface transportation. The CDC issued a related order on January 29, 2021 titled *Requirement for Persons to Wear Masks While on Conveyances and at Stations, Ports, or Similar Transportation Hubs*. The TSA has issued security directives related to these orders. The President’s executive order directed the Department of Homeland Security, including the TSA, to implement the order. The TSA issued a security directive, and related emergency amendments, in response which expire on January 18, 2022. The President’s executive order and the CDC order have no expiration date, however, and mask requirements in airports, on commercial aircraft, and on surface transportation may be imposed as long as the COVID-19 pandemic persists.

Variants of the virus which causes COVID-19, including the so-called Delta variant identified in India in December 2020 and officially designated by the World Health Organization on May 31, 2021, has caused a surge of COVID-19 cases in certain regions of the United States with low vaccine uptake, including many of the non-stop destinations in the southern United States which the Airport serves. The Authority cannot predict the effect that variants of the virus, including the Delta variant, will have on demands for travel.

The Authority cannot predict (i) the duration or extent of the COVID-19 pandemic or other outbreak or pandemic, including the effects of any variant of the virus or the effectiveness of any vaccine to prevent COVID-19 infection or treatment for COVID-19; (ii) the duration or expansion of travel restrictions and warnings; (iii) whether additional countries or destinations will be added to the travel restrictions or warnings; (iv) what effect any COVID-19 or other outbreak/pandemic-related travel restrictions or warnings may have on demand for air travel, including to and from the Airport, Airport costs or Authority revenues; (v) to what extent the COVID-19 pandemic or other outbreak or pandemic may disrupt the local or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact construction or other operations at the Airport; (vi) the extent to which the COVID-19 pandemic or other outbreak or pandemic may result in changes in demand for travel, or may have an impact on the airlines serving the Airport, concessionaires at the Airport or the airline and travel industry generally; (vii) the extent to which the COVID-19 pandemic or other outbreak or pandemic may result in staff reductions of TSA, airlines or other partners at the Airport that would have an impact on passenger security screening as well as baggage, flight and other delays at the Airport; (viii) whether or to what extent the Authority may provide deferrals, forbearances, adjustment or other changes to the Authority’s arrangements with its tenants and concessionaires; (ix) the duration and extent of the economic contraction and high unemployment resulting from measures adopted to contain the spread of the virus; or (x) whether any of the foregoing may have a material adverse effect on the finances and operations of the Authority. Future outbreaks or pandemics may reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Authority revenues.

Public Health Risks

Public health concerns affect air travel demand from time to time. The current spread of COVID-19 caused the World Health Organization to declare the outbreak a global pandemic. As a result of the spread of COVID-19

and the related passenger fears about traveling and national and global attempts to contain the virus, airlines have significantly cut flights in domestic and international markets both as a result of mandated travel restrictions and due to the reduced number of travelers. See “COVID-19 Related Matters” above. In addition, in 2003, concerns about the spread of severe acute respiratory syndrome (“SARS”) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. Following an outbreak of the Ebola virus in West Africa in 2014, concerns about the spread of the virus adversely affected travel to and from certain regions of Africa. In January 2016, the Centers for Disease Control and Prevention issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus had spread, a list that included more than 50 countries and territories.

National and Global Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economy. With the globalization of business and the increased importance of international trade and tourism, the U.S. economy and, by extension, passenger traffic at U.S. airports, has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, global pandemics such as COVID-19 and hostilities all influence passenger traffic at major U.S. airports. The spread of COVID-19 has altered the behavior of businesses and people in a manner that has exhibited negative impacts on global and local economies. In addition, stock markets in the U.S. and globally have seen significant declines that have been attributed to coronavirus concerns. The long-term impact on national and global economic growth and what effects, if any, there will be for the air transportation industry are not known at this time. See “COVID-19 Related Matters” above.

Airlines Serving the Airport

The Authority derives a substantial portion of its operating revenues from landing, facility rental and concession fees. The financial strength and stability of the airlines using the Airport, together with numerous other factors, influence the level of aviation activity and revenues at the Airport. In addition, individual airline decisions regarding level of service and aircraft size such as use of regional jets, can affect total enplanements. See “COVID-19 Related Matters” above.

The Authority cannot predict the duration or extent of reductions and disruptions in air travel or the extent of any adverse impact on Revenues, PFC collections, passenger enplanements, operations or the financial condition of the Authority that disruptions and reductions related to airline bankruptcies may cause, or whether these and other factors will result in more airline bankruptcies. All airlines that have filed for reorganization under the United States bankruptcy laws in the past have remitted all material payments due to the Authority under the Airline Agreements. Bankruptcies, liquidations or major restructurings of airlines could occur in the future. The Authority is not able to predict how long any airline in bankruptcy protection would continue operating at the Airport or whether any such airline would liquidate or substantially restructure its operations. Further, the Authority cannot predict or give any assurance that the airlines serving the Airport will continue to pay or to make timely payment of their obligations under the Airline Agreements.

See “Effect of Signatory Airline Bankruptcy on the Airline Agreements” under this caption for additional discussion of airline bankruptcy on the Airline Agreement.

Airline Consolidations

In response to competitive pressures, the U.S. airline industry has continued to consolidate. Delta and Northwest merged in 2008; United and Continental merged in 2010; Southwest Airlines acquired AirTran Airways in 2011; and US Airways and American Airlines merged in 2013; and Alaska Air Group and Virgin America merged in 2016.

Airline consolidation may affect airline service patterns at the Airport. Further airline consolidation is possible and could continue to change airline service patterns, particularly at the connecting hub airports of the merged airlines. The Authority cannot predict what impact, if any, such consolidations will have on airline traffic at the Airport. See “Competition” under this caption for additional discussion on the effect of airline consolidation on the Airport.

Cost and Supply of Aviation Fuel

Airline profitability is significantly affected by the price of aviation fuel. According to Airlines for America, fuel is the second largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier’s operating economics. 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, Organization of Petroleum Exporting Countries’ policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production, refining facilities and fuel delivery and weather. The cost of aviation fuel has fluctuated in the past in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel historically have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel. In addition, there have been recent concerns about possible fuel shortages that were raised by the cyberattack on the Colonial Pipeline in May 2021, which impacted delivery of fuel to seven airports in the eastern United States.

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions, particularly in the context of international hostilities and domestic and foreign terrorist attacks and threats and other airline incidents, 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, which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Safety concerns in the aftermath of the terrorist attacks on September 11, 2001, were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have enhanced security measures to guard against possible terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed federal air marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies.

The Boeing 737 MAX aircraft (the “MAX”) was grounded in March 2019 after fatal crashes of that aircraft that were suspected to have been caused by malfunctions of the automated flight control system. In November 2020, the FAA issued an order enabling MAX aircrafts to resume operations upon receipt of FAA airworthiness certificates and export certificates of airworthiness. The FAA also published an Airworthiness Directive, which specifies design changes that must be made before the MAX may return to service. These actions do not allow the MAX to return immediately to service. The FAA must first approve MAX pilot training program revisions for each U.S. airline operating the MAX and will retain its authority to issue airworthiness certificates and export certificates of airworthiness for all new MAX aircraft manufactured since the FAA issued the grounding order. Furthermore, airlines that have parked their MAX aircraft must take required maintenance steps to prepare them to fly again. US DOT’s inspector general issued a report in February 2021 with 14 recommendations for the FAA to implement to improve the certification process for future new planes. While the grounding has not caused significant flight cancellations at the Airport, safety concerns of travelers and future aircraft grounding could, in the future, impact airlines serving the Airport.

On April 9, 2021, Boeing warned airlines of a new possible electrical insulation fault in the recent production of some MAX planes. The top three U.S. MAX operators - Southwest Airlines, American Airlines and

United Airlines removed a total of 63 jets from service following the notice from Boeing. At the FAA's request, Boeing supplied analysis and documentation showing that numerous MAX subsystems would not be affected by electrical grounding issues. The FAA reviewed Boeing's analysis and approved the service bulletins sent to airlines on May 13, 2021.

Computer networks and data transmission and collection are vital to the safe and efficient operation of the Airport, the airlines that serve the Airport and other tenants of the Airport. Notwithstanding security measures, information technology and infrastructure of the Airport, any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption to the operations of the Airport and/or the airlines serving the Airport and to the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue.

Aviation Security Requirements and Related Costs and Restrictions

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

Enplanements at the Airport and the receipt of Revenues were negatively affected by security restrictions on the Airport and the financial condition of the air transportation industry following the terrorist attacks of September 11, 2001. The Authority, like many airport operators, experienced increased operating costs due to compliance with federally mandated and other security and operating changes. The Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the possibility of increased security restrictions, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines from such incidents or disruptions.

Regulations and Other Restrictions Affecting the Airport

The operations of the Authority and its ability to generate revenues are affected by a variety of legislative, legal, contractual, statutory, regulatory and practical requirements and restrictions, including by the Federal Aviation Act, the City Lease, provisions of the Airline Agreements, the PFC Acts, and extensive federal legislation and regulations applicable to all airports. It is not possible to predict whether future requirements and restrictions on the Airport's operation will be imposed, whether future legislation or regulation will affect anticipated federal funding, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether any such future requirements, restrictions, legislation or regulations would adversely affect Net Revenues.

Risks from Unexpected Events and Global Climate Change

General. The Airport could sustain damage and loss of use as a result of certain unexpected events, such as terrorist attacks, extreme weather events and other natural occurrences, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots. While the Authority has attempted to address the risk of loss through the purchase of insurance, certain of these events may not be covered. Furthermore, even for events that are covered by insurance, the Authority cannot guarantee that coverage will be sufficient or that insurers will pay claims in a timely manner. From time to time, the Authority may change the types of, and limits and deductibles on, the insurance coverage that it carries. The Authority cannot predict what effects any of these events may have on the Authority's ability to generate Revenues but the effects may be materially adverse.

Global Climate Change. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Over the next 25 to 100 years, such extreme events and conditions are expected to increasingly disrupt and damage critical infrastructure and property as well as regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power

outages, fuel shortages and service disruptions. Coastal public infrastructure may be threatened by the continued increase in the frequency and extent of high-tide flooding due to sea level rise, and inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines, may be affected by increases in the severity and frequency of heavy precipitation events.

Climate-Related Regulations. Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airport and on the airlines operating at the Airport. On July 5, 2011 a United States District Court concluded the United States Environmental Protection Agency (the “EPA”) has an obligation under the Clean Air Act (“CAA”) to consider whether greenhouse gas (“GHG”) emissions and black carbon emissions of aircraft engines endanger public health and welfare. 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 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 Authority is not expected to be significant, and the rule does not require modifications to airports.

Federal Funding

The Authority depends upon federal funding for the Airport not only in connection with grants but also because federal funding provides for TSA, Federal Inspection Services, air traffic control, Customs and Border Protection (“CBP”) and other FAA staffing and facilities. The Authority depends on federal employees working at these agencies to support financial and operational activities at the Airport. Federal funds must be appropriated to continue to pay the workforce of these federal agencies providing services at the Airport. Gaps in appropriation authority can occur due to Congressional or Presidential inaction creating government shutdowns. During government shutdowns federal agencies must discontinue all non-essential, discretionary functions until new funding legislation is passed and signed into law. Essential services continue to function, as do mandatory spending programs. Essential federal employees have included air traffic controllers, TSA screeners and CBP agents providing services at airports throughout the nation. The most recent and longest government shutdown commenced at the end of 2018 and carried in to early 2019 lasting 35 days. While that shutdown did not have a significant impact on the Authority’s finances or operations, it is possible that future government shutdowns could result in significant operational or financial effects on the Authority, depending on the duration and severity of the circumstances.

Federal funding received by the Authority and aviation operations at the Airport could also be adversely affected by the implementation of across-the-board spending cuts, known as sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations and the availability of certain federal grant funds typically received annually by the Authority, which may cause the FAA or TSA to implement furloughs of its employees and freeze hiring, and may result in flight delays and cancellations.

On October 5, 2018, then President Trump signed into law a five-year reauthorization bill for the FAA – the FAA Reauthorization Act of 2018. The 2018 FAA reauthorization retains the federal cap on PFCs at \$4.50 and authorizes \$3.35 billion per year for AIP grants through federal fiscal year 2023, which is the same funding level as was in place for the preceding five years. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). FAA AIP expenditures are subject to congressional appropriation and no assurance can be given that the FAA will receive spending authority. In addition, the AIP could be affected by a government shutdown or sequestration described above. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including

operating revenues and additional Bonds), (ii) result in adjustments to the CIP or (iii) extend the timing for completion of certain projects.

Considerations Regarding Passenger Facility Charges

The Authority may use PFCs to finance PFC eligible projects on a pay-as-you-go basis as well as to pay debt service on Bonds issued to finance PFC eligible projects.

No assurance can be given that the Authority's authority to collect PFC revenues will be increased or extended. Further, no assurance can be given that PFC revenues will actually be received in the amounts or at the times contemplated by the Authority. The amount and timing of receipt of actual PFC revenues are expected to vary depending on actual levels of qualified passenger enplanements at the Airport.

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

In the event the FAA or Congress reduced or terminated the Authority's ability to collect PFC revenues, or PFCs were otherwise less than anticipated, the Authority would need to find other funding sources to pay the cost of projects or debt service it expects to pay with PFC revenues. In addition, in such a circumstance the Authority might need to find other sources of funding, including issuing additional parity securities, to finance the projects currently being paid for, or projected to be paid for, with PFC revenues.

The ability of the Authority to collect sufficient PFC revenues depends upon a number of factors, including, without limitation, the number of enplanements at the Airport, the use of the Airport by the collecting carriers and the efficiency and ability of the collecting carriers to collect and remit PFCs to the Authority. The Authority relies on the collecting carriers' collection and remittance of PFCs, and both the Authority and the FAA rely upon the airlines' reports of enplanements and collections.

Although the Authority has obtained authorization to pay a portion of the costs of the Project with PFCs on a pay-as-you-go basis, it has not obtained the authority to pay debt service on the portion of Series 2021 Bonds that will be used to finance the Project.

See "AUTHORITY FINANCIAL MATTERS – The PFC Program."

Effect of Signatory Airline Bankruptcy on the Airline Agreement

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject its Airline Agreement with the Authority. In the event of assumption, the debtor airline is required to cure any prior defaults and to provide adequate assurance of future performance under its Airline Agreement. Rejection of the Airline Agreement by a debtor Signatory Airline gives rise to an unsecured claim of the Authority for damages, the amount of which may be limited by the U.S. Bankruptcy Code. The amounts unpaid as a result of a rejection of the Airline Agreement by a Signatory Airline in bankruptcy can be passed on to the remaining Signatory Airlines under the Airline Agreement. If the bankruptcy of one or more Signatory Airlines were to occur, however, there can be no assurance that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the Airline Agreement. See "THE AIRPORT – Agreements for Use of the Airport Facilities," and

APPENDIX C – “CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION.”

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508), the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181), the VISION 100-Century of Aviation Reauthorization Act, P.L. 108-176, the Federal Aviation Administration Extension Act of 2008, P.L. 110-330 and the FAA Modernization and Reform Act of 2012, P.L. 112-95 (collectively, the “PFC Acts”), the FAA has approved the Authority’s applications to require airlines to collect and remit to the Authority a \$4.50 PFC for each enplaning revenue passenger at the Airport.

The PFC Acts provide that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds on financial statements. Airlines are permitted to commingle PFC collections with other revenues. Airlines that have filed for Chapter 7 or 11 bankruptcy protection, however, are required to segregate PFC collections in a separate account for the benefit of the airport and cannot grant a third party any security or other interest in PFC collections. The airlines are entitled to retain interest earned on PFC collections until such PFC collections are remitted. PFCs collected by those airlines are required by the bankruptcy court to be placed in accounts separate from other airline revenue accounts and be paid to airports monthly in accordance with the PFC regulations. However, the Authority cannot predict whether an airline that files for bankruptcy protection will properly account for the PFCs it has collected at the Airport or whether the bankruptcy estate will have sufficient moneys to pay the Authority in full for the PFCs owed by such airline. The Authority has recovered all of its PFC revenues from each of the airlines that filed for Chapter 11 bankruptcy protection in the past.

Effect of Authority Bankruptcy

The Authority is able to file for bankruptcy under Chapter 9 of the Bankruptcy Code. A bankruptcy of the Authority could result in delays or reductions in payments on the Series 2021 Bonds.

Should the Authority become the debtor in a bankruptcy case, the holders of the Series 2021 Bonds will not have a lien on Revenues received by the Authority or the Trustee after the commencement of the bankruptcy case unless such Revenues constitute “special revenues” within the meaning of the Bankruptcy Code. “Special revenues” are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used to provide transportation services, as well as other revenues or receipts from particular functions of the debtor. While the Authority believes that Revenues should be treated as special revenues under the Bankruptcy Code, there could be delays or reductions in payments on the Series 2021 Bonds. Even if a court determines that Revenues are special revenues, the Authority will be able to use such revenues to pay certain operation and maintenance costs of the Airport, notwithstanding any provision of the Resolution to the contrary.

There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments of the Series 2021 Bonds.

Regardless of any specific adverse determinations in an Authority bankruptcy case, the fact of an Authority bankruptcy case could have an adverse effect on the liquidity and value of the Series 2021 Bonds.

Effect of City Bankruptcy

The City is able to file for bankruptcy under Chapter 9 of the Bankruptcy Code. A municipal debtor in bankruptcy has broad powers to adjust burdensome non-debt contractual relationships under the power to reject executory contracts and unexpired leases.

Should the City, as landlord, seek to reject the City Lease, the Authority would generally be entitled to retain possession of the Airport for the unexpired term of the City Lease and for any renewal or extension term to the extent such rights are enforceable under applicable non-bankruptcy law.

A debtor in bankruptcy may, under certain limited circumstances, dispose of property free and clear of all liens, encumbrances, and other interests, including the interests of tenants, if the debtor provides adequate protection. The sale of the Airport as part of the bankruptcy of the City could result in delays or reductions in payments on the Series 2021 Bonds.

There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments of the Series 2021 Bonds.

Limitations on Bondholders' Remedies

The occurrence of an Event of Default under the Resolution does not grant a right to either the Trustee or the Bondholders to accelerate payment of the Bonds. As a result, the Authority may be able to continue collecting Revenues and applying them to the operation of the Airport even if an Event of Default has occurred and no payments are being made on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS – Events of Default and Remedies; No Acceleration."

The rights and remedies available to the owners of the Series 2021 Bonds upon an Event of Default under the Master Resolution are in many respects dependent upon judicial enforcement actions which are often subject to discretion and delay.

Expiration and Possible Termination of Airline Agreement

Under certain limited conditions, a Signatory Airline may terminate its Airline Agreement. Each of the Airline Agreements expires on June 30, 2025. If the Authority and one of the Signatory Airlines are unable to reach a successor agreement to replace the current agreement by this date, the Authority will set airline rentals, fees and charges at that Airport in accordance with a regulation of the Board that will be consistent with US DOT requirements. See "THE AIRPORT – Agreements for Use of the Airport Facilities."

Cost and Schedule of Capital Construction Programs

The costs and the schedule of the projects included in the CIP depend on various sources of funding, including the issuance of additional Bonds, PFCs, and federal grants, and are subject to a number of uncertainties. The ability of the Authority to complete the CIP may be adversely affected by various factors including, but not limited to: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the projects, (iv) delays in contract awards, (v) material, and/or labor shortages, (vi) unforeseen site conditions, (vii) adverse weather conditions, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation, (xi) environmental issues, and (xii) additional security improvements and associated costs mandated by the federal government. A delay in the completion of certain projects under the CIP could delay the collection of revenues in respect of such projects, increase costs for such projects, and cause the rescheduling of other projects. In addition, any of the deferred projects could be implemented at any time, adding to the cost of the CIP. There can be no assurance that the cost of construction of the CIP projects will not exceed the currently estimated dollar amount or that the completion of the projects will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue additional Bonds and could result in increased costs per enplaned passenger to the airlines, which could place the Airport at a competitive disadvantage relative to lower-cost airports. See "AIRPORT CAPITAL IMPROVEMENT PLAN."

Competition

Airline fares have an important effect on passenger demand, particularly for relatively short trips where the automobile and other travel modes are alternatives and for price-sensitive “discretionary” travel, particularly leisure travel. Airfares are influenced by labor, fuel, and other airline operating costs and debt burden; passenger demand; capacity and yield management; market presence; and competitive factors. A large part of the typical airfare is now accounted for by taxes, fees, and other charges assessed by governmental and airport agencies. Such charges can account for twenty percent or more of the cost of short-haul and low-fare tickets. Industry analysts have expressed concern about the sustainability of the current “revenue model” of most of the major airlines, which involves uneconomically low discount fares made available to many leisure travelers and high “walk-up” fares that must be paid by many business travelers. Simplification and rationalization of this model are seen as key to the industry regaining profitability. In many air travel markets nationwide, including the Airport, price competition is provided by new entrant and other airlines with lower cost structures. While the nature and extent of such “low-fare” competition varies from airport to airport, most large origin-destination passenger markets have attracted low-fare airline service and passenger traffic has increased as a result. Continued increases in passenger traffic at the Airport will depend to some extent on the continued availability of competitive airfares and service.

Cybersecurity

The Authority, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the Authority may be the target of cybersecurity incidents that could result in adverse consequences to the Authority and its Systems Technology, requiring a response action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Authority invests in multiple forms of cybersecurity and operational safeguards. While Authority cybersecurity and operational safeguards are periodically tested and upgraded, no assurances can be given by the Authority that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the Authority’s Systems Technology and cause material disruption to the Authority finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the Authority to material litigation and other legal risks, which could cause the Authority to incur material costs.

Alternative Travel Modes and Travel Substitutes

Competition from surface modes of transportation, primarily Amtrak rail service, has resulted in decreased passenger numbers in certain markets, particularly the New York City market. In addition, businesses and individuals may choose surface modes of transportation for environmental reasons. As an example, France recently passed a law ending domestic flights that could be replaced by train travel of two and a half hours or less due to legislative efforts to reduce CO₂ emissions.

Teleconference, video-conference and web-based meetings continue to improve in quality and price and are considered a satisfactory alternative to some face-to-face business meetings, especially with their increased use throughout the COVID-19 pandemic.

In addition, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by discounting fares have changed consumer expectations regarding airfares and the availability of transparent price information on the internet, which allows easier comparison shopping, has changed consumer purchasing habits. As a result, pricing and marketing have become more competitive in the United States airline industry.

Industry Workforce Shortages

Pilot shortage has been an industry-wide issue, and especially so for smaller regional airlines. There are several causes for the pilot shortage that has affected 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 when air traffic demand returns, 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. An additional concern regarding the pilot workforce has recently come to light due to the COVID-19 pandemic. Pilots have self-reported increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights, which has meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large 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.

Growth of Low Cost and Ultra Low Cost Carriers

A low-cost or ultra-low cost carrier (each, respectively, an "LCC" or "ULCC") is an airline that generally has lower fares for customers and which is able to take advantage of an operating cost structure that is significantly lower than the cost structures of network carriers. These lower costs can include lower labor costs and a streamlined aircraft fleet, among others. Because of these lower cost structures, LCCs and ULCCs can conceivably remain profitable while offering lower fares to the traveling public.

Over the last decade, as larger U.S. carriers consolidated and became more focused on capacity discipline, the ticket prices for their flights began to increase. LCCs and ULCCs emerged in markets where passenger levels were significant enough that the LCCs and ULCCs could overcome any barrier to entry. The low-cost structure of the LCCs and ULCCs stimulated traffic and budget conscious travelers to emerge as a formerly underserved segment of the traveling public.

Ultra-low cost carriers such as Allegiant Air, Frontier Airlines, Spirit Airlines and Sun Country Airlines have experienced rapid growth. They currently represent almost 11% of all US airline departing seats which is expected to increase to 20% in the next five years. Such carriers typically focus on generating discretionary travel with low fares and travel packages at smaller or underserved airports. Frontier Airlines currently operates at the Airport under a ULA. The Authority cannot predict the impact of the growth of ultra-low cost carriers on the Airport or Airport Revenues.

Presently, the LCC operating at the Airport is JetBlue, which represented 7.8% of Fiscal Year 2020 enplanements. Southwest will join JetBlue as a second LCC in November 2021. The ULCCs operating at the Airport are Allegiant Air and Frontier Airlines, which, together, represented 9.4% of Fiscal Year 2020 enplanements. There can be no assurance that the LCCs or ULCCs will continue to maintain such levels in the future. The continued presence of the LCCs and ULCCs serving at the Airport, and the levels at which such airlines might provide service at the Airport, are a function of a variety of factors, including: airline fares and competition; airline industry economics, including labor costs and the price of aviation fuel; and capacity of the Airport and competition from other airports. Most of these factors are beyond the control of the Authority. Accordingly, no assurance can be given as to the levels of aviation activity that the LCCs and ULCCs will provide at the Airport.

Alternative Transportation Modes and Impact on Non-Airline Revenues

One significant category of non-airline revenues at the Airport is derived from ground transportation activity, including use of on-Airport parking garages; trip fees paid by taxi, limousine and TNCs; and rental car transactions by Airport passengers.

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 Authority makes every effort to anticipate demand shifts, there may be times when the Authority's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The 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 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.

Changes in Federal Tax Law

See "TAX MATTERS – Certain Collateral Federal Tax Consequences."

Factors Unique to the Authority

Airport an O&D Facility. The Airport is an O&D airport and accordingly enplanements and other activity are largely tied to the local and regional economy. Given the O&D nature of the Airport's passenger base (approximately 99% of enplanements, according to Authority estimates), the Authority expects that any reduction in service by a particular Signatory Airline would be absorbed by one or more of the other Signatory Airlines or a non-signatory airline operating at the Airport. No assurance can be given that reductions in service would in fact be absorbed by other Signatory Airlines or non-signatory airlines operating at the Airport.

Certain Revenues Not Pledged. The definition of Airport excludes any properties or facilities operated, maintained or managed by the property management department of the Authority, including but not limited to certain aeronautical and air transportation related properties, at or on the Airport. The definition of Revenues accordingly excludes all income and revenue, if any, collected and received by the property management department of the Authority with respect to properties and facilities which are not included in the definition of Airport.

Limitation of Remedies. The remedies available to bondholders upon nonpayment of principal or interest on the Series 2021 Bonds are in many respects dependent upon judicial enforcement actions which are often subject to discretion and delay. See "APPENDIX C — CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION — Events of Default; Remedies."

Capacity of National Air Traffic Control and Airport System

Capacity limitations of the national air traffic control systems continue to cause aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger traffic will not again adversely affect airline operations.

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2021 BONDS," "THE AUTHORITY," "THE AIRPORT" and "AIRPORT CAPITAL IMPROVEMENT PLAN", contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in

this Official Statement, the words “estimate,” “forecast,” “project,” “intend,” “expect,” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause forecast revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the costs of certain projects. Any forecast is subject to such uncertainties. Therefore, there will be differences between forecast and actual results, and those differences may be material.

AGREEMENT WITH THE STATE OF NEW YORK

Section 2799-000 of the Act provides that the State agrees with the registered owners of the Series 2021 Bonds that it will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreement made with the registered owners of the Series 2021 Bonds, or in any way impair the rights and remedies of such registered owners until the Series 2021 Bonds, together with the interest thereon, and all costs and expenses for which the Authority is liable in connection with any action or proceeding by or on behalf of such registered owners, are fully met and discharged.

TAX MATTERS

All quotations from and summaries and explanations of provisions of laws appearing under this caption do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

It is a condition to the issuance of the Series 2021 Bonds that, on the delivery date of the Series 2021 Bonds (on or about October 18, 2021), Bond Counsel delivers its approving opinion in substantially the form attached hereto as APPENDIX E. Such legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Series 2021 Bonds.

In the opinion of Hancock Estabrook, LLP, Bond Counsel to the Authority, based on existing law, and assuming compliance with the tax covenants described herein, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except for interest on any Series 2021 Bonds for any period during which such Series 2021 Bond is owned by a person who is a substantial user of the Property (as defined herein) or any person who is related to such person (within the meaning of Section 147(a) of the Code, as amended). Interest on the Series 2021 Bonds will be treated as an “item of tax preference” for purposes of the federal alternative minimum tax imposed on individuals.

Bond Counsel is further of the opinion that, based on existing law, for so long as interest on the Series 2021 Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2021 Bonds, and Bond Counsel has assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2021 Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local

tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2021 Bonds in order that interest on the Series 2021 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2021 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2021 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2021 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021 Bonds.

Prospective owners of the Series 2021 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2021 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Premium Bonds. In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2021 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not

otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2021 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2021 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2021 Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2021 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the foregoing matters.

LITIGATION

There are various lawsuits in which the Authority is involved. The Authority’s management, including its General Counsel, estimates that the potential claims against the Authority not covered by insurance or self-insurance in the form of reserve funds with respect to such litigation would not materially affect the Authority’s financial condition or its obligations with respect to the Series 2021 Bonds, or other Outstanding obligations.

No litigation, inquiry, or investigation, at law or in equity, is pending or, to the knowledge of the Authority, threatened against the Authority wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by this Official Statement, the Bond Purchase Agreement, the Resolution or the validity of the Series 2021 Bonds.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, and sale of the Series 2021 Bonds by the Authority are subject to the final approving opinion of Hancock Estabrook, LLP, Syracuse, New York, Bond Counsel to the Authority. The opinion of Bond Counsel will be substantially in the form attached hereto as APPENDIX E. Certain matters with respect to the Official Statement will be passed on by Hancock Estabrook, LLP, Syracuse, New York, Disclosure Counsel to the Authority. Legal matters pertaining to the Authority will be passed upon by R. Jon Clark, Syracuse, New York, General Counsel to the Authority,. Certain legal matters will be passed upon for the Underwriter by its counsel, Barclay Damon LLP, Albany, New York.

LEGALITY FOR INVESTMENT

Under the provisions of Section 2799-nnn of the Act (and with any special or additional filing or registration), the Series 2021 Bonds are securities in which all public officers and bodies of the State and all of its municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or who may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. Pursuant to such section, the Series 2021 Bonds are also securities which may be deposited with and shall be received by

all public officers and bodies of the State and all of its municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

UNDERWRITING

The Series 2021 Bonds are being purchased by Morgan Stanley & Co. LLC, as the underwriter (the “Underwriter”), at a price of \$42,439,861.47 (representing the principal amount of the Series 2021 Bonds, plus original issue premium of \$7,468,403.30, less an underwriting discount of \$133,541.83), pursuant to a Bond Purchase Agreement by and between the Underwriter and the Authority that provides that the Underwriter will purchase all of the Series 2021 Bonds if any are purchased, subject to certain conditions set forth in the Bond Purchase Agreement.

The Series 2021 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell Series 2021 Bonds to the public.

The following paragraphs have been provided by and are being included in this Official Statement at the request of the Underwriter. The Authority does not assume any responsibility for the accuracy or completeness of such statements or information and makes no representations with respect thereto:

Morgan Stanley & Co. LLC, the Underwriter of the Series 2021 Bonds, has provided the following three sentences for inclusion in this Official Statement. Morgan Stanley & Co. LLC entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC (the “Morgan Stanley Distribution Agreement”). 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 Series 2021 Bonds.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Precision Analytics Inc., will deliver to the Authority its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Authority and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash deposited with the Trustee to pay the redemption price of and interest coming due on the Refunded 2011A Obligations and the Refunded 2019 Obligations on the redemption dates as described in “PLAN OF FINANCE – Plan of Refunding”. Precision Analytics Inc. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2021 Bonds will be paid as described in the schedules provided to them, or the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes.

INDEPENDENT AUDITORS

The financial statements of the Authority, included in Appendix A, for the year ended June 30, 2021, have been audited by Fust Charles Chambers LLP, independent auditors, as stated in their report appearing therein.

The accounting and financial reporting policies of the Authority, including the financial statements of the Authority as of and for the year ended June 30, 2021, conform to accounting principles generally accepted in the United States of America for local government units as set forth by the Government Accounting Standards Board.

MUNICIPAL ADVISOR

The Authority has engaged Frasca & Associates, LLC, New York, New York, as its financial advisor (the “Municipal Advisor”) in connection with the authorization, issuance and sale of the Series 2021 Bonds. Under the terms of its engagement, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

RATINGS

Moody’s Investors Service (“Moody’s”) and Fitch Ratings Service (“Fitch”) have assigned their municipal bond ratings of “Baa1/Stable” and “A-/Stable”, respectively, to the Series 2021 Bonds. A rating reflects only the views of the rating agency and an explanation of the significance of such ratings may be obtained from the respective rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of the rating agencies, if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2021 Bonds.

CONTINUING DISCLOSURE

To enable the Underwriter to comply with the provisions of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), the Authority will execute a Continuing Disclosure Certificate substantially in the form attached hereto as APPENDIX F. Any failure by the Authority to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure. Bondholders’ rights to enforce the provisions of the Continuing Disclosure Certificate are limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Authority’s obligations under the Continuing Disclosure Certificate. A failure by the Authority to comply with the Continuing Disclosure Certificate is required to be reported in accordance with the Rule and is required to be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2021 Bonds and their market price.

The Authority represents that in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written certificate or agreement specified in paragraph (b)(5)(i) of the Rule.

ADDITIONAL INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the Series 2021 Bonds that there has been no change in the affairs of the Authority from the date hereof. Additional information may be obtained from the undersigned at 1000 Colonel Eileen Collins Boulevard, Syracuse, New York 13212, telephone 315-454-3236.

MISCELLANEOUS

Any statement in this Official Statement involving matters of opinions, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Authority and the purchasers or holders of any Series 2021 Bonds.

SYRACUSE REGIONAL AIRPORT AUTHORITY

By: /s/ H. Jason Terreri
Executive Director

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR FISCAL YEAR 2021

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**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Financial Statements and
Required Supplementary Information

June 30, 2021 and 2020

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE,
NEW YORK)**

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board Members
Syracuse Regional Airport Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities of the Syracuse Regional Airport Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board Members
Page 2 of 3

Report on the Financial Statements, Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities of the Syracuse Regional Airport Authority, as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in note 3 to the financial statements, the Authority has been and may further be impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of Syracuse Regional Airport Authority (a discretely presented component unit of the City of Syracuse, New York) as of June 30, 2020, were audited by other auditors whose report dated September 18, 2020 expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

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

Board Members
Page 3 of 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021, on our consideration of the Syracuse Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Syracuse Regional Airport Authority's internal control over financial reporting and compliance.

Fust Charles Chambers LLP

September 27, 2021

**Independent Accountant's Report on Compliance with
Section 2925(3)(f) of the New York State Public Authorities Law**

Board Members
Syracuse Regional Airport Authority:

We have examined Syracuse Regional Airport Authority's (the Authority) compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended June 30, 2021. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2021.

This report is intended solely for the information and use of management, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these parties.

Fust Charles Chambers LLP

September 27, 2021

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

The following is a discussion and analysis of the Syracuse Regional Airport Authority (the Authority)'s financial performance for the years ended June 30, 2021 and 2020. This section is a summary of the Authority's financial activities based on currently known facts, decisions and conditions. This section is only an introduction and should be read in conjunction with the Authority's financial statements, which immediately follow this section.

1. INTRODUCTION

The Authority, a public benefit corporation, is established to provide the necessary tools and support to Syracuse Hancock International Airport (Airport) to maintain and operate the facilities in a safe, secure and efficient manner. The Authority is committed to promoting the growth and success of the Airport by overseeing fiscal responsibility, regional marketing, and job creation in the aviation industry, and those industries that support aviation. The Authority was organized under the Public Authorities Law of the State of New York on August 17, 2011.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Government Accounting Standards Board (GASB). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs. The Authority meets the criteria set forth in GAAP as promulgated by the GASB for inclusion as a component unit within the City of Syracuse, New York (City)'s basic financial statements based on the City's responsibility for the appointment of the Authority members. As such, the Authority is included in the City's basic financial statements.

The Statements of Net Position depicts the Authority's financial position at June 30, the end of the Authority's fiscal year. The statements present all the financial assets, liabilities, deferred inflows and deferred outflows of the Authority. Net Position represents the Authority's assets and deferred outflows after liabilities and deferred inflows are deducted.

The Statements of Revenues, Expenses and Change in Net Position report operating revenues and expenses, non-operating revenues and expenses and the change in net position for the years ended June 30, 2021 and 2020. The change in Net Position combined with the previous year's net asset total, reconciles to the net position total for the reporting period.

The Statements of Cash Flows report cash activities for each year resulting from operating activities, noncapital financing activities, capital and related financing activities and investing activities. The net result of these activities, added to the beginning of the year cash balance, reconciles to the total balance at the end of the year.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

3. SUMMARY OF FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal years 2021 and 2020 are as follows:

- The Authority's Net Position increased by \$8,611,318 for the year ended June 30, 2021 and decreased by \$704,156 for the year ended June 30, 2020. The current year increase was primarily due to coronavirus relief assistance recognized during the year. The prior year decrease was mainly due to the decrease in construction in progress transferred to the City of Syracuse for substantially completed capital projects.
- The Authority had a net operating loss for the year ended June 30, 2021 and June 30, 2020 in the amount of \$12,546,334 and \$13,419,602 respectively. The primary factor for the loss in 2021 was the decline in revenues brought on by the COVID-19 pandemic. The primary factor for the loss in 2020 was the increase in other postemployment benefits expense as well as pension expense.
- The Authority had nonoperating income, net for the year ended June 30, 2021 and June 30, 2020 in the amount of \$21,157,652 and \$12,715,446, respectively. The increase is primarily due to coronavirus relief assistance revenue recognized by the Authority of \$11,631,288 from grants awarded to the Authority as part of the CARES Act.

4. FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

The Authority's total Net Position increased by \$8,611,318 between fiscal year 2020 and 2021. A summary of the Authority's Statements of Net Position at June 30, 2021 and 2020 is as follows:

Table A-1 Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Current and other assets	\$ 29,900,086	27,920,825	1,979,261	7.1%
Non-current assets	24,650,711	25,147,385	(496,674)	(2.0%)
Capital assets, net of accumulated depreciation	<u>27,013,582</u>	<u>17,161,461</u>	<u>9,852,121</u>	57.4%
Total assets	81,564,379	70,229,671	11,334,708	16.1%
Deferred outflows of resources	<u>7,472,744</u>	<u>5,267,022</u>	<u>2,205,722</u>	41.9%
Total assets and deferred outflows	<u>\$ 89,037,123</u>	<u>75,496,693</u>	<u>13,540,430</u>	17.9%

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

Net Position, Continued

Table A-1 Condensed Statement of Net Position, Continued

	<u>2021</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Current liabilities	\$ 11,241,791	5,592,130	5,649,661	101.0%
Noncurrent liabilities	<u>22,009,757</u>	<u>29,907,320</u>	<u>(7,897,563)</u>	<u>(26.4%)</u>
Total liabilities	33,251,548	35,499,450	(2,247,902)	(6.3%)
Deferred inflows of resources	<u>10,275,925</u>	<u>3,098,911</u>	<u>7,177,014</u>	231.6%
Total liabilities and deferred inflows	<u>43,527,473</u>	<u>38,598,361</u>	<u>4,929,112</u>	12.8%
Net position:				
Net investment in capital assets	14,212,582	1,404,461	12,808,121	912.0%
Restricted	24,650,711	25,147,385	(496,674)	(2.0%)
Unrestricted	<u>6,646,357</u>	<u>10,346,486</u>	<u>(3,700,129)</u>	<u>(35.8%)</u>
Total net position	<u>45,509,650</u>	<u>36,898,332</u>	<u>8,611,318</u>	23.3%
Total liabilities, deferred inflows and net position	<u>\$ 89,037,123</u>	<u>75,496,693</u>	<u>13,540,430</u>	17.9%

Current and other assets increased by \$1,979,261 or 7.1% from June 30, 2020 to June 30, 2021 primarily due to accounts receivable of \$1,723,784 with the Air Force as part of a joint use agreement.

Capital assets, net, increased by \$9,852,121 from June 30, 2020 to June 30, 2021. This increase is mainly due to current year costs for construction in progress projects relating to the reconfiguration and rehabilitation of the Airport during the year ended June 30, 2021.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

Net Position, Continued

Deferred outflows of resources increased by \$2,205,722 or 41.9% from June 30, 2020 to June 30, 2021 primarily due to assumption and other changes for the New York State Employees' Retirement System and for the OPEB Plan.

Current liabilities increased by \$5,649,661 or 101.0% from June 30, 2020 to June 30, 2021 due to an increase in the estimated amounts to be paid for the New York State Employees' Retirement System and an increase in grant anticipation note payable.

Noncurrent liabilities decreased \$7,897,563 or 26.4% from June 30, 2020 to June 30, 2021. This decrease is primarily attributed to a decrease in the Other Post-Employment Benefits liability amount of \$1,094,733, a decrease in the pension liability in the amount of \$2,581,830 and a decrease in grant anticipation note payable of \$4,221,000.

Deferred inflows of resources increased by \$7,177,014 or 231.6% from June 30, 2020 to June 30, 2021 primarily due to the net difference between projected and actual earnings for the New York State Employees' Retirement System and for the net differences between expected and actual experience for the OPEB Plan.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, purchase vehicles, equipment and furniture to support the Authority's operations.

The restricted Net Position at June 30, 2021 and 2020 was \$24,650,711 and \$25,147,385, respectively, which represents the amount of the Authority's restricted cash balances.

The unrestricted Net Position at June 30, 2021 and 2020 was \$6,646,357 and \$10,346,486, respectively.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

Change in Net Position from Operating Activities

The results of this year's operations as a whole are reported in the Statements of Revenues, Expenses, and Change in Net Position in the accompanying financial statements. A summary of this statement for the years ended June 30, 2021 and 2020 is as follows.

Table A-2 Condensed Changes in Net Position from Operating Results

	<u>2021</u>	<u>2020</u>	<u>Increase (decrease)</u>	<u>Percentage change</u>
Revenues:				
Operating revenues:				
Landing fees	\$ 5,852,823	8,089,843	(2,237,020)	(27.7%)
Parking rents	5,137,048	9,064,483	(3,927,435)	(43.3%)
Terminal rents	4,223,978	6,239,753	(2,015,775)	(32.3%)
Concessions and miscellaneous	<u>6,926,600</u>	<u>7,051,102</u>	<u>(124,502)</u>	<u>(1.8%)</u>
Total revenues	<u>22,140,449</u>	<u>30,445,181</u>	<u>(8,304,732)</u>	<u>(27.3%)</u>
Expenditures:				
Operating expenditures:				
Cost of service	19,900,485	20,144,902	(244,417)	(1.2%)
Administration	10,235,292	19,199,258	(8,963,966)	(46.7%)
Aviation fund lease	3,320,650	3,327,850	(7,200)	(0.2%)
Depreciation	<u>1,230,356</u>	<u>1,192,773</u>	<u>37,583</u>	<u>3.2%</u>
Total expenditures	<u>34,686,783</u>	<u>43,864,783</u>	<u>(9,178,000)</u>	<u>(20.9%)</u>
Net operating loss	\$ <u>(12,546,334)</u>	<u>(13,419,602)</u>	<u>873,268</u>	6.5%

The Authority's operating revenues decreased by \$8,304,732 or 27.3% between the years ended June 30, 2020 and June 30, 2021. This decrease was mainly due to a decline in revenues attributed to the COVID-19 shutdown and limiting of air travel.

The Authority's operating expenses decreased by \$9,178,000 or 20.9% between the years ended June 30, 2020 and June 30, 2021. This was primarily due to a decrease of \$6,628,453 in the Other Post-Employment Benefits expense and other administrative costs.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Management's Discussion and Analysis as of
and for the year ended June 30, 2021

(Unaudited)

5. FACTORS BEARING ON THE AUTHORITY'S FUTURE

- General Economic Climate - Air travel can broadly be divided into business travel and leisure travel. Both of these depend, to varying degrees, on the strength of the economy. In a strong economy, travel tends to increase, which will result in an increase in revenue. In a weak economy, the reverse is true.
- Air Service Development - The Authority actively works to bring new airline service to Syracuse, both through adding new carriers and through existing airlines serving new destinations. To the extent it is successful, traffic through the Airport increases which increases revenue.
- Contract/Agreement Negotiations - The Authority will be negotiating several contracts and agreements over the next several years which will have an effect on the Airport's cost structure.
- Continued Transition from City to Authority - While the operating certificate for the airport has been transferred from the City of Syracuse to the Authority, it still remains the Authority's intent to transfer the bulk of the employees from the City to the Authority.
- The outbreak of COVID-19 in 2020 and the continuing impacts of the pandemic in 2021 and related restrictions and measures adopted to contain the spread of the virus have had a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and its concessionaires, and have caused high unemployment and a contraction of global and national economies. Airlines reported a drastic and unprecedented decrease in traffic, causing the cancellation of numerous flights, as well as expectations for continued reduced levels of traffic. Likewise, retail concessionaires at the Airport either temporarily closed certain locations or reported drastic declines in sales. These concession arrangements include gross sales payment mechanisms and, accordingly, such reductions in sales can be expected to reduce Airport revenues from these concessionaires. In addition to the impact on concessionaires, the reduction in air travel has had an adverse effect on parking, ground transportation and rental car revenues at the Airport. The Authority has undertaken certain measures to alleviate the effects of the reduction in travel, including deferrals of certain payments by the airlines and concessionaires, temporary closure of facilities, and certain targeted reductions in operating expenses.

6. CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Authority's citizens, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director at 1000 Colonel Eileen Collins Blvd, Syracuse, NY 13212.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Statements of Net Position

June 30, 2021 and 2020

<u>Assets and Deferred Outflows of Resources</u>	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 24,410,636	25,740,062
Accounts receivable, net of allowance	4,927,754	1,961,742
Prepaid expenses	<u>561,696</u>	<u>219,021</u>
Total current assets	<u>29,900,086</u>	<u>27,920,825</u>
Noncurrent assets:		
Restricted cash and cash equivalents	24,650,711	25,147,385
Capital assets, net	<u>27,013,582</u>	<u>17,161,461</u>
Total noncurrent assets	<u>51,664,293</u>	<u>42,308,846</u>
Deferent outflows of resources:		
Other post-employment benefits	4,074,928	3,351,312
Pensions	<u>3,397,816</u>	<u>1,915,710</u>
Total deferred outflows of resources	<u>7,472,744</u>	<u>5,267,022</u>
Total assets and deferred outflows of resources	<u>\$ 89,037,123</u>	<u>75,496,693</u>

<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	<u>2021</u>	<u>2020</u>
Current liabilities:		
Accounts payable	\$ 3,731,724	2,545,874
Accrued liabilities	2,392,531	294,181
Compensated absences	271,722	247,349
Retainage payable	46,482	505,646
Due to City	578,332	1,999,080
Grant anticipation note payable	4,221,000	-
Total current liabilities	<u>11,241,791</u>	<u>5,592,130</u>
Grant anticipation note payable	8,580,000	12,801,000
Other post-employment benefits liability	13,415,978	14,510,711
Net pension liability - proportionate share	13,779	2,595,609
Total liabilities	<u>33,251,548</u>	<u>35,499,450</u>
Deferred inflows of resources:		
Other post-employment benefits	6,185,191	2,994,353
Pension	4,090,734	104,558
Total deferred inflows of resources	<u>10,275,925</u>	<u>3,098,911</u>
Net position:		
Net investment in capital assets	14,212,582	1,404,461
Restricted	24,650,711	25,147,385
Unrestricted	6,646,357	10,346,486
Total net position	<u>45,509,650</u>	<u>36,898,332</u>
Commitments and uncertainties (notes 3 and 7)		
Total liabilities, deferred inflows of resources and net position	<u>\$ 89,037,123</u>	<u>75,496,693</u>

See accompanying notes to financial statements.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Statements of Revenues, Expenses and Change in Net Position

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Landing fees	\$ 5,852,823	8,089,843
Parking rents	5,137,048	9,064,483
Terminal rents	4,223,978	6,239,753
Concession and other	6,815,327	6,881,002
Miscellaneous	111,273	170,100
	<hr/>	<hr/>
Total operating revenues	22,140,449	30,445,181
	<hr/>	<hr/>
Operating expenses:		
Cost of service	19,900,485	20,144,902
Administrative	10,235,292	19,199,258
City's aviation fund lease	3,320,650	3,327,850
	<hr/>	<hr/>
Total operating expenses	33,456,427	42,672,010
	<hr/>	<hr/>
Deficiency of operating revenues over expenses before depreciation	(11,315,978)	(12,226,829)
	<hr/>	<hr/>
Depreciation	1,230,356	1,192,773
	<hr/>	<hr/>
Loss before nonoperating income and expenses	(12,546,334)	(13,419,602)
	<hr/>	<hr/>
Nonoperating income (expense):		
Coronavirus relief assistance	11,631,288	-
Capital grants	7,587,799	7,635,947
Capital contribution expense to City's aviation fund	(1,655,410)	(446,915)
Passenger facility charges	2,182,938	3,861,707
Consumer facility charges	1,681,870	1,921,505
Other income	-	29
Interest income	41,895	63,138
Interest expense	(312,728)	(319,965)
	<hr/>	<hr/>
Total nonoperating income, net	21,157,652	12,715,446
	<hr/>	<hr/>
Increase (decrease) in net position	8,611,318	(704,156)
	<hr/>	<hr/>
Net position, beginning of year	36,898,332	37,602,488
	<hr/>	<hr/>
Net position, end of year	\$ <u>45,509,650</u>	<u>36,898,332</u>

See accompanying notes to financial statements.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from providing services	\$ 19,500,651	30,744,487
Cash paid to suppliers	(25,723,248)	(22,419,094)
Cash paid to employees	(6,658,478)	(4,314,906)
Net cash flows provided by (used in) operating activities	<u>(12,881,075)</u>	<u>4,010,487</u>
Cash flows provided by noncapital financing activities - coronavirus relief assistance	<u>11,631,288</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(11,082,477)	(6,442,074)
Payment of debt	-	(2,956,000)
Interest paid	(312,728)	(319,965)
Capital grants	7,587,799	8,347,204
Consumer facility charges	1,591,070	1,763,192
Passenger facility charges	1,598,128	4,660,070
Net cash flows provided by (used in) capital and related financing activities	<u>(618,208)</u>	<u>5,052,427</u>
Cash flows provided by investing activities - interest income	<u>41,895</u>	<u>63,138</u>
Net increase (decrease) in cash	(1,826,100)	9,126,052
Cash, beginning of year	<u>50,887,447</u>	<u>41,761,395</u>
Cash, end of year	<u>\$ 49,061,347</u>	<u>50,887,447</u>
Loss before nonoperating income and expenses	(12,546,334)	(13,419,602)
Adjustment to reconcile loss before nonoperating income, net to net cash flows provided by (used in) operating activities:		
Depreciation	1,230,356	1,192,773
Changes in operating assets and liabilities:		
Accounts receivable	(3,945,812)	5,537,536
Prepaid expenses	(342,675)	56,401
Deferred outflows - pensions	(1,482,106)	(1,559,707)
Deferred outflows - OPEB	(723,616)	(988,200)
Accounts payable	1,185,850	1,383,432
Accrued liabilities	2,098,350	179,474
Retainage payable	(459,164)	(1,122,549)
Due to city	(1,420,748)	1,440,482
Compensated absences	24,373	149,537
OPEB liability	(1,094,733)	6,176,746
Pension liability - proportionate share	(2,581,830)	2,203,330
Deferred inflows - pensions	3,986,176	(68,545)
Deferred inflows - OPEB	3,190,838	2,849,379
Net cash flows provided by (used in) operating activities	<u>\$ (12,881,075)</u>	<u>4,010,487</u>

See accompanying notes to financial statements.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Financial Statements

June 30, 2021 and 2020

(1) Organization

The Syracuse Regional Airport Authority (“the Authority”), a public benefit corporation, was established to provide the necessary tools and support to Syracuse Hancock International Airport (Airport) to maintain and operate the facilities in a safe, secure and efficient manner. The Authority is committed to promoting the growth and success of the Airport by overseeing fiscal responsibility, regional marketing, job creation in the aviation industry, and those industries that support aviation. The Authority was organized under the Public Authorities Law of the State of New York on August 17, 2011.

The Authority meets the criteria set forth in Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a discretely presented component unit within the basic financial statements of the City of Syracuse, New York (City) based on the City’s responsibility for the appointment of the Authority members. As such, the Authority is included in the City’s basic financial statements. The accompanying financial statements present the financial position and the changes in net position and cash flows of the Authority only. The Authority is not involved in any joint ventures.

Transfer of Operations

On March 1, 2014, the City transferred responsibility for the operation of the Airport to the Authority, represented by agreements discussed below. The United States Department of Transportation Federal Aviation Administration (FAA) approved this transfer effective March 1, 2014. The Authority, as operator of the Airport, shall have the sole right and responsibility to establish Airport policies and plans, adopt all Airport budgets, determine levels of operational service, and set fees, rates and charges.

The City signed a non-cancellable lease agreement (lease agreement) with the Authority which was effective March 1, 2014, for an initial period of forty (40) years, and renewals of the lease term are automatic for additional ten year terms. Per the lease agreement, the Authority will lease all premises that comprise the Airport, and will maintain, repair and operate the Airport, at its own cost and expense. All land acquired and improvements made by or on behalf of the Authority to the Airport during the term of the agreement shall be deemed property of the City, and title shall vest in the City upon acquisition or completion of the project in which improvements are made.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Financial Statements

(1) Organization, Continued

Transfer of Operations, Continued

The Authority signed an assignment and assumption agreement with the City, effective March 1, 2014, transferring the City's responsibility of Airport operations to the Authority, including all outstanding grant agreements related to the Airport with the United States Department of Transportation, the Department of Homeland Security Transportation Security Administration and the Federal Aviation Administration Passenger Facility Charge Records of Decision. The City also transferred substantially all of the assets and liabilities of its Aviation Enterprise Fund to the Authority which included cash, receivables, equipment and personal property, and contractual liabilities payable by the City's Aviation Fund.

The Authority signed a services agreement with the City effective March 1, 2014, which allows the City to continue to perform services that have been rendered by employees of the City's Department of Aviation, most of whom are represented by a union for the purpose of collective bargaining, for an initial period of ten (10) fiscal years beginning June 30, 2014 and two (2) successive periods of five (5) fiscal years (July 1 to June 30). The services agreement also allows the City to continue to make certain expenditures that are necessary and appropriate for the operation of the Airport.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Authority's financial statements are prepared in accordance with GAAP as applied to enterprise funds of governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. All activities of the Authority are accounted for within a single proprietary (Enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues from landing fees, parking rents, terminal rents, concessions and other similar revenue are reported as operating revenues. All expenses related to operating the Airport are reported as operating expenses. Passenger facility and Consumer facility charges, federal and state grants and interest are reported as non-operating revenues. Capital contribution expense to the City's Aviation fund and interest expense are reported as non-operating expenses, special and extraordinary items are reported separately after non-operating revenues and non-operating expenses.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(2) Summary of Significant Accounting Policies, Continued

(b) Net Position Classifications

In the financial statements there are three classes of Net Position:

Net Investment in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted - reports Net Position when constraints placed on the assets are either externally imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - reports the balance of Net Position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Authority.

(c) Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reported period. Actual results could differ from those estimates.

(d) Cash

The Authority's cash consists of demand deposits. New York State Public Authority Law governs the Authority's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within New York State (State).

Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(2) Summary of Significant Accounting Policies, Continued

(e) Accounts Receivable

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, aviation industry trends and current information regarding the credit worthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

(f) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are restricted legally as described below:

Capital Improvement Funds - Capital debt proceeds and grant funds that are restricted for designated capital projects and cannot be expended for any other item.

Passenger Facility Charges - Funds representing Passenger Facility Charges (PFC) collections based on an approved FAA application to “impose” such charges on enplaned passengers at the Airport. These funds are restricted for designated capital projects and any debt incurred to finance the construction of those projects. The Authority recognizes and reports as nonoperating income PFCs earned when all conditions have been met that entitles the Authority to retain the PFCs.

Consumer Facility Charges - Funds representing Consumer Facility Charges (CFC) collections based on a State approved application to “impose” such charges on rental car passengers at the Airport. These funds are restricted and to be used to fund capital costs, debt service, reserve funds and all other costs and expenses associated with the improvement of the existing consolidated airport facilities or the construction of new consolidated airport facilities. The Authority recognizes and reports as nonoperating income CFCs earned when all conditions have been met that entitles the Authority to retain the CFCs.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Financial Statements

(2) Summary of Significant Accounting Policies, Continued

(g) Capital Assets

Capital assets include vehicles, equipment and all other tangible assets that are used in operations and have useful lives extending beyond a single reporting period. Capital assets that were transferred to the Authority on March 1, 2014 from the City's Aviation Fund are carried at historical cost, net of accumulated depreciation. Acquisitions of assets costing \$5,000 or more are recorded at cost.

Maintenance and repairs are expensed as incurred. When depreciable assets are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to an expense. Capital assets are written off when fully depreciated unless clearly identified as still being in use. Capital assets are written down due to impairment if circumstances indicate a significant or unexpected decline in an assets service utility has occurred. Impaired capital assets are written down using an approach that best matches the asset's decline in service utility. Disposed of assets are reported at the lower of carrying value or fair value less disposal costs. Depreciation of capital assets is computed using the straight-line method at various rates considered adequate to allocate costs over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

Machinery and equipment	3-10 years
Vehicles	3-9 years

(h) Deferred Outflows of Resources

In addition to assets, the statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first one represents the effect of the net change in the Authority's proportionate share of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportionate share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the statements of net position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(2) Summary of Significant Accounting Policies, Continued

(i) Deferred Inflows of Resources

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. The first item is related to pensions reported in the statements of net position. This represents the effect of the net change in the Authority's proportionate share of the collective net pension asset or liability and difference during the measurement periods between the Authority's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item relates to other postemployment benefits (OPEB) reported on the statements of net position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

(j) Capital Contributions

Certain expenditures for airport capital assets are significantly funded through the Airport Improvement Program (AIP) of the FAA, with certain matching funds provided by the State and the Authority, or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation are reported in the statements of revenues, expenses and changes in net position, as nonoperating income (expense), as capital contributions.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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OF THE CITY OF SYRACUSE, NEW YORK)**

Notes to Financial Statements

(2) Summary of Significant Accounting Policies, Continued

(k) Revenue Recognition

Landing Fees - Landing fees are principally generated from scheduled airlines, cargo carriers and non-scheduled commercial aviation and are based on the maximum landed weight of the aircraft. The estimated landing fee structure is determined annually pursuant to an agreement between the Authority and the signatory airlines based on the adopted operating budget of the Authority and is adjusted at the fiscal year end for the actual landed weight of all aircraft and actual expenses. Landing fees are recognized as revenue based on number of landings and certain other criteria.

Fixed Based Operations (FBO), Rents, Concessions and Ground Transportation - FBO revenues are generated from commercial and general aviation users, rental car users, advertising and commercial tenants primarily through lease agreements. The lease agreements are for various terms and generally require rentals based on the volume of business, with specific minimum annual rental payments required. Rental revenue is recognized over the life of the respective lease and concession revenue is recognized based on reported concessionaire revenue.

Other - All other types of revenues are recognized when earned.

(3) Coronavirus Pandemic

Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic and the United States federal government declared COVID-19 a national emergency. The COVID-19 pandemic and the responsive measures taken in connection therewith, at international and U.S. federal, state and local levels, have depressed and continue to depress demand for domestic and international travel and travel-related industries. Airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service.

Due to the continually evolving nature of the COVID-19 pandemic, including variants of COVID-19 and the effectiveness of the COVID-19 vaccines, the full impact of the COVID-19 pandemic on the Authority cannot be fully quantified at this time. Any resulting decreases in cash flows and operating performance may have an impact on significant accounting estimates.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(3) Coronavirus Pandemic, Continued

Coronavirus Relief Assistance

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act is an approximate \$2 trillion emergency economic stimulus package passed in response to the COVID-19 pandemic, which includes \$10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. Funding received under the CARES Act is intended to help offset declines in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic. Subsequent to the CARES Act, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) was signed into law on December 27, 2020, which includes nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports. Funding under CRRSAA is intended to provide funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

During 2021, the Authority was awarded funding under the CARES Act of approximately \$12,900,000 and approximately \$4,900,000 under CRRSAA. As of June 30, 2021, the Authority has recognized approximately \$11,600,000 as nonoperating revenue in the statement of revenues, expenses and changes in net position as a result of satisfying the requirements of the grant agreements.

(4) Accounts Receivable

Accounts receivable is recorded net of allowances for probable uncollectible accounts. A summary of accounts receivable at June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Enterprise	\$ 2,286,727	1,481,986
Other – AJUA	1,723,784	-
Grants	-	835,649
Consumer facility charges	249,110	158,313
Passenger facility charges	689,685	104,875
Less allowance for doubtful accounts	<u>(21,552)</u>	<u>(619,081)</u>
	<u>\$ 4,927,754</u>	<u>1,961,742</u>

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(5) Capital Assets

Per the agreement between the Authority and the City, certain land, buildings, and improvements with a cost of approximately \$435,000,000; with accumulated depreciation of approximately \$261,000,000 are included in the City's Aviation Fund. The Authority's Airport Lease Agreement with the City provides that all land acquired and improvements made to the Airport, on behalf of the Authority, shall be deemed property of the City. As a result, the Authority's policy is to remove Construction in Progress by recording a non-operating expense as "Capital Contribution Expense to City's Aviation Fund," when the project is substantially complete. The Authority expects certain capital projects of approximately \$17,800,000 to be completed during fiscal year 2022, which will then be recorded as "Capital Contribution Expense to City's Aviation Fund." Capital asset balances and activity for the years ended June 30, 2021 and June 30, 2020 were as follows:

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2021</u>
Capital assets not being depreciated:				
Construction in progress	\$ 11,316,456	8,463,800	1,655,410	18,124,846
Capital assets being depreciated:				
Machinery and equipment	15,247,898	4,274,087	-	19,521,985
Vehicles	10,644,938	-	769,950	9,874,988
Total	<u>25,892,836</u>	<u>4,274,087</u>	<u>769,950</u>	<u>29,396,973</u>
Accumulated depreciation:				
Machinery and equipment	9,698,349	1,015,141	-	10,713,490
Vehicles	10,349,482	215,215	769,950	9,794,747
Total	<u>20,047,831</u>	<u>1,230,356</u>	<u>769,950</u>	<u>20,508,237</u>
Capital assets, net	\$ <u>17,161,461</u>	<u>11,507,531</u>	<u>1,655,410</u>	<u>27,013,582</u>

**SYRACUSE REGIONAL AIRPORT AUTHORITY
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Notes to Financial Statements

(5) Capital Assets, Continued

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2020</u>
Capital assets not being depreciated:				
Construction in progress	\$ 5,260,274	6,338,183	282,001	11,316,456
Capital assets being depreciated:				
Machinery and equipment	15,007,673	240,225	-	15,247,898
Vehicles	10,534,278	110,660	-	10,644,938
Total	<u>25,541,951</u>	<u>350,885</u>	<u>-</u>	<u>25,892,836</u>
Accumulated depreciation:				
Machinery and equipment	8,815,508	882,841	-	9,698,349
Vehicles	10,039,550	309,932	-	10,349,482
Total	<u>18,855,058</u>	<u>1,192,773</u>	<u>-</u>	<u>20,047,831</u>
Capital assets, net	\$ <u>11,947,167</u>	<u>5,496,295</u>	<u>282,001</u>	<u>17,161,461</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$1,230,356 and \$1,192,773, respectively.

(6) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consists of amounts which are restricted legally as described in note 2(f). A summary of the restricted cash balances at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash – PFC	\$ 21,585,621	5,306,619
Investments – PFC	-	17,978,780
Cash – CFC	2,966,900	964,617
Investments – CFC	-	799,182
DEC escrow	77,258	77,251
Air cargo road	<u>20,932</u>	<u>20,936</u>
	<u>\$ 24,650,711</u>	<u>25,147,385</u>

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(7) Operating Lease Commitments and Leased Assets

The Authority entered into a lease agreement with the City, commencing on March 1, 2014 which is effective for an initial term of forty (40) years. See note 1 related to transfer of operations of the Airport.

The lease agreement gives the Authority the exclusive right to operate, maintain and improve the Airport subject to certain restrictions and conditions. The renewals of the lease term are automatic for additional ten year terms. The City retains physical ownership of the current and future land, buildings and improvements of the Airport made by or on behalf of the Authority.

The Authority is required to make rental payments to the City equal to the principal and interest due on Airport related debt issued by the City. These payments are funded by the passenger facility charges referred to in note 2. These rental payments totalled \$3,320,650 and \$3,327,850 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments due to the City as of June 30, 2021 under this operating lease are as follows:

2022	\$ 3,314,919
2023	3,303,388
2024	3,047,588
2025	3,045,638
2026	3,048,694
2027-2031	15,236,839
2032-2036	15,243,975
2037	<u>3,049,375</u>
	<u>\$ 49,290,416</u>

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(8) Benefit Plans

(a) New York State and Local Employees' Retirement System (ERS)

General Information about the ERS

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement plan. The ERS provides retirement benefits as well as death and disability benefits. The New York State Comptroller's office administers the ERS along with the New York State and Local Police and Fire Retirement System, which are collectively referred to as the New York State and Local Retirement System (NYSLRS). The net position of the NYSLRS is held in the New York State Common Retirement Fund (Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the NYSLRS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the NYSLRS. NYSLRS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the NYSLRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The NYSLRS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001.

The ERS is noncontributory except for employees who joined on or after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who contribute 3 percent of their salary for their entire length of service, and employees who joined on or after April 1, 2012 who contribute between 3 and 6 percent of their salary for their entire length of service based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS fiscal year ending March 31st.

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(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

General Information about the ERS, Continued

The Authority's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

		<u>Amount</u>
2020-2021	\$	503,729
2019-2020		349,375
2018-2019		180,927

For ERS, employer contributions are paid annually based on the ERS' fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions were \$125,932 and \$89,337 as of June 30, 2021 and 2020, respectively.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 and 2020, the Authority reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of March 31 2021. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Authority.

		March 31, <u>2021</u>	March 31, <u>2020</u>
Net pension liability	\$	13,779	2,595,609
Authority's proportion of the ERS' net pension liability		0.0138381%	0.0098019%

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(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

Pension Liabilities, Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

For the years ended June 30, 2021 and 2020, the Authority recognized pension expense (income) of (\$77,760) and \$575,078, respectively. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 168,281	-
Changes of assumptions	2,533,541	47,783
Net difference between projected and actual earnings on pension plan investments	-	3,958,182
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	570,062	84,769
Authority's contributions subsequent to the March 31, 2021 measurement date	125,932	-
Total	\$ 3,397,816	4,090,734
	2020	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 152,762	-
Changes of assumptions	52,263	45,128
Net difference between projected and actual earnings on pension plan investments	1,330,635	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	290,713	59,430
Authority's contributions subsequent to the March 31, 2020 measurement date	89,337	-
Total	\$ 1,915,710	104,558

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(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

Pension Liabilities, Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year ending</u>	<u>ERS</u>
2022	\$ (94,931)
2023	52,956
2024	(92,302)
2025	(684,575)

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Investment rate of return	5.9%
Salary scale	4.4%
Inflation rate	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 NYSLRS experience (April 1, 2010 - March 31, 2015 in 2020) with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020 (MP-2018 in 2020).

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020 (April 1, 2010 - March 31, 2015 in 2020).

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Notes to Financial Statements

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

Actuarial Assumptions, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Asset class:	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic/ARS portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed income	23.0%	0.00%
Cash	1.0%	0.50%

The real rates of return are net of a long-term inflation assumption of 2.00 percent.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 6.8% in 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the NYSLRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Notes to Financial Statements

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Authority's proportionate share of the net pension liability (asset)	\$ <u>3,824,558</u>	<u>13,779</u>	<u>(3,500,651)</u>

ERS Fiduciary Net Position

Detailed information about the ERS' fiduciary net position is available in the separately issued NYSLRS financial report. Refer to note 9(a) - *General Information about the ERS* for information on how to obtain the report.

(b) Postretirement Healthcare Benefits

General Information about the Plan

Plan Description

The Authority provides postretirement healthcare coverage to eligible retirees and their spouses under a single-employer defined benefit healthcare plan administered by the Authority. The obligations of the Plan members, employers, and other entities are established by action of the Authority pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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Notes to Financial Statements

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

General Information about the Plan, Continued

Employees Covered By Benefit Terms

At June 30, the following employee classifications were covered by the benefit terms:

	<u>2021</u>	<u>2020</u>
Active employees	92	93
Inactive employees or beneficiaries currently receiving benefit payments	2	-
Total	94	93

Postretirement Healthcare Benefit Liability

At June 30, 2021, the Authority's postretirement healthcare benefit liability of \$13,415,978 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

At June 30, 2020, the Authority's postretirement healthcare benefit liability of \$14,510,711 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The Authority's postretirement healthcare benefit liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Rate of compensation increase:	3.00%
Discount rate:	1.92%
Inflation rate:	2.25%
Assumed pre-65 healthcare cost trend rate assumed for next fiscal year:	6.75%
Assumed post-65 healthcare cost trend rate assumed for next fiscal year:	4.40%
Ultimate healthcare cost trend rate:	3.78%

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Notes to Financial Statements

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

Postretirement Healthcare Benefit Liability, Continued

Actuarial Assumptions and Other Inputs, Continued

The discount rate was based on the Fidelity General Obligation 20-Year AA Municipal Bond Index.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables for employees, health retirees, and contingent survivors, adjusted for mortality improvements with Scale MP-2020 mortality improvement scale on a generational basis. (MP-2019 mortality improvement scale in 2020).

Changes in the Postretirement Healthcare Benefit Liability

A schedule of the changes in the Authority's postretirement healthcare benefit liability at June 30:

	<u>2021</u>	<u>2020</u>
Balance at July 1	\$ 14,510,711	8,333,965
Changes for the year:		
Service cost	1,057,827	678,667
Interest cost	287,478	283,556
Change in benefit terms	243,108	7,031,143
Differences between expected and actual experience	(3,809,578)	(3,144,725)
Changes in assumptions and other inputs	1,176,746	1,341,406
Benefit payments	<u>(50,314)</u>	<u>(13,301)</u>
Net changes	<u>(1,094,733)</u>	<u>6,176,746</u>
Balance at June 30	\$ <u>13,415,978</u>	<u>14,510,711</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.45% in 2020 to 1.92% in 2021.

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(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

Changes in the Postretirement Healthcare Benefit Liability, Continued

Sensitivity of the Postretirement Healthcare Benefit Liability to Changes in the Discount Rate

The following presents the postretirement healthcare benefit liability of the Authority, as well as what the Authority's postretirement healthcare benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate as of June 30, 2021:

	1% Decrease (<u>0.92%</u>)	Current assumption (<u>1.92%</u>)	1% Increase (<u>2.92%</u>)
Postretirement healthcare benefit liability	\$ <u>16,015,810</u>	<u>13,415,978</u>	<u>11,331,143</u>

Sensitivity of the Postretirement Healthcare Benefit Liability to Changes in the Healthcare Cost Trend Rates

The following presents the postretirement healthcare benefit liability of the Authority, as well as what the Authority's postretirement healthcare benefit liability would be if it were calculated using ultimate healthcare cost trend rates that are 1-percentage-point lower (trend decreasing to 2.78%) or 1-percentage-point higher (trend increasing to 4.78%) than the current ultimate healthcare cost trend rates at June 30, 2021:

	1% Decrease (trend decreasing to <u>2.78%</u>)	Current assumption (trend rate at <u>3.78%</u>)	1% Increase (trend increasing to <u>4.78%</u>)
Postretirement healthcare benefit liability	\$ <u>10,672,348</u>	<u>13,415,978</u>	<u>17,071,683</u>

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(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Postretirement Healthcare Benefits

For the years ended June 30, 2021 and 2020, the Authority recognized postretirement healthcare benefit expense of \$1,372,459 and \$8,037,925, respectively. At June 30, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to postretirement healthcare benefits from the following sources:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,884,275	6,069,875
Changes of assumptions or other inputs	2,190,653	115,316
Total	\$ 4,074,928	6,185,191
	2020	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 2,116,043	2,864,853
Changes of assumptions or other inputs	1,235,269	129,500
Total	\$ 3,351,312	2,994,353

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Notes to Financial Statements

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Postretirement Healthcare Benefits, Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to postretirement healthcare benefits will be recognized in postretirement healthcare benefit expense as follows:

<u>Year ending December</u>	<u>Postretirement healthcare benefits expense</u>
2022	\$ (165,640)
2023	(165,640)
2024	(165,640)
2025	(165,640)
2026	(165,640)
Thereafter	(1,282,033)

(9) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. While the Authority does not have a specific policy for custodial credit risk, New York State statutes govern the Authority's investment policies, as discussed previously in these notes.

As of June 30, 2021 and 2020, the Authority's bank balances were fully collateralized by federal depository insurance and securities held by an agent of the pledging financial institution in the Authority's name.

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(10) Risk Management

Potential Grantor Liability

The Authority is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties.

Self-Insured Health and Dental Insurance

The Authority participates in the health and dental insurance consortium managed by Onondaga County Employees Benefit Association (OCEBA). This is a self-insured plan whereby the insurance risk is retained by the Authority although such risk is spread among the participants in the Plan. The Authority has not recorded an estimate of incurred but not reported claims as of June 30, 2021 and 2020 as it is deemed immaterial to the financial statements.

(11) Noncurrent Liabilities

Noncurrent liability balance and activity for the year ended June 30, are as follows:

<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Amounts due within one year</u>
Grant anticipation note payable	\$ 12,801,000	-	-	12,801,000	4,221,000
Net pension liability	2,595,609	-	(2,581,830)	13,779	-
OPEB liability	<u>14,510,711</u>	<u>2,765,159</u>	<u>(3,859,892)</u>	<u>13,415,978</u>	<u>-</u>
Total noncurrent liabilities	<u>\$ 29,907,320</u>	<u>2,765,159</u>	<u>(6,441,722)</u>	<u>26,230,757</u>	<u>4,221,000</u>
<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts due within one year</u>
Grant anticipation note payable	\$ 15,757,000	-	2,956,000	12,801,000	-
Net pension liability	392,279	2,203,330	-	2,595,609	-
OPEB liability	<u>8,333,965</u>	<u>9,334,772</u>	<u>3,158,026</u>	<u>14,510,711</u>	<u>-</u>
Total noncurrent liabilities	<u>\$ 24,483,244</u>	<u>11,538,102</u>	<u>6,114,026</u>	<u>29,907,320</u>	<u>-</u>

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Notes to Financial Statements

(11) Noncurrent Liabilities, Continued

During 2019, the Authority entered into a note purchase agreement (Series 2019 Notes) with a bank to finance a project consisting of (a) refinancing of certain revolving indebtedness with the bank incurred to finance (i) the construction of certain capital improvements in and around the terminal of the airport complex (ii) the equipping of the terminal with certain items of equipment, machinery, fixtures, and other items of tangible personal property; (b) paying certain costs and expenses incidental to the issuance of the Series 2019 Notes; and (c) funding any debt service reserve or similar fund, if any. The Series 2019 Notes are subject to optional redemption by the Authority at a redemption price of 101% of the principal amount, plus accrued interest through June 2023. The Series 2019 Notes require the Authority to meet certain covenants annually. The Authority was in compliance with required covenants as of June 30, 2021.

Details relating to the Series 2019 Notes outstanding at June 30, 2021 are summarized as follows:

<u>Payable from/ description</u>	<u>Date of original issue</u>	<u>Original amount</u>	<u>Date of final maturity</u>	<u>Interest rate (%)</u>	<u>Outstanding amount</u>
Series 2019 Notes	06/19	\$ <u>15,757,000</u>	12/26	2.44%	\$ <u>12,801,000</u>

Principal and interest payments due on general obligation debt are as follows:

For the year ending <u>June 30,</u>	<u>Series 2019 Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,221,000	261,169	4,482,169
2023	3,694,000	164,487	3,858,487
2024	-	119,365	119,365
2025	1,583,000	100,028	1,683,028
2026	1,583,000	61,356	1,644,356
2027	<u>1,720,000</u>	<u>21,010</u>	<u>1,741,010</u>
Total	\$ <u>12,801,000</u>	<u>727,415</u>	<u>13,528,415</u>

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(12) Subsequent Events

As of the date of these financial statements, the Authority is in the process of issuing approximately \$45,000,000 of its Senior Airport Revenue Refunding Bonds Series 2021 (Series 2021 Bonds). The proceeds of the sale of the Series 2021 Bonds will be used to provide funds to (i) currently refund the City's Series 2011A Bonds (see note 7 to the financial statements); (ii) currently refund the Authority's Series 2019 Notes; (iii) fund the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds. The sale of the Series 2021 Bonds is expected to occur in November 2021.

The Authority has evaluated subsequent events occurring after the statement of net position through the date of September 27, 2021, which is the date the financial statements were available to be issued.

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Schedules of Authority's Pension Contributions

ERS Pension Plan

(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 503,729	349,375	180,927	126,573	99,797	92,914	19,934
Contributions in relation to the contractually required contribution	<u>503,729</u>	<u>349,375</u>	<u>180,927</u>	<u>126,573</u>	<u>99,797</u>	<u>92,914</u>	<u>19,934</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered-ERS employee payroll	5,994,566	2,429,109	1,271,982	922,538	752,001	599,249	123,520
Contributions as a percentage of covered-employee payroll	8.40%	14.38%	14.22%	13.72%	13.27%	15.51%	16.14%

See accompanying independent auditor's report.

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Schedules of Authority's Proportionate Share of the Net Pension Liability

ERS Pension Plan

(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	0.0138381%	0.0098019%	0.0055365%	0.0036346%	0.0031085%	0.0024646%	0.0008180%
Authority's proportionate share of the net pension liability	\$ 13,779	2,595,609	392,279	117,305	292,077	395,629	27,633
Authority's covered-employee payroll	\$ 5,994,566	2,429,109	1,271,982	922,538	752,001	599,249	123,520
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.23%	106.85%	30.84%	12.72%	38.84%	66.02%	22.37%
Plan fiduciary net position as a percentage of total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

See accompanying independent auditor's report.

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Schedule of Changes in the Authority's Net Postretirement Healthcare Benefit Liability and Related Ratios

(Unaudited)

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:				
Service cost	\$ 1,057,827	678,667	425,727	250,479
Interest on total OPEB liability	287,478	283,556	176,888	73,565
Change in benefit terms	243,108	7,031,143	3,152,779	-
Change in assumptions and other inputs	1,176,746	1,341,406	(157,868)	18,427
Difference between expected and actual experience	(3,809,578)	(3,144,725)	2,579,579	(1,554)
Benefit payments	<u>(50,314)</u>	<u>(13,301)</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	(1,094,733)	6,176,746	6,177,105	340,917
Total OPEB liability - beginning	<u>14,510,711</u>	<u>8,333,965</u>	<u>2,156,860</u>	<u>1,815,943</u>
Total OPEB liability - ending	<u>\$ 13,415,978</u>	<u>14,510,711</u>	<u>8,333,965</u>	<u>2,156,860</u>
Covered payroll	5,357,448	3,989,919	2,681,711	1,098,757
Total OPEB liability as a percentage of covered payroll	250.42%	363.68%	310.77%	196.30%

*10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

Actuarial assumptions:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in note 8 to the financial statements.

See accompanying independent auditor's report.

SYRACUSE REGIONAL AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA number</u>	<u>Identifying numbers</u>	<u>Current year expenditures</u>
<u>U.S. Department of Transportation - Direct</u>			
Airport improvement program:			
COVID-19 CARES Act Airport Grant	20.106	156-20	\$ 11,358,886
Taxiway hotspots design and rehabilitation	20.106	153-19	7,488,345
Rehab deicing lagoons	20.106	150-18	505,890
COVID-19 Airport Coronavirus Response Grant	20.106	159-21	272,402
Rehab runway 10/28	20.106	155-20	253,014
Reconfigure runway 10/28	20.106	151-18	59,721
Taxiway hotspots design	20.106	144-16	<u>25,813</u>
Total U.S. Department of Transportation			<u>19,964,071</u>
Total expenditures of federal awards			<u>\$ 19,964,071</u>

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

June 30, 2021

(1) Significant Accounting Policies

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Syracuse Regional Airport Authority. The Syracuse Regional Airport Authority's organization is defined in note 1 to the basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Board Members

Syracuse Regional Airport Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of the Syracuse Regional Airport Authority, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Syracuse Regional Airport Authority’s basic financial statements, and have issued our report thereon dated September 27, 2021. Our report includes an emphasis of matter paragraph relating to the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Syracuse Regional Airport Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Syracuse Regional Airport Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Syracuse Regional Airport Authority’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board Members
Page 2 of 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Syracuse Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Syracuse Regional Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fust Charles Chambers LLP

September 27, 2021

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance**

Board Members

Syracuse Regional Airport Authority:

Report on Compliance for Each Major Federal Program

We have audited the Syracuse Regional Airport Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major Federal program for the year ended June 30, 2021. The Syracuse Regional Airport Authority's major Federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Syracuse Regional Airport Authority's major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Syracuse Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major Federal program. However, our audit does not provide a legal determination of the Syracuse Regional Airport Authority's compliance.

Board Members

Page 2 of 3

Opinion on Each Major Federal Program

In our opinion, the Syracuse Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Syracuse Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Syracuse Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major Federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board Members
Page 3 of 3

Report on Internal Control Over Compliance, Continued

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fust Charles Chambers LLP

September 27, 2021

SYRACUSE REGIONAL AIRPORT AUTHORITY

Schedule of Audit Findings and Questioned Costs

Summary of Auditor's Results

Type of Financial Statement Opinion	Unmodified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	None reported
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other significant deficiencies reported for major federal programs?	None reported
Type of Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2CFR Section 200.516(a)?	Yes
Major Programs (list):	<u>U.S. Department of Transportation</u> CFDA #20.106 Airport Improvement Program
Dollar Threshold: Type A\B Programs	Type A: >\$750,000 Type B: all others
Low Risk Auditee?	Yes

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Schedule of Audit Findings and Questioned Costs

Year ended June 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

Status of Prior Year Audit Findings and Recommendations

Year ended June 30, 2021

A. Material Weakness

None

B. Significant Deficiency

2020-001 Federal Uniform Guidance Policies and Procedures

Condition: The Authority currently has effective procedural controls in place over the management of Federal awards as concluded through the testing of grant expenditures. However, key changes under the Uniform Guidance expanded the rules regarding the documentation of internal controls over Federal Awards to require that they be documented in writing in the Authority's policies and that management should evaluate and document the results of ongoing monitoring to identify internal control issues. The written internal controls should specifically address each of the applicable twelve (12) compliance requirements of the Federal award programs.

Criteria: On December 26, 2014 the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, more commonly referred to as the "Uniform Guidance," became effective for all Federal awards, whether the funds are provided directly from a Federal agency or passed-through another state or local agency.

Cause: Unknown.

Effect or Potential Effect: The Authority is more at risk of noncompliance with Federal Grant regulations related to Uniform Administrative Requirements by not having a fully effective procedural controls in place. On May 17, 2017, the Office of Management and Budget extended the implementation date for the procurement standards for nonfederal entities and is now effective for the grant year ended December 31, 2018.

Recommendation: The Authority should document policies and procedures in accordance with the new Uniform Guidance. This should include monitoring procedures to ensure that internal controls over compliance are working effectively. *Response:* The Authority is in agreement with this recommendation and will implement new policies and procedures to comply with the new Uniform Guidance requirements.

Status: The Authority has implemented the policies in accordance with the Uniform Guidance.

APPENDIX B

BOOK-ENTRY-ONLY SYSTEM

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APPENDIX B

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or other such name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Series 2021 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates 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 Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 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 the Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities 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 the Series 2021 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such a maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 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 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 Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and redemption premium, if any, and interest on, the 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 Authority on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC for further delivery to the record owners of such Series 2021 Bonds.

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

NEITHER THE AUTHORITY NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS; (III) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

APPENDIX C

CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION
AND THE FIRST SUPPLEMENTAL RESOLUTION

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APPENDIX C

CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER RESOLUTION AND THE FIRST SUPPLEMENTAL RESOLUTION

The following are definitions of certain terms used in this Official Statement including summaries of the Master Resolution and the First Supplemental Resolution:

CERTAIN DEFINITIONS

Accreted Value means with respect to any Capital Appreciation Bond (a) as of any Valuation Date, the amount set forth for such date in the Applicable Supplemental Resolution authorizing such Capital Appreciation Bond or the Applicable Certificate of Determination relating thereto and (b) as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (B) the difference between the Accreted Values for such Valuation Dates.

Aggregate Annual Debt Service means, for any Fiscal Year, the aggregate amount of Annual Debt Service on all Outstanding Bonds and Unissued Program Bonds. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(a) in determining the amount of principal due in each year, payment shall (unless a different paragraph of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds and Unissued Program Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Deferred Income Bonds, or Original Issue Discount Bonds maturing or scheduled for redemption in such year;

(b) in determining the amount of interest due in each year, interest payable at a fixed rate shall (except to the extent paragraphs (c), (d) or (e) of this definition applies) be assumed to be made at such fixed rate and on the required funding dates; provided, however, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(c) if all or any portion or portions of an Outstanding Series of Bonds, or Unissued Program Bonds constitute Balloon Indebtedness (excluding Program Bonds or Unissued Program Bonds to which paragraph (g) of this definition applies), then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the Applicable Supplemental Resolution pursuant to which such Balloon Indebtedness is issued or unless paragraph (d) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation for fixed rate obligations shall be the applicable fixed rates and for variable rate obligations it shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; with respect to any Series of Bonds, Unissued Program Bonds or Program Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable and, with respect to any Series, Unissued Program Bonds or Program Bonds or that portion of a Series thereof which constitutes Balloon Indebtedness, all payments of principal and interest becoming

due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in paragraph (a) of this definition or such other provision of this definition as shall be applicable;

(d) any maturity of Bonds which constitutes Balloon Indebtedness as described in paragraph (c) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Aggregate Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date and paragraph (c) of this definition shall not apply thereto unless there is delivered to the Person making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Officer stating that the Authority intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Aggregate Annual Debt Service, provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (c) above and shall be amortized over a term of not more than 30 years from the date of refinancing;

(e) if any Outstanding Bonds (including Program Bonds then issued and Outstanding) or any Bonds which are then proposed to be issued constitute Option Bonds, then, for purposes of determining Aggregate Annual Debt Service, Option Bonds shall be treated as if (i) the principal amount of such Bonds were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Annual Debt Service payments and extending not later than 30 years from the date such Option Bonds were originally issued, provided, however, notwithstanding the previous provisions of this clause (i), any principal amortization schedule set forth in a Supplemental Resolution (including, but not limited to, any mandatory sinking fund redemption schedule) shall be applied to determine the principal amortization of such Bonds; (ii) the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; and (iii) with respect to all principal and interest payments becoming due prior to the year in which such Option Bonds are first subject to tender, such payments shall be treated as described in paragraph (a) of this definition unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in paragraph (e) or (f) of this definition, as appropriate;

(f) if any Outstanding Bonds constitute Variable Interest Rate Bonds, including obligations described in paragraph (i)(ii) of this definition to the extent it applies (except to the extent paragraph (c) or (d) of this definition relating to Balloon Indebtedness or paragraph (e) of this definition relating to Option Bonds or paragraph (i)(i) of this definition relating to Synthetic Fixed Rate Debt applies), the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(g) with respect to any Program Bonds or Unissued Program Bonds (other than a Commercial Paper Program) (i) debt service on Program Bonds then Outstanding shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (ii) with respect to Unissued Program Bonds, it shall be assumed that the full principal amount of such Unissued Program Bonds will be amortized over a term certified by an Authorized Officer at the time the initial Program Bonds of such Program are issued to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Officer to be the expected duration of such Program at the time of such calculation, but not to exceed 30 years from the date of the initial issuance of such Program Bonds and it shall be assumed that debt service shall be

paid in substantially level Annual Debt Service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(h) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under the Master Resolution, shall be calculated as provided in the Master Resolution;

(i) (i) for purposes of computing the Aggregate Annual Debt Service of Bonds which constitute Synthetic Fixed Rate Debt, the interest payable thereon shall, if the Authority elects, be that rate as provided for by the terms of the Swap or the net interest rate payable pursuant to offsetting indices, as applicable; or, if the Authority fails to elect such rate, then it shall be deemed to be the fixed interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; and

(ii) for purposes of computing the Aggregate Annual Debt Service of Bonds with respect to which a Swap has been entered into whereby the Authority has agreed to pay the floating variable rate thereunder, no fixed interest rate amounts payable on the Bonds to which such Swap pertains shall be included in the calculation of Aggregate Annual Debt Service, and the interest rate with respect to such Bonds shall be the sum of that rate as determined in accordance with paragraph (e) of this definition relating to Variable Interest Rate Bonds plus the difference between the interest rate on the Designated Debt and the rate received from the Swap Provider;

(j) with respect to any Commercial Paper Program which has been implemented and not then terminated or with respect to any Commercial Paper Program then proposed to be Implemented, the principal and interest thereon shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 30 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Bonds of a corresponding term issued under the Master Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax;

(k) if moneys, Permitted Investments or any other amounts not included in Revenues have been used to pay or have been irrevocably deposited with and are held by the Trustee or another fiduciary to pay, or Capitalized Interest has been set aside exclusively to be used to pay, principal and/or interest on specified Bonds, then the principal and/or interest to be paid from such moneys, Permitted Investments, other amounts not included in Revenues or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service; and

(l) if Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys not included in Revenues have been irrevocably committed or are held by the Trustee or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest

on specified Bonds, then the principal and/or interest to be paid from such Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys not included in Revenues or from earnings thereon shall be disregarded (unless such Passenger Facility Charges, Consolidated Facility Charges, Federal Direct Payments, state and/or federal grants or other moneys are included in the definition of Revenues pursuant to a Supplemental Resolution or related Certificate of Determination) and not included in calculating Aggregate Annual Debt Service and/or Annual Debt Service.

Aggregate Annual Debt Service For Reserve Requirement means the computation of Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Reserve Fund or all Outstanding Bonds participating in a separately established Debt Service Reserve Fund, as the case may be, in the then current or any future Fiscal Year with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Aggregate Annual Debt Service For Reserve Requirement, the Annual Debt Service with respect to any Variable Interest Rate Bonds shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in paragraph (f) of the definition of Aggregate Annual Debt Service, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Bonds containing Balloon Indebtedness or Option Bonds shall not, with respect to such Series, require subsequent increases.

Airport means Syracuse Hancock International Airport, including all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the City and leased to and operated by the Authority pursuant to the City Lease, including all facilities and property related thereto, real or personal; and including or excluding, as the case may be, such property as the Authority may (a) acquire, or which may be placed under its control pursuant to the City Lease or otherwise, or (b) divest, dispose of, or have removed from its control, or have removed from its control pursuant to the City Lease or otherwise.

Airport Facilities or Airport Facility means a facility or group of facilities or category of facilities which are operated by the Authority.

Annual Debt Service means, with respect to any Bond, the aggregate amount of principal, interest and such other amounts becoming due and payable during a Fiscal Year, and if a Qualified Swap is in effect for any Bond, plus the amount payable by the Authority (or the Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from the Qualified Swap Provider pursuant to the Qualified Swap, calculated using the principles and assumptions set forth in the definition of Aggregate Annual Debt Service; provided, however, for purposes of determining the amount of Annual Debt Service to be used to determine compliance with the rate covenant set forth in the Master Resolution, such amount shall be revised to reflect the application of subparagraphs (k) and (i) of the definition of "Aggregate Annual Debt Service."

Applicable means (a) with respect to any Construction Fund, Arbitrage Rebate Fund, Debt Service Fund, Debt Service Reserve Fund, or any other fund or account therein, the fund or account so designated and established by an Applicable Supplemental Resolution or Certificate of Determination authorizing an Applicable Series of Bonds, (b) with respect to any Debt Service Reserve Fund Requirement, the said requirement established in connection with a Series of Bonds by the Supplemental Resolution or Certificate of Determination, (c) with respect to any Supplemental Resolution, such Supplemental Resolution relating to an Applicable Series of Bonds, (d) with respect to any Series of Bonds, the Series of Bonds issued under a Supplemental Resolution, (e) with respect to a Certificate of Determination, such certificate authorized pursuant to a Supplemental Resolution, (f) with respect to any Credit Facility, or Reserve Fund Facility and the Provider thereof, if any, such Credit Facility, Reserve Fund Facility or the Provider relating to an Applicable Series of Bonds, (g) with respect to a Program, the Commercial Paper Program or other Program authorized by an Applicable Supplemental Resolution or Certificate of Determination, and (h) with respect to a Subordinate Resolution and an Subordinate Obligation authorized to be issued thereunder, the Subordinate Resolution entered into pursuant to, and Subordinate Obligation issued under, the Master Resolution for the purpose of securing such Subordinate Obligation.

Appreciated Value means with respect to any Deferred Income Bond (a) as of any Valuation Date, the amount set forth for such date in the Applicable Supplemental Resolution authorizing such Deferred Income Bond or the Applicable Certificate of Determination relating thereto and (b) as of any date other than a Valuation Date, the

sum of (i) the Appreciated Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (B) the difference between the Appreciated Values for such Valuation Dates, and (c) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means with respect to each Series of Bonds the fund so designated and established pursuant to the Master Resolution.

Authority means the Syracuse Regional Airport Authority, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

Authorized Amount means, when used with respect to a Series of Bonds, including Bonds issued pursuant to a Program, the maximum Principal Amount of Bonds which is then authorized by a Supplemental Resolution adopted by the Authority pursuant to the Master Resolution to be Outstanding at any one time under the terms of such Program or Supplemental Resolution. Notwithstanding the provisions of this definition of “Authorized Amount,” in connection with the test for issuance of bonds in the Master Resolution and the calculation of Maximum Aggregate Annual Debt Service and Aggregate Annual Debt Service with respect to a Commercial Paper Program, “Authorized Amount” shall mean the total amount available (utilized and unutilized, if applicable) under a Credit Facility entered into with respect to such Commercial Paper Program and the total amount of Commercial Paper Notes that may be issued pursuant to an unenhanced Commercial Paper Program.

Authorized Denomination means \$1,000 and any multiple thereof; provided, however, that the Authority may fix a greater amount by Supplemental Resolution or Certificate of Determination.

Authorized Officer means (a) in the case of the Authority, the Chair, the Vice-Chair, the Treasurer, the Secretary, the Executive Director, the Chief Financial Officer, or such other officer or employee of the Authority, or other person which other officer, employee or person has been designated by the Executive Director as an Authorized Officer by written notice delivered by the Executive Director to the Trustee or other fiduciary; (b) in the case of the Trustee, without limitation, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee; and (c) in the case of any other corporation or entity, the chief executive officer or other person authorized to perform any act or sign any document by or pursuant to a resolution of the governing board of such entity.

Available PFC Revenues means (i) with respect to the pledge and deposit requirements under the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting such PFCs) collected by the Authority, and (ii) for any historical or projected 12-month period relating to compliance with the test for additional Bonds described under the Master Resolution or for purposes of determining compliance with the Master Resolution, the actual PFC revenues (net of amounts retained by the airlines collecting the PFCs) collected or accrued or projected to be collected or accrued by the Authority during such period. PFC revenues may only be treated as Available PFC Revenues to the extent they are then pledged to the payment of PFC Bonds.

Available PFC Revenue Account means a segregated account in the Revenue Fund into which the Available PFC Revenues shall be deposited so long as any PFC Bonds are Outstanding.

Balloon Indebtedness means, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year; provided, however, that to constitute Balloon Indebtedness the amount of Bonds of a Series maturing on a single date or within a Fiscal Year must equal or exceed 150% of the amount of such Series which matures during any Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds, scheduled to be amortized by prepayment or redemption prior to their stated

maturity date. A Commercial Paper Program and the Commercial Paper constituting part of such Program shall not be Balloon Indebtedness.

Beneficial Owner means the registered owner of a Bond and, for Book Entry Bonds, the beneficial owner of a Bond as determined under the rules and procedures of the Depository.

Bond or **Bonds** shall mean any debt obligation of the Authority issued with respect to the Airport as a taxable or tax-exempt obligation under and in accordance with the provisions of the Master Resolution including, but not limited to, bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in the Master Resolution. The term "Bond" or "Bonds" in the Master Resolution does not include any Subordinate Obligation; provided, however, that the Authority may provide in a Subordinate Resolution to the Master Resolution that Subordinate Obligations may be thenceforth issued pursuant to the Master Resolution having the terms applicable to the Bonds, except that such Subordinate Obligations shall be junior and subordinate in payment to the Bonds from Net Revenues. The term "Bond" and "Bonds" also includes Program Bonds. The term "Bond" and "Bonds" also includes, as the context requires, Prior Obligations.

Bond Counsel means a law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Insurance Commitment means, with respect to the Series 2021 Bonds, if applicable, one or more commitments of the Insurance Company to issue one or more municipal bond new issue insurance policies guaranteeing the scheduled payment of principal of and interest on the Series 2021 Bonds.

Bond Insurance Policy means, with respect to the Series 2021 Bonds, if applicable, one or more municipal bond new issue insurance policies issued by the Insurance Company guaranteeing the scheduled payment of principal of and interest on the Series 2021 Bonds.

Bond Year means a "Bond Year" as defined in the Series 2021 Tax Certificate.

Bondholder, Holder of Bonds or **Holder** or any similar term, when used with reference to a Bond or Bonds of a Series, means the registered owner of any Bonds of such Series.

Book Entry Bond means a Bond of a Series authorized to be issued to, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

Business Day means, unless otherwise defined in connection with Bonds of an Applicable Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in the City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

Capitalized Interest Account means the Capitalized Interest Account, if any, within the Construction Fund authorized to be established pursuant to the Master Resolution and the Applicable Supplemental Resolution or Certificate of Determination with respect to a Series of Bonds.

Certificate of Determination means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so hereunder or under a Supplemental Resolution, as it may be amended from time to time.

City means the City of Syracuse, New York, a municipal corporation organized and existing under the laws of the State, and any successor thereto.

City Lease means that certain Airport Lease Agreement dated November 25, 2013 by and between the City, as lessor and the Authority, as lessee, as the same may amended from time to time.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Commercial Paper means notes of the Authority with a maturity of not more than 270 days from the date of issuance and which are issued and reissued from time to time pursuant to a Program adopted by the Authority.

Commercial Paper Program means a Program authorized by the Authority pursuant to which Commercial Paper shall be issued and reissued from time to time, up to the Authorized Amount of such Program.

Consolidated Facilities Charge has the meaning assigned to such term in Section 396-z of the General Business Law of the State.

Construction Fund means the fund so designated and established by a Supplemental Resolution pursuant to the Master Resolution.

Consultant means any independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, financial advisory or investment banking firm, or other expert recognized to be well qualified for work of the character required and retained by the Authority to perform acts and carry out the duties provided for such consultant in the Master Resolution.

Cost of Issuance or **Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Provider of any Credit Facility, a Liquidity Facility, a Reserve Fund Facility or a Depository, legal fees and charges, Consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, a Reserve Fund Facility, a Swap Agreement, or a Remarketing Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a Remarketing Agreement and other costs, charges and fees, in connection with the foregoing.

Cost of the Project or **Costs of the Project** means when used in relation to a Project or PFC Project the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with a Project or PFC Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project or PFC Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project or PFC Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project or PFC Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) costs of the Authority properly allocated to a Project or PFC Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (vii) interest on the Bonds of a Series, bonds, notes or other obligations of the Authority issued to finance Costs of the Project or PFC Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project or PFC Project, (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant hereto or to a Credit Facility, a Liquidity Facility, a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds, the Reserve Fund, any Debt Service Reserve Fund (other than the Reserve Fund), or Trustee's fees and expenses (including without limitation reasonable attorneys' fees incurred by the Trustee), (x) any Swap Termination Payments due in connection with a Series of Bonds or the failure to issue such Series of Bonds, and (xi)

such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Authority.

County means the County of Onondaga, New York, a municipal corporation organized and existing under the laws of the State, and any successor thereto.

Coverage Deposit Account means the Coverage Deposit Account that may be established by the Authority in the Revenue Fund into which the Rate Reserve Amount is deposited.

Credit Facility shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Reserve Facility or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on a Series of Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in the Master Resolution.

Debt Service Fund means with respect to each Series of Bonds the fund so designated and established pursuant the Master Resolution.

Debt Service Reserve Fund means a reserve fund, if any, with respect to each Series of Bonds so designated and established by a Supplemental Resolution pursuant to the Master Resolution.

Debt Service Reserve Fund Requirement means the amount of moneys, if any, required to be on deposit in the Debt Service Reserve Fund, if any, with respect to an Applicable Series of Bonds as determined in accordance with the Applicable Supplemental Resolution.

Defeasance Security means any of the following:

(a) a Government Obligation of the type described in clauses (a), (b), (c) or (d) of the definition of Government Obligation;

(b) a Federal Agency Obligation described in clauses (a), (b) or (c) of the definition of Federal Agency Obligation; and

(c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the interest payment dates and the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the Government Obligations which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the interest payment dates and maturity date thereof or on the redemption date specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation (without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation); provided, however, that such term shall not include (A) any interest in a unit investment trust or mutual fund (except as expressly provided in the definition of Exempt Obligation), or (B) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as

to which interest accruing after the Interest Commencement Date is payable semiannually on such dates established in a Supplemental Resolution or Certificate of Determination.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other Person designated in the Applicable Supplemental Resolution authorizing a Series of Bonds or a Certificate of Determination relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Designated Debt means a specific indebtedness, designated by the Authority, in which such debt shall be offset with a Swap, such specific indebtedness to include all or any part of a Series of Bonds.

Electronic Means means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or another method or system specified by the Trustee as available for use in connection with its services under the Master Resolution or any Supplemental Resolution.

Electronic Notice means notice transmitted by Electronic Means, in writing, or by telephone (promptly confirmed in writing), and received by the party addressed.

Equity Account means the Equity Account, if any, within the Construction Fund authorized to be established pursuant to the Master Resolution and the Applicable Supplemental Resolution or Certificate of Determination with respect to a Series of Bonds.

Escrow Agent means the Trustee, as escrow agent, with which are to be deposited a portion of the proceeds of the Series 2021 Bonds, along with other moneys, which are to be deposited and used to pay the principal of and accrued interest on the applicable Refunded Bonds.

Escrow Agreements means, collectively, the Series 2011A Escrow Agreement and the Series 2019 Escrow Agreement.

Escrow Funds means the escrow funds established pursuant to the First Supplemental Indenture.

Excess Earnings means, with respect to a Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

Exempt Obligation means any of the following:

(a) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, (i) the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code, or which qualifies as a “build America bond” within the meaning of Section 54AA of the Code, and (ii) which, at the time an investment therein is made or such obligation is deposited in any fund or account hereunder, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services,

(b) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(c) a (i) share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

Facilities Construction Credit and **Facilities Construction Credits** means the amounts further described the Master Resolution resulting from an arrangement embodied in a written agreement of the Authority and another Person pursuant to which the Authority permits such Person to make a payment or payments to the Authority which is reduced by the amount owed by the Authority to such Person under such agreement, resulting in a net payment to the Authority by such Person. The “Facilities Construction Credit” shall be deemed to be the amount owed by the Authority under such agreement which is “netted” against the payment of such Person to the Authority. Facilities Construction Credits are sometimes referred to as “rental credits.”

Federal Agency Obligation means any of the following:

(a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America, and Refcorp strips;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Bank, Farm Credit System Financial Assistance Corporation, (ii) Farmers Home Administration, (iii) General Services Administration, (iv) U.S. Maritime Administration, (v) Small Business Administration, (vi) Government National Mortgage Association, (vii) U.S. Department of Housing & Urban Development, and (viii) Federal Housing Administration;

(c) senior debt obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation (or any other U.S.-sponsored agency) with remaining maturities not exceeding three years;

(d) upon the approval of the Authority and any applicable Providers, (i) an obligation of any federal agency and a certificate or other instrument which evidences the ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, direct obligations of the United States of America, or (ii) an obligation of any other agency or instrumentality of the United States of America created by Act of Congress;

(e) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(f) a (i) share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or a repurchase agreement collateralized by the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

Federal Direct Payments means amounts payable, if any, by the federal government to the Authority in connection with the Authority’s issuance of Bonds with respect to the Airport, in lieu of any credit otherwise available to the Holders of Bonds.

Fiscal Year means the period of time commencing on July 1 of each year and terminating on the next succeeding June 30, or such other period as may be established by the Authority as its official fiscal year period (written notice of which shall be given by the Authority to the Trustee).

Government Obligation means any of the following:

(a) a direct obligation of the United States of America;

(b) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;

(c) an obligation to which the full faith and credit of the United States of America is pledged;

(d) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and

(e) a (i) share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or a repurchase agreement collateralized by the foregoing obligations, or (ii) a repurchase agreement collateralized by any of the foregoing obligations.

Gross Proceeds means, with respect to any Series of Bonds, the interest on which is tax-exempt, unless inconsistent with the provisions of the Code, (a) amounts received by the Authority from the sale of such Series of Bonds (other than amounts used to pay underwriters' fees and other expenses of issuing such Series of Bonds), (b) amounts treated as transferred proceeds of such Series of Bonds in accordance with the Code, (c) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds, including any necessary allocation between two or more Series of Bonds in the manner required by the Code, (d) amounts in the Debt Service Reserve Fund, if any, (e) securities or obligations pledged by the Authority as security for payment of debt service on such Bonds, (f) amounts received with respect to obligations acquired with Gross Proceeds, (g) amounts used to pay debt service on such Series of Bonds, and (h) amounts received as a result of the investment of Gross Proceeds at a yield equal to or less than the yield on such Series of Bonds as such yield is determined in accordance with the Code.

Insurance Company means, with respect to the Series 2021 Bonds, if applicable, the issuer of the Bond Insurance Policy selected by the Authority, or any successor thereto or assignee thereof.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter, unless otherwise set forth in the Applicable Supplemental Resolution or Certificate of Determination.

Interest Payment Date means, with respect to the Series 2021 Bonds, the dates determined by an Authorized Officer and set forth in the Certificate of Determination.

Investment Agreement means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

Liquidity Facility means, with respect to a Series of Bonds, an irrevocable letter of credit (and any confirming letter of credit), a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of such Bonds tendered for purchase in accordance with the terms of a Supplemental Resolution authorizing such Bonds or a Certificate of Determination relating to such Bonds.

Maintenance and Operation Costs means reasonable and necessary costs paid or incurred by the Authority for maintaining and operating the Airport, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport in good repair and working order, and including all administrative costs of the Authority that are charged directly or apportioned to the operation of the Airport, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the Authority or charges required to be paid by the Authority in order to comply with the terms of the Master Resolution; but excluding in all cases payments in lieu of taxes to be paid by the Authority to any jurisdiction, depreciation, replacement and obsolescence charges or reserves therefor, any principal payment in respect of capital leases or indebtedness including the Bonds, amortization or intangibles and any Maintenance and Operation Costs payable from moneys other than Revenues.

Maintenance and Operation Reserve Fund means the Maintenance and Operation Reserve Fund required to be established as provided by the Master Resolution.

Master Resolution means the Master Resolution, dated as of September 24, 2021.

Maximum Aggregate Annual Debt Service means the maximum amount of Aggregate Annual Debt Service with respect to all Bonds, Unissued Program Bonds, and the Authorized Amount of all Bonds then proposed to be issued in the then current or any future Fiscal Year.

Maximum Aggregate Annual Debt Service For Reserve Requirement means the computation of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds participating in the Reserve Fund or all Outstanding Bonds participating in a separately established Debt Service Reserve Fund, as the case may be, in the then current or any future Fiscal Year, with such modifications in the assumptions thereof as is described in this definition. For purposes of determining the Maximum Aggregate Annual Debt Service For Reserve Requirement, the Annual Debt Service with respect to any Bonds constituting Variable Interest Rate Bonds shall, upon the issuance of such Series, be calculated on the basis of the assumptions set forth in paragraph (f) of the definition of Aggregate Annual Debt Service, and the amount so determined shall not require adjustment thereafter except as appropriate to reflect reductions in the outstanding principal amount of such Series. For purposes of the Maximum Aggregate Annual Debt Service For Reserve Requirement, the annual debt service requirements assumed at the time of issuance of a Series of Bonds containing Balloon Indebtedness or Option Bonds shall not, with respect to such Series, require subsequent increases.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond as the maximum rate at which such Bond may bear interest at any time.

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

Net Proceeds means insurance proceeds received as a result of damage to or destruction of the Airport or any condemnation award or amounts received by the Authority from the sale of the Airport under the threat of condemnation less expenses (including attorneys' fees and expenses and any fees and expenses of the Trustee (including without limitation reasonable attorneys' fees incurred by the Trustee)) incurred in the collection of such proceeds or award.

Net Revenues shall mean, for any given period, the Revenues for such period, less the Maintenance and Operation Costs for such period.

Nonqualified Swap means any Swap that is not a Qualified Swap.

Notes means Bonds issued under the provisions of Master Resolution which have a maturity of one year or less from their date of original issuance and which are not part of a Commercial Paper Program.

Option Bond means any Bond of a Series which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination related to such Bonds.

Original Issue Discount Bonds means Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds in the Supplemental Resolution under which such Bonds are issued.

Outstanding means, when used in reference to Bonds of a Series, as of a particular date, all Bonds of such Series authenticated and delivered hereunder and under a Supplemental Resolution except:

- (a) any Bond canceled by the Trustee at or before such date;
- (b) any Bond deemed to have been paid in accordance with the Master Resolution;
- (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Master Resolution; and
- (d) any Option Bond tendered or deemed tendered in accordance with the provisions of the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Master Resolution, and in the Applicable Supplemental Resolution authorizing such Bond or the Applicable Certificate of Determination relating to such Bond.

Passenger Facility Charges or PFC(s) means charges collected by the Authority pursuant to the authority granted by PFC Act and PFC Regulations, or any other applicable federal law, and interest earnings thereon net of amounts that collecting air carriers are entitled to retain for collecting, handling, and remitting such passenger facility charge revenues.

Paying Agent means, with respect to a Series of Bonds, the Trustee and any other Person, and its successor or successors, appointed pursuant to the provisions the Master Resolution or of a Supplemental Resolution, a Certificate of Determination or any other resolution of the Authority adopted prior to authentication and delivery of such Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Payment Date means, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

Permitted Collateral means any of the following:

- (a) Government Obligations described in clauses (a), (b) or (c) of the definition of Government Obligation;
- (b) Federal Agency Obligations described in clauses (a) or (b) of the definition of Federal Agency Obligation;
- (c) commercial paper that (i) matures within two hundred seventy (270) days after its date of issuance, (ii) is rated in the highest short term rating category by at least one Rating Service and (iii) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category;
- (d) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Best's Insurance Guide or a Rating Service in the highest rating category; and
- (e) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one nationally recognized rating organization and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged.

Permitted Investments means any of the following:

- (a) Government Obligations;
- (b) Federal Agency Obligations;

- (c) Exempt Obligations;
- (d) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;
- (e) collateralized certificates of deposit that are (i) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter of credit, contract, agreement or surety bond issued by it, are rated by at least one Rating Service in at least the second highest rating category, and (ii) fully collateralized by Permitted Collateral;
- (f) commercial paper issued by a domestic corporation rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;
- (g) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;
- (h) any Investment Agreement that is fully collateralized by Permitted Collateral; and
- (i) (i) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations, including any such mutual fund which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise, or (ii) a repurchase agreement collateralized by the foregoing obligations.

Person or Persons means an individual, a corporation, a partnership, a limited liability company, limited liability partnership, a joint venture, a trust, an unincorporated association, a government or political subdivision or agency thereof or any other organization or entity.

PFC Act means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, as amended from time to time.

PFC Approvals means the Records of Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time.

PFC Bonds means the ratable principal amount of any Bonds so-designated by the Authority at the time of issuance and delivery thereof, or from time to time thereafter, the proceeds from the sale of which are used to fund PFC Projects (following the PFC Approvals thereof), fund the ratable portion of the Reserve Requirement with respect thereto, and pay the ratable portion of the costs of issuance thereof, or to refund Bonds meeting such requirements.

PFC Project means, collectively, any project or projects for which the imposition and use of PFCs have been approved by one or more PFC Approvals.

PFC Regulations means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

PFC Revenue Fund means the fund into which the PFCs are deposited and any successor to such fund.

Plan of Finance means the plan presented to the members of the Authority by an Authorized Officer of the Authority and the financial advisor of the Authority at the meeting at which this First Supplemental Resolution was adopted.

Prior Obligations means (a) bonds, notes, or other obligations issued or incurred by the Authority prior to the date of the Master Resolution; and (b) bonds, notes, or other obligations issued or incurred by the City prior to the date of the Master Resolution, which may be assumed by the Authority pursuant to the Act.

Program means a financing program identified in a Supplemental Resolution, including but not limited to a Commercial Paper Program, (a) which is authorized and the terms thereof approved by a resolution adopted by the members of the Authority, (b) wherein the Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an Authorized Amount, and (c) the Authorized Amount of which has met the additional bonds test set forth in the Master Resolution and the Outstanding amount of which may vary from time to time, but not exceed the Authorized Amount.

Program Bonds shall mean Bonds issued and Outstanding pursuant to a Program, other than Unissued Program Bonds.

Project means any and all facilities, improvements and other expenditures related to the Airport financed in whole or in part with proceeds of a Series of Bonds.

Provider means the issuer or provider of a Credit Facility, a Liquidity Facility or Reserve Fund Facility and as otherwise defined in a Supplemental Resolution with respect to a Series of Bonds. With respect to drawings under a Credit Facility, a Liquidity Facility or a Reserve Fund Facility that is a letter of credit confirmed by a standby confirming letter of credit, "Provider" includes the issuer or provider of the standby confirming letter of credit.

Provider Payments means the amount, certified by a Provider to the Trustee, payable to such Provider by the Authority on account of amounts advanced by it under a Credit Facility, a Liquidity Facility or a Reserve Fund Facility, including interest on amounts advanced and fees and charges with respect thereto.

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(a) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York's list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(b) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however,

that no short term rating may be utilized to determine whether a Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of a Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(c) a corporation affiliated with or which is a subsidiary of any Person described in (a) or (b) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such Person, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an Person qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of a Person that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(d) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(e) a corporation whose obligations, including any investments of any money held hereunder purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

Qualified Self-Insurance has the meaning assigned to such term in the Master Resolution.

Qualified Swap means any Swap (a) whose Designated Debt is all or part of a particular Series of Bonds; (b) whose Swap Provider is a Qualified Swap Provider or has been a Qualified Swap Provider within the sixty (60) day period preceding the date on which the calculation of Annual Debt Service or Aggregate Annual Debt Service is being made; (c) which has a term not greater than the term of the Designated Debt or to a specified mandatory tender or redemption of such Designated Debt; and (d) which has been designated in writing to the Trustee by the Authority as a Qualified Swap with respect to such Bonds.

Qualified Swap Provider means a financial institution (a) whose senior long-term debt obligations, or whose obligations under any Qualified Swap are guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) whose obligations under any Qualified Swap are fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first priority lien on behalf of the Trustee, and (iv) free and clear from all third party liens.

Rate Reserve Amount means the amount collected by the Authority in accordance with the Master Resolution which represents Net Revenues in excess of 100% of the Annual Debt Service for any Fiscal Year, to a maximum of 25% of the Annual Debt Service for that Fiscal Year.

Rating Service(s) means each of Moody's Investors Service, Inc., Standard & Poor's Ratings Services, Fitch Ratings, and Kroll Bond Rating Agency, or their respective successors and assigns, in each case, which has, at the time of reference, assigned a rating to Outstanding Bonds at the request of the Authority.

Record Date means, unless a Supplemental Resolution authorizing Variable Interest Rate Bonds or Option Bonds or a Certificate of Determination relating thereto provides otherwise with respect to such Variable Interest Rate Bonds or Option Bonds, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

Redemption Date means the date determined to be the redemption date of the Series 2021 Bonds.

Redemption Price, when used with respect to a Bond of a Series, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant hereto or to the Applicable Supplemental Resolution or Certificate of Determination.

Refunded Bonds means, collectively, the Refunded Series 2011A Bonds and the Refunded Series 2019 Notes.

Refunded Bonds Redemption Date means the date determined to be the redemption date of the Refunded Bonds, as set forth in the Certificate of Determination.

Refunded Series 2011A Bonds means the Series 2011A Bonds being current refunded with a portion of the proceeds of the Series 2021 Bonds.

Refunded Series 2019 Notes means the Series 2019 Notes being current refunded with a portion of the proceeds of the Series 2021 Bonds.

Refunding Bonds means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Master Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Resolution.

Registrar means, for purposes of this First Supplemental Resolution, the Trustee.

Released Revenues means Revenues in respect of which the following have been filed with the Trustee:

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

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

(c) an opinion of Bond Counsel to the effect that the exclusion of such specific identifiable portion of Revenues from the definition of Revenues and from the pledge and lien of the Master Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; and

(d) written confirmation from each of the Rating Services (provided such Rating Service(s) have been requested by the Authority to maintain a rating on the Bonds and such Rating Services are then maintaining a rating on any of the Bonds) to the effect that the exclusion of such specific identifiable portion of Revenues from the pledge and lien of the Master Resolution will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

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

Remarketing Agent means the Person appointed by or pursuant to a Supplemental Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Supplemental Resolution or Certificate of Determination relating to such Option Bonds.

Remarketing Agreement means, with respect to Option Bonds of a Series, an agreement between the Authority and the Remarketing Agent relating to the remarketing of such Bonds, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

Repayment Obligations means an obligation arising under a written agreement of the Authority and a Credit Provider pursuant to which the Authority agrees to repay or reimburse the Credit Provider for amounts paid by a Credit Provider pursuant to a Credit Facility to be used to pay debt service on any Bonds and all other amounts due and owing to a Credit Provider under a Credit Facility, or an obligation arising under a written agreement of the Authority and a Liquidity Provider pursuant to which the Authority agrees to repay or reimburse the Liquidity Provider for amounts paid by the Liquidity Provider pursuant to a Liquidity Facility to be used to pay the purchase price of Bonds and all other amounts due and owing to a Liquidity Provider under a Liquidity Facility.

Representation Letter means the Blanket Issuer Letter of Representations dated May 11, 2021 from the Authority to the Depository.

Reserve Fund shall mean the trust fund created pursuant to the Master Resolution and that is required to be funded for the purpose of providing additional security for the Outstanding Bonds issued pursuant to the terms of the Master Resolution.

Reserve Fund Facility means a surety bond, insurance policy, letter of credit (and any confirming letter of credit) or other financial guaranty or instrument deposited with the Trustee for the credit of the Reserve Fund or authorized by or pursuant to a Supplemental Resolution establishing a Debt Service Reserve Fund, to be delivered in lieu of or in substitution for all or a portion of the moneys otherwise required to be held in the Reserve Fund or Debt Service Reserve Fund. Except as otherwise provided in a Supplemental Resolution, the entity providing such Reserve Fund Facility shall be rated, at the time such instrument is provided, in one of the two highest long-term rating categories by one or more of the Rating Services.

Reserve Requirement means, except as otherwise provided in a Supplemental Resolution, an amount, which shall be calculated by the Authority and provided to the Trustee pursuant to the Master Resolution, equal to the least of (a) the Maximum Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, (b) 10% of the principal amount of the Bonds that have been issued and are participating in the Reserve Fund or the Bonds that have been issued and are participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be, less the amount of original issue discount with respect to any Bond if such original issue discount exceeded 2% on such Bond at the time of its original sale and (c) 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Series of Bonds participating in the Reserve Fund or for all Series of Bonds participating in a separately created Debt Service Reserve Fund created pursuant to a Supplemental Resolution, as the case may be.

Revenues means, except to the extent specifically excluded herefrom, all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport, 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 Authority for the use or availability of the Airport, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services

provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport or activities or undertakings related thereto. Additionally, "Revenues" shall 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 Resolution to fund the Construction Fund) from the investment of amounts held in the Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Reserve Fund, any Debt Service Reserve Fund and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution. Additionally, "Revenues" shall also include Available PFC Revenues to the extent and for so long as Available PFC Revenues have been pledged to the payment of PFC Bonds under the terms of any Supplemental Resolution, but shall be excluded with respect to any Bonds which are not PFC Bonds. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the Authority gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (ii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Maintenance and Operation Costs), and (iii) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in the Master Resolution). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues", unless designated as "Revenues" under the terms of a Supplemental Resolution: (A) any termination payments paid to the Authority pursuant to a Qualified Swap, (B) Facilities Construction Credits, (C) Passenger Facility Charges unless otherwise so pledged as Available PFC Revenues, (D) Consolidated Facility Charges unless otherwise so pledged under the terms of any Supplemental Resolution, (E) Federal Direct Payments unless otherwise so pledged under the terms of any Supplemental Resolution, (F) Released Revenues, (G) subject to (i) in the previous sentence, grants and other charges authorized on or after the date of the Master Resolution by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport, (H) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, (I) any arbitrage earnings which are required to be deposited in the Arbitrage Rebate Fund and paid to the U.S. Government pursuant to Section 148 of the Code; and (J) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Resolution are specifically excluded from "Revenues", unless otherwise provided for in such Supplemental Resolution.

Revenue Fund means the fund into which the Revenues are deposited and any successor to such fund.

Serial Bonds means the Bonds designated as such, and maturing on the dates set forth in, a Supplemental Resolution or Certificate of Determination.

Series means (a) all of the Bonds authenticated and delivered on original issuance and pursuant hereto and pursuant to the Applicable Supplement Resolution authorizing such Bonds as a separate Series of Bonds or a Certificate of Determination, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Master Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions; and (b) with respect to Program Bonds or a Commercial Paper Program, means the full Authorized Amount of such Program, regardless of when or whether issued, unless portions thereof are, by Supplemental Resolution, designated as separate Series.

Series 2011A Bonds means the City's General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A (Subject to the Alternative Minimum Tax) executed and delivered on November 18, 2011 in the original principal amount of \$44,300,000.

Series 2011A Escrow Agreement means the Escrow Agreement dated the date of delivery of the Series 2021 Bonds by and between the Authority and the Escrow Agent, establishing the Series 2011A Escrow Fund.

Series 2011A Escrow Fund has the meaning assigned to such term in Section 3.5 hereof.

Series 2019 Notes means the Authority's Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 executed and delivered on June 27, 2019 in the original principal amount of \$15,575,000.

Series 2019 Escrow Agreement means the Escrow Agreement dated the date of delivery of the Series 2021 Bonds by and between the Authority and the Escrow Agent establishing the Series 2019 Escrow Fund.

Series 2019 Escrow Fund has the meaning assigned to such term in Section 3.5 hereof.

Series 2021 Bonds means the Authority's not to exceed \$45,000,000 aggregate principal amount of Bonds issued under the Master Resolution and this First Supplemental Resolution and designated as "Syracuse Regional Airport Authority, Senior Airport Revenue Refunding Bonds, Series 2021 (AMT)."

Series 2021 Tax Certificate means the Tax Compliance Certificate, dated the date of issuance of the Series 2021 Bonds, as amended from time to time, entered into by the Authority and executed with respect to the Series 2021 Bonds.

Significant Portion means, for purposes of the Master Resolution, any facilities of the Airport or portions thereof which, if such facilities had been sold or disposed of by the Authority at the beginning of an annual period which includes the month of commencement of the 12 month period ending on the day of such disposition would have resulted in a reduction in Net Revenues for such annual period of more than 5% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such facilities and increased by the expenses of the Authority directly attributable to such facilities.

Sinking Fund Installment means, with respect to a Series of Bonds, as of any date of calculation:

(a) when used with respect to any Bonds of such Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Applicable Supplemental Resolution pursuant to which such Bonds were issued or by the Applicable Certificate of Determination relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and

(b) when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Applicable Supplemental Resolution pursuant to which such Bonds were issued or by the Applicable Certificate of Determination relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

Special Facilities or **Special Facility** means a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility pursuant to the provisions of the Master Resolution.

Special Facilities Revenue means the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the Authority from a Special Facility which are pledged to secure Special Facility Obligations.

Special Facility Obligations means Bonds or other debt instruments issued pursuant to a resolution or indenture other than the Master Resolution to finance Special Facilities and which, except as otherwise provided, are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

Specified Project means a Project (or as applicable, a PFC Project) or a group of alternative Projects which are described in a certificate of an Authorized Officer of the Authority, which is delivered to the Consultant preparing the certificate described in the Master Resolution, if applicable, the revenues and expenses of which Project or of the alternative Projects are to be taken into account by such Consultant in preparing the certificate under the Master Resolution.

Standby Purchase Agreement means, with respect to a Series of Bonds, an agreement pursuant to which a Person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

State means the State of New York.

Sub-Series means the grouping of the Bonds of a Series established pursuant to the Applicable Supplemental Resolution or the Applicable Certificate of Determination.

Subordinate Obligation or **Subordinate Obligations** means any bond, note or other debt instrument issued or otherwise entered into by the Authority which ranks junior and subordinate to the Bonds and which may be paid from moneys constituting Net Revenues only if all principal, interest and other amounts which have become due and payable on the Bonds whether by maturity, redemption, acceleration or agreement of the Authority have been paid in full and the Authority is current on all payments, if any, required to be made to replenish the Reserve Fund and any Debt Service Reserve Funds. “Subordinate Obligations” are not Bonds for purposes of the Master Resolution; provided, however, that the Authority may henceforth by Supplemental Resolution elect to have the provisions of the Master Resolution applicable to the Bonds apply to the Subordinate Obligations issued thereunder, except that such Subordinate Obligations shall be secured on a junior and subordinate basis to the Bonds from the Net Revenues. No bond, note or other instrument of indebtedness shall be deemed to be a “Subordinate Obligation” for purposes of the Master Resolution and payable on a subordinate basis from Net Revenues unless specifically designated by the Authority as a “Subordinate Obligation” in a Supplemental Resolution or other written instrument. In connection with any Subordinate Obligation with respect to which a Swap is in effect or proposes to be in effect, the term “Subordinate Obligation” includes, collectively, both such Subordinate Obligation and either such Swap or the obligations of the Authority under each such Swap, as the context requires. The term “Subordinate Obligations” also includes a Swap or the obligations of the Authority under such Swap which has been entered into in connection with a Subordinate Obligation, as the context requires, although none of the Subordinate Obligations with respect to which such Swap was entered into remain outstanding.

Supplemental Resolution means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Master Resolution.

Swap means (a) an agreement entered into by the Authority in connection with the issuance of or which relates to Bonds of a Series which provides that during the term of such agreement the Authority is to pay to the counterparty thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (b) an interest rate cap agreement, an interest rate floor agreement, an interest rate collar agreement and any other interest rate related hedge agreement or arrangement relating to Bonds of a Series.

Swap Provider means a party to a Swap with the Authority.

Swap Termination Payment means an amount payable by the Authority or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap.

Synthetic Fixed Rate Debt means indebtedness issued by the Authority which: (a) is combined, as Designated Debt, with a Qualified Swap and creates, in the opinion of a Consultant, a substantially fixed-rate maturity or maturities for a term not exceeding such maturity or maturities, or (b) consisting of an arrangement in which two inversely related variable-rate securities are issued in equal principal amounts with interest based on off-setting indices resulting in a combined payment which is economically equivalent to a fixed rate.

Term Bonds means Bonds of a Series which are payable on or before their specified maturity dates from sinking installment payments established pursuant to the Supplemental Resolution for such Series for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

Transfer means for any Fiscal Year the amount on deposit in the Coverage Deposit Account on the first (1st) day of such Fiscal Year and the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, in the Revenue Fund (other than the amounts on deposit in the Coverage Deposit Account) on the first (1st) day of such Fiscal Year (after all deposits and payments required by the Master Resolution). So long as PFC Bonds remain outstanding, a "Transfer" shall include, with respect to such PFC Bonds, amounts deposited in the Available PFC Revenues Account of the Revenue Fund.

Trustee means the bank or trust company appointed as Trustee for a Series of Bonds pursuant to a Supplemental Resolution or Certificate of Determination delivered hereunder and having the duties, responsibilities and rights provided for in the Master Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

Underwriter means Morgan Stanley & Co. LLC

Unissued Program Bonds means the bonds, notes or other indebtedness authorized to be issued pursuant to a Program and payable from Net Revenues, issuable in an amount up to the Authorized Amount relating to such Program, which have been approved for issuance by the Authority and with respect to which Program the items described in the Master Resolution have been filed with the Trustee but which have not yet been authenticated and delivered pursuant to the Program documents.

Valuation Date means (a) with respect to any Capital Appreciation Bond, each date set forth in the Applicable Supplemental Resolution authorizing such Capital Appreciation Bond or in the Applicable Certificate of Determination relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (b) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date set forth in the Applicable Supplemental Resolution authorizing such Bond or in the Applicable Certificate of Determination relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing or determining such interest rate or rates specified in the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination relating to such Bonds and which shall be based on:

(a) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times;

(b) a determination of the lowest interest rate as would enable the Remarketing Agent, under prevailing financial market conditions for obligations of the same general nature of the Bonds in question and that are comparable to the Bonds in question in terms of credit and maturity or tender dates, to remarket such Bonds at a price of par, plus accrued interest, if any; or

(c) a stated interest rate that may be changed from time to time as provided in such Supplemental Resolution or Certificate of Determination; provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and/or a Minimum Interest Rate as provided in the Applicable Supplemental Resolution authorizing such Bonds or the Applicable Certificate of Determination relating thereto, and that Supplemental Resolution or Certificate of Determination shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond of a Series which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

THE MASTER RESOLUTION

In addition to certain information contained under the captions “DESCRIPTION OF THE SERIES 2021 BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS” in the forepart of this Official Statement, the following is a summary of certain provisions of the Master Resolution. Such summary is only a brief description of limited provisions of such documents and is qualified in its entirety by reference to the full text of the Master Resolution.

Grant to Secure Bonds; Pledge of Net Revenues.

To secure the payment of the principal, purchase price, Accreted Value of, premium, interest, and such other amounts due on the Bonds and the performance and observance by the Authority of all the covenants, agreements and conditions expressed or implied in the Master Resolution or contained in the Bonds, the Authority pledges and assigns to the Trustee and grants to the Trustee, a first priority lien on and security interest in all right, title and interest of the Authority in and to all of the following and provides that such lien and security interest shall be prior in right to any other pledge, lien or security interest created by the Authority in the following: (a) the Net Revenues, (b) all moneys and securities (excluding moneys and securities on deposit in any Rebate Fund) held from time to time by the Trustee under the Master Resolution, and to the extent provided in any Supplemental Resolution moneys and securities held in any Construction Fund whether or not held by the Trustee, (c) earnings on amounts included in clauses (a) and (b) of this Granting Clause (except to the extent excluded from the definition of “Revenues” by the Master Resolution); and (d) any and all other funds, assets, rights, property or interests therein, of every kind or description which may from time to time hereafter, by delivery or by writing of any kind, be sold, transferred, conveyed, assigned, pledged, mortgaged, granted or delivered to or deposited with the Trustee as additional security hereunder, for the equal and proportionate benefit and security of all Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall, with respect to the security provided by this Granting Clause, be of equal rank without preference, priority or distinction as to any Bond over any other Bond or Bonds, except as to the timing of payment of the Bonds. The Reserve Fund, any Debt Service Reserve Fund and any Reserve Fund Facility provided at any time in satisfaction of all or a portion of the Reserve Requirement and any other security, Liquidity Facility or Credit Facility provided for specific Bonds, a specific Series of Bonds or one or more Series of Bonds may, as provided by a Supplemental Resolution or Certificate of Determination secure only such specific Bonds, Series of Bonds or one or more Series of Bonds and, therefore, shall not be included as security for all Bonds under the Master Resolution unless otherwise provided by a Supplemental Resolution and moneys and securities held in trust as provided in the Master Resolution exclusively for Bonds which have become due and payable and moneys and securities which are held exclusively to pay Bonds which are deemed to have been paid under the Master Resolution shall be held solely for the payment of such specific Bonds.

Test for Issuance of Bonds

Subject to the provisions under subsections (i), (ii) or (iii) of the last paragraph below, as a condition to the issuance of any Series of Bonds, there shall first be delivered to the Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Officer showing the 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 Bonds or preceding the first issuance of the proposed Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding; or

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

(i) the 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 Bonds or the establishment of a Program, were at least equal to 125% of the sum of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds or the proposed Program Bonds) for such Fiscal Year or other applicable period; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Bonds during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Bonds, or (B) the third full Fiscal Year during which no interest on such Series of Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues for each such Fiscal Year, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds, Unissued Program Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds and the full Authorized Amount of such proposed Program Bonds (as applicable) were then Outstanding).

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant or Authorized Officer 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 Authority and will be in effect during the period for which the estimates are provided, (3) any other increases in Revenues which the Consultant or Authorized Officer believes to be a reasonable assumption for such period. With respect to Maintenance and Operation Costs, the Consultant or Authorized Officer shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Maintenance and Operation Costs, (ii) Maintenance and Operation Costs associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant or Authorized Officer believes to be appropriate. The Consultant or Authorized Officer shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant or Authorized Officer.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized Officer may rely upon financial statements prepared by the 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 Officer shall 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.

If Available PFC Revenues are included in determining compliance with the requirements of issuing Bonds, the following rules will apply:

(i) The Consultant or Authorized Officer may assume (A) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of the applicable PFC Bonds will be in effect for the entire forecast period, and (B) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at the Airport pursuant to such legislation prior to the date of the Consultant's report;

(ii) The Consultant or Authorized Officer, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Consultant is issued (or such shorter period for which Passenger Facility Charges have been collected);

(iii) Available PFC Revenues may be taken into account in an amount not greater than the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing approved PFC applications, were or will be available during the applicable period; and

(iv) The amount of Available PFC Revenues included in determining compliance with the requirements of the Master Resolution set forth above shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Annual Debt Service in any Fiscal year in the applicable period on the PFC Bonds, and the PFC Bonds, if any, then proposed to be issued.

Neither of the certificates described under paragraph (a) or (b) above shall be required:

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

(ii) if the Bonds being issued constitute Notes and there is delivered to the Trustee, instead, a certificate prepared by an Authorized Officer showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes and there is delivered to the Trustee a certificate of an Authorized Officer setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the Authority will be in compliance with the Master Resolution; or

(iii) if the Bonds being issued are to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Officer and there is delivered to the 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 Officer of the Authority to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Bonds plus moneys available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

Repayment Obligations Afforded Status of Bonds

(a) If a Credit Provider or Liquidity Provider makes payment of principal of and/or interest on a Bond or advances funds to purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Authority, but is not reimbursed, the Repayment Obligation under such written agreement may, if so provided in the written agreement, be afforded the status of a Bond issued under this Article II, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of the Master Resolution; provided, however, the payment terms of the Bond held by the Credit Provider or the Liquidity Provider hereunder shall be as follows (unless otherwise provided in the written agreement with the Credit Provider or Liquidity Provider or a Supplemental Resolution pursuant to which the Bonds are issued): (i) interest shall be due and payable quarterly at the Credit Provider's or Liquidity Provider's prime rate plus 3% and (ii) principal shall be due and payable not less frequently than annually and in such annual amounts as to amortize the principal amount thereof in (A) 30 years or, (B)(1) if shorter, a term extending to the maturity date of the enhanced Bonds or (2) if later, the final maturity of the Repayment Obligation under the written agreement, and providing substantially level Annual Debt Service payments, using the rate of interest set forth in the written repayment agreement which would apply to the Repayment Obligation as of the date such amortization schedule is fixed. The principal amortized as described in the prior sentence shall bear interest in accordance with the terms of the Repayment Obligation. Any amount which comes due on the Repayment Obligation by its terms and which is in excess of the amount treated as principal of and interest on a Bond shall be payable from Net Revenues on a basis subordinate to the payment and/or funding of the Bonds and any reserve funds established with respect to the Bonds. This provision shall not defeat or alter the rights of subrogation which any Credit Provider or Liquidity Provider may have under law or under the terms of any Supplemental Resolution. The Trustee may conclusively rely on a written certification by the Credit Provider or the Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under the Master Resolution.

(b) In addition to the Repayment Obligations described in paragraph (a) above, any other amounts owed by the Authority to a Credit Provider or a Liquidity Provider pursuant to the provisions of a written agreement between the Authority and the Credit Provider or the Liquidity Provider, that are Repayment Obligations under such written agreement, shall, if so provided in the written agreement, be afforded the status of a Bond issued under the Master Resolution and, if afforded such status, the Credit Provider or the Liquidity Provider shall be deemed to be the Holder of such Bond, and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of the Master Resolution relating to issuance of Bonds. Such Repayment Obligation will be paid in accordance with the terms of the Supplemental Resolution or Certificate of Determination pursuant to which the Bonds are issued or the terms of the agreement with the Credit Provider or the Liquidity Provider.

Revenues and Funds

Flow of Funds under the Master Resolution

(a) As long as there are any Outstanding Bonds, all Revenues shall be deposited by the Authority in the Revenue Fund and shall be set aside, along with any other money, as follows and in the following order of priority (or, if the Applicable Supplemental Resolution or Certificate of Determination provides other directions, as such Supplemental Resolution or Certificate of Determination so provides):

First: The Authority shall pay all Maintenance and Operations Costs (including any amounts reasonably required be set aside in contingency reserves for Maintenance and Operations Costs, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable;

Second: To the Trustee for deposit in the Debt Service Fund (i) for a Series of Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in the

Master Resolution to provide for the payment of (A) the principal of and interest to become due on the Outstanding Bonds of a Series, (B) the principal and Sinking Fund Installments of Outstanding Bonds of a Series in the manner described in the Master Resolution, and (C) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to the Master Resolution; or (ii) for a Series of Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

Third: To the Trustee, for deposit in the Reserve Fund an amount necessary to make the funds on deposit therein equal the Reserve Requirement;

Fourth: To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Debt Service Fund the amounts as are sufficient to pay the debt service on any indebtedness, including Subordinated Obligations, issued pursuant to the terms of a Subordinate Resolution or other agreement, but only to the extent (except as otherwise provided in the Master Resolution) a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness;

Fifth: To the subordinate Trustee, if any, for deposit in the Subordinate Obligation Reserve Fund amounts as are sufficient to pay any reserve requirement for debt service for any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Resolution, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of any such debt service reserve requirement on such indebtedness; and

Sixth: To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction;

Seventh: To the Authority, the payments of amounts required to be deposited in the Maintenance and Operating Reserve Fund, if any, determined by the Authority pursuant to the Master Resolution.

(b) All moneys and investments on deposit in the Revenue Fund and on deposit for any of the purposes provided for above or as otherwise provided in a Supplemental Resolution or related Certificate of Determination, shall remain on deposit in the Revenue Fund and used by the Authority for any lawful purpose.

(c) Except as otherwise provided in the Applicable Supplemental Resolution authorizing a Series of Bonds or the Applicable Certificate of Determination, the Net Revenues, shall be deposited upon receipt by the Trustee to the appropriate account of the Applicable Debt Service Fund in the amounts, at the times and for the purposes specified in the Applicable Supplemental Resolution or Applicable Certificate of Determination. Except as provided in the Applicable Supplemental Resolution or Applicable Certificate of Determination, to the extent not required to pay the interest, principal, Sinking Fund Installments and moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund shall be paid by the Trustee on or before the Business Day preceding each interest payment date as follows and in the following order of priority:

First: To reimburse, pro rata, the Applicable Provider, if any, for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to the Applicable Provider, if any, in connection with such Series of Bonds;

Second: To the Reserve Fund, if any, an amount necessary to make the fund on deposit therein equal the Reserve Requirement; and

Third: Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

Fourth: To the Authority, for any lawful purpose.

The Trustee shall, promptly after making the above required payments, notify the Authority of any balance of Net Revenues remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Net Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the Authority, in the respective amounts set forth in such direction.

Creation and Funding of and Withdrawals from Debt Service Fund.

(a) The Authority will, at the time of issuance of each Series of Bonds, create a Debt Service Fund for such Series, which Debt Service Fund will be designated "Syracuse Regional Airport Authority, Senior Revenue [Refunding] [Obligations/Bonds/Commercial Paper/Notes], Series [____], Debt Service Fund," which Debt Service Fund and all accounts will be held by the Trustee or any agent of the Trustee, and amounts to be used to pay principal of and interest on such Series of Bonds, as received by the Trustee or its agent, will be deposited therein and used for such purpose. Accounts and subaccounts will be created in the various Debt Service Funds and will be held by the Trustee or such agent as will be provided by Supplemental or related Certificate of Determination.

(b) On each Payment Date for any Outstanding Bonds, the Trustee will pay to the Owners of such Series of Bonds from the appropriate Debt Service Fund or Debt Service Funds, an amount equal to the principal or interest becoming due on such Series of Bonds.

(c) The moneys in each Debt Service Fund will be held in trust and applied as provided in the Master Resolution and in each Applicable Supplement Resolution or Certificate of Determination with regard to each such fund, and pending the application of such amount in accordance herewith and the provisions of each Applicable Supplemental Resolution or Certificate of Determination will be subject to a lien and security interest in favor of the holders of the Bonds issued and Outstanding.

(d) Moneys set aside and placed in a Debt Service Fund for any Series of Bonds will remain therein until expended from time to time for the aforesaid purposes thereof and will not be used for any other purpose whatsoever, except that moneys so set aside and placed in a Debt Service Fund may be temporarily invested as provided Master Resolution, but such investment will not affect the obligation of the Authority to the full amount required by the terms of the Master Resolution to be available in a Debt Service Fund at the time required to meet payments of principal of and interest on a Series of Bonds for which it is accumulated. Upon the written request of the Authority, earnings on such investments may be transferred into the Revenue Fund, except that during the continuation of an Event of Default, such earnings shall remain in the respective Debt Service Funds.

(e) All money remaining in a Debt Service Fund on a final Payment Date, in excess of the amount required to make provisions for the payment in full of the interest and/or principal of the Series of Bonds for which such Debt Service Fund was established or the payment of amounts required to be transferred to the Arbitrage Rebate Fund, will be returned to the Authority and deposited by the Authority in the Revenue Fund.

(f) [Intentionally omitted].

(g) So long as any of the Bonds are Outstanding, the Authority shall not later than the fifteenth (15th) day of each calendar month, transfer from the Revenue Fund to the Trustee for deposit in the Debt Service Fund established in respect of each Series of Outstanding Bonds: (i) sums in equal fractional parts for each one half year so that at least the full amount required to pay the interest on Bonds of that Series, as it becomes due, shall be set aside in that Debt Service Fund by not later than the fifteenth (15th) day of the month prior to the date each installment of interest becomes due, (ii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due at maturity, the Principal Amount of Bonds of that Series, shall be set

aside in that Debt Service Fund by not later than the fifteenth (15th) day of the month prior to the date such principal amount becomes due, and (iii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due, the Sinking Fund Installment, if any, due with respect to Term Bonds of such Series shall be set aside in that Debt Service Fund by not later than the fifteenth day of the month prior to the date such Sinking Fund Installment becomes due. No such transfer need be made in respect of any Series of Bonds prior to the actual delivery of that Series of Bonds to the purchasers thereof; provided, however, that subsequent to the issuance of such Series of Bonds, there shall be transferred and paid from the Revenue Fund to the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the fifteenth day of the calendar month immediately succeeding the issuance of such Series of Bonds, so that interest due on such Series of Bonds on the first interest payment date to occur after the issuance of such Series of Bonds shall be fully funded at least one (1) Business Day prior to the date the first installment of interest is due on such Series of Bonds, and, if the first principal payment or Sinking Fund Installment of such Series of Bonds is due less than 12 months after the issuance of such Series of Bonds, there shall be transferred and paid from the Revenue Fund to the Debt Service Fund established for that Series of Bonds, equal monthly sums at least sufficient together with other transfers required to be made, commencing not later than the fifteenth (15th) day of the calendar month immediately succeeding the issuance of such Series of Bonds, so that principal or Sinking Fund Installments of such Series of Bonds due on the first principal payment date to occur after the issuance of such Series of Bonds shall be fully funded at least one (1) Business Day prior to the date the first principal payment or Sinking Fund Installment is due on such Series of Bonds. On any day on which the Trustee receives funds from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made. Notwithstanding any of the foregoing provisions of this paragraph, no amount need be transferred from the Revenue Fund or otherwise deposited into any Debt Service Fund for any Series of Bonds for the payment of principal or interest, respectively, if the amount already on deposit therein and available for such purpose is sufficient to pay in full the amount of principal and/or interest, respectively, coming due on such Bonds on the next succeeding Payment Date.

(h) The Authority may provide in any Supplemental Resolution or Certificate of Determination that, as to any Series of Bonds, any amounts required to be transferred to and paid into a Debt Service Fund may be prepaid, in whole or in part, by being earlier transferred to and paid into the Applicable Debt Service Fund, and in that event any subsequently scheduled monthly transfer, or any part thereof, which has been so prepaid need not be made at the time appointed therefor. In any Supplemental Resolution or Certificate of Determination, the Authority may provide that monies in any redemption account allocable to Sinking Fund Installment of a Series of Bonds may, at the discretion of the Authority, be applied to the purchase and cancellation of such Series (at a price not greater than par) prior to notice of redemption of such Series. Such Bonds so delivered or previously redeemed or purchased at the direction of the Authority shall be credited by the Trustee at the principal amount thereof to the next scheduled Sinking Fund Installment on such Series of Bonds and any excess over the Sinking Fund Installment required to be deposited on that date shall be credited against future Sinking Fund Installments in such manner and order as the Authority may determine in its discretion, and the scheduled principal amount of the Bonds to be redeemed by operation of such Sinking Fund Installments shall be accordingly modified in such manner as the Authority may determine and as specified to the Trustee in writing. With respect to any Series of Bonds, the Supplemental Resolution or Certificate of Determination under which such Bonds are issued may provide for different times and methods of paying the interest and/or principal payments due on a Payment Date, and, in such event, the terms of such Supplemental Resolution and/or Certificate of Determination shall control.

(i) On any day on which the Trustee receives funds from the Authority to be used to pay principal of or interest on Bonds, the Trustee shall, if the amount received is fully sufficient to pay all amounts of principal and interest then due or becoming due on the next Payment Date, deposit such amounts into the respective Debt Service Funds for the Series of Bonds for which such payments were made and any excess shall be applied to pay all amounts of principal and interest becoming due on any subsequent Payment Dates. If, on any Payment Date, the Trustee does not have sufficient amounts in any Applicable Debt Service Fund (without regard to any amounts which may be available in the Reserve Fund or any Debt Service Reserve Funds) to pay in full all amounts of principal and/or interest due on such date, the Trustee shall allocate the total amount which is available to make payment on such day (without regard to any amounts in the Reserve Fund or the various Debt Service Reserve Funds) as follows: first to the payment of past due interest on Bonds of any Series, in the order in which such

interest came due, then to the payment of past due principal of Bonds of any Series, in the order in which such principal came due, then to the payment of interest then due and payable on the Bonds of each Series due on such Payment Date and, if the amount available shall not be sufficient to pay in full all interest on the Bonds then due, then pro rata among the Series according to the amount of interest then due and second to the payment of principal of the Bonds then due and, if the amount available shall not be sufficient to pay in full all principal of the Bonds then due, then pro rata among the Series according to the principal of the Bonds then due.

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

(k) If the Reserve Fund or any Debt Service Reserve Fund (or a Reserve Fund Facility provided in lieu thereof) have been used to make payments on Bonds secured thereby, then the Authority may be required by Supplemental Resolution to replenish the Reserve Fund or any Debt Service Reserve Fund or reimburse the Provider from Net Revenues provided that (i) no amount from Net Revenues may be used for such purpose until all payments of principal of and interest on all Bonds which have become due and payable shall have been paid in full, (ii) the required payments to replenish the Reserve Fund or any Applicable Debt Service Reserve Fund or reimburse the Provider shall be due in no more than twelve (12) substantially equal monthly installments commencing in the month following any such withdrawal and (iii) if the aggregate amount of payments due on any date to replenish the Reserve Fund or any Debt Service Reserve Fund or reimburse the Provider exceeds the amount available for such purpose, the payments made to the Trustee for such purpose shall be allocated among the Reserve Fund or any Debt Service Reserve Funds pro rata on the basis of the Outstanding Principal Amount of Bonds secured thereby. Notwithstanding the foregoing, the Authority may, by Supplemental Resolution provide for different provisions and timing of deposits with the Trustee and different methods of paying principal of or interest on such Bonds depending upon the terms of such Bonds and may provide for payment through a Credit Facility with reimbursement to the Provider from the Applicable Debt Service Fund created for the Series of Bonds for which such Credit Facility is provided.

In the event the Authority issues PFC Bonds, the following provisions shall apply so long as any such PFC Bonds are Outstanding:

(a) Notwithstanding the above, Available PFC Revenues shall be deposited as follows:

First: To the Trustee for deposit to separate sub-accounts in the Debt Service Fund established by the Supplement Resolution authorizing such PFC Bonds (i) for any PFC Bonds for which a direct pay Credit Facility shall not be in effect, without priority and on an equal basis, except as to timing of payment, the amounts, at the times and in the manner provided in the Master Resolution to provide for the payment of (A) the principal of and interest to become due on the Outstanding PFC Bonds of a Series, (B) the principal and Sinking Fund Installments of Outstanding PFC Bonds of a Series in the manner described in the Master Resolution, and (C) the purchase price or Redemption Price of Outstanding PFC Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to the Master Resolution; or (ii) for any PFC Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Supplemental Resolution or Certificate of Determination, the amount to reimburse pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

Second: To the Trustee, for deposit to a separate account in the Reserve Fund established by the Supplemental Resolution authorizing, an amount necessary to make the funds on deposit therein equal the Reserve Requirement relating to any PFC Bonds;

Third: To the Trustee, upon the direction of an Authorized Officer, in accordance with the provisions of the applicable tax certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

Fourth: To the Authority, to be restored to the PFC Revenue Fund for any lawful purpose.

Maintenance and Operation Reserve Fund.

The Authority shall cause the Maintenance and Operation Reserve Fund to be maintained with the Authority Treasurer. At the beginning of each Fiscal Year, the Authority shall deposit in the Maintenance and Operation Reserve Fund amounts from the Revenue Fund so that the balance in the Maintenance and Operation Reserve Fund as of the first day of such Fiscal Year, will be equal to not less than 25% nor more than 50% of the budgeted Maintenance and Operation Costs for the current Fiscal Year. Moneys on deposit in the Maintenance and Operation Reserve Fund shall be used by the Authority to pay Maintenance and Operation Costs in the event there are insufficient moneys in the Revenue Fund to make such payments.

Investment of Funds and Accounts

(a) Except as otherwise set forth in the Master Resolution, money held hereunder by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations or Exempt Obligations; provided, however, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Master Resolution. In the absence of such direction, money held hereunder by the Trustee shall be held in money market mutual funds.

(b) In lieu of the investments of money in obligations authorized in paragraph (a) above, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment; provided, however, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Master Resolution, provided, further, that (i) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (ii) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer, and (iii) the Permitted Collateral shall be free and clear of claims of any other Person.

(c) Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Master Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(d) In computing the amount in any fund or account held by the Trustee under the provisions of the Master Resolution, each Permitted Investment shall be valued at the market value thereof.

(e) Notwithstanding anything to the contrary the Master Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant hereto and the proceeds thereof may be reinvested as provided in this Section. Except as otherwise provided herein, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant hereto whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority in writing, on or before the fifteenth (15th) day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions hereof as of the end of the preceding month. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(f) No part of the proceeds of a Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond of a Series to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(g) The Trustee is hereby authorized, in making or disposing of any investment permitted by the Master Resolution, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Trustee or for any third person or dealing as principal for its own account.

Payment of Bonds

The Authority shall pay or cause to be paid from the Net Revenues and the other security set forth in the Granting Clause to the Master Resolution the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in such Bonds according to the true intent and meaning thereof; provided, however, that the Authority’s obligation to make payment of the principal of, premium, if any, and interest and other amounts due on the Bonds shall be limited to payment from the Net Revenues and the other security set forth in the Granting Clause of the Master Resolution and any other source which the Authority may specifically provide for such purpose and no Bondholder shall have any right to enforce payment from any other funds of the Authority.

Subordinate Obligations

The Authority may, from time to time, incur indebtedness which is subordinate to the Bonds and which indebtedness is, in the Master Resolution, referred to as Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Resolution authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Net Revenues and the other security set forth in the Granting Clause of the Master Resolution is junior and subordinate to the lien on and security interest in such Net Revenues and the other security set forth in the Granting Clause of the Master Resolution and other assets granted to secure the Bonds; and

(b) payment of principal of and interest and other amounts due on such Subordinate Obligations shall be permitted, provided that all deposits and payments required to be made pursuant to the Master Resolution have been made or satisfied.

Special Facilities and Special Facilities Obligations

(a) The Authority shall be permitted to designate new or existing Airport Facilities as Special Facilities as permitted in this Section. The Authority may, from time to time, and subject to the terms and conditions of this Section, (i) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (ii) pursuant to a resolution, indenture, or agreement other than the Master Resolution and without a pledge of any Net Revenues (except as otherwise provided in clause (iv) below), incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third-party to acquire, construct, renovate or improve, such facility or improvement, (iii) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Authority from such Special Facility to the extent necessary to make the payments required by clause (i) of paragraph (c) below, be “Special Facilities Revenue” and not included as Revenues or Net Revenues unless otherwise provided in any supplemental indenture, and (iv) provide that the debt so incurred shall be a “Special Facility Obligation” and the principal of and interest thereon shall be payable solely from the Special Facilities Revenue and the proceeds of such Special Facility Obligation set aside exclusively to pay debt service on such Special Facility Obligation (except the Authority may, in its sole discretion, determine to make Net Revenues or such other moneys not included in Net Revenues available (through a specific pledge or otherwise and subject to any covenants or other provisions of the Master Resolution or such other resolutions, indentures or agreements of

the Authority) to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Authority). The Authority may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

(b) Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (i) Special Facilities Revenue, which shall include contractual payments derived by the Authority under and pursuant to a contract (which may be in the form of a leasehold or subleasehold) relating to a Special Facility by and between the Authority and another Person, either public or private, as shall undertake the operation of a Special Facility, (ii) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and (iii) such Net Revenues or other moneys not included in Net Revenues made available by the Authority as provided in clause (iv) paragraph (a), above, if any.

(c) No Special Facility Obligations shall be issued by the Authority unless there shall have been filed with the Trustee a certificate of an Authorized Officer of the Authority stating that:

(i) The estimated Special Facilities Revenue pledged to the payment of the Special Facility Obligations, the proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and such Net Revenues or other moneys made available by the Authority pursuant to clause (iv) of the first paragraph of this Section, if any, will be at least sufficient, to pay the 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 Authority and all sinking fund, reserve or other payments required by the resolution or indenture authorizing the Special Facility Obligations as the same become due; and

(ii) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as an "Special Facility" or "Special Facilities", the estimated Revenues and Net Revenues, calculated without including the new Special Facilities Revenue, the proceeds of any Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations or any Net Revenues or other moneys made available by the Authority pursuant to clause (d) of the first paragraph of this Section, if any, and without including any operation and maintenance expenses of the Special Facility as Maintenance and Operation Costs, will be sufficient so that the Authority will be in compliance with the Master Resolution and (b) above during each of the first five (5) complete Fiscal Years immediately following the anticipated closing date of such transaction or financing; and

(iii) No Event of Default then exists hereunder.

(d) To the extent Special Facilities Revenue received by the Authority during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (i) of paragraph (c), above, for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Authority.

(e) Notwithstanding any other provision of this Section, at such time as the Special Facility Obligations issued for a Special Facility including Special Facility Obligations issued to refinance Special Facility Obligations are fully paid or otherwise discharged, all revenues of the Authority from such facility shall be included as Revenues.

Operation and Maintenance of the Airport.

Subject to the transfer of any Airport Facilities pursuant to Master Resolution, the Authority covenants that the Airport shall at all times be operated and maintained in good working order and condition and that all lawful orders of any governmental agency or authority having jurisdiction in the premises shall be complied with (provided the Authority shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith), and that all licenses and permits necessary to construct or operate any part of the Airport shall be obtained and maintained and that all necessary repairs, improvements and replacements of the Airport shall be made, subject to sound business judgment. Subject to the transfer of any Airport Facilities pursuant to the Master

Resolution, the Authority shall, from time to time, duly pay and discharge, or cause to be paid and discharged, except to the extent the imposition or payment thereof is being contested in good faith by the Authority, all taxes (if any), assessments or other governmental charges lawfully imposed upon the Airport or upon any part thereof, or upon the Revenues or Net Revenues, when the same shall become due, as well as any lawful claim for labor, materials or supplies or other charges which, if unpaid, might by law become a lien or charge upon the Revenues or Net Revenues or the Airport or any part thereof constituting part of the Airport.

Insurance; Application of Insurance Proceeds

(a) Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(i) the Authority shall procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance (as defined below) with respect to the facilities constituting the Airport and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Authority, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports; and

(ii) the Authority shall place on file with the Trustee, annually within 120 days after the close of each Fiscal Year, a certificate of an Authorized Officer of the Authority containing a summary of all insurance policies and self-insured programs then in effect with respect to the Airport and the operations of the Authority. The Trustee may conclusively rely upon such certificate and shall not be responsible for the sufficiency or adequacy of any insurance required the Master Resolution or obtained by the Authority

(b) **“Qualified Self-Insurance”** shall mean insurance maintained through a program of self-insurance or insurance maintained with a fund, company or association in which the Authority may have a material interest and of which the Authority may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Authority determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance, and such self-insurance program shall be reviewed at least once every twelve (12) months by a Consultant who shall deliver to the Authority a report on the adequacy of the reserves established thereunder. If the Consultant determines that such reserves are inadequate, they shall make a recommendation as to the amount of reserves that should be established and maintained, and the Authority shall comply with such recommendation unless it can establish to the satisfaction of, and receive a certification from, a Consultant that a lower amount is reasonable to provide adequate protection to the Authority. A copy of any report or certification provided by a Consultant shall be provided to the Trustee.

(c) If, as a result of any event, any part of the Airport is destroyed or severely damaged, the Authority shall create within the Revenue Fund a special account and shall credit the Net Proceeds received as a result of such event of damage or destruction to such account and such Net Proceeds shall, within a reasonable period of time taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, be used to: (i) repair or replace the Airport, or portion thereof, which were damaged or destroyed, (ii) provide additional revenue producing Airport Facilities, (iii) redeem Bonds, or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in the Master Resolution; provided, however, that the Authority shall first deliver to the Trustee a certificate of a Consultant showing that, after taking into account the use of the Net Proceeds for the redemption of such specified Bonds, the rate covenant set forth in the Master Resolution shall, nevertheless, be met.

Transfer of Airport Facilities

(a) The Authority shall not, except as permitted below or by the City Lease, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this Section, any transfer of an asset over which the Authority retains substantial control in accordance with the terms of such transfer, shall not, for so

long as the Authority has such control, be deemed a disposition of an Airport Facility or Airport Facilities.

(b) The Authority may, subject to the City Lease, transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(i) the property being disposed of is inadequate, obsolete or worn out; or

(ii) the property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (i) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Revenue Fund to be used as described below and the Authority believes that such disposal will not prevent it from fulfilling its obligations under the Master Resolution; or

(iii) the Authority receives fair market value for the property, the proceeds are deposited in the Revenue Fund to be used as described below, and prior to the disposition of such property, there is delivered to the Trustee a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Authority as evidenced by a certificate of an Authorized Officer of the Authority, the Consultant estimates that the Authority will be in compliance with the Master Resolution during each of the first five (5) Fiscal Years immediately following such disposition.

(c) Proceeds of the disposition of assets under paragraph (ii) or (iii) of paragraph (b) above shall be deposited into the Revenue Fund and used, within a reasonable period of time, not to exceed three years, to (i) provide additional revenue-producing Airport Facilities, (ii) redeem Bonds, (iii) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in the Master Resolution; or (iv) used for any other permitted Airport purpose.

(d) Airport Facilities which were financed with the proceeds of obligations the interest on which is then excluded from gross income for federal income tax purposes shall not be disposed of, except under the terms of paragraph (b)(i) above, unless the Authority has first received a written opinion of Bond Counsel to the effect that such disposition and the application of any disposition proceeds thereof will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

(e) No such disposition shall be made which would cause the Authority to be in default of any other covenant contained in the Master Resolution.

The Trustee and Paying Agents

Eligibility of Trustee

There shall always be a Trustee with respect to the Bonds that shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$125,000,000.

Responsibilities of The Trustee and Paying Agents.

(a) The recitals of fact contained in the Master Resolution and in each Supplemental Resolution and in the Bonds of a Series shall be taken as the statements of the Authority and neither the Trustee nor any Paying Agent assumes any responsibility or liability for the correctness of the same. Neither the Trustee nor any Paying Agent makes any representations as to the validity or sufficiency hereof, of any Supplemental Resolution or of any Bonds of a Series, or in respect of the security afforded hereby or by each Supplemental Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility or liability in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to: (i) the issuance of the Bonds of a Series for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any money paid to the Authority or others in accordance herewith and with the Applicable Supplemental Resolution and Certificate of Determination except as

to the application of any money paid to it in its capacity as Trustee or Paying Agent. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder and under the Applicable Supplemental Resolution except for its own gross negligence or willful misconduct in the performance of its duties and obligations as are specifically set forth herein and in each Applicable Supplemental Resolution.

(b) The duties and obligations of the Trustee and any Paying Agent shall be determined by the express provisions the Master Resolution and of each Applicable Supplemental Resolution and Certificate of Determination and neither the Trustee nor any Paying Agent shall be liable except for the performance of such duties and obligations as are specifically and expressly set forth herein and in each Applicable Supplemental Resolution. These duties shall be deemed purely ministerial in nature, and no implied covenants or obligations shall be read into the Master Resolution against the Trustee and any Paying Agent. The Trustee and any Paying Agent may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(c) The Trustee and any Paying Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under the Master Resolution arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. Neither the Trustee nor any Paying Agent shall be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Master Resolution or by a Supplemental Resolution.

(d) Notwithstanding anything in the Master Resolution to the contrary, the permissive rights of the Trustee and any Paying Agent to do things enumerated in the Master Resolution or in each Applicable Supplemental Resolution shall not be construed as a duty and, with respect to such permissive rights, the Trustee and any Paying Agent shall not be answerable for other than its gross negligence or willful misconduct.

(e) Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the Trustee and any Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in the Master Resolution. In case an Event of Default has occurred and has not been cured, the Trustee and any Paying Agent shall exercise such of the rights and powers vested in it by the Master Resolution, and use the same degree of care and skill in their exercise, as a reasonable and prudent person would use, under the circumstances, in the conduct of such person's own affairs.

(f) In no event shall the Trustee or any Paying Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or any Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Evidence on which Fiduciaries may Act

(a) The Trustee and any Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may (but shall not be obligated to) demand, as a condition of the withdrawal of any moneys or the taking of any other action contemplated by the Master Resolution, any certificates, opinions, appraisals, or other information, or corporate action or evidence thereof (in addition to any other prerequisites required in any other Section of the Master Resolution) which the Trustee may reasonably deem desirable for the purpose of establishing the right of the Authority to the withdrawal of the moneys or the taking of the other action. The Trustee and any Paying Agent shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, and believed by it to be authorized or within the discretion or rights or powers conferred upon it under the Master Resolution. The Trustee and any Paying Agent may consult with counsel

or other professionals, who may or may not be of counsel to the Authority, and the opinion of such counsel or other professionals shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. The Trustee shall not be responsible for any loss or damages resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion of counsel or other professionals.

(b) Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Master Resolution and under a Supplemental Resolution, such matter (unless other evidence in respect thereof be specifically prescribed hereby) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Authority. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Master Resolution and of a Supplemental Resolution upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may require. Except as otherwise expressly provided in the Master Resolution and in a Supplemental Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Master Resolution and of a Supplemental Resolution by the Authority to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Permitted Acts

The Trustee and any Paying Agent may become the owner of or may deal in Bonds of a Series as fully and with the same rights as if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Authority or any committee formed to protect the rights of Holders of Bonds of a Series or to effect or aid in any reorganization growing out of the enforcement of the Master Resolution or of such Bonds or any Supplemental Resolution whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds of a Series in respect of which any such action is taken.

Resignation of Trustee

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations under the Master Resolution and under a Supplemental Resolution by giving not less than sixty (60) days written notice to the Authority and each Applicable Provider, which notice shall specify the date when such resignation shall take effect, and mail to the registered owners of the Bonds of a Series a copy of such notice, by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Authority. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in the Master Resolution, in which event such resignation shall take effect immediately upon the appointment of such successor; provided, however, that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to the Master Resolution.

Removal of Trustee

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds of a Series, excluding any such Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Authority. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions of the Master Resolution or of a Supplemental Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Authority, or the Holders of not less than twenty percent (20%) in aggregate principal amount of Bonds of a Series then Outstanding, excluding any such Bonds held by or for the account of the Authority. The Trustee may also be removed at any time, other than during the continuance of an Event of Default under the Master Resolution, by the Authority, by an instrument in writing signed and acknowledged by an Authorized Officer of the Authority. No removal of the Trustee under the Master Resolution shall take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to the Master Resolution. A copy of each instrument or

order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Authority to the Trustee or such successor thereof, and each Applicable Provider.

Successor Trustee

(a) In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Authority shall forthwith appoint a Trustee to act as Trustee and Paying Agent. Copies of any resolution of the Authority providing for any such appointment shall be delivered by the Authority to the Trustee so appointed, the predecessor Trustee and to each Applicable Provide. The Authority shall mail notice of any such appointment not later than thirty (30) days after such appointment to the registered owner of the Bonds of the Applicable Series by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Authority.

(b) If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with the Master Resolution, or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder of the Applicable Series may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$125,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby and by the Applicable Supplemental Resolution.

Supplemental Resolutions Generally

Adoption, Modification and Amendment without Consent of the Bondholders

Notwithstanding any other provisions of the Master Resolution, the Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee and the Applicable Provider, if any, of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Master Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Master Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Resolution;

(e) To confirm, as further assurance, any interest of the Trustee in and to the pledge of Net Revenues or in and to the funds and accounts held by the Trustee or in and to any other moneys, securities or funds of the Authority provided pursuant to the Master Resolution, any Supplemental Resolution, or to otherwise add additional security for the Bondholders;

(f) To modify any of the provisions of the Master Resolution or of any previously adopted Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;

(g) To modify or amend a Specified Project;

(h) To qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(i) To accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, swaps, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness which the Authority from time to time deems appropriate to incur; or

(j) Upon receipt of a favorable opinion of counsel, to cure any ambiguity or defect or inconsistent provision in the Master Resolution or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Master Resolution as theretofore in effect, or to modify any of the provisions of the First Supplemental Resolution or of any previously adopted Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

Supplemental Resolutions Effective with the Consent of the Bondholders

The provisions of the Master Resolution and of a Supplemental Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders of the Applicable Series in accordance with and subject to the provisions of Article X of the Master Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee and the Applicable Provider, if any, of a copy thereof certified by an Authorized Officer of the Authority.

General Provisions Relating to Supplemental Resolutions

(a) The Master Resolution or a Supplemental Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of Article IX and Article X of the Master Resolution. Nothing contained in this Article IX or Article X of the Master Resolution shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Master Resolution or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in the Master Resolution provided or permitted to be delivered to the Trustee or any Paying Agent.

(b) A copy of every Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Master Resolution, is authorized or permitted hereby and is valid and binding upon the Authority and enforceable in accordance with its terms. The Authority shall transmit a copy of such Supplemental Resolution to each Applicable Provider upon its becoming effective.

(c) The Trustee is hereby authorized to accept delivery of a certified copy of any Supplemental Resolution permitted or authorized pursuant to the provisions of the Master Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Master Resolution.

(d) No Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee, a Paying Agent or a Provider shall become effective without the written consent of the Trustee, the Paying Agent or Provider affected thereby.

Amendments of Resolution

Powers of Amendment

Any modification or amendment of the Master Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Master Resolution or of any Supplemental Resolution, in any particular, may be made by a Supplemental Master Resolution or Supplemental Resolution with the written consent, given as provided in the Master Resolution, (a) of the Holders of at least a majority of the principal amount of the Bonds Outstanding of a Series at the time such consent is given of each Series affected by such modification or amendment, (b) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority of the principal amount of the Bonds Outstanding at the time such consent is given of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, or (c) with respect to (a) and (b) above, of the Holders of such other portion of the aggregate principal amount of the Bonds Outstanding of a Series that may be separately agreed to by all Holders pursuant to an agreement described in the Master Resolution, in which case such portion shall be controlling during the term of such agreement. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of the Master Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of a particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds of such Series. The Trustee shall not be liable for any determination (and/or the effect thereof) made pursuant to this Section 10.01. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof.

Consent of Bondholders

(a) The Authority may at any time adopt a Supplemental Master Resolution or Supplemental Resolution making a modification or amendment permitted by the provisions of the Master Resolution to take effect when and as provided in this Section. A copy of such Supplemental Master Resolution or Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to such Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Master Resolution or Supplemental Resolution when consented to as in this Section provided). Such Supplemental Master Resolution or Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (A) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in the Master Resolution and (B) an opinion of Bond Counsel stating that such Supplemental Master Resolution or Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Master Resolution, is authorized or permitted by the Master Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Master Resolution. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series with respect to which such consent is given, which proof shall be such as is permitted by the Master Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Master Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee.

(b) Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Master Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds of a Series issued in exchange therefor (whether or not such subsequent Holder thereof has notice

thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in the Master Resolution is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Master Resolution or Supplemental Resolution, as applicable, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed and the Trustee shall not be liable with respect to such written statement (including without limitation any errors therein) or any reliance thereon.

(c) At any time thereafter, notice stating in substance that the Supplemental Master Resolution or Supplemental Resolution has been consented to by the Holders of the required percentages of Bonds of a Series and will be effective as provided in this Section, shall be given to such Bondholders by the Authority by mailing such notice to such Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds of such Series shall have filed their consents to the Supplemental Master Resolution or Supplemental Resolution, as applicable, and the written statement of the Trustee is filed (but failure to publish such notice shall not prevent such Supplemental Master Resolution or Supplemental Resolution from becoming effective and binding as provided in the Master Resolution). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript consisting of the papers required or permitted by this Section to be filed with the Trustee shall be proof of the matters therein stated. Such Supplemental Master Resolution or Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent, and the Holders of all Bonds of such Series upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Master Resolution or Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Master Resolution or Supplemental Resolution as they may deem expedient.

(d) For the purposes of Article X in the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters or Remarketing Agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by Section 10.01 or Section 10.03 of the Master Resolution in the manner provided in the Master Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document, if any, prepared in connection with the primary offering of the Bonds of such Series by the Authority.

Modification by Unanimous Written Consent

The terms and provisions of the Master Resolution and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Master Resolution or Supplemental Resolution certified by an Authorized Officer of the Authority and the consent of (a) the Holders of all of the Bonds of a Series then Outstanding, or (b) the Holders of such portion of the aggregate principal amount of the Bonds of a Series then Outstanding that may be separately agreed to by all Holders pursuant to an agreement described in the Master Resolution, in which case such portion shall be controlling during the term of such agreement. Such consent to be given as provided in the Master Resolution, except that no notice to the Bondholders either by mailing or publication shall be required.

Consent of Provider

Whenever by the terms of the Master Resolution the consent of any of the Holders of the Bonds of a Series to a modification or amendment of the Master Resolution made by a Supplemental Resolution or of a Supplemental Resolution is required, such modification or amendment shall not become effective until the written consent of each Applicable Provider has been obtained. No modification or amendment of the Master Resolution or such Supplemental Resolution which adversely affects a Provider shall be made without the written consent thereto of the Applicable Provider affected thereby. Notice of the adoption of any such Supplemental Resolution to the Master Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each Applicable Provider by mail at the times and in the manner provided in the Master Resolution with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Supplemental Master Resolution or Supplemental Resolution and of the effectiveness thereof. In the event that the Provider has provided a letter of credit (the "primary letter of credit") and, as security for the performance of its obligations under the primary letter of credit, a confirming standby letter of credit from another institution has been issued, consent shall only be required from the Provider of the primary letter of credit and shall not be required from the Provider of the confirming standby letter of credit.

Defaults and Remedies

Trustee to Exercise Powers of Statutory Trustee.

The Trustee for each Series of Bonds shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Holders of an Applicable Series of Bonds pursuant to Section 2799-kkk of the Act which are not inconsistent with the provisions of the Master Resolution and the right of such Holders to appoint a trustee pursuant to Section 2799-kkk of the Act is hereby abrogated in accordance with the provisions of subdivision 5(j) of Section 2799-jjj of the Act.

Events of Default.

An event of default shall exist under the Master Resolution and under an Applicable Supplemental Resolution (in the Master Resolution called "Event of Default") if:

(a) With respect to the Applicable Series of Bonds, payment of the principal, Sinking Fund Installments, if any, or Redemption Price of any Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to the Applicable Series of Bonds, payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Applicable Supplemental Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Master Resolution or in such Bonds or in the Applicable Supplemental Resolution on the part of the Authority to be performed and such default shall continue for ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of (i) the Holders of not less than twenty-five percent (25%) of the principal amount of the Outstanding Bonds of such Series, or (ii) the Holders of such other percentage of the aggregate principal amount of the Outstanding Bonds of such Series as may be separately agreed to by all

Holders pursuant to an agreement described in the Master Resolution, in which case such percentage shall be controlling during the term of such agreement, or if such default is not capable of being cured within ninety (90) days, if the Authority fails to commence within said ninety (90) days and diligently prosecute the cure thereof; or

(e) the filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of the Airport.

Notwithstanding the defaults section in the Master Resolution, a violation of the rate covenant set forth in the Master Resolution shall be controlled by the provisions set forth therein.

Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the Principal Amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Authority to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act or any other law to which it is subject and the Master Resolution;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

(c) Except with respect to a Credit Provider or a Liquidity Provider as provided in a Supplemental Resolution, Certificate of Determination or a written agreement between the Authority and a Credit Provider or a Liquidity Provider, in no event, upon the occurrence and continuation of an Event of Default described in the Master Resolution, shall the Trustee, the Bondholders, a Credit Provider, a Liquidity Provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

Restoration to Former Position.

In the event that any proceeding taken by the Trustee to enforce any right under the Master Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee, and the Bondholders shall be restored to their former positions and rights under the Master Resolution, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Bond Holders' Right to Direct Proceedings.

Anything in the Master Resolution to the contrary notwithstanding, holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Master Resolution to be taken in connection with the enforcement of

the terms of the Master Resolution or exercising any trust or power conferred on the Trustee by the Master Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Master Resolution and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Limitation on Right to Institute Proceedings.

No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power under the Master Resolution, or any other remedy under the Master Resolution or on such Bonds, unless such Bondholder or Bondholders previously shall have given to the Trustee written notice of an Event of Default as provided in the Master Resolution and unless also holders of 25% or more of the Principal Amount of the Bonds then Outstanding shall have made written request of the Trustee to do so, after the right to institute such suit, action or proceeding under the Master Resolution shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Bondholders shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Master Resolution, or to enforce any right under the Master Resolution or under the Bonds, except in the manner provided in the Master Resolution, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Master Resolution and for the equal benefit of all Bondholders.

No Impairment of Right to Enforce Payment.

Notwithstanding any other provision in the Master Resolution, the right of any Bondholder to receive payment of the principal of and interest and other amounts due on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Net Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Bondholder.

Proceedings by Trustee Without Possession of Bonds.

All rights of action under the Master Resolution or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Bondholders, subject to the provisions of the Master Resolution.

Remedies Not Exclusive.

No remedy in the Master Resolution conferred upon or reserved to the Trustee or to Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Master Resolution, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth in the Master Resolution to the taking of any remedy to enforce the provisions of the Master Resolution or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to the Master Resolution.

Waiver and Non-Waiver of Default.

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by Article XI of the Master Resolution to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may, and upon written request of (i) the Holders of not less than twenty-five per centum (25%) of the principal amount of the Outstanding Bonds of a Series affected thereby or, (ii) the Holders of such other percentage of the aggregate principal amount of the Outstanding Bonds as separately agreed to by all Holders pursuant to an agreement described in the Master Resolution, in which case such percentage shall be controlling during the term of such agreement, shall, waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Master Resolution or before the completion of the enforcement of any other remedy under the First Supplemental Resolution; provided, however, that no such waiver shall affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Holder's Agreement With Respect to Consent Percentages.

With respect to the actions contemplated in the Master Resolution to be taken upon the consent of the Holders of a certain portion or percentage of aggregate principal amount of the Bonds of a Series then Outstanding, the portions or percentages agreed upon by all registered Holders in writing shall control where (a) all of the Holders are "Qualified Institutional Investors" as defined in Rule 144A promulgated under the Securities Act of 1933, (b) such Holders provide notice to the Authority and the Trustee in writing of the Holders' agreement with respect to such percentages and (c) any additional requirements provided for in the Applicable Certificate of Determination are satisfied.

Application of Moneys.

If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article (which shall not include moneys provided through a Credit Facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by the Trustee or by any receiver and of the expenses, liabilities and advances incurred or made by the Trustee in connection with its performance of its powers and duties under this Master Resolution and any Supplemental Resolutions (including additional Trustee's fees and expenses (including without limitation reasonable attorneys' fees incurred by the Trustee)), shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Resolution, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Resolution from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of the Master Resolution, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Bondholders and shall not be required to make payment to any Bondholder until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Severability of Remedies.

It is the purpose and intention of the Master Resolution to provide rights and remedies to the Trustee and the Bondholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy granted in the Master Resolution be held to be unlawful, the Trustee and the

Bondholders shall be entitled, as above set forth, to every other right and remedy provided in the Master Resolution or by applicable law.

Additional Events of Default and Remedies.

So long as any particular Series of Bonds is Outstanding, the Events of Default and remedies as set forth in the Master Resolution may be supplemented with additional Events of Default and remedies as set forth in a Supplemental Resolution under which such Series of Bonds is issued.

Notice of Event of Default.

The Trustee shall give notice of each Event of Default under the Master Resolution known to the Trustee to each Applicable Provider within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds of a Series within thirty (30) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of such Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of such Bonds. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (a) to all registered Holders of Bonds of a Series, as the names and addresses of such Holders appear on the books for registration and transfer of Bonds as kept by the Trustee, (b) to each Provider, and (c) to such other Persons as is required by law.

Defeasance

(a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Master Resolution, and in the Applicable Supplemental Resolution and Certificate of Determination, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Master Resolution and to the Applicable Supplemental Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein, if any, in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and second, to each Applicable Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such Provider.

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Master Resolution. All Outstanding Bonds of any Series or any maturity within such Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the Master Resolution if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV of the Master Resolution notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received the written consent to such defeasance of each Applicable Provider which has given written notice to the Trustee and the Authority that amounts advanced under any Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (iv) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the

Holders of said Bonds at their last known addresses appearing on the registration books, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with the Master Resolution. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in the Master Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the Master Resolution nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, at the written direction of the Authority, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date set forth in the Master Resolution, as the case may be; provided, further, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent in excess of the amounts required to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; and second, to each Applicable Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(c) For purposes of determining whether Variable Interest Rate Bonds of a Series shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the Master Resolution, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; second, to each Applicable Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(d) Option Bonds of a Series shall be deemed to have been paid only if, in addition to satisfying the requirements of the Master Resolution, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be

considered an Option Bond for purposes of this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the applicable tax certificate or agreement at the direction of an Authorized Officer of the Authority; second, to each Applicable Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and, then, the balance thereof to the Authority, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

(e) Anything in the Master Resolution to the contrary notwithstanding, any money held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money was held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds.

THE FIRST SUPPLEMENTAL RESOLUTION

In addition to certain information contained under the captions “DESCRIPTION OF THE SERIES 2021 BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS” in the forepart of this Official Statement, the following is a summary of certain provisions of the First Supplemental Resolution. Such summary is only a brief description of limited provisions of such documents and is qualified in its entirety by reference to the full text of the First Supplemental Resolution.

Terms of the Series 2021 Bonds.

The First Supplemental Resolution sets forth the terms of the Series 2021 Bonds, most of the terms of which are described in the forepart of this Official Statement under “DESCRIPTION OF THE SERIES 2021 BONDS.”

Creation of Certain Funds and Accounts

Debt Service Fund for Series 2021 Bonds

Pursuant to the First Supplemental Resolution there is created and established with respect to the Series 2021 Bonds a debt service fund to be known as the “Syracuse Regional Airport Authority, Senior Revenue Refunding Bonds, Series 2021, Debt Service Fund,” (the “Debt Service Fund”), to be held by the Trustee or any agent of the Trustee and into which shall be deposited such amounts to be used to pay principal of and interest on the Series 2021 Bonds in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and the Master Resolution.

Interest Accounts for the Series 2021 Bonds

(a) Pursuant to the First Supplement Resolution there is created and established within the Debt Service Fund with respect to the Series 2021 Bonds an account to be known as the “Interest Account, Series 2021” with such additional designation, if any, as provided in the Certificate of Determination.

(b) Pursuant to First Supplement Resolution there is created and established a sub-account within the Interest Account, Series, 2021 to be known as the “Interest Sub-Account PFC Bonds, Series 2021” with such additional designation, if any, as provided in the Certificate of Determination.

(c) In order to provide for the payment of interest on the Series 2021 Bonds, there shall be credited to the Interest Account, Series 2021 and Interest Sub-Account PFC Bonds, Series 2021, from the moneys,

in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and the Master Resolution.

Principal Accounts for the Series 2021 Bonds

(a) Pursuant to the First Supplement Resolution there is created and established a separate account within the Debt Service Fund with respect to the Series 2021 Bonds to be known as the “Principal Account, Series 2021” and with such additional designation, if any, as provided in the Certificate of Determination.

(b) Pursuant to the First Supplement Resolution there is created and established a sub-account within Principal Account, Series 2021 to be known as the “Principal Sub-Account PFC Bonds, Series 2021” and with such additional designation, if any, as provided in the Certificate of Determination.

(c) In order to provide for the payment of principal on the Series 2021 Bonds, there shall be credited to the Principal Account, Series 2021 and Principal Sub-Account PFC Bonds, Series 2021, from the moneys, in the amounts and at the times required by this First Supplemental Resolution, the Certificate of Determination, and the Master Resolution.

Delegation of Powers to Officers of the Authority under the Certificate of Determination

(a) Pursuant to the First Supplemental Resolution, there is delegated to the Authorized Officer, subject to the limitations contained in the First Supplemental Resolution the power to determine and effectuate the following with respect to the Series 2021 Bonds:

(i) The aggregate principal amount of the Series 2021 Bonds to be issued together with the principal amount of each Series of the Series 2021 Bonds;

(ii) The dated date or dates, maturity date or dates, and principal amount of each maturity of the Series 2021 Bonds, the initial Interest Payment Date or dates of the Series 2021 Bonds, the date from which the Series 2021 shall bear interest, and the identification designation for the Series 2021 Bonds;

(iii) The interest rate or rates of the Series 2021 Bonds; provided, however, that the interest rate or rates to be borne by the Series 2021 Bonds shall not exceed a true interest cost in excess of the maximum rate per annum permitted by law;

(iv) The determination to deposit the Reserve Requirement into the Reserve Fund or into a separate Debt Service Reserve Fund with respect to the Series, 2021 Bonds, and the amount of the Reserve Fund Requirement with respect to the Series 2021 Bonds;

(v) The application of the proceeds of the Series 2021 Bonds;

(vi) The Series 2021 Bonds to be retired from Sinking Fund Installments and the dates and the amounts thereof;

(vii) The redemption and purchase in lieu of redemption provisions of the Series 2021 Bonds;

(viii) The numbering and identification of the Series 2021 Bonds;

(ix) The definitive form of the Series 2021 Bonds and form of assignment thereon;

(x) A determination of the number and principal amount of the Series 2021 Bonds to be designated as PFC Bonds;

(xi) The establishment of such funds, accounts, and sub-accounts as required by the Master Resolution and deemed necessary;

(xii) Matters relating to the Bond Insurance Policy, including, but not limited to, the determination to obtain one or more Bond Insurance Policies and the Negotiation of such Bond Insurance Policies;

(xiii) Matters relating to the use of a surety bond, insurance policy, or letter of credit in an amount equal to, or a portion of, the Bond Reserve Fund Requirement for the Series 2021 Bonds, as permitted by the Master Resolution;

(xiv) A determination of the best interests of the Authority relating to the refunding of the Refunded Bonds, including the exact amount of the Refunded Bonds to be Refunded, if less than all;

(xv) The execution and delivery of certificates, agreements, and other documents or instruments necessary to provide for the delivery of the Series 2021 Bonds and the closing of the transactions contemplated hereby, including, without limitation, any updates to the Official Statement;

(xvi) Confirmation of the findings and determinations set forth in Article VI of this First Supplemental Resolution and the certification required pursuant to Section 2.2 hereof;

(xvii) Any other provisions deemed necessary or advisable by the Designated Financial Officer and not materially in conflict with the provisions of this First Supplemental Resolution or of the Master Resolution, including, without limitation, the Interest Payment Dates and the Record Dates.

The Authorized Officer shall execute one or more certificates evidencing determinations or other actions taken pursuant to the authority granted herein, executed copies of which, or copies of which, certified by the Authorized Officer, shall be filed in the official records of the Authority. Each such certificate shall be deemed a Certificate of Determination and shall be conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated in and be part of this First Supplemental Resolution.

(b) There is hereby delegated to the Authorized Officer and each of the other Authorized Officers, subject to the limitations contained in this First Supplemental Resolution, the power to enter into the following agreements and execute the following documents, certificates, and other instruments on behalf of the Authority with respect to each Series of the Series 2021 Bonds in such forms as the person executing the same may deem appropriate, which such documents, certificates, and other instruments are hereby approved:

(i) The Bond Insurance Commitment, if applicable;

(ii) The Series 2021 Bonds Tax Certificate;

(iii) The Bond Purchase Agreement;

(iv) Such other agreements, documents, certificates, and other instruments as shall be necessary and proper related to a Series of the Series 2021 Bonds and the delivery thereof, including, but not limited to, any agreements, documents, and certificates necessary to provide for the delivery and closing of the Series 2021 Bonds.

The execution by an Authorized Officer of any agreement, certificate, document, or other instrument pursuant to the First Supplement Resolution shall be conclusive evidence of the determination and agreement off the terms and provisions thereto or therein.

Approval of Sale and Documents

(a) Pursuant to the First Supplemental Resolution, the members of the Authority find and determine that the Series 2021 Bonds shall be sold pursuant to a Private Negotiated Sale in accordance with the terms and provisions of Section 2799-jjj of the Act. Pursuant to the First Supplemental Resolution, the Authority authorizes any Authorized Officer of the Authority to authorize the sale of the Series 2021 Bonds, for and on behalf of the Authority, in substantially the form approved by the members of the Authority concurrently with the adoption of this First Supplemental Resolution or as soon thereafter as is practicable.

(b) The Series 2021 Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 6.1 shall (i) be issued, executed and delivered at such time as the Authorized Office of the Authority shall determine, and (ii) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Series 2021 Bonds, this First Supplemental Resolution and the Official Statement, which terms are specifically incorporated in the First Supplemental Resolution by reference with the same force and effect as if fully set forth in the First Supplemental Resolution.

(c) The draft of the Preliminary Official Statement, setting forth certain information with respect to the Series 2021 Bonds, presented to the Board at the meeting at which this resolution is adopted is authorized to be finalized and the Authorized Officer of the Authority may make such modifications in the Preliminary Official Statement prior to the printing of definitive copies thereof as such officers, upon the advice of counsel to the Authority, deem appropriate and the Authority is further authorized to deliver definitive copies thereof to the Underwriter for distribution of the same to prospective investors in and purchasers of the Series 2021 Bonds.

(d) Upon the completion of the sale of the Series 2021 Bonds by the Underwriter and the execution and delivery of the Bond Purchase Agreement, any Authorized Officer is hereby authorized and directed to prepare and finalize, and an Authorized Officer is authorized to execute, copies of the final Official Statement, for and on behalf of the Authority and to deliver the same, or cause the same to be delivered, to the Underwriter. An Authorized Officer may make such modifications in the Official Statement prior to the printing of definitive copies as such officers, upon the advice of counsel to the Authority, deem appropriate and an Authorized Officer shall execute and deliver definitive copies thereof to the Underwriter. The execution and delivery of any official statement relating to the Series 2021 Bonds shall be evidence of the approval of the definitive Official Statement. The Authority hereby authorizes said definitive Official Statement, together with the appendices thereto and the information contained therein, to be used in connection with the offering and sale of the Series 2021 Bonds.

(e) Copies of the said Preliminary Official Statement and form of Official Statement shall be filed with the minutes of the meeting at which the First Supplemental Resolution is adopted.

Section 6.2 Execution and Delivery of Agreements; Continuing Disclosure.

(a) Pursuant to the First Supplemental Resolution, each of the Authorized Officers, individually, is authorized for and on behalf of the Authority to execute and deliver such further documents and agreements, including any tax agreement intended to ensure compliance with the tax covenants of the Authority or take any and all such further action as upon the advice of counsel to the Authority that (i) he or they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the Series 2021 Bonds in accordance with the terms of the Resolution and this First Supplemental Resolution, or (ii) may be reasonably required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby and by the documents referred to therein or herein or approved thereby or hereby. In addition, the Authorized Officer is authorized to prepare and execute the Certificate of Determination pursuant to Article V hereof.

(b) A Continuing Disclosure Undertaking by the Authority, in substantially the form of the draft thereof presented at the meeting at which this First Supplemental Resolution is adopted and to be dated the date of initial delivery of the Bonds, is hereby authorized to be executed and delivered by an Authorized Officer. The Authority covenants with the holders from time to time of the Series 2021 Bonds that it will, and hereby authorizes the appropriate officers and employees of the Authority to take all action necessary or appropriate to, comply with, and carry out all of the provisions of the Continuing Disclosure Undertaking as amended from time to time. Notwithstanding any other provision of the Resolution, failure of the Authority or the Trustee to perform in accordance with the Continuing Disclosure Undertaking shall not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Undertaking may be enforced only as provided therein.

Section 6.3 Special Covenants with Respect to Federal Tax Status of the Series 2021 Bonds. So long as any of the Series 2021 Bonds shall be Outstanding, the Authority shall comply with all applicable provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended and all applicable regulations of the Internal Revenue Service proposed and promulgated thereunder.

Section 6.4 Special Covenants with Respect to Passenger Facility Charges. Pursuant to the First Supplemental Resolution, the Authority covenants with respect to the Available PFC Revenues (a) that the Authority will take all action reasonably necessary to cause the collection and remittance to the Authority of all PFCs permitted by applicable federal law to be so-collected and remitted; and (b) to apply to the payments of principal and interest on the Series, 2021 Bonds designated as PFC Bonds by irrevocably depositing in the Available PFC Revenue Account the amount of Available PFC Revenues necessary for payment thereof in accordance with the Master Resolution.

Section 6.5 Findings and Determinations.

(a) Pursuant to the First Supplemental Resolution, the Authority finds, determines, and declares that (i) no Bonds have previously been issued under the Master Resolution; (ii) the Series 2021 Bonds are issued under the authorization of the Master Resolution; (iii) an Authorized Officer has delivered a report satisfying the requirements of the Master Resolution; (iv) the Series 2021 Bonds shall be sold by means of a private negotiated sale, and the Authority accepts and endorses the written recommendation of the Chair of the Authority regarding the determination to sell the Series 2021 Bonds pursuant to a private negotiated sale, and further finds and determines, in accordance with, the Act, that it is in the best interests of the Authority to sell, and the interests of the Authority will be best served by a sale of, the Series 2021 Bonds by means of a private negotiated sale, and further ratifies and confirms all action taken by the Authority and Authority staff with respect to the sale of the Series 2021 Bonds by means of a Private Negotiated Sale; (v) the requirements contained in Section 2799-jjj of the Act relating to the sale of the Series 2021 Bonds will be satisfied by the date of issuance of the Series 2021 Bonds, and (vi) all provisions and conditions of the Resolution and of other applicable law have been complied with in the issuance under the Resolution of the Series 2021 Bonds.

(b) Pursuant to the First Supplemental Resolution, the Authority further finds, determines and declares that this First Supplemental Resolution (i) supplements the Master Resolution; (ii) constitutes and is a “Supplemental Resolution” within the meaning of the quoted words as defined and used in the Master Resolution; and (iii) is adopted pursuant to and under the authority of the Master Resolution.

(c) Pursuant to the First Supplemental Resolution, the Authority further finds, determines and declares that the Series 2021 Bonds are to be issued under the Master Resolution and to constitute and be “Bonds” within the meaning of the quoted word as defined and used in the Master Resolution. As more fully set forth in the Master Resolution, the Series 2021 Bonds: (i) shall be entitled to the benefits, security and protection of the Master Resolution, equally and ratably with one another and with any other Bonds hereafter issued thereunder; (ii) shall be payable as provided in the Master Resolution solely from Net Revenues (including, as applicable, Available PFC Revenues) on a parity with one another and with all Bonds hereafter issued under the Master Resolution; and (iii) shall be equally and ratably secured under the Master Resolution with one another and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the First Supplemental Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of

issuance, date of delivery, or otherwise, by the liens, pledges, charges and assignments created by the Master Resolution.

(d) Pursuant to the First Supplemental Resolution, the Authority further finds, determines and declares: (i) except for the Bonds, there are not outstanding any bonds, notes or other evidences of indebtedness payable from and secured by lien on or pledge or charge upon Net Revenues (including, as applicable, Available PFC Revenues); (ii) the Net Revenues (including, as applicable, Available PFC Revenues) are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the Master Resolution for the payment and security of the Bonds; and (iii) there does not exist an “Event of Default” as defined in Section 11.02 of the Master Resolution, nor does there exist any condition which, after the passage of time, would constitute, under such section, an “Event of Default”.

(e) Pursuant to the First Supplemental Resolution, the Authority further finds, determines and declares that it is in the best interest of the Authority (i) to implement the Plan of Finance; and (ii) to take such actions and execute such documents from time to time as shall be deemed necessary or desirable in order to effectuate the issuance, delivery and payment of the Series 2021 Bonds, and the implementation of the Plan of Finance.

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APPENDIX D

SUMMARY OF THE CITY LEASE

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APPENDIX D

SUMMARY OF THE CITY LEASE

The following is a summary of certain provisions of the City Lease:

Certain Definitions

"Airport Agreements" shall mean those land leases, concession agreements, airport use and lease agreements, professional services agreements, consulting agreements, public works projects and other agreements.

"Applicable Laws" shall mean all laws, regulations, codes, ordinances, resolutions, by-laws, rules, executive orders and other orders, guidelines and interpretations of the United States, the State of New York or local government, public agencies and authorities, as they may be amended from time to time, and the decisions of New York and federal courts as they are rendered from time to time, including but not limited to rules, regulations and orders of the Federal Aviation Administration, Transportation Security Administration and New York State Department of Transportation.

"Aviation Enterprise Fund" shall mean the fund used by the City to report any and all financial resources and activities of the Airport, including but not limited to the fees and charges paid by airlines under use and lease agreements between the City and such airlines.

"Bonds" shall mean bonds, notes or other evidences of indebtedness issued by or for the Authority.

"Bond Documents" shall mean resolutions, trust indentures, agreements or other instruments related to the issuance of Bonds.

"City approval" or "approval of the City" shall mean the adoption by the Common Council of a Local Law approving, and the approval by the Mayor of, the act or matter referred to, or any other procedure or process as may be established by the City Charter in accordance with Applicable Law.

"City Debt" shall mean any general obligation bonds and notes (including bond anticipation notes) of the City which were issued for or allocable to the use and benefit of the Airport.

"Department of Aviation" shall mean the City department presently described as the Department of Aviation in the Charter of the City of Syracuse and any successor department.

"Equipment" shall mean any vehicles and equipment owned by the City through its Department of Aviation and used in the operation and maintenance of the Airport.

"Event of Default" shall mean any of the events described in the City Lease

"FAA" shall mean the Federal Aviation Administration of the United States Department of Transportation and any successor organization or agency.

"FAA Grant Agreements" shall mean, collectively, the FAA Airport Improvement Program (AIP) Grant Agreements between the City and/or the Authority and the FAA and Passenger Facility Charge ("PFC") Records of Decision.

"Federal Obligations" shall mean all of the obligations imposed by the FAA Airport Improvement Program (AIP), Grant Agreements, the federal surplus property conveyances, the FAA approval to impose and use PFCs and the certifications made to the FAA regarding the operation of the Airport.

"Force Majeure" shall mean Acts of God, strikes, lockouts or other industrial disturbances, orders issued by courts, the Government of the United States, the State of New York or any civil or military authority, wars, riots,

epidemics, earthquakes, fires, storms, civil disturbances, or other events that are not reasonably within the control of the Authority.

“Grant Agreements” shall mean, collectively, the FAA Airport Improvement Program (AIP) Grant Agreements and Passenger Facility Charges (“PFC”) Records of Decision and all other Grant Agreements between the City and/or the Authority and the FAA, the United States Department of Transportation (“USDOT”), the New York State Department of Transportation (“NYSDOT”), the New York Air National Guard (“NYANG”), and the Department of Homeland Security, Transportation Security Administration (“TSA”).

“Leasehold Mortgage” shall mean, collectively, (i) a mortgage granted by the Authority of all or part of its leasehold interest in the real and personal property constituting the Airport, the obligations secured thereby and any other instrument giving a Leasehold Mortgagee a security interest in all or part of the Authority’s leasehold interest in the real and personal property constituting the Airport and (ii) an assignment by the Authority of its rights under the City Lease, as collateral security for any Authority indebtedness.

“Leasehold Mortgagee” shall mean the holder of a Leasehold Mortgage.

“Operating Date” shall mean the date established by the FAA for commencement of Airport operations by the Authority pursuant to the issuance of an Airport Operating Certificate. Except as otherwise provided in the City Lease, the stated rights and obligations of the City and the Authority will commence with the Operating Date.

“Real Property Taxes” shall mean the real estate taxes and assessments levied against the real estate which is part of the Airport.

“PFC Records of Decision” shall mean decisions rendered by the FAA from time to time on applications to fund projects with PFCs.

General Lease Terms

Grant of Lease. The City hereby leases to the Authority, under the terms and conditions of the City Lease, all of the premises that constitute the Airport, including but not limited to all lands, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances pertaining to the Airport.

Assumption of Contract Rights and Obligations. Upon the Operating Date, the Authority will assume and shall perform all of the City's obligations under and shall have the benefit of all of the rights of the City in the Airport Agreements (except with respect to the City Debt) and the Grant Agreements.

Lease Term. The term of the Lease shall commence and be effective as of the Operating Date and shall expire on the date that is forty years after the Operating Date (“Lease Term”). The Lease Term shall be automatically renewed for additional ten year terms unless and until terminated by either party effective on termination date of the original Lease Term, or on any subsequent ten-year anniversary thereof, by giving the other party at least five years advance written notice of termination beginning on the 35th year of the City Lease, or on or before any subsequent ten-year anniversary thereof.

City Resumption of Airport Operations. In the event that the City Lease is terminated or allowed to expire by its terms, the City will take all necessary actions to secure an Airport Operating Certificate in a timely fashion to ensure there is no interruption in Airport operations. Upon the effective date established by the FAA for commencement of Airport operations by the City pursuant to the issuance of an Airport Operating Certificate to the City, all Airport Agreements and all Authority assets and liabilities, including but not limited to, the Grant Agreements and PFC Records of Decisions outstanding at that time shall be transferred and assigned by the Authority to the City, which shall accept and agree to be bound by and to perform, observe and be subject to all of the terms, covenants and conditions thereof.

Payments to City. The Authority shall pay to the City for each year during the term of the City Lease, the aggregate amount of the City Debt. These payments will commence upon the Operating Date. The Authority shall make such

payments to the City in the amount of the City Debt schedule not less than five days before payment by the City becomes due.

PILOT Payments. The Authority shall also continue to pay scheduled payments to the Town of Dewitt and the East Syracuse Minoa Central School District, to compensate them as nonsponsoring governmental bodies for lost tax revenues pursuant to Section 2799-qqq of the Act, provided however that such payments to the nonsponsoring governmental bodies shall at no time exceed the amount of lost tax revenues at stated tax rates.

Prepayment of City Indebtedness. The Authority may prepay any part of the payments set forth in the City Lease to the extent that (i) such obligations are allocable to City Debt, (ii) the City Debt is by its terms subject to redemption prior to maturity, (iii) if there is a related redemption premium, the City Lease makes an additional payment to the City in the amount of the redemption premium and (iv) in the opinion of the City's bond counsel, the prepayment may be used to redeem the related City Debt prior to maturity.

Sole Right to Revenue. The Authority shall have the sole right to all Revenues.

City Debt and Other Liabilities

City Debt Currently Outstanding. The Authority agrees to use the Financed Facilities in accordance with the purposes set forth in the ordinances that authorized the City Debt from which the proceeds were derived, and further, the Authority agrees that such Financed Facilities shall be used only in compliance with, and for such restricted uses or purposes contained in, the bond documents corresponding to the City Debt. The Authority will cooperate with the City in connection with the City's post-issuance compliance obligations in respect of the City Debt and the Financed Facilities.

Expenditure of City Debt Proceeds. The City represents that it will expend for the benefit of the Airport, all of the proceeds of the City Debt that have not been deposited into a debt service reserve fund pursuant to applicable provisions of the New York Local Finance Law on or before the Operating Date or will, upon requisition by the Authority, pay such proceeds for the project costs for which the related City Debt was issued.

Payment of City Debt. City Debt shall not be assumed by the Authority, but the Authority shall pay the City in the amounts of payments on the City Debt as provided in Section the City Lease. All payments for City Debt shall constitute payments, in part, under the City Lease.

Improvements

Right to Improve Airport. Provided it is consistent with the Airport Layout Plan, the Authority shall have the right, at its own cost and expense, and subject to the Act and Applicable Laws, to demolish, replace, or rebuild all or any part of the Airport, and to construct any improvement of any nature.

Ownership of Improvements. All land acquired and improvements (including all additions, extensions and betterments) made by or on behalf of the Authority to the Airport during the term of the City Lease (except leasehold improvements made by a subtenant which, by the terms of the applicable sub-lease, remain the property of the sub-tenant) shall be deemed property of the City and leased hereunder, and title thereto shall vest in the City upon acquisition or completion of the project in which improvements are made, without any adjustment to the amount of payments due hereunder, except as otherwise provided in the City Lease.

Transfer of Federal Obligations

Authority Assumption of Federal Commitments. The City has entered in certain Grant Agreements related to the use, operation, maintenance and improvement of the Airport, has received authority from the FAA to impose and use PFCs and has made certifications to the FAA in accordance with federal law regarding the operation of the Airport. It is the intent of the parties that the Authority shall replace the City as sole sponsor for the Grant Agreements and shall obtain the authority to impose and use PFCs. The parties will execute an Assignment and Assumption Agreement directed to the transfer of rights and responsibilities under the Grant Agreements, as a

condition to the City Lease. The City will promptly execute all documents and provide any information reasonably necessary to receive FAA approval for the transfer of the Airport from the City to the Authority and for the Authority to serve as the sole sponsor under the FAA Grant Agreements and operator of the Airport, including but not limited to copies of all Authority Orders and other FAA communications necessary for effective operation of the Airport.

Aviation Enterprise Fund. As of the Operating Date, the City shall transfer to the Authority all cash and receivables in the Aviation Enterprise Fund, excepting therefrom unexpended proceeds of the City Debt and sufficient funds to cover any contractual liabilities payable by the Aviation Fund on or before January 1, 2014.

Power to Incur Indebtedness

City Covenants. The City hereby covenants and warrants to the Authority for its own benefit and for the benefit of the holders of the Bonds and the Authority creditors and contractors that, so long as no Event of Default has occurred and is continuing, the City will not impair the rights of the Authority (i) to purchase, construct, operate, maintain or dispose of any improvement for which Bonds have been issued; (ii) to establish and collect fares, rates, rents, fees and other charges authorized by the Act; or (iii) to fulfill the terms of any agreements made with the holders of the Bonds or in any way impair the rights and remedies of the holders of the Bonds until the Bonds, together with interest thereon, including interest and any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on the behalf of such holders or creditors are fully met and discharged and such agreements are fully performed by the Authority.

Power to Grant Leasehold Mortgages

Power to Grant Leasehold Mortgages. The Authority shall have the right to enter into Leasehold Mortgages upon the approval of the FAA. The Authority may provide the right to a lessee to mortgage or otherwise encumber or assign as collateral security its interest in its lease with the Authority, or any part or parts thereof, upon the approval of the FAA.

Rights of Leasehold Mortgagee upon Termination. In the event the Authority enters into a Leasehold Mortgage, the City agrees that so long as any such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

There shall be no termination, cancellation, surrender, acceptance of surrender or modification of the City Lease.

The City shall send each Leasehold Mortgagee copies of all notices of default or termination given to the Authority in accordance with the City Lease, simultaneously with the giving of such notice to the Authority.

Upon the occurrence of an Event of Default, the City shall elect either to: (i) terminate the City Lease and assume all of the Authority's obligations under the Leasehold Mortgage, whereupon the Leasehold Mortgage shall remain in effect, or (ii) execute a new lease as provided below. In the event the City chooses to terminate the City Lease and assume the Authority's obligations under the Leasehold Mortgage, the City shall (a) simultaneously with the termination of the City Lease so notify the Leasehold Mortgagee, and (b) acknowledge such assumption by a written instrument mutually satisfactory to the City and the Leasehold Mortgagee.

In the event the City terminates the City Lease pursuant to clause (i) of the preceding paragraph but does not elect to assume the Authority's obligations under the Leasehold Mortgage or fails to execute an acknowledgement of such assumption, pursuant to clause (b) of the preceding paragraph within sixty days following such termination, the Leasehold Mortgagee may by written notice to the City require the City to enter into a new lease with the Leasehold Mortgagee within ninety days after the City's receipt of such request. The new lease shall be effective as of the date of termination of the City Lease, and, except as provided below, shall be upon all the same terms and conditions of the City Lease. The term of the new lease shall be the remainder of the current term of the City Lease

The parties recognize there may be a need for financing to make improvements to the Airport and that the parties will have to cooperate to make arrangements suitable for such financing. The City agrees to cooperate with the Authority in connection with obtaining such financing.

Insurance

Public Liability Coverage. The Authority shall maintain comprehensive broad form general public liability insurance, naming both the Authority and the City as insureds, against claims for bodily injury or death and damage to personal property occurring on the Airport with coverage limits reasonably adequate to protect against judgments for injury, death and property damage. At the date of the City Lease, a combined single limit policy in the amount of \$250,000,000 for injury and death and for property damage shall be deemed adequate.

Property Insurance. The Authority shall insure the building and improvements of the Airport and Equipment for its replacement value and shall provide the City with a copy of the certificate evidencing such insurance.

Policy Requirements. The insurance provided for in the City Lease shall be purchased from insurers qualified in the State of New York and of recognized responsibility. Such insurance may be subject to reasonable deductibles. No such insurance shall be subject to cancellation or reduction without at least thirty days' prior written notice given by the insurance carrier to the City Lease, the City and other insured parties.

Eminent Domain

General. In the event of a taking of all or any of the part of the Airport by a public or quasi-public authority, whether by condemnation proceedings or otherwise, or any transfer made in anticipation of an exercise of the power of eminent domain during the term of the City Lease, the rights and obligations of the City and the Authority with regard to such taking, including the rights to the award therefrom, shall be governed by the City Lease, except that so long as a Leasehold Mortgage or Bond is outstanding, the provisions of the applicable Leasehold Mortgage or Bond Documents shall govern. The City shall not attempt to take, by condemnation proceedings or otherwise, the Authority's leasehold in all or any part of the Airport or any other property of the Authority during the term of the City Lease that would materially disrupt or adversely affect the Authority's ability to maintain and operate the Airport.

Allocation of Proceeds. In the event of such a taking, subject to the rights of holders of Leasehold Mortgages or Bonds, the City shall have the right to the portion of the award for the City land and the improvements thereon so taken. The Authority shall have the right to the remainder of the award.

Property Damage

Governing Provisions. In the event of damage to the Airport by fire, casualty or otherwise, the City Lease shall not terminate. In such event, the rights and responsibilities of the City and the Authority shall be governed by the City Lease except that, so long as any Bonds or Leasehold Mortgages are outstanding, the provisions of the Bond Documents or Leasehold Mortgages shall govern.

Authority Responsibility. In the event of such damage exceeding the amount of One Hundred Thousand Dollars (\$100,000) in any one incident or in the aggregate during any twelve-month period, the Authority shall promptly notify the City. The Authority shall restore or replace the damaged or destroyed property and improvements, or make such other improvements of equal value, as it reasonably deems necessary to serve the needs of the users of the Airport.

Use of Insurance Proceeds. Subject to the provisions of any Bond Documents or Leasehold Mortgage, the Authority shall be entitled to receive the proceeds of insurance policies obtained by the City and/or the Authority, which shall be applied to the restoration or replacement as required by the City Lease. The parties agree to cooperate with respect to recovery of such proceeds.

Termination of Lease

In the event the Authority shall (a) fail to pay the City the payments due under the City Lease, or (b) fail to perform any material obligation under the City Lease, the City may give the Authority written notice of default specifying such failure and, if such failure shall continue for ninety days after the receipt by Authority of such notice, the City may terminate the City Lease upon not less than 180 days prior written notice, provided however that the City's right to terminate shall be subject to FAA approval and upon such terms and conditions as may be required by the FAA. Simultaneously with the giving of any notice of default to the Authority, the City also shall deliver a copy of such notice to any Leasehold Mortgagee, and to any Trustee of which the City has received prior written notice from the Authority. Notwithstanding the foregoing, if any failure of performance is of such a nature that it cannot reasonably be corrected within such ninety day period, and if the Authority has commenced to remedy its failure promptly after the receipt of such notice and shall continuously and diligently proceed in good faith to correct such failure of performance, then the period for correction shall be extended for such length of time as is reasonably necessary to complete the same.

Indemnification

Indemnification of the Authority by the City. The City shall defend, indemnify and hold harmless the Authority and its directors, officers, agents and employees from and against all liabilities, claims, actions, demands, damages and costs of every nature, including attorneys' fees, brought against the Authority and its directors, officers, employees or agents, for any injury to person (including wrongful death) or damage to property directly or indirectly arising out of, or incidental to, the City Lease or occasioned by the negligence or willful misconduct of the City, its officers, employees and agents, except that the City will not be required to indemnify and save harmless the Authority and its agents, officers and employees for those occurrences caused by the Authority, its officers, employees or agents, or any third party's negligence or willful misconduct. The City shall defend the Authority and its directors, officers, agents and employees with regards to any occurrence until a final determination (including the exhaustion of all appeals of said determination) has been made by a court of competent jurisdiction or a duly impaneled petit jury that an occurrence or occurrences were caused by the Authority's negligence or willful misconduct and/or were caused by any third party's negligence or willful misconduct and/or the City, its agents, officers and employees did not commit negligence or willful misconduct.

Additional Indemnification of the Authority by the City. The City further shall indemnify and hold harmless the Authority and its directors, officers, employees, agents and attorneys from all costs and liabilities of every kind arising from (a) any claim by employees of the City or former employees of the City for benefits or compensation, except as otherwise specifically provided in the City Lease; (b) any claim related to the collection or disposition of funds received by the City under any Grant Agreements to the extent any such claim arises from any negligent acts or omissions of the City (or its representatives) or violations by the City (or its representatives) of the Grant Agreements; and (c) any claim made with respect to violations of the Grant Agreements to the extent any such claim arises from any negligent acts or omissions of the City (or its representatives). Notwithstanding anything to the contrary contained in this section, the City shall not be required to indemnify the Authority, its directors, officers, employees, agents and attorneys to the extent that any liability or claim (i) caused by the willful misconduct or negligent acts or omissions of the Authority, its directors, officers, employees, agents or attorneys or any third party's negligence or willful misconduct, or (ii) is covered by Authority's liability insurance.

Authority Indemnification of the City. The Authority shall defend, indemnify and hold harmless the City and its officers, agents and employees from and against all liabilities, claims, actions, demands, damages and costs of every nature, including attorneys' fees, brought against the City and its officers, employees or agents, for any injury to person (including wrongful death) or damage to property directly or indirectly arising out of, or incidental to (a) the City Lease; and (b) any claim related to the collection or disposition of funds received by Authority under any Grant Agreements to the extent any such claim arises from any negligent acts or omissions of Authority (or its representatives) or violations by the Authority (or its representatives) of the Grant Agreements; and (c) occasioned by the negligence or willful misconduct of the Authority, its officers, employee and agents, except that the Authority will not be required to indemnify and save harmless the City and its agents, officers and employees for those occurrences (i) caused by the City, its officers, employees or agents, or any third party's negligence or willful misconduct; (ii) covered by City insurance; or (iii) relating to the tax-exempt status of City Debt. The Authority shall defend the City, and its agents, officers and employees with regards to any occurrence until a final

determination (including the exhaustion of all appeals of said determination) has been made by a court of competent jurisdiction or a duly impaneled petit jury that an occurrence or occurrences were caused by the City's negligence or willful misconduct and/or were caused by any third party's negligence or willful misconduct and/or the Authority, its directors, officers, agents and employees did not commit negligence or willful misconduct.

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APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

Syracuse Regional Airport Authority
1000 Colonel Eileen Collins Boulevard
Syracuse, New York 13212

**Re: \$35,105,000 Syracuse Regional Airport Authority Senior Airport Revenue Refunding Bonds,
Series 2021 (AMT)**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, issuance, and sale by the Syracuse Regional Airport Authority (the "Authority") of its \$35,105,000 Senior Airport Revenue Refunding Bonds, Series 2021 (AMT) (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to the Syracuse Regional Airport Authority Act (N.Y. Pub. Auth. L. §§2799-aaa – 2799-zzz), the Master Resolution dated September 24, 2021 (the "Master Resolution"), the First Supplemental Resolution dated September 24, 2021 (the "First Supplemental Resolution" and, together with the Master Resolution, the "Resolution"), and a related Certificate of Determination dated as of October 28, 2021 (the "Certificate of Determination"). The proceeds of the Series 2021 Bonds will be used to (i) current refund the City of Syracuse's (the "City") General Obligation Airport Terminal Security and Access Improvement Bonds, Series 2011A (Subject to the Alternative Minimum Tax) (the "Series 2011A Bonds"), (ii) current refund the Airport Terminal Grant Anticipation Notes (Syracuse Regional Airport Authority), Series 2019 (the "Series 2019 Notes"), (iii) fund a portion of the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds. The Series 2021 Bonds are issued in fully registered form and are dated, are in such denominations, bear interest, mature and are subject to redemption prior to maturity as set forth in the Series 2021 Bonds. The Series 2021 Bonds are payable as to principal or redemption price at the principal corporate trust office of Manufacturers and Traders Trust Company, as trustee under the Resolution (the "Trustee").

All capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Master Resolution.

The Series 2021 Bonds and all other Bonds hereafter issued for the purposes and upon the terms and conditions set forth in the Master Resolution are equally and ratably secured by a pledge of the Net Revenues. Pursuant to the First Supplemental Resolution and Certificate of Determination, the Authority has designated certain of the Series 2021 Bonds as PFC Bonds. In accordance with the Master Resolution and pursuant to the First Supplemental Resolution, Net Revenues, with respect to the Series 2021 Bonds designated as PFC Bonds, also include Available PFC Revenues.

As bond counsel, we have examined the Act and such constitutional provisions, statutes and regulations of the State of New York, and such other records and documents of the Authority as we have deemed necessary for purposes of this opinion. We have also examined certified copies of the Master Resolution, the First Supplemental Resolution, the Certificate of Determination, together with certifications, opinions, agreements, reports, affidavits, receipts, and other documents which we have considered relevant, including, without limitation, an opinion of the General Counsel of the Authority and a certification of the authorized officers of the Authority having responsibility for issuing the Series 2021 Bonds.

In rendering the opinions below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications, and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon.

Based upon the foregoing, we are of the opinion that:

1. The Series 2021 Bonds have been duly authorized and issued in accordance with the Constitution and the statutes of the State of New York, the Act, the Master Resolution, the First Supplemental Resolution, and the Certificate of Determination and constitute valid and binding limited obligations of the Authority enforceable in accordance with their terms payable on a parity with all Bonds hereafter issued under the Master Resolution, from, and secured equally and ratably with such Bonds by, the Net Revenues (including, as applicable, the Available PFC Revenues) pledged to the payment thereof pursuant to the Master Resolution.

2. The Master Resolution and First Supplemental Resolution have been duly adopted by the members of the Authority, and the provisions of the foregoing resolutions are valid and binding upon the Authority and enforceable in accordance with their terms, and the holders of the Series 2021 Bonds are entitled to the security and benefits of said resolutions.

3. Under existing statutes, interest on the Series 2021 is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York), and the Series 2021 Bonds are exempt from taxation directly imposed thereon by or under the authority of the State of New York, except for estate and gift taxes and taxes on transfers.

4. Under existing statutes and court decisions, and assuming compliance with certain tax covenants described herein, interest on the Series 2021 Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any Series 2021 Bonds for any period during which such Series 2021 Bond is owned by a person who, within the meaning of Section 147(a) of the Code is a "substantial user" of the facilities financed or refinanced with proceeds of the Series 2021 Bonds or any person who is related to such person; and (b) treated as an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021 Bonds in order that interest on the Series 2021 Bonds be and remain not includable in gross income under Section 103 of the Code. These requirements include provisions which prescribe yield and other limits relative to the investment of proceeds of the Series 2021 Bonds and other amounts and require that certain earnings be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2021 Bonds to become subject to Federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance is ascertained. We have examined the Resolution and the Authority's Arbitrage and Tax Certificate, which, in our opinion, establish procedures under which the applicable Code requirements can be satisfied. In rendering our opinion, we have assumed that the Authority will comply with and abide by the terms of the Resolution and the Arbitrage and Tax Certificate.

In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2021 Bonds, and have assumed compliance with the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

We express no opinion regarding Federal, state, or local tax consequences with respect to the Series 2021 Bonds except as expressly set forth herein. We have rendered our opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise, or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2021 Bonds, or under state and local tax law.

Finally, we call to your attention that the rights of the holders of the Series 2021 Bonds and the enforceability thereof and of Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other laws or equitable principles affecting creditors' rights generally.

Very truly yours

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX F

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions.

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean Syracuse Regional Airport Authority, a body politic and corporate constituting a public benefit corporation created and existing under the Syracuse Regional Airport Authority Act, constituting Title 34 of Article 8, as amended, of the Public Authorities Law of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Repository” shall mean the MSRB, as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as such Rule may be amended from time to time.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“Securities” shall mean the Issuer’s \$34,995,000* Senior Airport Revenue Refunding Bonds, Series 2021 (AMT) (the “Series 2021 Bonds”).

“Underwriter” shall mean Morgan Stanley & Co. LLC, as underwriter of the Series 2021 Bonds required to comply with the Rule in connection with the offering of the Series 2021 Bonds.

Section 2. Obligation to Provide Continuing Disclosure.

(a) Pursuant to the Rule, through and in accordance with EMMA, the Issuer hereby undertakes, for the benefit of Holders, to provide or cause to be provided:

- (i) to the MSRB no later than December 31st following the end of each fiscal year, commencing with the fiscal year ending June 30, 2022, the Annual Information relating to such fiscal year, together with audited financial

* Preliminary, subject to change.

statements of the Issuer for such fiscal year if audited financial statements are then available; *provided, however*, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the MSRB within sixty (60) days after they become available and in no event later than the June 30th of the following fiscal year; and

(ii) to the MSRB, notice of the following events, in a timely manner, not in excess of the (10) business days of the occurrence of any of such event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;
- (7) modifications to rights of holders of the Series 2021 Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances of Series 2021 Bonds;
- (10) release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material;
- (11) rating changes on the Series 2021 Bonds;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Bond holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (15) and (16): For the purposes of the events identified in clauses (15) and (16i) above, the term “financial obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(iii) to the MSRB, in a timely manner, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof the audited financial statements or any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

(d) Each notice of an event hereunder shall indicate that it is a notice of an event and shall include the CUSIP number of the Issuer or the CUSIP numbers of the Securities.

(e) Unless otherwise required by law and, in the Issuer’s sole determination, subject to technical and economic feasibility, the Issuer shall employ such methods of information and notice transmission as shall be requested or recommended by the recipients of the Issuer’s information and notices.

Section 3. Annual Information.

(a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer’s final official statement relating to the Securities in the following tables:

- Syracuse International Airport – Historical Enplanements
- Syracuse International Airport – Airlines Serving the Airport
- Syracuse International Airport – Historical Passenger Enplanements and Market Share by Airline
- Syracuse International Airport – Historical Landed Weight by Airline
- Syracuse International Airport – Passenger Airline Revenue per Enplaned Passenger
- Syracuse International Airport – Debt Service Coverage (on an actual basis commencing with FY 2022)

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with the MSRB. If such a document is a final official statement, it also must be available from the MSRB.

(c) Annual information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statement or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer’s annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; *provided that* the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed and delivered solely for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any Holders, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in the Rule (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; *provided that* any such modifications shall comply with the requirements of the Rule in effect at the time of such modification; or

(f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with the Rule in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer may rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full, or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the MSRB. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders, as contemplated under the Rule.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of October 28, 2021.

SYRACUSE REGIONAL AIRPORT
AUTHORITY

By: _____
Robin Watkins, CPA
Chief Financial Officer

