NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: "A3"
S&P: "A+"
(See "RATINGS" herein)

In the opinion of Pope Flynn, LLC, Bond Counsel to the District, under existing law, assuming continuing compliance by the District with certain covenants and the accuracy of certain representations, interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Such interest is, however, included in the "adjusted financial statement income" of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. Interest on the Series 2024B Bonds is not excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, the 2024 Bonds and the interest thereon are exempt from all State, county, municipal, school district, and other taxes and assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes. See "TAX MATTERS" herein for a description of these and other tax considerations.

GSP INTERNATIONAL AIRPORT
ROGER MILLIKEN FIELD

$103,225,000
GREENVILLE-SPARTANBURG AIRPORT DISTRICT
SOUTH CAROLINA

$37,220,000	$66,005,000
Airport Revenue Bonds	**Taxable Airport Revenue Bonds**
Series 2024A (Non-AMT)	**Series 2024B**

Dated: Date of Issuance **Due: As shown on inside front cover page**

The $37,220,000 Airport Revenue Bonds, Series 2024A (Non-AMT) (the *"Series 2024A Bonds"*) and $66,005,000 Taxable Airport Revenue Bonds, Series 2024B (the *"Series 2024B Bonds"* and together with the Series 2024A Bonds, the *"2024 Bonds"*) of the Greenville-Spartanburg Airport District (the *"District"*) and the interest thereon will be special obligations of the District payable from Net Revenues and other funds held by the Trustee under the Resolutions (as such terms are defined herein) pledged to the payment thereof. The 2024 Bonds are being issued to provide funds (i) to pay or reimburse the District for costs of the 2024 Project (as defined herein), (ii) to fund the Reserve Requirement in the Debt Service Reserve Fund (as such terms are defined herein) with respect to the 2024 Bonds, and (iii) to pay certain costs and expenses relating to the issuance and sale of the 2024 Bonds.

Upon issuance, the 2024 Bonds will bear interest payable semiannually on January 1 and July 1, of each year, commencing January 1, 2025, at the rates, and will mature on the dates and in the amounts, set forth on the inside front cover page. The 2024 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as provided herein. See "DESCRIPTION OF THE 2024 BONDS – Redemption" herein.

THE 2024 BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT, PAYABLE SOLELY FROM THE NET REVENUES AND OTHER FUNDS HELD BY THE TRUSTEE PLEDGED TO THE PAYMENT THEREOF. THE PLEDGE OF NET REVENUES IS ON A PARITY WITH THE PLEDGE OF NET REVENUES SECURING THE DISTRICT'S 2020 NOTE (SEE "FINANCIAL MATTERS OF THE DISTRICT – Outstanding District Indebtedness") AND ANY ADDITIONAL BONDS (AS DEFINED HEREIN) ISSUED FROM TIME TO TIME ON A PARITY THEREWITH, ALL AS MORE FULLY DESCRIBED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS.

The 2024 Bonds will initially be issued in fully registered form and 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 securities depository for the 2024 Bonds, and purchases of beneficial ownership interest in such 2024 Bonds will be made in book-entry only form through brokers and dealers who are, or act through, DTC Participants. Purchasers will not be entitled to receive physical delivery of the 2024 Bonds. For so long as any purchaser is the beneficial owner of a 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal of and interest on such 2024 Bond. See "DESCRIPTION OF THE 2024 BONDS – Book-Entry Only System" herein.

The 2024 Bonds are offered when, as and if issued by the District and accepted by the Underwriters (as defined herein) subject to the approval of legality of the 2024 Bonds by Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Pope Flynn, LLC is also serving as Disclosure Counsel to the District in connection with the offer and sale of the 2024 Bonds. Certain legal matters will be passed upon for the District by its counsel, Womble Bond Dickinson (US) LLP, Greenville, South Carolina, and for the Underwriters by McGuireWoods LLP, Atlanta, Georgia. Frasca & Associates, LLC, Atlanta, Georgia, is serving as Financial Advisor to the District. It is expected that delivery of the 2024 Bonds will be made against payment therefor through the facilities of DTC, on or about August 29, 2024.

BofA Securities **TD Securities**

Dated: August 13, 2024

MATURITY SCHEDULE

$37,220,000
Airport Revenue Bonds
Series 2024A (Non-AMT)

$37,220,000, 5.250% Term Bonds due July 1, 2054, Yield 4.170%[1] CUSIP[2] 396613DJ7

$66,005,000
Taxable Airport Revenue Bonds
Series 2024B

Due July 1	Principal Amount	Interest Rate	Yield	CUSIP[2]	Due July 1	Principal Amount	Interest Rate	Yield	CUSIP[2]
2025	$1,295,000	4.748%	4.748%	396613DK4	2033	$2,220,000	5.006%	5.006%	396613DT5
2026	1,605,000	4.748	4.748	396613DL2	2034	2,330,000	5.056	5.056	396613DU2
2027	1,685,000	4.614	4.614	396613DM0	2035	2,450,000	5.106	5.106	396613DV0
2028	1,760,000	4.587	4.587	396613DN8	2036	2,575,000	5.156	5.156	396613DW8
2029	1,840,000	4.637	4.637	396613DP3	2037	2,705,000	5.206	5.206	396613DX6
2030	1,925,000	4.742	4.742	396613DQ1	2038	2,850,000	5.256	5.256	396613DY4
2031	2,020,000	4.792	4.792	396613DR9	2039	3,000,000	5.306	5.306	396613DZ1
2032	2,115,000	4.956	4.956	396613DS7					

$33,630,000, 5.585% Term Bonds due July 1, 2048, Yield 5.585%, CUSIP[2] 396613EA5

[1] Yield to first optional redemption date of July 1, 2034 at 100%.

This Official Statement does not constitute an offering of any security other than the original offering of the 2024 Bonds identified on the cover pages hereof. No dealer, broker, sales representative or other person has been authorized by the District or BofA Securities, Inc. and TD Securities (together, the "*Underwriters*"), to give any information or to make any representations 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 District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the 2024 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the District. Information in this Official Statement has been obtained by the District from sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction; however, the Underwriters do not guarantee the accuracy or completeness of such information.

U.S. Bank Trust Company, National Association, as Trustee, Paying Agent and Registrar, has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the 2024 Bonds; or (iii) the tax-exempt status of the interest on the Series 2024A Bonds.

UPON EXECUTION AND DELIVERY, THE 2024 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE, AND NO INDENTURE WILL BE QUALIFIED WITH RESPECT TO THE 2024 BONDS UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE 2024 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF OR THE EARLIER DATES SET FORTH HEREIN AS OF WHICH CERTAIN INFORMATION CONTAINED HEREIN IS GIVEN.

The information in the section "DESCRIPTION OF THE 2024 BONDS - Book-Entry Only System" herein has been obtained from DTC, and no representation is made by the District or the Underwriters as to the completeness or accuracy of such information.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

Cautionary Statement Regarding Forward-Looking Information

This Official Statement contains forecasts, projections, estimates and other forward-looking statements that are based on current expectations, including, without limitation, the information under the heading, "REPORT OF THE AIRPORT CONSULTANT" and in Appendix A – "Report of the Airport Consultant." The words "expects," forecasts," "projects," "intends," anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, pandemics and other health concerns, federal, state and local statutory and regulatory initiatives, litigation, population changes, financial conditions of individual air carriers and the airline industry, technological change, changes in the tourism industry, changes at other service area airports, seismic events, international agreements or regulations governing air travel, and various other events, conditions and circumstances, many of which are beyond the control of the District. These forward-looking statements speak only as of the date of this Official statement. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT

AIRPORT COMMISSIONERS

Minor Shaw, Chair
Doug Smith, Vice Chair
Leland Burch
Valerie Miller
Jay Beeson
Hunter Cuthbertson

PRESIDENT/CEO

David N. Edwards, Jr., A.A.E.

SENIOR VICE PRESIDENT/COO

Kevin Howell, I.A.P., C.M.

VICE PRESIDENT/CFO

Thomas Brooks

DISTRICT COUNSEL

Womble Bond Dickinson (US) LLP

BOND AND DISCLOSURE COUNSEL

Pope Flynn, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Forvis Mazars, LLP

AIRPORT CONSULTANT

Landrum & Brown, Incorporated

FINANCIAL ADVISOR

Frasca & Associates, LLC

(The Table of Contents for this Official Statement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Official Statement or the Appendices attached hereto.)

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OFFICIAL STATEMENT

$103,225,000
GREENVILLE-SPARTANBURG AIRPORT DISTRICT
SOUTH CAROLINA

$37,220,000 Airport Revenue Bonds Series 2024A (Non-AMT)	$66,005,000 Taxable Airport Revenue Bonds Series 2024B

INTRODUCTION

This Official Statement, which includes the cover pages and the appendices hereto, provides certain information concerning the Greenville-Spartanburg Airport District, South Carolina (the "*District*"), the Greenville-Spartanburg International Airport (the "*Airport*") and certain other information in connection with the issuance by the District of its $37,220,000 Airport Revenue Bonds, Series 2024A (Non-AMT) (the "*Series 2024A Bonds*") and $66,005,000 Taxable Airport Revenue Bonds, Series 2024B (the "*Series 2024B Bonds*" and together with the Series 2024A Bonds, the "*2024 Bonds*"). Unless otherwise indicated, capitalized terms used in this Official Statement have the meanings established in the hereinafter defined Master Resolution and the Second Supplemental Resolution. See "SUMMARY OF DEFINED TERMS" in Appendix C – "Summary of the Resolutions."

The 2024 Bonds are being issued under Title 55, Chapter 11, Article 3 and Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (collectively, the "*Act*"); a Master Bond Resolution adopted by the Greenville-Spartanburg Airport Commission, the governing body of the District (the "*Commission*"), on July 8, 2024 (as amended from time to time, the "*Master Resolution*"), as supplemented, including particularly by the Second Supplemental Airport System Revenue Bond Resolution adopted by the Commission on July 8, 2024 (the "*Second Supplemental Resolution*" and, together with the Master Resolution, the "*Resolutions*"). The proceeds of the 2024 Bonds will be used, with other available funds, to (1) pay or reimburse the District for the costs of the design and construction of a five-story approximately 1,500-space parking garage on the campus of the Airport (the "*2024 Project*," as more particularly defined herein), (2) fund the Reserve Requirement in the Debt Service Reserve Fund with respect to the 2024 Bonds, and (3) pay certain costs and expenses relating to the issuance of the 2024 Bonds. U.S. Bank Trust Company, National Association is acting as Trustee, Paying Agent and Bond Registrar under the Resolutions. See "DESCRIPTION OF 2024 PROJECT AND THE CAPITAL IMPROVEMENT PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2024 Bonds will be secured by and payable from the Net Revenues (as more particularly defined herein) on a parity with the 2020 Note (as defined herein) and any additional bonds hereafter issued from time to time on a parity therewith ("*Additional Bonds*," as such term is more particularly defined herein). See "FINANCIAL MATTERS OF THE DISTRICT – Outstanding District Indebtedness."

DESCRIPTION OF THE 2024 BONDS

General

The 2024 Bonds will be issued in denominations of $5,000 or any integral multiple thereof, dated their date of delivery and bear interest at the rates set forth on the inside front cover page. Interest on the 2024 Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2025, to the persons whose names appear on the registration books kept by the Bond Registrar on the 15th day (whether or not a business day) of the calendar month next preceding the interest payment date. The 2024 Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page.

The 2024 Bonds will be initially issued under a book-entry only system and will be registered in the name of Cede & Co., as nominee for DTC, which will act as bond depository for the 2024 Bonds. Principal or redemption price of and interest on the 2024 Bonds are payable by the Paying Agent to Cede & Co., so long as Cede & Co. is the registered owner of the 2024 Bonds, as nominee for DTC, which will, in turn, remit such principal, redemption premium, if any, and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "– Book-Entry Only System."

Should the 2024 Bonds no longer be held in book-entry only form, the 2024 Bonds will be payable and subject to registration and transfer as provided in the Resolutions.

Redemption

Optional Redemption of 2024 Bonds. The 2024 Bonds maturing on or after July 1, 2035, may be redeemed prior to their maturities, at the option of the District, in whole or in part, on any date on or after July 1, 2034, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date.

Sinking Fund Redemption of the 2024 Bonds. The Series 2024A Bonds maturing on July 1, 2054 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the Series 2024A Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT
2048	$2,030,000
2049	5,140,000
2050	5,410,000
2051	5,695,000
2052	5,995,000
2053	6,310,000
2054†	6,640,000

†Maturity.

The Series 2024B Bonds maturing on July 1, 2048 are subject to mandatory sinking fund redemption in part on July 1 in each year, by lot, at a redemption price equal to 100% of the principal amount of the Series 2024B Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT
2040	$3,155,000
2041	3,335,000
2042	3,520,000
2043	3,715,000
2044	3,925,000
2045	4,140,000
2046	4,375,000
2047	4,620,000
2048†	2,845,000

†Maturity.

Notice of Redemption. Notice of redemption of any 2024 Bonds will be given by the Bond Registrar on behalf of the District at least 20 days before the date fixed for redemption (1) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (2) if DTC or its nominee is no longer the Owner of the 2024 Bonds, by first class mail to the Owners of 2024 Bonds to be redeemed at the last address shown on the registration books kept by the Bond Registrar. The District may provide that any notice of redemption may be rescinded or withdrawn at any time prior to the date fixed for redemption in the sole discretion of the District.

Selection of Series 2024A Bonds for Redemption. The District shall select the maturities of the Series 2024A Bonds to be optionally redeemed. If the Series 2024A Bonds to be optionally redeemed are subject to mandatory sinking fund redemption, the District shall designate to the Trustee the mandatory sinking fund payment or payments to which the principal amount of such Series 2024A Bonds of the maturity optionally redeemed shall be credited. Except as otherwise described in "– Book-Entry Only System," if less than all of a maturity of the Series 2024A Bonds is to be redeemed, the Series 2024A Bonds to be redeemed shall be selected by lot in such manner as the Trustee shall determine.

Selection of Series 2024B Bonds for Redemption. The District shall select the maturities of the Series 2024B Bonds to be optionally redeemed. If less than all of the Series 2024B Bonds of a maturity are redeemed prior to their respective stated maturity dates, the particular Series 2024B Bonds to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with the rules and procedures of DTC. It is the District's intent that redemption allocations made by DTC, the DTC participants or such other intermediaries that may exist between the District and the beneficial owners of the Series 2024B Bonds shall be made on a pro-rata pass-through distribution of principal basis. However, so long as the Series 2024B Bonds are in book-entry only form, the selection for redemption of such Series 2024B Bonds shall be made in accordance with the operational arrangements of DTC then in effect. Neither the District nor the Trustee shall provide any assurance or shall have any responsibility or obligation to ensure that DTC, the DTC participants or any other intermediaries allocate redemptions of the Series 2024B Bonds among beneficial owners on a pro-rata pass-through distribution of principal basis. If the DTC operational arrangements do not allow for the redemption of the Series 2024B Bonds on a pro-rata pass-through distribution of principal basis, the Series 2024B Bonds shall be selected for redemption, in accordance with DTC procedures, by lot. See "– Book-Entry Only System."

The portion of any Series 2024B Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or any integral multiple thereof.

Effect of Notice of Redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions described above and money for the payment of the redemption price being held by the Paying Agent, the 2024 Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor. From and after such date, interest on the 2024 Bonds or portions thereof called for redemption will cease to accrue; such 2024 Bonds or portions thereof will cease to be entitled to any liens, benefits or security under the Resolutions or to be deemed Outstanding; and the Owners of such 2024 Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2024 Bond will be issued for each maturity and Series of the 2024 Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's (hereinafter defined) rating of 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 (which is not intended to be an active hyperlink).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of the actual purchaser of each 2024 Bond ("*Beneficial Owner*") is in turn to be recorded on the DTC Participants' Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. 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 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2024 Bonds, except in the event that use of the book-entry only system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024 Bonds within a maturity and Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 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 District 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the 2024 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 DTC Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District, the Bond Registrar or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the District, the Bond Registrar or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, the Bond Registrar or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2024 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The District 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.

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Sources of Payment

The Resolutions provide that the 2024 Bonds, the 2020 Note and any Additional Bonds hereafter issued are special obligations of the District payable solely from and secured as to payment of principal and interest by a pledge of and lien upon the Net Revenues derived from the operation of the Airport System and funds established by the Resolutions pledged to the payment of Bonds. **THE DISTRICT HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWER TO THE PAYMENT OF THE BONDS EITHER AS TO PRINCIPAL OR INTEREST**. See "THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Taxing Power and Authority to Issue General Obligation Indebtedness." Upon the date of issuance of the 2024 Bonds, the 2024 Bonds and the 2020 Note will be the only obligations of the District outstanding under the Resolutions. Under the Resolutions, "*Net Revenues*" means, for any given period, the Revenues for such period less the Operation and Maintenance Expenses for such period. As set forth in the Master Resolution, "Net Revenues" are, for purposes of the rate covenant and tests for the issuance of Additional Bonds, subject to adjustment for certain non-cash and other items. See "SUMMARY OF DEFINED TERMS" in Appendix C – "Summary of the Resolutions" for a full definition of "Net Revenues."

"*Revenues*" is defined under the Master Resolution to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings (interest or otherwise) and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles applicable to governmental entities, as modified from time to time, including, but not limited to, (i) rates, tolls, fees, rentals, charges and other payments made to or owed to the District for the use or availability of the Airport System; and (ii) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the District, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the District or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the District receives payments which are attributable to the Airport System or activities or undertakings related thereto. Under the Master Resolution, "Revenues" also includes 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 as provided in the Master Resolution) from the investment of amounts held in the Gross Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund and the Common Reserve Account and any Series Debt Service Reserve Account established therein, and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution.

The following, including any investment earnings thereon, are specifically excluded from Revenues:

(a) any amounts received by the District from the imposition of *ad valorem* taxes;

(b) gifts, grants and other income (including any investment earnings thereon) otherwise included in the definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds;

(c) Net Proceeds and other insurance proceeds received with respect to the Airport System (other than business interruption insurance); and

(d) 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) Rental Credit, (B) Passenger Facility Charges, (C) Customer Facility Charges, (D) Federal Direct Payments, (E) Released Revenues, (F) subject to (b) 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 System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) 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.

For purposes of the tests for the issuance of Additional Bonds and the rate covenant provisions of the Master Resolution, "Revenues" may include any unencumbered amounts on deposit in the Revenue Fund carried forward from a previous Fiscal Year and credited to the Rolling Coverage Account.

"*Operation and Maintenance Expenses*" is defined under the Master Resolution to mean the reasonable and necessary costs paid or incurred by the District for maintaining and operating the Airport System, determined in accordance with generally accepted accounting principles applicable to governmental entities, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Airport System, such as salaries and wages of employees, payments for pensions and other employment or post-employment benefit obligations, overhead, taxes (if any) and insurance premiums, governmental charges and assessments, any Bond Registrar or Paying Agent fees, and including all other reasonable and necessary costs of the District or charges required to be paid by the District in order to comply with the terms of the Master Resolution; but excluding in all cases: (i) reserves for depreciation, replacement, litigation or obsolescence; and (ii) any Operation and Maintenance Expenses payable from money other than Revenues.

Pursuant to the Second Supplemental Resolution, the Commission designated Customer Facility Charges received in each of the Fiscal Years ending in 2025 through 2034 which the District determines are allocable to land use charges or eligible for the payment of principal, interest and other amounts payable with respect to Bonds or for the payment of Operation and Maintenance Expenses as Revenues for purposes of the Master Resolution. In addition, Customer Facility Charges received in each Fiscal Year after the Fiscal Year 2034 which the District determines are allocable to land use charges or eligible for the payment of principal, interest and other amounts payable with respect to Bonds or for the payment of Operation and Maintenance Expenses have also been designated and included as Revenues for purposes of the Master Resolution until such time as the Commission by Supplemental Resolution excludes and removes Customer Facility Charges from Revenues for purposes of the Master Resolution; provided, however, that the Commission shall take no action by Supplemental Resolution or otherwise to exclude and remove Customer Facility Charges from Revenues for purposes of the Master Resolution unless the Commission first obtains a certificate to the effect that the District will be in compliance with the rate covenant provisions of the Master Resolution when Customer Facility Charges are no longer designated as Revenues. See "– Rate Covenant" and "SUMMARY OF THE SECOND SUPPLEMENTAL RESOLUTION – Designation of Customer Facility Charges (CFCs) as Revenues with Respect to 2024 Bonds" in Appendix C – "Summary of the Resolutions."

THE 2024 BONDS SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE-PRODUCING PROJECT NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE, AND THE DISTRICT HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWER TO THE PAYMENT OF THE 2024 BONDS.

Rate Covenant

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

(a) the Annual Debt Service on any Outstanding Bonds required to be funded by the District 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 Common Reserve Account and any Series Debt Service Reserve Account that may be established by a Supplemental Resolution;

(c) the required deposits to the Operating and Maintenance Reserve Fund required by the Master Resolution;

(d) the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Resolution;

(e) 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

(f) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

The District also covenants that it will, at all times while any Bonds shall be Outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year (subject to the limitation stated in the following sentence), will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of the preceding sentence, the balance in the Rolling Coverage Account which may be taken into account may not exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

Creation of Funds and Accounts

The Master Resolution provides for the establishment of the following funds:

(a) Gross Revenue Fund to be held by the District;

(b) Operating and Maintenance Fund to be held by the District;

(c) Debt Service Fund to be maintained in trust and held by the Trustee, in which there is established a separate Account for each Series of Bonds;

(d) Debt Service Reserve Fund to be maintained in trust and held by the Trustee, in which there is established a Common Reserve Account and one or more Series Debt Service Reserve Accounts;

(e) Subordinate Obligation Debt Service Fund to be maintained in trust and held by the Trustee, in which there is established a separate debt service account, and a debt service reserve account;

(f) Operating and Maintenance Reserve Fund to be held by the District;

(g) Rebate Fund to be held by the District; and

(h) Airport General Fund to be held by the District, in which there is established a Rolling Coverage Account and a General Airport Account.

The money and securities in each of said Funds and Accounts shall be applied as provided in the Master Resolution. See Appendix C – "SUMMARY OF THE MASTER RESOLUTION – Receipt, Deposit and Use of Revenues Deposited into the Gross Revenue Fund," "– The Debt Service Fund" and "– The Debt Service Reserve Fund."

Application of Revenues

All Revenues derived and to be derived by the District from the operation of the Airport System, including all Revenues derived by the District from all additions, extensions, enlargements and improvements of the Airport System hereafter made or acquired, will be paid and deposited promptly in the Gross Revenue Fund. On a monthly basis, all Revenues deposited into the Gross Revenue Fund will be set aside for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed:

1. *Operation and Maintenance Expenses*. The District will first pay a sufficient amount of Revenues to pay all Operation and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District will pay all Operation and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.

2. *Debt Service Fund; Other Amounts Due on Bonds.* The District will next pay a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt

Service Fund in the amounts, at the times and in the manner provided in the Resolutions and any Supplemental Resolutions to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest (e.g., any applicable redemption premium, among others), if any, due on the Outstanding Bonds.

3. *Common Reserve Account and Series Debt Service Reserve Accounts.* The District will next pay a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account, the Series Debt Service Reserve Accounts and any other Accounts within the Debt Service Reserve Fund, if any, at the times, in such amounts, and to be used in the manner provided for in the Resolutions and any Supplemental Resolution.

4. *Subordinate Obligation Debt Service Fund.* The District will next pay from the Gross Revenue Fund, a sufficient amount of Revenues to the Subordinate Obligation Debt Service Fund and related debt service or debt service reserve account(s), if any, such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including any Subordinate Obligations, issued pursuant to the terms of a resolution of the Commission, but only to the extent a specific pledge of Net Revenues has been made pursuant to such subordinate resolution to the payment of debt service on such indebtedness.

5. *Operating and Maintenance Reserve Fund.* The District will next pay into the Operating and Maintenance Reserve Fund 1/12th of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to 1/4th of the amount of operating expenses budgeted by the District for the current Fiscal Year. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to 1/4th of the amount of operating expenses budgeted by the District for the current Fiscal Year, no deposit is required.

6. *Rebate Fund.* The District will next pay into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.

7. *Airport General Fund.* When and after the District has made all monthly payments and credits from the Gross Revenue Fund required at the time to be made under the Resolutions and any Supplemental Resolutions, all remaining money in the Gross Revenue Fund will be credited to the Airport General Fund. Money in the Airport General Fund will be used for any lawful purpose of the Airport System. As determined by the District, money paid and credited to the Airport General Fund will be deposited into, and may be subsequently transferred among the Rolling Coverage Account, the General Airport Account, and such other Accounts as may be established therein by the District from time to time, unless otherwise provided in a Supplemental Resolution, and in such priority as the District may determine.

(a) *Rolling Coverage Account* – the District may deposit money from the Airport General Fund into the Rolling Coverage Account in such amounts as it may determine. Unless otherwise required by a Supplemental Resolution, the District is not required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money in the Rolling Coverage Account may be taken into account for purposes of meeting the test for the issuance of Additional Bonds and the rate covenant required by the Master Resolution, or transferred from this Account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.

(b) *General Airport Account* – subject to compliance with the immediately succeeding paragraph, all remaining money in the Airport General Fund not deposited to the Rolling

Coverage Account shall be deposited into the General Airport Account or such other Accounts as may be established by the District and may be accumulated by the District to be used to fund equipment purchases or capital outlays that are included in the budget for the Airport System for a Fiscal Year, to fund all or any portion of other capital projects that are included in the budget for the Airport System for a Fiscal Year, and to pay the costs of any future capital project or projects (whether or not such projects have been specifically identified), transferred to any other Fund or Account, or used by the District for any other lawful purpose of the Airport System.

Money in the Gross Revenue Fund shall be withdrawn and made use of only in the manner and in the order of priority specified above. So long as the District establishes, under generally accepted accounting principles applicable to governmental entities, proper records of receipts and disbursements from the Gross Revenue Fund, the Gross Revenue Fund may be used for the purposes of the Operating and Maintenance Fund, the Operating and Maintenance Reserve Fund, the Rebate Fund, and the Airport General Fund.

The Master Resolution defines General Obligation Bonds of the District as "indebtedness of the District secured in whole or in part by a pledge of its full faith, credit, and taxing power." There are currently no General Obligation Bonds of the District outstanding and the District has no present intent to issue any General Obligation Bonds of the District. If any General Obligation Bonds of the District are outstanding at the end of a Fiscal Year, then within 60 days after the end of such Fiscal Year, and after all deposits required to be made into each of the Funds have been made, sufficient money remaining in the Gross Revenue Fund that are not required to make up deficiencies in any of the Funds or to pay costs of operating, maintaining, enlarging, or improving any Airport Facilities shall be transferred to the applicable County Treasurer to be applied by the applicable County Treasurer for the payment of the interest and principal on the General Obligation Bonds of the District for the next succeeding Fiscal Year; provided, however, in the event that the applicable County Treasurer has at such time sufficient moneys available for payment of the principal of and interest to come due on all the General Obligation Bonds of the District for the next succeeding Fiscal Year no such transfer need be made and such excess shall be deposited in the General Airport Account. The District may create additional Funds and Accounts to facilitate the operation of this paragraph. See "THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Taxing Power and Authority to Issue General Obligation Indebtedness."

If at any time the Revenues accruing to the Gross Revenue Fund are insufficient to make any payment or credit on the date or dates specified in the Resolutions or any Supplemental Resolution, the District shall transfer the amount of such deficiency out of the first available Revenues thereafter accruing to the Gross Revenue Fund from the operation of the Airport, such transfer being made and applied in the order specified.

Debt Service Fund

The District will create a debt service account for each Series of Bonds within the Debt Service Fund (each, a "Debt Service Account"). The Debt Service Fund and each Debt Service Account shall be held in trust by the Trustee, and amounts to be used to pay principal of and interest on such Series of Bonds shall be deposited therein and used for such purpose.

Except as otherwise provided in a Supplemental Resolution, the District shall deposit money in each Debt Service Account established for each Series of Outstanding Bonds from the Gross Revenue Fund (i) an amount equal to one-sixth ($1/6^{th}$) of the interest on Bonds of that Series bearing interest payable semi-annually scheduled to be due and payable on the next succeeding Payment Date so that there will be accumulated on such Payment Date, after taking into account interest earnings on amounts held in any such account, an amount not less than the interest on Bonds of that Series coming due on the immediately succeeding Payment Date, plus (ii) one-twelfth ($1/12^{th}$) of the principal amount on Bonds of that Series coming due by maturity or mandatory redemption on the next principal payment, maturity or mandatory redemption date, so that there will be accumulated in such account, after taking into account interest earnings on amounts held in such account, an amount not less than the principal on Bonds of that Series coming due by maturity or mandatory redemption on the immediately succeeding principal payment, maturity or mandatory redemption date. Notwithstanding any of the foregoing, no amount is required to be transferred from the Gross Revenue Fund or otherwise deposited into any Debt Service Account 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.

Debt Service Reserve Fund

The Master Resolution establishes within the Debt Service Reserve Fund, a Common Reserve Account and one or more Series Debt Service Reserve Accounts. The District, as permitted by the Master Resolution, has determined that the 2024 Bonds will participate in the Common Reserve Account. Upon their issuance, the 2024 Bonds will be the only obligations secured by the Common Reserve Account.

The Reserve Requirement applicable to the Common Reserve Account, which for the 2024 Bonds will be initially funded with proceeds of the 2024 Bonds, is defined as "an amount that is not less than the least of (i) 10% of the sum of the principal amounts (less any original issue discount and plus any original issue premium when such original issue discount or premium represents more than a *de minimis* amount) of the Bonds participating in the Common Reserve Account, (ii) the maximum annual debt service on the Bonds participating in the Common Reserve Account (determined as of the date of issuance of the most recently issued Series of Bonds participating in the Common Reserve Account or the defeasance or satisfaction by the refunding of Bonds participating in the Common Reserve Account), and (iii) 125% of the average annual debt service of the Bonds participating in the Common Reserve Account (determined as of the date of issuance of the most recently issued Series of Bonds participating in the Common Reserve Account or the defeasance or satisfaction by the refunding of Bonds participating in the Common Reserve Account); provided, that in no event shall proceeds representing more than 10% of the issue price (as defined in the Treas. Reg. § 1.148-1(f)) of any issue of Bonds be deposited in the Common Reserve Account if the interest on such issue is intended to be excluded from gross income for federal income tax purposes." Money held in the Common Reserve Account, including all Accounts established therein, will be used for the purpose of paying principal of and interest on the Bonds participating in the Common Reserve Account on a pro-rata basis with all Bonds then participating in the Common Reserve Account. If, on any Payment Date, the amounts in the Debt Service Fund for any Bonds participating in the Common Reserve Account available therefor are insufficient to pay in full the amount then due on such Bonds, money held in the Common Reserve Account will be used for the payment of principal of and interest thereon. If amounts in the Common Reserve Account consist of both cash and one or more Reserve Fund Surety Policies, the District will make any required payments of amounts in the Common Reserve Account first from any cash held in the Common Reserve Account, prior to making a draw upon any of such Reserve Fund Surety Policies. Money held in the Common Reserve Account may also be used to make any deposit required to be made to the Rebate Fund created for the Bonds participating in the Common Reserve Account at the written direction of the District if the District does not have other funds available from which such deposit can be made.

Instead of making a deposit to be made to the Common Reserve Account, the Commission may, at the time of issuance of any Series of Bonds, provide by Supplemental Resolution for the creation of a Series Debt Service Reserve Account as additional security for such Series of Bonds, and in its discretion reserving the right to allow a future Series of Bonds to participate in such Series Debt Service Reserve

Account, or provide that such Series of Bonds participate in a Series Debt Service Reserve Account previously created for an Outstanding Series of Bonds. Any Series Debt Service Reserve Account established under a Supplemental Resolution shall be funded, at the time of issuance of such Series of Bonds or over such other period of time as set forth in a Supplemental Resolution, in an amount equal to the Reserve Requirement with respect to the Bonds participating in such Series Debt Service Reserve Account.

In lieu of sharing in a Common Reserve Account or creating a Series Debt Service Reserve Account, at the time of issuance of any Series of Bonds, the Commission may provide pursuant to a Supplemental Resolution that neither a deposit to the Common Reserve Account nor a deposit to a Series Debt Service Reserve Account shall be required and that such Series of Bonds shall not be secured by the Common Reserve Account or a Series Debt Service Reserve Account.

In the event amounts in the Common Reserve Account of the Debt Service Reserve Fund exceed the Reserve Requirement for the Common Reserve Account of the Debt Service Reserve Fund, such excess allocable to the 2024 Bonds will be transferred to the applicable Debt Service Account.

Additional Bonds

The Master Resolution, subject to certain exceptions, authorizes the issuance from time to time of Bonds on a parity as to the pledge of and lien on Net Revenues in favor of the 2020 Note and the 2024 Bonds ("*Additional Bonds*"). The Bonds of any such Series shall be authenticated and delivered by the Trustee only upon receipt by Trustee from the District of:

(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), of an Authorized Officer of the District showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount on deposit in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds for each Fiscal Year after the issuance of the proposed Series of Bonds so long as the proposed Series of Bonds will be Outstanding; or

(b) (i) 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), of an Authorized Officer of the District, showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such Fiscal Year or other applicable period; and

(ii) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (a) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds. For purposes of paragraph (b)(i) and (ii) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such year.

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the District, as the Consultant believes to be appropriate. The Consultant 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.

(c) 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 (A) an Authorized Officer of the District executes a certificate 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 any Fiscal Year prior to the issuance of such Refunding Bonds in the years through the final maturity of the Outstanding Bonds to be refunded, or (B) the District obtains a report from a Consultant demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a present value basis;

(ii) if the Bonds being issued constitute Notes and an Authorized Officer of the District executes, instead, a certificate 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, accompanied by a certificate of an Authorized Officer of the District 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 District will be in compliance with the rate covenant set forth in 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 of the District and there is delivered to the District (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 District 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 money 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 money 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.

Subordinate Obligations

The District may incur indebtedness that is subordinate to the Bonds, which is defined in the Master Resolution as a "Subordinate Obligation." Subordinate Obligations may be incurred at such times and upon such terms as the Commission shall determine provided that:

1. Any resolution of the Commission authorizing the issuance of any Subordinate Obligations will specifically state that such lien on or security interest granted in the Net Revenues is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Bonds;

2. 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 to the Operation and Maintenance Fund, the Debt Service Fund, and the Debt Service Reserve Fund have been made or satisfied;

3. At the time of issuance of any Subordinate Obligations, there shall be established a debt service account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service account shall be held in trust by the Trustee, and amounts to be used to pay principal of and interest on such Subordinate Obligations shall be deposited therein and used for such purpose; and

4. The District may, at the time of issuance of any Subordinate Obligations, create a debt service reserve account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service reserve account shall be held by the Trustee for the purpose described in the Supplemental Resolution authorizing the issuance of such Subordinate Obligations.

Special Facility Obligations

The District shall be permitted to designate new or existing Airport Facilities as Special Facilities as permitted in the Master Resolution. The District may, from time to time, and subject to such terms and conditions, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a "Special Facility," (b) 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, without a pledge of any Net Revenues (except as otherwise provided in clause (c) of the succeeding paragraph), (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the District from such Special Facility to the extent necessary to pay debt service on the Special Facility Obligations, to pay all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the District and to make all required sinking fund, reserve or other payments as the same become due, be "Special Facilities Revenue" and not included as Revenues or

Net Revenues unless otherwise provided in any Supplemental Resolution, and (d) provide that the debt so incurred shall be a "Special Facility Obligation." Special Facility Obligations shall not be issued under the Master Resolution.

Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (a) Special Facilities Revenue, which shall include contractual payments derived by the District under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the District and another person, firm or corporation, either public or private, as shall undertake the operation of a Special Facility, (b) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, or (c) subject to any covenants or other provisions of the Master Resolution, such Net Revenues, or other money not included in Net Revenues, made available by the District through a specific pledge 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 Commission, if any.

To the extent Special Facilities Revenue received by the District during any Fiscal Year shall exceed the amounts required to be paid as described in clause (c) of the first paragraph of this subheading for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Commission.

Notwithstanding any other provision described in this subheading, 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 generated by such Special Facility shall be included as Revenues.

DESCRIPTION OF THE 2024 PROJECT AND THE CAPITAL IMPROVEMENT PLAN

Description of the 2024 Project

The 2024 Bonds are being issued to finance the cost of the design and construction of an approximately 1,500-space parking garage on the campus of the Airport (the "*2024 Project*"). The first three levels of the garage are anticipated to be used by the Airport's rental car concessionaires and will provide approximately 750 ready/return spaces, with the approximately 750 spaces on the top two levels dedicated to public parking. The total estimated cost of the 2024 Project is approximately $98 million. Upon completion, the new parking garage will be designated by the District as "Garage C."

Architectural and engineering plans and specifications have been completed for the 2024 Project. After a solicitation of proposals, the District has entered into a guaranteed maximum price construction contract with Brasfield & Gorrie, L.L.C. (the "*Contractor*") for the construction of the 2024 Project under a Construction Manager At Risk (CMAR) delivery method. The Contractor is a national construction firm headquartered in Birmingham, Alabama with substantial experience in general contracting, design-build and construction management services. Construction of the 2024 Project commenced in February 2024, and is expected to be completed by early 2026. LS3P Associates LTD. has acted as project architect for the 2024 Project and LCK, LLC is the District's project manager for the 2024 Project.

Capital Improvement Plan

The District has developed a capital improvement plan (the "*CIP*") for the period ending in Fiscal Year 2030. Preliminary cost estimates for the capital projects in the CIP total approximately $430.4 million. The capital projects included in the CIP include (a) the 2024 Project, (b) various airfield projects including Runway 4/22 rehabilitation, apron edge widening, terminal apron expansion, lighting and terminal exit improvements (the "*Airfield Projects*"), (c) terminal improvement projects (the "*Terminal*

Expansion Project") including the expansion of the terminal's north baggage claim, inbound baggage areas and administrative offices, a passenger boarding bridge project, furniture and seating, portions of enabling projects and design for a Concourse B expansion, and TSA-related projects, (d) landside projects including GSP Drive extension, terminal roadway improvements, and a P1 economy lot expansion (the "*Landside Projects*"), (e) general aviation/cargo projects including the 2102 GSP Drive hangar renovation, FBO terminal expansion, FedEx renovations, and the general aviation apron reconstruction (the "*General Aviation/Cargo Projects*") and (f) other facilities expansion, South Aviation Complex projects, including improvements, terminal hotel infrastructure, and other projects (the "*Other Projects*"). The CIP does not include any elements of the Concourse B expansion other than the design, which is anticipated to be completed in Fiscal Year 2029. The portions of the Terminal Expansion Project that are included in the CIP are estimated to cost approximately $98.8 million over the term of the CIP, of which $30 million is anticipated to be funded with the proceeds of Additional Bonds. The District currently expects that the actual construction of the Concourse B expansion, if undertaken, will commence after the term of the current CIP, and the timing for undertaking the Concourse B expansion will be dependent on enplanement growth, airline needs, and other operational and financial factors.

The District anticipates funding the CIP from the proceeds of the 2024 Bonds and the above-described Series of Additional Bonds, Federal Aviation Administration ("*FAA*") Airport Improvement Program ("*AIP*") grants, Bipartisan Infrastructure Law ("*BIL*") grants, State grants, passenger facility charges ("*PFCs*"), and funds of the District. The actual sources of funding will depend on various factors, including the timing of the improvements and the availability of District funds, grant proceeds and PFCs for such purposes. See "Airport Facilities and Capital Program" in Appendix A – "Report of the Airport Consultant."

The following table presents the District's CIP projects and the anticipated sources of funding.

		CIP Funding Sources (dollars in thousands)					
	Cost	**FAA AIP**	**BIL**	**State Grants**	**PFC**	**District Funds**	**2024 Bonds and Additional Bonds[1]**
The 2024 Project	$ 98,000	-	-	-	-	-	$ 98,000
Airfield Projects	76,431	$36,269	$ 5,921	$13,506	$12,449	$ 8,286	-
Terminal Expansion Project	98,828	-	8,203	-	23,701	36,925	30,000[2]
Landside Projects	15,013	-	4,312	-	123	10,578	-
General Aviation Cargo Projects	49,508	20,878	-	9,226	-	19,404	-
Other Projects	92,663	-	3,069	18,227	-	71,366	-
Total Projects	$430,444	$57,147	$21,504	$40,960	$36,273	$146,560	$128,000

(1) Amounts shown are exclusive of costs of issuance and amounts required to fund debt service reserve funds.
(2) Anticipated to be issued in Fiscal Year 2028.
Totals may not add due to rounding.
See "Airport Facilities and Capital Projects – Summary of Capital Projects" in Appendix A – "Report of the Airport Consultant."

Federal Airport Improvement Program Grants. On May 16, 2024, President Biden signed into law the FAA Reauthorization Act of 2024 (the "*2024 FAA Act*"). The 2024 FAA Act reauthorizes the FAA operations and programs and provides funding through September 30, 2028. As of the date of this Official Statement, the District has no assurance that the current FAA authorization and programs will be extended or that a new authorization and programs act will be approved beyond September 30, 2028.

The Airport and Airway Improvement Act of 1982 created the AIP grant program, which is administered by the FAA. The AIP grants include entitlement grants, which are allocated among airports by the FAA in accordance with a formula based on enplanements, and discretionary grants, which are allocated by the FAA in accordance with its guidelines. Entitlement grant amounts vary based upon enplanements at the Airport, and discretionary grants are awarded to projects that meet eligibility requirements and align with AIP priorities. The plan of finance for the CIP provides for AIP grant funding in the amount of $57.1 million. See "FINANCIAL MATTERS OF THE DISTRICT – Airport Improvement Program Grants."

Bipartisan Infrastructure Law. In November 2021, President Biden signed into law the Bipartisan Infrastructure Law (the "*BIL*") which provides for an approximately $1 trillion investment of the federal government into U.S. infrastructure. The BIL contains an investment of approximately $25 billion into the aviation sector, which includes $15 billion of Airport Infrastructure Grant (the "*AIG*") funding for airport infrastructure projects that increase safety and expand capacity, $5 billion of Airport Terminal Program (the "*ATP*") discretionary funding for new airport terminal facilities, and $5 billion of funding to improve air traffic control facilities. Under the BIL, the District received $5.3 million, $5.4 million, and $5.3 million in federal fiscal years ("*FFY*") 2022, 2023, and 2024, respectively, and anticipates a similar annual allocation in FFY 2025 and 2026. The District intends to use approximately $21.5 million of BIL grants to address a number of projects including airfield, terminal, and landside infrastructure projects. Additionally, the Airport has applied for, and plans to submit future applications for, discretionary ATP grants for eligible projects, although it has received none to date.

State Grants. In addition to FAA AIP and discretionary grants, the Airport also receives grant funds from the State of South Carolina. Historically, these funds have been distributed through the South Carolina Aeronautics Commission ("*SCAC*") or the South Carolina Department of Commerce ("*SCDC*"). The District receives $250,000 a year in Commercial Carrier Entitlement Grants from the SCAC. In addition, the District pursues funding annually through the legislative budget process. The District has received between $2.9 million and $10.0 million for the past two budget years and is expected to receive $8.0 million for Fiscal Year 2025. The District expects to apply approximately $41.0 million in State funds toward the CIP through Fiscal Year 2030.

Passenger Facility Charges. The District expects that CIP projects will be funded in part from PFC Revenues, either on a pay-as-you-go basis or from the proceeds of Additional Bonds, the debt service on which may be payable from PFC Revenues ("*PFC-eligible debt service*"). A number of factors may affect the amount of PFC Revenues available to the District. The amount of PFC Revenues collected by the District in future years will vary based upon the actual number of passenger enplanements at the Airport and no assurance can be given that the levels of enplanements will be realized, particularly in light of the uncertainties in the airline industry. Additionally, future FAA approvals will be required to permit the District to achieve the projected PFC Revenues currently assumed to be used to pay PFC-eligible debt service and CIP project costs. Furthermore, under the PFC Act, the FAA may terminate the District's authority to impose a PFC under certain circumstances, and the continuation of the program is subject to future discretionary reauthorizations by the FAA. In the event of a termination by the FAA of the PFC Program, whether by the FAA or Congress, it is expected that the authorization of the District to collect PFCs will also terminate.

PFC Revenues are not pledged to or held by the Trustee for the benefit of the owners of 2024 Bonds, and debt service on the 2024 Bonds will not constitute PFC-eligible debt service. See “FINANCIAL MATTERS OF THE DISTRICT – Passenger Facility Charges.”

District Funds. The District has historically used funds from the operations of the Airport to fund certain capital improvement projects and is currently planning to apply $146.6 million of its internally generated funds to the CIP. The ability of the District to fund the CIP from internally generated funds at this level will be dependent on a variety of factors, including the operations of the District and the availability of such funds in light of the District’s policy on retention of operating cash and reserves. See “FINANCIAL MATTERS OF THE DISTRICT – Management’s Discussion and Analysis.” As of June 30, 2024, the District had $74.1 million in unrestricted cash and investments. This balance excludes transfers after year-end from restricted accounts to the District’s unrestricted accounts for amounts allocated to Fiscal Year 2024 activity. The District’s annual reporting will reflect these transfers. See “FINANCIAL MATTERS OF THE DISTRICT – Liquidity.”

CIP Uncertainties. All of the potential sources of funding the CIP presented above are preliminary and based on numerous assumptions which are subject to change and are dependent upon the demand and need for the various projects. Further, the CIP is in certain instances subject to regulatory review and mandate. Changes in various assumptions could cause an increase or decrease in the amount of the proceeds of Additional Bonds which are projected to be required to complete the funding of any of the elements of the CIP. The estimated costs of, and the projected schedule for, the projects included in the CIP depend on various sources of funding, and are subject to a number of uncertainties including: estimating errors, design and engineering errors, changes to the scope of these projects, delays in contract awards, material and/or labor shortages, regulatory or legislative requirements and directives, the operational need for the improvements and levels of activity, litigation, unforeseen site conditions, adverse weather conditions, contractor defaults, labor disputes, unanticipated levels of inflation, and environmental issues, including environmental approvals that the District has not obtained at this time. There can be no assurance that the projects included in the CIP will be undertaken, or if undertaken, the cost of construction of the projects will not exceed the currently projected amounts or that the completion 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 may result in increased costs to airlines and other Airport users.

See “INVESTMENT CONSIDERATIONS – Cost of Capital Improvement Plan,” “– CIP Costs and Schedule,” “– Future Indebtedness,” and “– Availability of PFC Revenues.”

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents estimated information as to the sources and uses of the bond proceeds that will be used to finance a portion of the 2024 Project.

	SERIES 2024A BONDS	SERIES 2024B BONDS	TOTAL
SOURCES OF FUNDS			
Principal Amount	$37,220,000	$66,005,000	$103,225,000
Original Issue Premium	3,214,691	-	3,214,691
TOTAL SOURCES	$40,434,691	$66,005,000	$106,439,691
USE OF FUNDS			
Project Costs	$37,240,719	$60,764,496	$98,005,216
Debt Service Reserve Account	2,655,943	4,335,523	6,991,465
Costs of Issuance[1]	538,029	904,981	1,443,010
TOTAL USES	$40,434,691	$66,005,000	$106,439,691

[1] Including underwriters' discount, legal, printing, rating, consulting and miscellaneous fees.

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DEBT SERVICE REQUIREMENTS

The following table presents information on the District's debt service obligations on the 2020 Note and the 2024 Bonds.

		Series 2024A Bonds		Series 2024B Bonds		
Year Ending July 1,	2020 Note[1]	Principal	Interest	Principal	Interest	Total
2024	$ 2,228,649	-	-	-	-	$ 2,228,649
2025	2,198,785	-	$ 1,639,231	$ 1,295,000	$ 2,927,074	8,060,090
2026	2,170,218	-	1,954,050	1,605,000	3,427,740	9,157,008
2027	2,141,652	-	1,954,050	1,685,000	3,351,535	9,132,237
2028	2,114,071	-	1,954,050	1,760,000	3,273,789	9,101,910
2029	2,084,520	-	1,954,050	1,840,000	3,193,058	9,071,628
2030	2,055,953	-	1,954,050	1,925,000	3,107,737	9,042,740
2031	2,330,797	-	1,954,050	2,020,000	3,016,454	9,321,301
2032	2,649,800	-	1,954,050	2,115,000	2,919,655	9,638,505
2033	2,648,800	-	1,954,050	2,220,000	2,814,836	9,637,686
2034	2,649,400	-	1,954,050	2,330,000	2,703,703	9,637,153
2035	2,650,800	-	1,954,050	2,450,000	2,585,898	9,640,748
2036	2,652,200	-	1,954,050	2,575,000	2,460,801	9,642,051
2037	2,652,800	-	1,954,050	2,705,000	2,328,034	9,639,884
2038	2,651,800	-	1,954,050	2,850,000	2,187,212	9,643,062
2039	2,653,400	-	1,954,050	3,000,000	2,037,416	9,644,866
2040	2,651,400	-	1,954,050	3,155,000	1,878,236	9,638,686
2041	-	-	1,954,050	3,335,000	1,702,029	6,991,079
2042	-	-	1,954,050	3,520,000	1,515,769	6,989,819
2043	-	-	1,954,050	3,715,000	1,319,177	6,988,227
2044	-	-	1,954,050	3,925,000	1,111,694	6,990,744
2045	-	-	1,954,050	4,140,000	892,483	6,986,533
2046	-	-	1,954,050	4,375,000	661,264	6,990,314
2047	-	-	1,954,050	4,620,000	416,920	6,990,970
2048	-	2,030,000	1,954,050	2,845,000	158,893	6,987,943
2049	-	5,140,000	1,847,475	-	-	6,987,475
2050	-	5,410,000	1,577,625	-	-	6,987,625
2051	-	5,695,000	1,293,600	-	-	6,988,600
2052	-	5,995,000	994,613	-	-	6,989,613
2053	-	6,310,000	679,875	-	-	6,989,875
2054	-	6,640,000	348,600	-	-	6,988,600
Total	$41,185,045	$37,220,000	$53,324,168	$66,005,000	$51,991,405	$249,725,618

Note: Totals may not add due to rounding.

[1] The 2020 Note matures on August 30, 2030, at which time $17.6 million in principal will become due. For purposes of this table, it has been assumed that the remaining principal will be refinanced on a level principal and interest basis at a per annum interest rate of 8.0%. See "FINANCIAL MATTERS OF THE DISTRICT – Outstanding District Indebtedness."

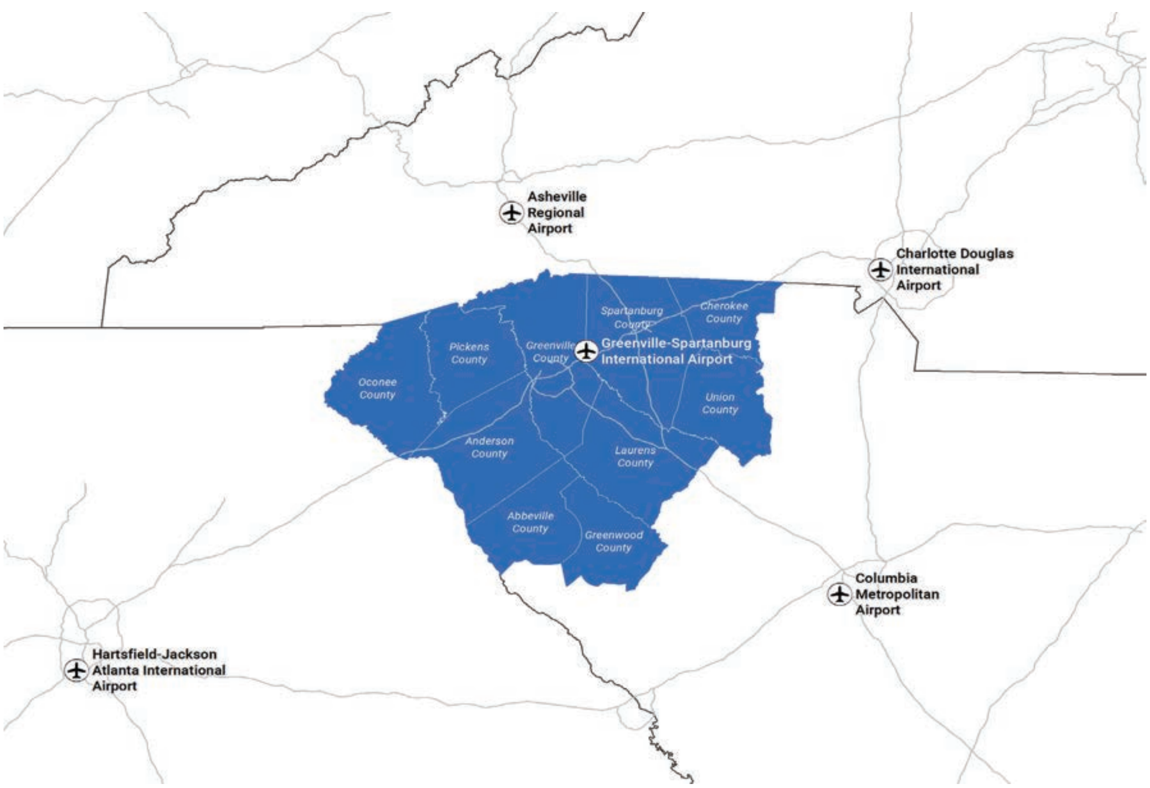
THE AIR SERVICE AREA

Introduction

The Airport's primary air service area (the "*ASA*" or the "*Air Service Area*") is defined as the Greenville-Spartanburg-Anderson Combined Statistical Area ("*Greenville-Spartanburg CSA*"), also known as the "Upstate" of South Carolina. The Greenville-Spartanburg CSA is comprised of the Greenville-Anderson-Greer Metropolitan Statistical Area (the "*MSA*"), which includes four counties (Greenville, Anderson, Pickens, and Laurens), the Spartanburg MSA, which includes two counties (Spartanburg and Union), Oconee County, Greenwood County, Abbeville County, and Cherokee County. The estimated population of the ASA is approximately 1.59 million.

The Asheville Regional Airport (AVL) in Fletcher, North Carolina is the closest commercial service airport (located 52 road miles north of the Airport) and provides similar service as the Airport in terms of number of daily nonstop flights and nonstop destinations. The Charlotte Douglas International Airport (CLT), located 85 road miles northeast of the Airport, is the largest airport within 100 miles and is a hub for American Airlines. The Columbia Metropolitan Airport (CAE) is located 106 road miles from the Airport. The Hartsfield-Jackson Atlanta International Airport (ATL), the busiest airport in the world based on passenger traffic, is located 165 road miles southwest of the Airport and is a hub for Delta Air Lines.

The following map depicts the location of the Airport in relation to the ASA and proximity to other airports.



Employers in the Upstate serve a diverse range of industries including health care, education, manufacturing, and retail. The region's largest employer is BMW Manufacturing Corporation, with approximately 11,000 employees, followed closely by Greenville County Schools, with approximately 10,300 employees.

Unemployment rates are an indicator of economic health as rates usually decrease as economic activity in the region grows. Unemployment rates in the ASA were higher than those for the nation during the Great Recession in 2009 and 2010, but trended similar to the national average from 2012 through 2016. Unemployment for the ASA peaked at 12.6% in January 2010, as compared to the national unemployment peak of 10.6% in the same month, primarily as a result of the Great Recession and its lingering impacts. Since 2016, unemployment rates in the ASA have been consistently lower than the national average.

Unemployment rates increased significantly in April 2020 during the initial weeks of the COVID-19 pandemic as a result of stay-at-home orders and companies hedging potential losses. The unemployment rate in the ASA peaked at 12.0% in April 2020, compared to the national rate of 14.4%. The unemployment rates for both the nation and the ASA declined rapidly from these peaks over the next several months, with those for the ASA remaining well below national levels. In May 2024, the unemployment rate for the ASA was 3.5%, lower than the State at 3.6% and the 3.7% rate for the nation as a whole.

Population Growth in ASA

The table below presents population growth in the ASA since 2019. The estimated 2023 population of the ASA was 1,590,636, which is a 5.94% increase over the 2019 estimated population of 1,501,397. Since calendar year 2013, the ASA's population has increased at a compounded annual growth rate ("*CAGR*") of 1.3%, equal to that of the State (1.3%) and higher than the nation (0.6%).

Year	ASA	Percentage Increase
2019	1,501,397	1.4%
2020	1,518,710	1.2
2021	1,532,676	0.9
2022	1,561,447	1.9
2023	1,590,636	1.9

Source: Upstate SC Alliance

Major Employers

The ten largest employers located within the ASA and the estimated number of employees are following.

Employer	Employees	Line of Business
BMW Manufacturing Corporation	11,000	Automobile manufacturer
Greenville County Schools	10,293	K-12 public education
Clemson University	5,698	Public research university
Spartanburg Medical Center	5,350	Not-for-profit healthcare system
United States Government-Greenville County	4,384	Federal government
State of South Carolina-Pickens County	3,947	State government
AnMed Health	3,705	General medical and hospitals
GE Vernova	3,650	Gas turbines for energy use
Prisma Health-Greenville Memorial Campus	3,591	Not-for-profit academic health system
Self Regional Healthcare	2,754	General medical and hospitals

Source: Report of the Airport Consultant. See "Role of the Airport and Socioeconomic Base for Air Traffic – Socioeconomic Base for Air Traffic – Employment" for additional information with respect to ASA employment.

THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT

General Description of the District

Pursuant to the Act, the District was created as a political subdivision of the State to acquire, construct, operate and maintain air transport facilities of suitable size and with suitable equipment to enable all types of air transport to operate safely in Greenville and Spartanburg Counties. The District is authorized to finance all costs that may be incurred by it in the acquisition, construction and equipping of such air transport facilities.

The Commission

The corporate powers and duties of the District are exercised and performed by the Commission. The Commission is composed of six members who are appointed by the Governor. Three of the members must be residents of Spartanburg County and each must receive the recommendation of the majority of the Spartanburg County Legislative Delegation. Three members must be residents of Greenville County and each must receive the recommendation of the majority of the Greenville County Legislative Delegation. Members of the Commission serve a six-year term and can be reappointed.

Commission Members

The present members of the Commission, their appointment year and occupations are set forth below.

Name	Appointment Year	Occupation
Minor Shaw, Chair (G)	1994	President, Micco, LLC (private investment company)
Doug Smith, Vice Chair (S)	2011	Partner, Johnson, Smith, Hibbard & Wildman (law firm)
Leland Burch (G)	1985	Retired Journalist
Valerie Miller (G)	1998	Executive, Marchant Real Estate
Jay Beeson (S)	2019	Principal, Mark III Properties (real estate)
Hunter Cuthbertson (S)	2024	President, SAI Flight Companies (aircraft charters/maintenance)

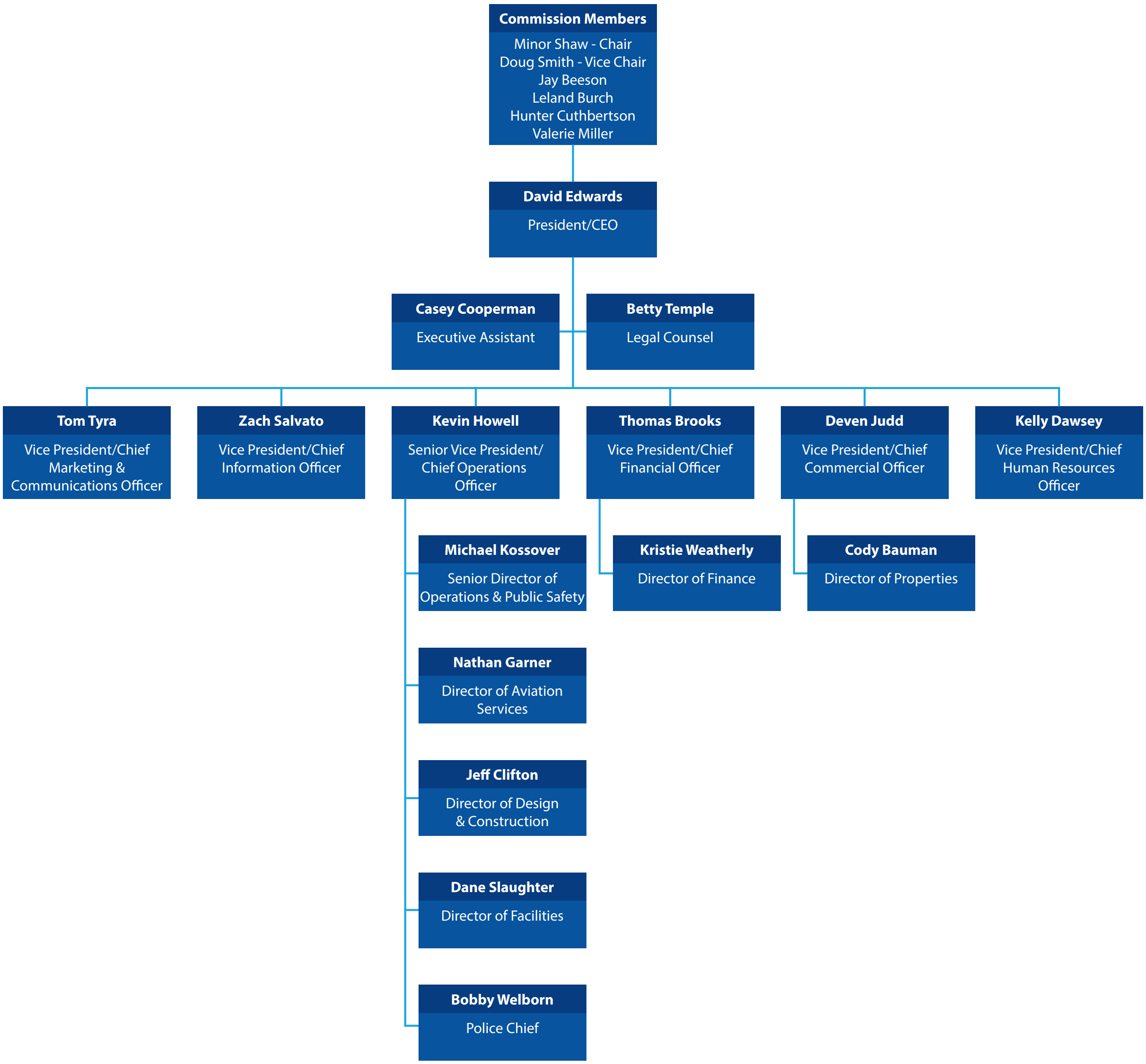
(G) – Greenville Resident
(S) – Spartanburg Resident

Commission Management

Direct supervision of Airport operations is exercised by the Commission. The President/CEO is hired directly by the Commission and acts under the direct supervision of the Commission. All other employees of the District are hired by or under the authority of the President/CEO. The FAA has regulatory authority over equipment, air traffic, and operating standards at the Airport. The Commission is responsible for managing, operating and developing the Airport System; setting rentals, fees and charges; negotiating leases, use agreements and concession contracts; supervising the collection of revenues generated by the Airport System; and coordinating aviation activities with the FAA.

The President/CEO is directly responsible for the day-to-day operations of the business and affairs of the District. The executive team includes the Senior Vice President/COO, the Vice President/CFO, the Vice President/CHRO, the Vice President/CMCO, the Vice President/CIO, and the Vice President/CCO. The department directors include the Director of Properties (reports to the Chief Commercial Officer), the Director of Design and Construction, the Director of Aviation Services, the Senior Director of Operations and Public Safety, the Director of Facilities, the Police Chief (reports to Chief Operating Officer), and the Director of Finance (reports to the Chief Financial Officer).

The chart on the following page shows the organization of the District management.


Commission Members
Minor Shaw - Chair
Doug Smith - Vice Chair
Jay Beeson
Leland Burch
Hunter Cuthbertson
Valerie Miller
David Edwards
President/CEO
Casey Cooperman
Executive Assistant
Betty Temple
Legal Counsel
Tom Tyra
Vice President/Chief Marketing & Communications Officer
Zach Salvato
Vice President/Chief Information Officer
Kevin Howell
Senior Vice President/ Chief Operations Officer
Thomas Brooks
Vice President/Chief Financial Officer
Deven Judd
Vice President/Chief Commercial Officer
Kelly Dawsey
Vice President/Chief Human Resources Officer
Michael Kossover
Senior Director of Operations & Public Safety
Kristie Weatherly
Director of Finance
Cody Bauman
Director of Properties
Nathan Garner
Director of Aviation Services
Jeff Clifton
Director of Design & Construction
Dane Slaughter
Director of Facilities
Bobby Welborn
Police Chief

David N. Edwards, Jr., A.A.E., President/CEO, has more than 30 years of experience in airport management with strong credentials in the areas of business development, properties, governmental affairs, operations, and international marketing.

Mr. Edwards has served as the President/CEO of the District since July 2009. He is responsible for the administration and development of the Airport. Under his leadership, passenger traffic has doubled, and the airport secured nonstop/direct all-cargo service to multiple destinations in Europe and Asia. He is also responsible for establishing and implementing a Terminal Renovation/Modernization Program for the Airport which resulted in the investment of $127 million in the terminal between 2012 and 2017.

Under Mr. Edwards' leadership, the Airport has received numerous awards and recognitions including being named the "Best Small Airport in North America" by its customers in 2020, 2022 and 2023.

Prior to relocating to Greenville-Spartanburg, Mr. Edwards served as the Airport Director of the Asheville Regional Airport Authority for almost six years. Mr. Edwards also served as the Executive Director of the Titusville-Cocoa Airport Authority. Previously, he spent 12 years with the Greater Orlando Aviation Authority, Operator of Orlando International Airport, and started his career with the Dade County Aviation Department, Operator of Miami International Airport.

Mr. Edwards is a past Chair of the Board for Airports Council International-North America ("*ACI-NA*"), a past Board of Director for ACI World, and a past Chair of the Small Airports Committee for ACI-NA. He has served as President of the North Carolina Airports Association and is a past President of the Southeast Chapter of the American Association of Airport Executives. Mr. Edwards serves or has served on Boards of the Greer Development Corporation, Gibbs Cancer Center, Upstate SC Alliance, Greenville Chamber, VisitGreenvilleSC, and Spartanburg Convention & Visitors Bureau. Mr. Edwards is an Accredited Airport Executive by the American Association of Airport Executives ("*AAAE*") and holds a bachelor's degree in aviation management from the Florida Institute of Technology.

Kevin Howell, I.A.P., C.M., Senior Vice President/COO, has 25 years of airport management experience bringing extensive expertise and leadership in airport operations and management, as well as airport capital development and airport project management.

With tenure beginning in August 2010, Mr. Howell has been pivotal in overseeing the Airport's comprehensive operational functions and capital improvement initiatives. He is responsible for the Airport's Capital Improvement Plan, Airport Operations, Maintenance & Public Safety, and Cerulean Aviation (the Airport's FBO, fueling and ground handling business lines).

Prior to joining the Airport, Mr. Howell served as the development director for the Asheville Regional Airport. He also previously worked at the Little Rock National Airport (now Bill and Hillary Clinton National Airport) and Nashville International Airport.

Mr. Howell is an accredited International Airport Professional by Airports Council International (ACI) and a certified airport manager by the AAAE. Mr. Howell currently serves as the President of the South Carolina Aviation Association, representing South Carolina's 58 publicly owned, public-use airports. Mr. Howell earned his bachelor's degree in aerospace administration from Middle Tennessee State University.

Thomas Brooks, Vice President/CFO, brings with him over a decade of financial expertise and a commitment to excellence.

Joining the District in August 2023, Mr. Brooks is responsible for developing and executing the District's financial strategy, as well as overseeing the Finance, Accounting, Internal Audit, Risk Management, and Procurement departments.

Mr. Brooks brings over ten years of financial experience to the District. Prior to joining the District, he served as the Controller at Renewable Water Resources, a South Carolina special purpose district providing utility service in Greenville, Spartanburg, Anderson, Laurens, and Pickens Counties, Mr. Brooks oversaw finance and customer service functions. He was also responsible for managing the implementation of a cloud-based ERP (Enterprise Resource Planning) system, delivering monthly financial and customer service updates to the Board of Commissioners, and administering excess cash investments in compliance with South Carolina law. Prior to his time at Renewable Water Resources, Mr. Brooks managed accounting for key areas at Delta Air Lines, including airport construction projects and leases, and led audit teams at Ernst & Young, LLP.

Mr. Brooks is a Certified Public Accountant and earned his bachelor's degree in accounting from Clemson University.

As of June 30, 2024, the District had 207 full-time equivalent employees. Under State law, the District may not be represented by collective bargaining organizations. State law requires all eligible persons except those specifically excluded to become members of the South Carolina Retirement System (the "*SCRS*") and the Police Officers' Retirement System (the "*PORS*") as a condition of their employment and requires employers to make certain contributions to the South Carolina Retirement System Plans. All contributions required by law have been made by the District. See "FINANCIAL MATTERS OF THE DISTRICT – Pension, Other Post-Employment Benefits" and "INVESTMENT CONSIDERATIONS – Pension and Post-Retirement Benefits."

Taxing Power and Authority to Issue General Obligation Indebtedness

The District is a political subdivision of the State formed in accordance with the Act. Under the terms of the Act and the State Constitution, the Commission is authorized, with the approval of the County Councils of Greenville and Spartanburg Counties, to issue general obligation indebtedness secured by the full faith, credit and taxing power of the District. Article X, Section 14 of the State Constitution provides that the amount of outstanding general obligation indebtedness of the District may not exceed 8% of the assessed value of all taxable property located in the District (the "*Debt Limit*"). General obligation indebtedness approved by referendum is not subject to the Debt Limit. The District has no general obligation indebtedness outstanding and no present intent to issue any general obligation bonds. The District has no direct authority to levy taxes for operating purposes.

The Airport

General. The Airport is centrally located in the Upstate, midway between Greenville and Spartanburg, principal cities of the Upstate. The Airport serves as the primary commercial service airport for the Greenville-Spartanburg CSA and the rest of the Upstate. Origin-and-destination ("*O&D*") passengers, or those that begin or end their travel at the Airport, accounted for 96.9% of the passenger traffic at the Airport in Fiscal Year 2023, with the remainder of passenger traffic being incidental connections.

The Airport is defined as a small hub airport by the FAA. A small hub is a community enplaning between 0.05% and 0.25% of the total enplaned revenue passengers in all services and operations of U.S. certificated route air carriers within the 50 states, the District of Columbia, and other U.S. territorial possessions.

The Airport opened on October 15, 1962, replacing Greenville Downtown Airport and Spartanburg Downtown Airport as the primary commercial air carrier airport for the region and becoming the first non-military airport in the country to be equipped with a runway centerline lighting system. Throughout the 1970s and 80s, the Airport's role in the national airspace system expanded and the District further developed its air carrier terminal and cargo facilities. The runway was lengthened twice in the 1990s to its current length of 11,001 feet, a length capable of serving essentially all commercial service aircraft without restriction. To honor the tireless work to establish the Airport and his decades of service, the airfield was named for Mr. Roger Milliken in 2004 – Greenville-Spartanburg International Airport – Roger Milliken Field.

The Airport is served by most major U.S. airlines. These airlines provide numerous non-stop flights to destinations throughout the United States. In addition to scheduled commercial airline service, the Airport also serves the needs of general aviation users, including business aviation and privately owned and operated aircraft, military aircraft, and aircraft used for flight training.

Airfield Facilities. The Airport has one runway, Runway 4/22, that measures 11,001 feet in length by 150 feet wide with 35-foot paved shoulders on both sides. Runway 4 has a Category IIIb precision instrument landing system ("*ILS*") with distance measuring equipment ("*DME*") and Runway 22 is equipped with Category I precision ILS. Additionally, Runway 4/22 is equipped with a forward scatter runway visual range ("*RVR*") system to inform pilots of the exact visibility conditions on the airfield. For additional visual guidance, both Runway 4 and Runway 22 are equipped with a four-light precision approach path indicators ("*PAPI*") with standard three-degree glide paths. Both PAPIs are located on the west side of Runway 4/22. The runway has precision runway markings in both directions and is able to accommodate essentially all commercial aircraft in service today in most weather conditions.

The Airport has four independent apron areas including the commercial terminal/south cargo apron, general aviation apron, the center cargo apron, and the north cargo apron. The commercial terminal/south cargo apron covers an area of approximately 118,000 square yards. The commercial terminal/south cargo apron provides access to air carrier gates and passenger boarding bridges. The apron provides space for 13 air carrier gates connecting commercial aircraft to Concourses A and B and four air carrier hardstands on the southern portion of this apron to support off-gate/remote aircraft parking.

The north cargo apron area is northernmost of the four apron areas at the Airport. This apron offers over 450,000 square feet of pavement providing five hardstand positions, two of which provide direct access to the cargo sorting facility. Presently, this apron supports scheduled integrator cargo activities from the adjacent 120,000 square-foot cargo sorting facility and 5,000 square-foot cargo operations building, as well as U.S. Customs and Border Protection ("*CBP*"), which operates from a building located on the apron's northeast corner.

The center cargo apron is the newest apron and supports scheduled and ad-hoc charter all-cargo freighter operations. This apron includes nearly 1,000,000 square feet of aircraft parking pavement capable of simultaneously accommodating six 747-8 cargo freighter aircraft. This apron is immediately adjacent to a 160,000 square foot cargo facility, one-third of which is currently leased to an international freight forwarder and the balance of which is utilized by the on-airport cargo ground agent.

Terminal Facilities. The passenger terminal complex at the Airport completed a major renovation and revitalization effort in 2017 which focused on increasing capacity, improving efficiency and elevating the aesthetics of the terminal building and its surroundings. The passenger terminal complex consists of the Main Terminal and two concourses, designated as Concourse A (south) and Concourse B (north). Together, these facilities total approximately 322,000 square feet and serve passenger airlines across 13 gates. Concourse A provides nine gates (A1 through A9), and Concourse B has four gates (B1 through

B4). The Main Terminal has three floors and a basement. The first floor is designated as the Ticketing Level and is located prior to security screening. The second floor includes Airport administrative offices, security screening and, post-security, an airside garden and the Grand Hall; a two-story area with amenities. Concourse A is to the south of the Grand Hall on the third floor and Concourse B is to the north of the Grand Hall on the third floor.

Concessions and amenity areas include food and beverage services and retail shops. Restaurants and amenities are available on each level of the terminal and encompass a total of approximately 25,000 square feet. Rental car agencies have customer service counters and administrative space currently located in Parking Garage A.

Public Parking. Airport parking facilities include garage facilities, economy lots, valet parking, a cell phone lot, rental car, and additional parking for Airport and tenant staff. All revenue-producing parking areas are operated by LAZ Parking Georgia, LLC. Parking Garages A and B are located across from the entrance to the terminal building. Both garages provide access to the terminal building via ground level painted and covered crosswalks. The garages provide a total of 2,904 covered spaces, including 386 rental car spaces. Economy parking is provided via three separate lots with a combined 3,265 spaces. These lots are provided with regular shuttle bus service between each lot and the terminal curb. One of the three economy lots, with 342 spaces, is temporarily closed. The cell phone lot has a total of 152 spaces and is provided free of charge to drivers waiting to pick up passengers. Valet parking is offered on the curbfront of the terminal and provides a total of 465 spaces in a remote lot for vehicle storage.

Rental Car Facilities. As of July 1, 2024, eight rental car brands provide service at the Airport, including Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National and Thrifty. Each company has a separate counter in the terminal and dedicated ready/return parking on the lower level of Parking Garage A. A total of 386 rental car ready/return spaces are provided, which will cease to be dedicated to rental car/ready return use upon completion of the 2024 Project. The rental car companies will be relocating to the new Garage C upon completion of the 2024 Project. The rental car companies also operate independent, but co-located quick turn-around ("*QTA*") facilities located on Airport property. The area is also used for longer-term storage of vehicles. Altogether, approximately 16 acres have been constructed for the use of rental car QTA's and vehicle storage.

General Aviation and Other Aviation-Related Facilities. Multiple general aviation facilities and apron areas on the southeast side of the airport provide access to various aircraft hangars, air cargo, commercial businesses, and airport support facilities.

A department of the District, Cerulean Aviation operates the only full-service FBO at the Airport and is located northeast of the terminal area. Cerulean Aviation provides services and amenities to passenger and cargo airlines, in addition to commercial fueling and general aviation services. Services provided include fueling, ground handling, deicing and anti-icing, freight handling, Aircraft on Ground (AOG) logistics, and rental cars.

Cerulean operates a general aviation terminal of approximately 6,700 square feet with a 150-space parking lot. The general aviation terminal is currently undergoing a renovation and expansion which will roughly double its size to approximately 13,000 square feet. Cerulean also provides aircraft storage with six hangars totaling approximately 155,000 square feet.

Cerulean also operates the Airport's fuel farm, located south of the airport maintenance facility. The fuel farm contains five 30,000-gallon and two 125,000-gallon tanks of Jet-A fuel, providing a total Jet-A capacity of 400,000 gallons, and one 12,000-gallon tank of Avgas.

Air Cargo. The Airport has three cargo facilities, one located on the north cargo apron; one on the center cargo apron; and one at the commercial terminal/south cargo apron. The north cargo apron is home to scheduled integrators FedEx and UPS and facilities include an approximately 105,000-square-foot cargo facility for FedEx, an approximately 5,000-square-foot facility for UPS, and a CBP facility.

The center cargo apron includes a 160,000-square-foot facility used for scheduled and ad-hoc charter all-cargo freighter activity. Approximately one-third of the center cargo facility is partially leased by Maersk Air Cargo and the balance of the facility is used by Cerulean Aviation as the cargo ground handling agent.

The remainder of cargo and freight activity is housed in a 52,250 square-foot building adjacent to the commercial terminal/south cargo apron and accessed by GSP Drive. The building was renovated in 2015 and includes 30 docks. The space is occupied by American Airlines Cargo, Delta Cargo, Southwest Cargo and Bradford Airport Logistics.

Industrial Park Complex. The Airport currently owns and leases out facilities located on Industrial Park Road in three buildings to numerous tenants. Building A is approximately 42,500 square feet and is located between Airport Road and Runion Road. Building B is situated between Industrial Park Road and Runion Road. It has approximately 20,000 square feet leased to one tenant. Building C is situated between Industrial Park Road and Runion Road and has approximately 39,500 square feet leased to six tenants.

Ancillary Facilities. Ancillary facilities support the aviation-related activities at the Airport, and include an air traffic control tower, an aircraft rescue and firefighting facility (*ARFF*) and an airfield maintenance facility complex.

Airlines Serving the Airport

As of July 2024, the Airport has scheduled passenger service by a total of seven major airlines, comprised of four U.S. network airlines and three ultra-low-cost carriers. Additionally, seven regional airlines operating as affiliates of network airlines serve the Airport. The following table provides a list of the scheduled passenger and all-cargo airlines that serve the Airport as of July 2024 and a list of regional airlines operating as affiliates of the network airlines.

Major Airlines	Regional Airlines	All-Cargo Airlines
Allegiant Air (U)	Endeavor Air[3]	FedEx Express
American Airlines (N)	Envoy Air[1]	Mountain Air Cargo
Avelo Airlines (U)	Piedmont Airlines[1]	UPS Airlines
Breeze Airways (U)	PSA Airlines[1]	Maersk Air Cargo
Delta Air Lines (N)	Republic Airlines[2]	
Southwest Airlines (N)	SkyWest Airlines[2,3]	
United Airlines (N)	Mesa Airlines[2]	

[1] Doing business as American Eagle
[2] Doing business as United Express
[3] Doing business as Delta Connection
N = network airlines
U = ultra-low-cost carriers
Source: Report of the Airport Consultant.

The District permits airlines to operate at the Airport through the execution of an Airline-Airport Operating and Space Use Agreement, which remains effective until terminated by either party, subject to 30 days' notice. Under the terms of the Airline-Airport Operating and Space Use Agreement, an airline is authorized to take off and land at the Airport and use exclusive, preferential and common use premises, loading bridges, aircraft parking positions and gates at the Airport, as may be assigned by the District, and agrees to pay rentals, fees, and charges set by the District for use of such facilities.

Pursuant to the Airline-Airport Operating and Space Use Agreement, the District sets the following rates:

- Landing Fee (per 1,000-lbs of landed weight)
- Terminal Rental Rate (per square foot of exclusive use and preferential use assigned terminal space)
- Terminal Common Use Charge (pro rata share of common use terminal facility costs based on airlines' proportion of total enplaned passengers)
- Terminal fees for shared use space and equipment (per turn)
- Aircraft Parking Position Rental (per parking position)
- Passenger security fee (pro rata share of certain terminal security costs based on airlines' proportion of total enplaned passengers)

The rates are calculated and established by the District from time to time, but not less than one time per Fiscal Year, pursuant to the District's rate-setting methodologies. There is no annual year-end settlement of airline rates to reconcile for budgeted-versus-actual activity and financial results under the Airline-Airport Operating and Space Use Agreement.

Under the terms and conditions of the Airline-Airport Operating and Space Use Agreement, airlines also agree to pay other miscellaneous charges assessed by the District including, but not limited to, the cost of utilities and services, employee parking fees, and security measures such as key cards and identification badges.

The Airline-Airport Operating and Space Use Agreement also establishes certain operating procedures and contains key legal, insurance, indemnification, and other provisions.

Non-Airline Agreements

The District has agreements with other entities that operate, provide services or occupy space at the Airport, including restaurants, newsstands, retail shops, and display advertising, among other specialties. In addition, several Airport tenants have executed lease agreements with the District governing their occupancy and use of space on Airport property. These agreements include (i) a management agreement with Metz Culinary Management for the management of the Airport's food and beverage program, (ii) an agreement with the Hudson Group and others to provide certain retail and other terminal concessions at the Airport not operated by the District, (iii) a parking management agreement with LAZ Parking Georgia, LLC to provide management of the on-Airport parking facilities, (iv) rental car concessionaires, and (v) agreements with cargo operators and tenants leasing hangars and other buildings. Unlike the case for most U.S. airports in which food and beverage outlets are operated as concessions, the District receives all gross revenues generated by four food and beverage locations, pays their operating costs, and pays an incentive fee to the management firm. The District also has transportation network permits with Uber Technologies, Inc. and Lyft which provide for charges for Airport activity.

In general, the business terms of these agreements are based on industry standards and practices. See "Financial Framework and Analysis – Key Airport Tenant Agreements – Other Agreements" in Appendix A – "Report of Airport Consultant."

Airport Demand

The Airport's O&D demand is generated from the largest metropolitan areas in the United States. The New York market is the largest O&D market served from the Airport, with an average of 252 daily O&D enplaned passengers with 380 total nonstop departing seats to the market (serving both O&D and connecting passengers) during Fiscal Year 2023. Other top domestic markets include cities in the northeast and major leisure destinations in Florida. The Airport's top international markets are Cancun; Mexico; London; England; and Toronto, Canada. The Airport does not currently have any international nonstop passenger service. See "Origin-and-Destination Markets" in Appendix A – "Report of the Airport Consultant."

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The below table provides information regarding the Airport's top domestic O&D markets, including the number of daily O&D enplaned passengers for Fiscal Year 2023. The table also presents the number of scheduled nonstop daily departing seats.

City	**Airlines with Direct Service**	**O&D Enplaned Passengers**		**Nonstop Scheduled Departing Seats**	
		Per Day	Share	Per Day	Share
New York	AA, DL, UA	252	9.3%	380	10.0%
Baltimore/Washington	AA, WN	173	6.4	361	9.5
Chicago	AA, UA	146	5.4	277	7.3
Dallas	AA	126	4.7	319	8.4
South Florida	AA, G4	117	4.3	104	2.7
Orlando	G4, MX	110	4.1	68	1.8
Tampa/St. Petersburg	G4, MX	102	3.8	70	1.8
Houston	UA, WN	85	3.2	123	3.2
Denver	UA, WN	80	3.0	79	2.1
Los Angeles[1]	MX	74	2.7	0	0.0
Detroit	DL	67	2.5	122	3.2
Philadelphia	AA	66	2.4	119	3.1
Boston[1]	XP	64	2.4	0	0.0
San Francisco Bay		44	1.6	0	0.0
Las Vegas		44	1.6	0	0.0
Austin		43	1.6	0	0.0
Phoenix		40	1.5	0	0.0
Seattle		32	1.2	0	0.0
San Antonio		30	1.1	0	0.0
Nashville[2]		29	1.1	8	0.2
Kansas City		28	1.1	0	0.0
San Diego		28	1.1	0	0.0
Minneapolis		28	1.0	0	0.0
New Orleans		27	1.0	0	0.0
Indianapolis		27	1.0	0	0.0
Top 25		1,864	69.1	2,033	53.2
Other		832	30.9	1,790	46.8
Total		2,696	100.0%	3,823	100.0%

[1] Service to LAX and MHT began service in May 2024.
[2] Service to BNA began in June 2024.
Notes: G4 = Allegiant Air, MX = Breeze Airways, UA = United Airlines, AA = American Airlines, DL = Delta Air Lines, WN = Southwest Airlines, XP = Avelo Airlines.
Source: Report of the Airport Consultant.

Historical Enplanements

The table below presents historical enplaned passenger numbers for the Airport from Fiscal Year 2013 through Fiscal Year 2024.

Fiscal Year	O&D	Connecting	Total	Growth Rate
2013	888,333	53,547	941,880	-
2014	913,734	35,074	948,808	0.7%
2015	922,955	28,193	951,148	0.2
2016	975,415	25,635	1,001,050	5.2
2017	1,006,578	24,380	1,030,958	3.0
2018	1,083,513	24,916	1,108,429	7.5
2019	1,226,168	24,038	1,250,206	12.8
2020	969,877	15,787	985,664	-21.2
2021	561,469	25,514	586,983	-40.4
2022	1,042,325	41,979	1,084,304	84.7
2023	1,142,916	36,209	1,179,125	8.7
2024			1,371,230	16.3

Range	Compounded Annual Growth Rate		
FY 2013-19	5.5%	-12.5%	4.8%
FY 2019-23	-1.7%	10.8%	-1.5%
FY 2019-24			1.9%

Source: Report of the Airport Consultant.

Total enplaned passengers at the Airport grew in every year from Fiscal Year 2013 through Fiscal Year 2019 from 941,800 to a peak of approximately 1.25 million, or CAGR of 4.8%. In Fiscal Year 2020 and Fiscal Year 2021, enplaned passengers drastically decreased as a result of the COVID-19 pandemic. However, recovery at the Airport was swift, with enplaned passenger numbers increasing 84.7% in Fiscal Year 2022 and a further 8.7% in Fiscal Year 2023. The Airport's enplaned passengers increased to 1.37 million in Fiscal Year 2024, 16.3% higher than Fiscal Year 2023. This increase is attributable to the new service by Avelo Airlines and Breeze Airways, and increased service by the Airport's existing airlines. Enplaned passengers in Fiscal Year 2024 exceeded the Airport's previous peak of approximately 1.25 million enplaned passengers in Fiscal Year 2019, the Fiscal Year prior to the COVID-19 pandemic.

See "Air Service and Air Traffic Analysis – Air Traffic Activity and Trends – Enplaned Passengers" in Appendix A – "Report of the Airport Consultant" for further discussion of trends in enplaned passengers over the past decade.

Airline Market Shares

To illustrate trends in airline market shares of passengers, the following table provides historical enplaned passengers by airline and the associated market shares from Fiscal Year 2019 through Fiscal Year 2024. As shown, American Airlines and Delta Air Lines have historically had the largest enplaned passenger markets share at the Airport, accounting for 35.6% and 32.4%, respectively, in Fiscal Year 2023. During the pandemic, from Fiscal Year 2020 through Fiscal Year 2021, American and Southwest Airlines increased their market shares, while Delta and United Airlines both lost market shares. Since Fiscal Year 2021, however, Delta and United Airlines have recovered some of their lost market shares, albeit not to pre-pandemic levels. In Fiscal Year 2024, American further increased its market share to 37.9%, while Delta's market share decreased to 29.5%. Other airlines, which include Avelo Airlines and Breeze Airways, increased their market share from 1.7% in Fiscal Year 2023 to 3.4% in Fiscal Year 2024.

	Enplaned Passengers (in thousands)						Market Share					
Airline	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
American	397	331	226	372	420	519	31.7%	33.6%	38.6%	34.3%	35.6%	37.9%
Delta	451	333	164	362	382	404	36.9	33.8	27.9	33.4	32.4	29.5
United	198	157	86	164	181	203	15.8	15.9	14.7	15.2	15.4	14.8
Southwest	110	89	75	130	135	155	8.8	9.1	12.8	12.0	11.4	11.3
Allegiant	56	40	31	42	42	43	4.4	4.1	5.3	3.9	3.6	3.2
Other	39	36	5	15	19	46	3.2	3.6	0.8	1.4	1.7	3.4
Total	1,250	986	587	1,084	1,179	1,371	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Amounts may not add due to rounding.
Source: Report of the Airport Consultant.

Limitations on Use of Revenues

As a recipient of AIP grants for the Airport, the District is required by federal law, and by its grant assurances under its grant agreements with the FAA, to use all revenues generated at the Airport, for the capital or operating costs of the Airport, the local airport system, or other local facilities which are owned or operated by the District and directly and substantially related to the air transportation of passengers or property.

Any diversion by the District of revenues generated at the Airport in violation of federal law or the District's grant assurances would subject the District to potential enforcement actions by the FAA, including: (i) withholding AIP grant funds, approval of AIP grant applications, modifications of existing AIP grants and approval of applications to impose and use PFCs; and/or (ii) assessment of a civil penalty for unlawful revenue diversion of up to $50,000; and/or (iii) seeking judicial enforcement for violation of any grant assurance; and/or (iv) assessment of a civil penalty up to three times the amount of the diverted revenue; and/or (v) assessment of interest on the amount of diverted revenue; and/or (vi) withholding any amount from funds otherwise available to the District from the United States Department of Transportation, including funds for other transportation projects, such as transit or multimodal projects; and/or (vii) exercise by the FAA of its right of reverter and, on behalf of the United States, taking title to all or any part of federal property interests previously conveyed by the federal government to the District.

In addition, any diversion by the District of revenues generated at the Airport in violation of the District's grant assurances or federal law might result in a default under the Master Resolution, which, upon becoming an Event of Default under the Master Resolution, could result in the exercise by the Trustee of the remedies under the Master Resolution. See Appendix C under the headings "SUMMARY OF THE MASTER RESOLUTION – Events of Default" and "– Remedies."

FINANCIAL MATTERS OF THE DISTRICT

The financial operation of the District is governed by the Act and the Resolutions.

Enabling Act

The Act empowers the Commission to establish rates and charges for the use of its Airport facilities. Specifically, the Act states that the Commission may "place in effect, and, from time to time, revise such schedules of licenses, rates, and charges for the use of its facilities as may be necessary or desirable to the orderly operation of its Airport facilities, provided that all such licenses, rates and charges shall be reasonable and nondiscriminatory." The District's Fiscal Year is July 1 through June 30.

Rates and Charges

The District is empowered to place in effect and, from time to time, revise such schedules of licenses, rates, and charges for the use of its facilities as may be necessary or desirable to the orderly operation of the Airport; provided that all such rates and charges shall be reasonable and nondiscriminatory. Rates and charges can be recalculated at any time, at a minimum annually. There is no settlement of airline rates and charges to account for variances in budgeted versus actual activity and financial results.

Airline rates and charges are developed by the District under a compensatory rate making methodology. Each airline operating at the Airport is responsible for paying landing fees for the use of the airfield and apron facilities, terminal rents for preferential use space, and other fees and charges.

The landing fee is calculated by dividing the "Net Airfield Requirement" by the estimated certified maximum gross landed weight of all airlines' revenue aircraft arrivals. The Net Airfield Requirement is calculated for each Fiscal Year as the sum of operation and maintenance expenses, amortization of District-funded capital investments and debt service in each case attributable to the Airfield cost center, less certain credits.

The terminal rental rate is calculated by dividing the "Net Airline Terminal Building Requirement" by airline rentable space in the terminal building. The Net Airline Terminal Building Requirement is calculated for each Fiscal Year as the sum of operation and maintenance expenses, amortization of District-funded capital investments and debt service in each case allocable to the terminal building cost center, less certain credits. Holdrooms, loading bridges, baggage handling system, baggage claim, and other airline equipment are used on a common use basis, with allocable costs recovered through per turn fees subject to a target minimum utilization. Terminal building operations and maintenance expenses directly allocated to a particular airline or assessed against such airline.

The District assesses a passenger security fee on a per enplanement basis to recover passenger, employee, and other Airport worker-related security checkpoint and security personnel costs.

Additionally, the District may assess other fees to recover certain costs which include, but are not limited to, costs of utilities and services, employee parking fees, telecommunications charges, skycap services, security measures, such as key cards and identification badges and the like.

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Historical Financial Trends

Fiscal Years 2019 – 2023

The following table presents a summary of the District's operating results for the Fiscal Years 2019 through 2023 derived from the District's audited results of operations. The District's Financial Report for the Fiscal Years ended June 30, 2023 and 2022 (the "*2023 Financial Report*") is included as Appendix B to this Official Statement.

	2019	2020	2021	2022	2023
Operating Revenues:					
Landing and other airside fees	$ 3,512,871	$ 3,048,682	$ 2,520,963	$ 3,343,073	$ 3,384,075
Space and ground rental fees	11,394,810	12,856,267	10,356,976	13,871,360	14,364,070
Concessions revenue	20,723,593	16,050,117	9,303,434	19,784,954	21,721,183
Expense reimbursements	2,048,399	1,893,625	1,846,617	2,009,257	1,999,390
Other revenue	4,161,974	2,820,201	4,755,354	6,148,930	6,262,883
Net profit on fuel sales	5,067,823	3,960,865	4,741,137	6,316,821	5,400,438
Net profit on food and beverage	-	-	894,654	2,753,600	3,635,395
Total Operating Revenues	46,909,470	40,629,757	34,419,135	54,227,995	56,767,434
Operating Expenses:					
Direct operating expenses	25,949,904	24,989,031	26,005,569	31,093,433	37,787,603
Pension	3,154,414	4,338,482	4,612,922	2,521,009	3,134,427
Depreciation	12,032,401	12,240,483	13,462,619	15,129,992	16,478,709
Total operating expenses	41,136,719	41,567,996	44,081,110	48,744,434	57,400,739
Operating income	5,772,751	(938,239)	(9,661,975)	5,483,561	(633,305)
Nonoperating income:					
Customer and passenger facility charges	1,263,289	1,999,353	3,176,053	5,809,960	6,977,244
Federal non-capital grants	-	-	20,111,293	11,123,326	1,093,725
Other nonoperating income (expense)	(42,525)	(253,666)	465,298	(701,642)	1,345,705
Total nonoperating income	1,220,764	1,745,687	23,752,644	16,231,644	9,416,674
Income before capital contributions	6,993,515	807,448	14,090,669	21,715,205	8,783,369
Capital contributions	13,126,247	9,228,652	7,270,663	10,262,161	12,644,523
CARES Act contributions	-	10,869,737	-	-	-
Change in net position	20,119,762	20,905,837	21,361,332	31,977,366	21,427,892
Net position, beginning of year	254,111,518	274,231,280	295,137,117	316,498,449	348,475,815
Net position, end of year	$274,231,280	$295,137,117	$316,498,449	$348,475,815	$369,903,707

Note: See "Financial Framework and Analysis" in Appendix A – "Report of the Airport Consultant" for additional information with respect to the financial performance of the District for the five-year period for which information is presented in the table above.

Eleven Months ended May 31, 2023 and 2024

The below table presents a summary of the District's operating results for the 11-month periods ended May 31, 2023 and 2024.

	11-Months Ended May 31,			
	2024	**2023**	**Change**	**% Change**
Operating Revenues:				
Landing and other airside fees	$ 4,120,368	$ 3,095,644	$ 1,024,724	33.1%
Space and ground rental fees	14,629,082	12,808,986	1,820,096	14.2
Concessions revenue	25,400,915	20,751,511	4,649,405	22.4
Expense reimbursements	2,026,114	1,829,013	197,101	10.8
Other revenue	6,243,683	5,784,250	459,433	7.9
Net profit on fuel sales	6,227,245	5,394,647	832,598	15.4
Net profit on food and beverage	4,196,850	3,203,234	993,616	31.0
Total Operating Revenues	62,844,258	52,867,284	9,976,974	18.9%
Operating Expenses:				
Direct operating expenses	37,928,103	33,725,121	4,202,982	12.5
Pension	2,853,472	3,334,664	(481,192)	(14.4)
Depreciation [1]	-	-	-	-
Total operating expenses	40,781,576	37,059,785	3,721,790	10.0
Operating income	22,062,682	15,807,498	6,255,184	39.6
Nonoperating income:				
Customer and passenger facility charges	8,080,708	5,831,830	2,248,877	38.6
Other nonoperating income (expense)	3,023,768	717,815	2,305,953	321.2
Total nonoperating income	11,104,476	6,549,645	4,554,831	69.5
Income before capital contributions	33,167,158	22,357,143	10,810,015	48.4
Capital contributions [2]	1,653,526	2,403,190	(749,664)	(31.2)
Net income	$34,820,684	$24,760,334	$10,060,351	40.6%

[1] Recorded annually at year-end.
[2] Includes capital and non-capital grant income; reconciled and adjusted at year-end.
Note: Compiled by the District from unaudited results of operations for the periods indicated. Amounts shown are subject to end-of-year and other audit adjustments.

The table above shows an increase in operating revenues of 18.9% for the 11-month year-to-date period ending May 31, 2024, compared with the same prior year period ending May 31, 2023, primarily reflecting the impact of enplaned passengers for the same periods increasing 16.4%, increases in airline rates and charges, and rate structure changes for transportation network companies.

Operating expenses increased 10.0% for the period ending May 31, 2024, compared with the period ending May 31, 2023, primarily reflecting the impact of an increase in management agreement expenses for parking and food and beverage programs, marketing for new air service, and repair and maintenance partially offset by decreases in contracted services, supplies and equipment, and other administrative costs. Pension actuarial adjustments and depreciation expenses are recorded annually in June.

Nonoperating income increased 69.5% for the period ending May 31, 2024, compared with the period ending May 31, 2023, primarily reflecting increases in passenger facility charge and customer facility charge collections from increased traffic as well as an increase in the CFC rate from $6.00 to $9.00 effective January 1, 2024, favorable mark to market adjustments on investments, and an increase in investment returns.

Cost Per Enplaned Passenger

The table below presents historical data on enplaned passengers at the Airport in Fiscal Years 2019 through 2023.

	(dollars in thousands)				
	2019	**2020**	**2021**	**2022**	**2023**
Passenger Airline Payments					
Landing Fees	$2,211	$2,023	$1,319	$1,946	$1,993
Terminal rents and use fees					
Terminal rent	1,277	1,364	422	774	970
Per turn fees	4,070	3,915	2,017	4,024	4,264
Security fees	279	133	126	225	246
Other use fees	200	211	133	212	241
Subtotal terminal rents and use fees	$5,826	$5,623	$2,698	$5,235	$5,721
Total passenger airline payments	$8,037	$7,646	$4,017	$7,181	$7,714
Enplaned passengers	1,251	986	587	1,084	1,179
Average airline cost per enplaned passenger	$6.42	$7.75	$6.84	$6.62	$6.54

Source: District records.

Liquidity

The following table presents a summary of the District's unrestricted cash and investments and restricted cash for Fiscal Years 2019 through 2023.

	(dollars in thousands)				
	2019	2020	2021	2022	2023
Operating expense excluding depreciation and pension expense	$25,950	$24,990	$26,006	$31,092	$37,788
Pension contributions	1,482	1,638	1,593	2,026	2,597
Operating expense, adjusted	$27,432	$26,628	$27,599	$33,118	$40,385
Unrestricted cash and cash equivalents	$10,261	$3,479	$20,168	$31,157	$17,351
Investments	16,688	19,312	39,188	38,421	39,130
Unrestricted cash and cash equivalents and investments	$26,949	$22,791	$59,356	$69,578	$56,481
Unrestricted cash and cash equivalents and investments days on hand	359	312	785	767	510
Restricted cash					
CFC	$ 5,332	$ 8,519	$10,484	$13,696	$17,732
PFC	-	141	2,305	6,956	11,704
Trustee-held	433	451	-	-	-
Total restricted cash	$ 5,765	$ 9,111	$12,788	$20,651	$29,436

Source: District records.

Outstanding District Indebtedness

The District is a party to a Second Amended and Restated Loan Agreement dated August 31, 2020 (the "*TD Loan Agreement*") with TD Bank, N.A. ("*TD Bank*") which provides for a term loan in the principal amount of $35 million (the "*Original 2020 Note*") and a revolving credit facility with a maximum revolving credit amount of $25 million, both secured by a pledge of certain net revenues of the District. The Original 2020 Note matures August 30, 2030 and bears interest at a per annum rate of 1.61%. Principal is payable monthly based upon a 20-year level payment of principal basis, with all unpaid principal due on the maturity date. Pursuant to a Note Exchange Agreement between the District and TD Bank, the District and TD Bank have agreed that simultaneously with the issuance of the 2024 Bonds, the Original 2020 Note will be amended and become an obligation that constitutes "Bonds" under the Master Resolution (the Original 2020 Note, as so amended, the "*2020 Note*") and that the TD Loan Agreement and related revolving line of credit will be terminated. The 2020 Note will bear interest and be payable as to principal in accordance with the terms and provisions of the Original 2020 Note. As of June 30, 2024, the Original TD Note was outstanding in the principal amount of $28.4 million.

Airport Improvement Program Grants

The Airport and Airway Improvement Act of 1982 created the AIP grant program which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon enplaned passengers, and discretionary funds are available at the discretion of the FAA based upon a national priority system. The amount of entitlement grants received by an airport will vary based on the actual number of enplaned passengers at the airport, the total appropriations for the AIP, and any revisions of the statutory formula for calculating such grants. The District also occasionally receives AIP discretionary grants for specific projects pursuant to grant applications for such funding, and FAA discretionary grant awards, which are a function of the amounts authorized and appropriated by Congress and the FAA's prioritization of competing projects. As shown on Appendix A, the District estimates that approximately $57.1 million of FAA AIP grants will be used to fund a portion of the Other Capital Projects through FY 2030. The Airport has applied for, and plans to submit future applications for, discretionary grants for eligible projects, although it has received none to date.

In the Fiscal Years 2019 through 2023, the District received a total of $41.1 million in AIP entitlement and discretionary grants as follows:

Fiscal Year	**Amount**
2019	$ 7,235,317
2020	14,160,602
2021	4,548,500
2022	9,088,052
2023	6,085,774

Passenger Facility Charges

Under the PFC Act, as modified by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, the FAA may authorize a public agency that controls an airport to impose a passenger facility charge ("*PFC*") of up to $4.50 for each qualifying enplaned passenger at such airport. The proceeds of a PFC may be used for eligible airport-related projects. In order to receive authorization to impose PFCs and use the PFCs, the public agency must submit an application requesting that the FAA approve the imposition of the PFCs for, and the use of PFCs on, specific eligible capital projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents and remitted to the public agency.

The District has been collecting a PFC of $4.50 per enplaned passenger since May 2020 and is currently authorized by the FAA to impose and use approximately $18.0 million of PFC revenues (at the $4.50 level) for various projects. The current authorization for the PFC charge will expire in December 2024 or once the $18.0 million is collected, whichever is earlier. The District intends to apply PFCs up to the amount approved by the FAA to the payment of PFC-eligible portions of the CIP and, if approved by the FAA, the PFC-eligible debt service on any Additional Bonds issued to finance future PFC-eligible projects. See "INVESTMENT CONSIDERATIONS – Availability of PFC Revenues" and "– Federal Regulation Regarding Rates and Charges Disputes."

None of the 2024 Project is PFC-eligible, and no debt service for the 2024 Bonds will constitute PFC-eligible debt service. The District is currently in the process of finalizing a new PFC application for submission to the FAA, requesting PFC authority for an anticipated additional $15.5 million of PFC-eligible projects, with submission anticipated in early August 2024. If approved, the estimated charge expiration date would be extended until June 1, 2027.

Customer Facility Charges

In May 2001, the District began charging a Customer Facility Charge in the amount of $2.90 per day on each rental car contract entered into between the District's rental car company concessionaries (the

"*Operators*") and their customers for automobiles to be picked up from or delivered to the Airport. This initial rate was adjusted from time to time, reaching a level of $4.00 per day by Fiscal Year 2009. The Customer Facility Charge was increased to $6.00 in Fiscal Year 2020, and further increased to its current rate of $9.00 on January 1, 2024.

The Customer Facility Charges are collected monthly from the rental car operators by the District. The District collected approximately $4.1 million and $5.7 million in Customer Facility Charges in Fiscal Year 2023 and 2024, respectively, and had a balance of approximately $10.0 million in Customer Facility Charges as of June 30, 2024.

The District and each Operator entered into a Rental Car Concession Agreement and Lease in July 2024 (collectively, the "*Rental Car Agreements*"). Each Rental Car Agreement provides that if the Operator was under a current Rental Car Agreement with the District at the time of execution of the Rental Car Agreement, such existing Rental Car Agreement automatically terminated. However, the rental fees and charges associated with the previous agreement continue until the "Commencement Date" of the new Rental Car Agreement.

The terms of the new Rental Car Agreements are for a period of 20 years from the Commencement Date (the first day of the month next following the date of beneficial occupancy of the 2024 Project), and are subject to extension for one additional term of ten years in the sole discretion of the District.

In addition to setting forth the terms, conditions and rental provisions with respect to the Operators' use of the subject premises, the Rental Car Agreements sets forth the agreement of the Operators and the District with respect to the imposition and use of Customer Facility Charges.

During the term of the Rental Car Agreements, the Operator, acting as the District's agent for the collection of Customer Facility Charges, will collect the Customer Facility Charges from its customers in the amount of $9.00 per contract day and remit such collections plus any interest earned thereon to the District by the fifteenth day of the month following the month in which the Customer Facility Charges were collected. The Customer Facility Charge allocation for each year during the term shall be the sum of a land use component, project capital expenses, and common area operation and maintenance expenses associated with the rental car facilities as applied in the following order: (i) the land use component; (ii) project capital expenses – the amount required to pay the debt service on the 2024 Bonds and other capital improvements benefiting the Operators; and (iii) certain common area maintenance expenses – the direct and indirect costs incurred by the District each year of the term in operating, maintaining and repairing rental car facilities. If the total of the Customer Facility Charges remitted in any District Fiscal Year exceeds the annual Customer Facility Charge allocation, then the amount of such excess will be retained by the District in a separate account of the District ("*Surplus Customer Facility Charges Account*"). The amounts deposited therein, along with interest earned thereon, will be used, subject to the provisions of the Rental Car Agreements, to either fund additional improvements or other projects benefitting the rental car facilities at the Airport, to pre-pay Bonds issued by the District to finance the 2024 Project or to defray all or a portion of the Customer Facility Charge allocation for future years capital improvement projects related to existing rental car facilities, support facilities, roadways and utilities or as otherwise determined by the District.

Pension, Other Post-Employment Benefits

South Carolina Retirement System. The District contributes to both the SCRS and to the PORS, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the South Carolina Public Employee Benefit Authority ("*PEBA*"). Both the SCRS and PORS offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plans' provisions are established under Title 9 of the Code of Laws of South Carolina 1976, as amended. A publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the SCRS and PORS is available at www.peba.sc.gov (which is not intended to be an active hyperlink) and may be obtained by writing the South Carolina Public Employee Benefit Authority at 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Contributions to the SCRS and PORS (together, the "*Retirement System*") are prescribed by law. PEBA may increase the Retirement System employer and employee contribution rates on the basis of actuarial valuations, but any increase may not result in a differential between the employee and employer contributions rate that exceeds 2.9% of earnable compensation. Generally, an increase in contribution rates may not be increased by PEBA by more than one-half of one percent in any one year. However, if the scheduled employee and employer contributions provided by statute or the rates last adopted by PEBA are insufficient to amortize unfunded plan liabilities over 30 years, PEBA is required to increase the contribution rates as necessary to maintain the 30-year amortization of unfunded plan liabilities.

An employee member of the Retirement System with an effective date of membership prior to July 1, 2012 is a Class Two member and an employee member of the Retirement System on or after July 1, 2012 is a Class Three member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 credited years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirements that the total of a member's age and the member's creditable service equals at least 90 years.

Required employee contribution rates to the SCRS and PORS for Fiscal Year 2023 were 9.00% and 9.75%, respectively, of earnable compensation for all Class Two and Class Three members. The required employer contribution rate to the SCRS for Fiscal Year 2023 was 17.41% of earnable compensation for Class Two and Class Three members and 0.15% of earnable compensation to fund employer incidental death benefits. The required employer contribution to the PORS in Fiscal Year 2023 for Class Two and Class Three members was 19.84% earnable compensation plus 0.20% of earnable compensation to fund employer incidental and accidental death benefits. As of June 30, 2023, the District reported a liability of $23,778,825 representing its proportionate share of the Retirement System's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation prepared as of July 1, 2021 rolled forward to the measure date.

See Note 16 of the 2023 Financial Report included as Appendix B for more information with respect to the District's participation in the Retirement System.

Post-Employment Benefits. The District provides medical and dental insurance benefits to its eligible retirees who have reached the age of 60 and have ten years of service, through a single employer defined benefit other postemployment benefit plan (the "*OPEB Plan*"). The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. The District pays 80% of the retiree's medical and dental insurance premiums until the retiree reaches the age of 65, where the benefits are terminated, and the employee pays the other 20%. Spouses are permitted to participate in the plan. For the year ended June 30, 2023, the District paid approximately $100,000 toward the cost of retiree health insurance for nine eligible retired employees. See Note 17 to the 2023 Financial Report included as Appendix B.

Deferred Compensation Plans. The District offers its employees deferred compensation plans, offered through the State (the "*South Carolina Deferred Compensation Program*"), created in accordance with Internal Revenue Code Sections 457 and 401(k). All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. The District matches 100% of employee contributions to the South Carolina Deferred Compensation Program plans, up to 5% of the employee's gross income. The District's matching contribution totaled $219,880 for Fiscal Year 2023.

REPORT OF THE AIRPORT CONSULTANT

Landrum & Brown, Incorporated, prepared the Report of the Airport Consultant, which is included as Appendix A to this Official Statement.

The Report of the Airport Consultant describes key factors that will affect future air traffic, presents airline traffic and financial forecasts for Fiscal Year 2025 through Fiscal Year 2030 (the "*Projection Period*") and sets forth the assumptions upon which the forecasts are based. The Report of the Airport Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material. See "INVESTMENT CONSIDERATIONS."

The Report of the Airport Consultant has been included herein in reliance on the knowledge and experience of Landrum & Brown, Incorporated, as airport feasibility consultants.

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Projected Passenger and Landed Weight Enplanements

The following table presents the projection of aviation activity at the Airport for Fiscal Years 2024 through 2030. Enplaned passengers are forecast to increase 2.4% per annum from Fiscal Year 2024 through Fiscal Year 2030. The Fiscal Year 2024 total Airport landed weight is estimated to be 2,035 million-pound units and is forecast to increase at a CAGR of approximately 3.4% through Fiscal Year 2030.

	ENPLANED PASSENGERS		LANDED WEIGHT	
FISCAL YEAR	PASSENGERS	GROWTH RATE	TOTAL (in million-pound units)	GROWTH RATE
2024	1,378,000	16.8%	2,035	5.4%
2025	1,422,000	3.3	2,236	9.9
2026	1,454,000	2.2	2,286	2.2
2027	1,485,000	2.1	2,335	2.2
2028	1,516,000	2.1	2,384	2.1
2029	1,547,000	2.0	2,433	2.0
2030	1,578,000	2.0	2,482	2.0

RANGE	COMPOUNDED ANNUAL GROWTH RATE	
2019-24	1.9%	1.4%
2024-30	2.4%	3.4%

Source: Report of the Airport Consultant.

Projected Net Revenues

The Report of the Airport Consultant sets forth projections for Net Revenues, net debt service, debt service coverage, and airline cost per enplaned passenger ("*CPE*") at the Airport during the Projection Period. As shown below, the District is projected to satisfy its obligations pursuant to the rate covenant and its airline CPE is projected to remain comparable to other small hub airports in the region with major capital programs. The average CPE among small hub airports in the region was $7.44 in Fiscal Year 2023. See Appendix A – "Report of the Airport Consultant" for additional information with respect to the projections, including the underlying assumptions and methodology.

FISCAL YEAR	NET REVENUES	NET DEBT SERVICE	DEBT SERVICE COVERAGE RATIO	AIRLINE CPE
2025 [1]	$25,899	$ 8,510	3.04x	$ 7.83
2026	27,190	9,689	2.81x	8.44
2027	26,983	9,663	2.79x	8.46
2028	26,864	9,629	2.79x	8.56
2029	27,168	9,605	2.83x	8.99
2030	28,430	12,380 [2]	2.30x	10.06

[1] Reflects projections of Fiscal Year 2025 based on the District's budget, as adjusted for the estimated debt service on the 2024 Bonds provided in the Report of the Airport Consultant.
[2] Debt service in Fiscal Year 2030 also includes assumed debt service from the future Series of Bonds to be issued in Fiscal Year 2027 with a principal amount of $37,625,000, a 30-year maturity, and an average interest rate of 6.0%. See Appendix B attached to the Report of the Airport Consultant.
Source: Report of the Airport Consultant.

Conclusions of the Airport Consultant

As set forth in the Report of the Airport Consultant, the Airport Consultant evaluated the ability of the District to generate Net Revenues (without taking into account Revenues from the Rolling Coverage Account) sufficient to meet the funding requirements and obligations established by the Master Resolution and the Second Supplemental Resolution during the Projection Period. Per its analyses, and as required pursuant to the rate covenant provisions of the Resolutions, (i) Net Revenues are projected to be sufficient to fund the District's obligations, indebtedness, and required reserves payable from or secured by Net Revenues, and (ii) Net Revenues in each Fiscal Year of the Projection Period are projected to be at least equal to 125% of the Annual Debt Service on Outstanding Bonds for all Outstanding and projected Additional Bonds.

INVESTMENT CONSIDERATIONS

The purchase and ownership of the 2024 Bonds involve certain risks. The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the 2024 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the 2024 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the 2024 Bonds. Investors should note that the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Dependence on Levels of Airline Traffic and Related Activity

The 2024 Bonds are payable solely from and secured by a pledge of the Net Revenues and other funds held by the Trustee under the Resolutions and pledged to the payment thereof. Revenues are dependent primarily on the level of aviation activity, in particular, enplaned passenger traffic at the Airport. Future levels of aviation activity and enplaned passenger traffic at the Airport will be dependent upon many local, regional, national and international factors including: national and international economic conditions, the population and economy of the Airport service region; national and local unemployment rates; political conditions including wars; other hostilities and acts of terrorism; aviation security; the occurrence of pandemics and public health concerns; the financial health of the airline industry and of individual airlines; airline service and route networks; airline competition and airfares; airline mergers; the acquisitions of airlines; alliances and consolidations; the availability and price of aviation and other fuels; airline industry labor costs, availability and relations; the capacity of the national air transportation system and of the Airport; business travel substitutes, including teleconferencing, videoconferencing and web-casting; aviation safety, both actual and perceived; visa requirements and other limitations on the ability of foreign citizens to enter the United States; currency exchange rates; and the occurrence of natural and man-made disasters, some of which are discussed in further detail hereafter in this section.

Current Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the condition of the U.S. economy and levels of real disposable income. Previous recessions and periods of stagnant economic conditions in the U.S., South Carolina and the Upstate contributed to reduced passenger traffic at the Airport. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The COVID-19 pandemic materially adversely impacted local, state, national and global economies. The long-term effects of these developments on the broader economy are not known at this time. There can be no assurances that weakness in international, national, state and/or local economies will not have an adverse effect on the air transportation industry, and on the Airport and its financial condition.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economic conditions, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at U.S. airports, including the Airport. Sustained future increases in passenger traffic at the Airport will depend in part on stable international conditions as well as national and global economic growth.

In addition, demand for air transportation is, to a degree, dependent upon the demographic and economic characteristics of an airport's air service area. This relationship is especially true for O&D passenger traffic, which comprised 96.9% of passenger traffic at the Airport in Fiscal Year 2023. Although the Airport's ASA has a large, diverse economic base that supports business and leisure travel, there can be no assurances that any negative economic or political conditions affecting the ASA would not have an adverse effect on demand for air transportation at the Airport.

The U.S. economy and aviation sector in particular are also exposed to risks from geopolitical conflicts. For example, the ongoing Russia-Ukraine war has affected the global economy and commercial aviation. The impacts of the war include but are not limited to, (i) increased food, commodity, and fuel prices and increased strain on global supply chains; (ii) economic sanctions against certain Russian individuals, institutions, companies, and commodities including oil and natural gas; (iii) closure of affected airspace necessitating changes to airline routes and the suspension of service to some areas; and (iv) increased risk of cyber-attacks from Russia against U.S. government agencies, financial institutions and infrastructure. War broke out in Israel and Gaza in late 2023. The effects of this war on commercial aviation include alterations to flight routes, but effects on the global economy and other effects on commercial aviation are unknown at this time. These conflicts could intensify and other conflicts could occur without warning. Future or ongoing wars and conflicts may negatively affect the global economy and commercial aviation.

See "Role of the Airport and Socioeconomic Base" in Appendix A – "Report of the Airport Consultant."

Uncertainties of the Airline Industry

General. The District's ability to collect Revenues is affected by the dynamics of the airline industry. Historically, the financial performance of the airline industry generally has correlated with the strength of the national and global economies. Certain factors that may materially affect the Airport and the airlines include, but are not limited to, (i) growth of population and the economic health of the region and the nation; (ii) airline service and route networks; (iii) national and international economic and political conditions; (iv) changes in demand for air travel; (v) service and cost competition; (vi) mergers and bankruptcy of any airlines; (vii) the availability and cost of aviation fuel and other necessary supplies; (viii) levels of air fares, fixed costs and capital requirements; (ix) the cost and availability of financing; (x) the capacity of the national air traffic control system; (xi) national and international disasters and hostilities; (xii) public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome ("*SARS*"), bird flu, and other communicable diseases; (xiii) the cost and availability of employees and labor relations within the airline industry; (xiv) regulation by the federal government; (xv) environmental risks and regulations, including noise and climate change; (xvi) acts of war or terrorism; (xvii) aviation accidents and safety; and (xviii) other risks. As a result of these and other factors, many airlines have operated at a loss in the past and many (including some that have served the

Airport) have filed for bankruptcy, ceased operations and/or merged with other airlines. Various airlines have also taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, reducing routes served, consolidating connecting activity and outsourcing flying to regional affiliates.

Financial Condition of Airlines Serving the Airport. The economic condition of the airline industry is volatile, and in recent years the industry has undergone significant changes, including major restructuring, bankruptcy, mergers, acquisitions and closures. The COVID-19 pandemic severely and negatively affected domestic and international air travel. See "– COVID-19 Pandemic and Other Worldwide Health Concerns."

Airlines operating at the Airport have filed for bankruptcy protection in the past and may do so in the future. Even absent an airline bankruptcy filing, the District may encounter significant delays and non-payment of amounts owed to it by airlines.

The industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry. As a result, financial performance can fluctuate dramatically from one reporting period to the next. Current and future financial and operational difficulties encountered by the airlines serving the Airport could have a material adverse effect on operations at, and the financial condition of, the District.

In addition to revenues received from the airlines, the Airport derives a substantial portion of its revenues from other operations at the Airport including parking operations, retail concessions, car rental concessions, and others. Decreases in passenger traffic at the Airport may adversely affect the commercial operations of many of these concessionaires.

Threat of Terrorism. The recurrence of terrorism incidents against either domestic or world aviation during the projection period remains a risk to achieving the projections contained in the Report of the Airport Consultant. Any terrorist incident aimed at aviation would have an immediate and significant adverse impact on the demand for aviation services.

Cost of Aviation Fuel. Airline earnings are significantly affected by the price of aviation fuel. Fuel prices continue to be impacted by, among other things, political unrest in oil-producing parts of the world, repercussions from Russia's invasion of Ukraine, including economic sanctions, increased demand for fuel caused by rapid growth in certain global economies, such as China and India, currency fluctuations and changes in demand for and supply of oil worldwide. The price of aviation fuel rose to an all-time high of approximately $4.03 per gallon in June 2022. According to the International Air Transportation Association, the price of aviation fuel averaged approximately $2.37 per gallon in North America during the week of June 14, 2024. Significant fluctuations and prolonged periods of increases in the cost of aviation fuel have had material adverse effects on airline profitability, causing airlines to reduce capacity, fleet and personnel, as well as increase fares and institute additional fees, such as checked baggage fees, all of which may decrease demand for air travel.

Airline Mergers, Acquisitions and Alliances. In response to competitive pressures and increased costs, airlines have merged and acquired competitors in an attempt to attain cost synergies and become more competitive. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share marketing strategies. The District cannot predict the effects, if any, such consolidation would have on airline traffic at the Airport.

Industry Workforce Shortages. Workforce and labor shortages are an aviation industry-wide issue. For example, a shortage in pilots has especially affected smaller regional airlines. There are several causes for such shortage. 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. Additionally, at the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages prompting many pilots to take early retirement. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases as 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.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleets of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of whom are expected to retire in the next decade, and a lack of younger people joining the ranks of mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

General labor staffing shortages, including shortages in air traffic controllers, have also affected the airline industry. Over the last year, numerous airlines have canceled thousands of flights attributed to bad weather, staffing shortages, and air traffic control issues, among other things. While the 2024 FAA Act includes provisions intended to address the air traffic controller shortage, increase staffing of the FAA's safety inspection program, grow the aviation workforce, and encourage veteran and female participation in the aviation workforce, no assurance can be given that these measures will be successful in addressing current or future staffing shortages.

Aircraft Shortages. After retiring numerous aircraft during the COVID-19 pandemic, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft, and certain aircraft have been temporarily grounded for safety-related manufacturing issues. Such delays and groundings result from several factors, including supply-chain disruptions, staffing shortages, FAA certification delays, and required inspections due to manufacturing defects. Delays in aircraft delivery and aircraft groundings may hamper airlines' ability to increase capacity to meet travel demand. If such aircraft-delivery delays and groundings persist, airlines could reduce service, including at the Airport.

Aircraft Safety. In March 2019, after two crashes that resulted in the deaths of 346 people, Boeing 737 MAX 9 aircraft were grounded worldwide. The aircraft were grounded for two years pending aviation safety agency review, and slowly returned to service. In January 2024, B-737 MAX 9 aircraft were again grounded, temporarily, following an incident where a panel of the aircraft fuselage blew out in flight. An investigation found that bolts meant to hold the panel in place had not been installed. Following inspections, the aircraft type was returned to service. As a result of the incident, the FAA announced increased oversight of Boeing's manufacturing processes and stated that it would not permit the company to increase aircraft production rates beyond 38 planes a month until the FAA is satisfied that adequate manufacturing quality controls are in place. On May 30, 2024, the FAA made the decision to keep the monthly aircraft restriction in place. Such restrictions will constrain Boeing's ability to deliver aircraft as planned and could delay the ability of some airlines to upgrade their fleets with more fuel-efficient aircraft and increase capacity. Boeing is not the only manufacturer affected with manufacturing or quality control issues; products of other manufacturers, including Airbus and Pratt & Whitney (a manufacturer of turbofan engines), have experienced safety-related groundings as well.

It was reported in early July 2024 that Boeing has agreed to plead guilty to a criminal fraud charge stemming from the two crashes of 737 Max 9 aircraft after the government determined that Boeing had violated agreements that had protected it from prosecution for more than three years. The plea deal, which must receive approval of a federal judge to take effect, calls for Boeing to pay an additional $243.6 million in fines and provides that an independent monitor will be named to oversee Boeing's safety and quality procedures for a period of three years. The proposed plea deal also requires Boeing to invest at least $455 million in its compliance and safety programs. The plea deal would not give Boeing immunity from other incidents, including the January 2024 aircraft fuselage panel incident described above.

Technology Dependence. On Friday, July 19, 2024, air passengers worldwide faced delays, flight cancellations and difficulties checking in as airports and airlines were affected by a massive IT outage that affected numerous industries. A software update by global cybersecurity firm CrowdStrike triggered systems problems for Microsoft customers that resulted in hours of delays for airlines using their software. The aviation sector is particularly sensitive to interruptions due to its reliance on closely coordinated schedules run by air-traffic control. Globally, 5,078 (4.6%) air flights were canceled on Friday, July 19 due to the outage. A ground stop was issued by United Airlines, Delta Air Lines, American Airlines and Allegiant Airlines. While American, United and Allegiant recovered relatively quickly after Friday, July 19, Delta's operational difficulties continued through the weekend. Hotels and rental car companies in Atlanta, Delta's largest hub, were overwhelmed by the scale of the crisis, leaving travelers no option but to stay in the airport.

COVID-19 Pandemic and Other Worldwide Health Concerns

The COVID-19 pandemic and resulting restrictions on human activities severely disrupted the economies of the United States and other countries. There can be no assurances that any resurgence of COVID-19 or the emergence of another highly contagious pathogen will not have a material adverse effect on the demand for passenger air travel, both nationally and internationally, although air travel volumes have substantially recovered since mid-2020.

In addition, the COVID-19 pandemic resulted in operational difficulties for certain airlines as they have increased capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

Public health concerns and associated restrictions on travel periodically reduce airline travel demand to and from various parts of the world. Examples are SARS in 2002-2003, the H1N1 influenza virus in 2009, Middle East Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends. By comparison, the COVID-19 pandemic had far more serious and widespread effects on airline travel worldwide. In late 2019, the novel coronavirus that causes the COVID-19 respiratory illness emerged, soon spreading through most parts of the world. COVID-19 was declared a global pandemic by the World Health Organization in March 2020. Now that concerns over a renewed outbreak of COVID-19 have lessened, some epidemiologists are expressing concerns that air travel could significantly influence the global spread of avian influenza, or bird flu, and cause another major global pandemic.

During the early months of the pandemic, governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions contributed to a recession in the global economy and widespread job losses. The economic recession, combined with fears about contagion, resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service. By 2022, the availability and acceptance of vaccines and treatments had allowed the pandemic to be largely brought under control in the United States and other developed countries. As quarantine, testing, and other travel restrictions were relaxed, COVID-19 was no longer an important factor affecting airline travel. By 2023, domestic airline travel at many U.S. airports had approached or exceeded pre-pandemic levels.

A pandemic, and its dynamic nature leads to uncertainties, including those related to the severity of the disease, the duration of the pandemic, actions that may be taken by governmental authorities to contain the outbreak or to treat its impact, any travel restrictions on the demand for air travel, or on District revenues and expenses, the impact of the outbreak on the local or global economy or on the airlines serving the Airport and concessions, or on the airline or travel industry generally, and the efficacy and distribution of vaccines. Due to the evolving nature of a pandemic or other worldwide health-related events, and the response of governments, businesses and individuals to a pandemic or other worldwide health event, the District cannot predict, among other things: (i) the duration or extent of a pandemic or another outbreak, (ii) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which the airlines serving the Airport may reduce or cease operations at the Airport in response to such restrictions or warnings, (iii) what effect a pandemic or any other outbreak or pandemic-related restrictions or warnings may have on air travel and the resulting impact on Airport revenues and expenses, (iv) whether and to what extend a pandemic or another outbreak may disrupt the local, state, national or global economies, manufacturing or supply chain, (v) whether any such disruption may adversely impact construction, the cost, sources of funds, schedule or implementation of the Airport's capital program, or other operations, (vi) the extent to which a pandemic or another outbreak, or resulting disruptions to the local state, national or global economies may result in changes in demand for air travel, or may have an impact on the airlines serving the Airport or concessions, or the airline and travel industry, generally, (vii) whether or to what extent the Airport may provide deferrals, forbearances, adjustments or other changes to the Airport's concession agreements or agreements with the airlines serving the Airport, or (viii) the duration of the Airport's response to the adverse effect of the foregoing on the finances and operations of the Airport, including collections of Revenues.

Future outbreaks, pandemics or other health-related events outside the District's control may reduce demand for air travel, which in turn could cause a decrease in passenger activity at the Airport and declines in collections of Revenues.

Concentration of Airline Market Shares

The largest airlines operating at the Airport, as ranked by market shares of passengers, are American Airlines and Delta Air Lines, with 37.9% and 29.5% market shares in 2024, respectively. Except for these airlines, no single airline accounted for more than 14.8% of passenger enplanements at the Airport in 2024. Major domestic airlines have joined or may be forming alliances with other major domestic airlines. Depending on which airlines serving the Airport merge or join alliances, the result may be fewer flights by one or more airlines, and such decreases could be significant. For example, if American Airlines or Delta Air Lines were to reduce or cease service at the Airport, such flights would not necessarily be replaced by other airlines. While historically when airlines have reduced or ceased operations at the Airport other airlines have absorbed the traffic, it is possible that if Delta or American were to cease or significantly cut back operations at the Airport, Revenues, PFC collections and costs for other airlines serving the Airport could be adversely affected.

No assurances can be given with regard to the future level of activity of American Airlines and Delta Air Lines at the Airport, or that, in the event that the operations of these airlines at the Airport are reduced or discontinued, for whatever reason, such operations would be replaced by other carriers. See "Air Service and Air Traffic Analysis" in Appendix A – "Report of the Airport Consultant."

Technology Dependence; Cyber-Security

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. Despite 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. In addition, as was experienced on July 19, 2024, Airports and the airlines serving them are dependent upon the computer systems utilized to manage their operations. Any such breach, attack or operational system failure could compromise systems and the information stored thereon, and may cause wide-scale groundings or disruption of air service. Any such disruption could result in an interference in the operations of the Airport and/or the airlines serving the Airport and the services provided at the Airport. Depending on its nature and duration, any such disruption could adversely affect the ability of the District to generate Revenues.

The federal government regulates various aspects of airport operations and the FAA and the TSA both impose various regulations and security directives that affect the design, policies and procedures of the information technology and physical access security of the Airport. The District's information technology staff has yearly initiatives that minimize the risk to airport operations such as upgrades to servers, computers, network devices, security related hardware and software, security assessments, audits, reviews and policies and procedures. Major investments have also been made in Airport cyber security related initiatives in order to minimize risk. In addition, the District is committed to replacing the current electronic badging system with the next generation access and identify system that will greatly reduce and minimize the threats of a physical compromise to airport security access.

Safety, Security, Public Health and Natural Disasters Concerns

Concerns about the safety and security of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks and increased threat levels declared by the Department of Homeland Security may influence passenger travel behavior and air travel demand. Travel behavior also may be affected by anxieties about the safety of flying, the inconveniences and delays associated with more stringent security screening procedures, and natural disasters, all of which could lead to the avoidance of airline travel or the use of alternate modes of transportation.

Questions also remain about how some determinants of travel demand may not fully return to those existing before the COVID-19 pandemic. Some observers expect that there will be permanent reductions in some business travel for in-person meetings as a result of the widespread adoption of videoconferencing. Many companies have reduced travel by their employees and thereby achieved cost savings that may become a permanent feature of their financial operations. Offsetting that effect, there may be an increase in travel by workers who relocated during the pandemic and work remotely, and who will need to regularly visit a central office location. Remote working and travel for a combination of business and leisure purposes are also changing travel demand patterns. See "– Travel Substitutes."

Any decrease in passenger activity at the Airport could cause a corresponding decrease in Revenues. The District is unable to predict how serious the impact of natural disasters or a future pandemic may become, what effect they may have on air travel to and from the Airport, and whether any such effects will be material. See “Air Service and Air Traffic Analysis – Key Factors Affecting Air Traffic Demand – Economic Conditions and Exogenous Events” in Appendix A – “Report of the Airport Consultant.”

Travel Substitutes

Air fares have an important effect on passenger demand, particularly for relatively short trips where automobile or other travel modes are alternatives and for price-sensitive “discretionary” travel, such as vacation travel. Airfares are influenced by air carrier operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition. Additionally, teleconference, video-conference and web-based meetings continue to improve in quality and price and are often considered a satisfactory alternative to face-to-face business meetings, especially following the COVID-19 pandemic and widespread adoption of remote work.

Capacity of National and International Air Traffic Control and Airport System

Capacity limitations of the national and international air traffic control systems have caused aircraft delays and restrictions in recent years, 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.

Airport Competition

Historically, air travel demand at an airport is largely correlated with the demographic and economic characteristics of the region that it serves. The economic strength of the Air Service Area has a major impact on the aviation activity at the Airport since nearly all of the Airport’s passenger demand is O&D. Following the recovery of the aviation industry from the impacts of the COVID-19 pandemic, the demographic and economic strength of the Air Service Area is expected to once again drive growth at the Airport. Population, employment, per capita personal income, and gross regional product in the Air Service Area are all expected to maintain pace with the U.S. over the Projection Period utilized in the Report of the Airport Consultant and economic and demographic growth in the Air Service Area is expected to be positive.

The Asheville Regional Airport is the closest commercial service airport (52 road miles north) and provides similar service as the Airport in terms of number of daily nonstop flights and number of destinations. The Charlotte Douglas International Airport, located 85 road miles northeast of the Airport, is the second largest airport within 100 miles and is a major hub for American Airlines. The Columbia Metropolitan Airport, another small hub airport, is located 106 road miles from the Airport. The Hartsfield-Jackson Atlanta International Airport, the busiest airport in the world based on passenger traffic, is located 165 road miles from the Airport and is a hub for Delta Air Lines. Some Air Service Area passengers choose to fly from other airports due to the availability of nonstop service, more frequent schedules, or lower airfares. Therefore at least some of the Airport’s activity is directly driven by supply variables rather than underlying demand. Both are outside the direct control of the District.

Within the Airport’s Air Service Area in calendar year 2022, it was estimated that approximately 54% of the region’s air passengers use the Airport as their primary point of origin or destination, which is an increase from the roughly 30% share of the Air Service Area that the Airport captured in 2010. Of those Air Service Area air passengers using other airports, approximately 23% use ATL, 18% use CLT, and 5% use AVL as their primary airport.

The District is unable to predict the impact, if any, that competition for passengers within the Airport's Air Service Area will have on the revenues and results of operations of the District. See "Socioeconomic Base for Air Traffic" in Appendix A – "Report of the Airport Consultant."

Ability to Meet Rate Covenant

As discussed in "SECURITY FOR THE BONDS-Rate Covenant," the District has covenanted in the Resolutions to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year Net Revenues, together with amounts deposited to the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year (not to exceed 25% of the Aggregate Annual Debt Service on the Bonds Outstanding in the applicable Fiscal Year), will be at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. To the extent that PFCs have been Irrevocably Committed to pay Annual Debt Service on Bonds for any Fiscal Year or period of Fiscal Years, such amounts when received and deposited to the applicable Debt Service Account, shall be excluded from the calculation of debt service on the Bonds, thus, decreasing debt service and increasing debt service coverage for purposes of the rate covenant under the Resolutions and any Supplemental Resolution.

If Net Revenues, together with amounts deposited to the Rolling Coverage Account (as available for such purpose under the Resolutions and any Supplemental Resolution), were to fall below the levels necessary to meet the rate covenant set forth in the Resolutions, the Resolutions provide for procedures under which the District would retain and direct a Consultant to make recommendations as to the revision of the District's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District is required to take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport may be subject to contractual, statutory and regulatory restrictions. Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport System could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport.

In the event that Net Revenues for any Fiscal Year are less than the amount required by the Resolutions and any Supplemental Resolution, but the District 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 required by Resolutions, such deficiency in Net Revenues shall not constitute an Event of Default under the Resolutions and any Supplemental Resolution. Nevertheless, if after taking the measures required by the Resolutions to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues in the next succeeding Fiscal Year are less than the amount required by the Resolutions, such deficiency in Net Revenues shall constitute an Event of Default under the Resolutions and any Supplemental Resolution.

The Report of the Airport Consultant bases the forecasts of Net Revenues, debt service coverage and airline costs per enplaned passenger on the assumption that the airlines will pay the rates and charges established by the District. While the District believes that its rate-making methodologies, including its allocation of costs for purposes of setting rates and charges, are reasonable, no assurance can be given that challenges will not be made to the rates and charges established by the District or its method of allocating particular costs.

Pension and Post-Retirement Benefits

As described in "FINANCIAL MATTERS OF THE DISTRICT – Pension, Other Port-Employment Benefits" and in Note 16 to the 2023 Financial Report included as Appendix B, eligible employees of the District participate in the Retirement System. Also, the amount of the District's GASB 68 allocation of the Retirement System liability may increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the District cannot predict with any certainty.

CIP Costs and Schedule

The estimated costs of, and the projected schedule for, the projects in the CIP for the Airport depend on various sources of funding and are subject to a number of uncertainties. The ability of the District to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (i) economic conditions, including as a result of worldwide health concerns including pandemics; (ii) estimating errors; (iii) design and engineering errors; (iv) changes to the scope of the projects; (v) delays in contract awards; (vi) material and/or labor shortages; (vii) delays due to airline operational needs; (viii) unforeseen site conditions; (ix) adverse weather conditions; (x) contractor defaults; (xi) labor disputes; (xii) delays in delivery of materials and/or equipment due to supply chain issues; (xiii) unanticipated levels of inflation; (xiv) litigation; (xv) environmental issues and (xvi) additional security improvements and associated costs mandated by the federal government. No assurance can be given that the costs of the projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. At present, the District is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the District may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, resulting in different results than those included in the projections shown in the Report of the Airport Consultant. 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.

Future Indebtedness

The District's plans of finance with respect to the CIP assume that State and federal grant funds would be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects and that the District will be able to issue Additional Bonds to finance a portion of the cost of the CIP. Although the District considers such assumptions in its plans of finance to be reasonable, such assumptions are inherently subject to certain uncertainties and contingencies. Actual FAA State and federal grant funds and BIL funding levels and timing may vary, and such differences may be material.

The District's plan of finance for the CIP also assumes that PFC Revenues will be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects on a "pay as you go" basis and for the payment of a portion of the debt service on Bonds, to the extent Bonds are payable from PFC Revenues. See "DESCRIPTION OF THE 2024 PROJECT AND THE CAPITAL IMPROVEMENT PLAN." No assurance can be given that these sources of funding will be available in the amounts or on the schedules assumed or that the principal amounts of Additional Bonds which will be needed to complete the funding of the CIP will not be greater than anticipated.

In addition to the CIP, the District may, from time to time, determine to fund additional capital projects at the Airport prior to the maturity of the 2024 Bonds, the funding of which is not reflected in the projections set forth in the Report of the Airport Consultant. Such additional capital projects may have separate plans of finance which assume various sources of funding, including, without limitation, Additional Bonds, and the amount of such future Additional Bonds may be material.

To the extent that any portion of the funding assumed in the plan of finance for capital projects at the Airport is not available as anticipated, the District may be required to issue Additional Bonds to pay the costs of such capital projects and to increase airline rates and charges to pay debt service on such Additional Bonds and to fund the required coverage thereon. As an alternative to issuing Additional Bonds, the District may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, producing different results than those included in the projections shown in the Report of the Airport Consultant.

Availability of PFC Revenues

PFC Revenues do not presently constitute Revenues as defined in the Resolutions and are not pledged to or held by the Trustee for the benefit of the owners of Bonds, including the 2024 Bonds, unless and until such revenues are specifically transferred to the Trustee for deposit into the respective PFC Revenue Account, and then, such revenues may only be applied to PFC-eligible debt service. No assurance can be given that PFC Revenues will be available in the amounts or on the schedules assumed. The ability of the District to collect sufficient PFC Revenues depends upon a number of factors, including, without limitation, the number of enplanements at the Airport. **The 2024 Bonds are not secured by PFCs of the District, nor does debt service on the 2024 Bonds constitute PFC-eligible debt service.**

Under the terms of the PFC Act, the FAA may terminate the District's authority to impose a PFC if the 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 if the District otherwise violates the PFC Act or regulations. The FAA may also terminate the District's authority to impose a PFC for a violation by the District of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. See "– Federal Regulation Regarding Rates and Charges Disputes." Continuation of the FAA's PFC program is also dependent upon the continued reauthorization of the program by both the FAA and Congress.

Federal Funding, Impact of Federal Sequestration

The District receives federal funding for the Airport not only in connection with FAA AIP Grants and PFC authorizations, but also in the form of funding for the TSA, air traffic control and other FAA staffing and facilities. Federal agencies also have regulatory and review authority over, among other things, certain Airport operations, construction at the Airport and the airlines operating at the Airport.

As discussed above, the 2024 FAA Act reauthorized the FAA operations and programs and provides funding through September 30, 2028. The District is unable to predict whether legislation to extend or reauthorize this statute or otherwise continue FAA programs will be adopted prior to the scheduled expiration date or any temporary extension thereof, and if not so adopted, the duration of any resulting period of de-authorization, and the impact on the Airport's finances which might result therefrom. In the event that the FAA authorization were to expire without a long-term reauthorization or another short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for the Airport. Failure to adopt reauthorizing legislation may have a material, adverse impact on, among other things, (i) federal funding received by the Airport, including under the AIP; (ii) federal agency budgets, hiring, furloughs, operations and availability of Federal employees to support certain operations at the Airport, provide regulatory and other oversight, review and provide required approvals, in each case at the Airport and over the airlines serving the Airport; (iii) flight schedules, consumer confidence, operational efficiency at the Airport and in the air transportation system generally.

Federal funding is also impacted by sequestration, a budgetary feature first introduced under the federal Budget Control Act of 2011. Sequestration establishes automatic spending cuts that occur through the withdrawal of funding for certain government programs, such as certain FAA programs. Unless changed by the United States Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and CBP budgets and staffing, resulting in staffing shortages and traffic delays and cancellations at airports across the United States. The full impact of sequestration - either existing or potential future - on the aviation industry and the Airport, generally, resulting from potential layoffs or further furloughs of federal employees responsible for federal airport security screening, air traffic control and CBP, is unknown at this time.

Regulations and Restrictions Affecting the Airport

The District is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The District is highly regulated by federal agencies including the FAA, the TSA, CBP, and the U.S. Department of Health. The District is unable to predict the adoption or amendment of additional laws, rules or regulations, or their effect on the operations or its financial condition.

In addition, following the events of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, TSA and the Department of Homeland Security. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the District or whether such restrictions or legislation or regulations would adversely affect Revenues.

The operations of the District are also affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the federal acts authorizing the imposition, collection and use of PFCs, and extensive federal legislation and regulations applicable to all domestic airports. It is not possible to predict whether future restrictions or limitations on District operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the District or whether such restrictions or legislation or regulations would adversely affect Revenues.

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. The United States Environmental Protection Agency (the "*EPA*") has taken steps towards regulation of greenhouse gas ("*GHG*") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. On July 5, 2011, the United States District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the GHG and black carbon emissions of aircraft engines endanger public health and welfare. On June 10, 2015, the EPA proposed to find that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. The endangerment finding and a related cause/contribute finding were finalized on July 25, 2016 and published as a final rule in the Federal Register Vol. 81, No. 157 on August 15, 2016, as the EPA Administrator found that GHGs emitted from certain classes of engines used in certain aircraft are contributing to air pollution that endangers public health and welfare, however, the final rule has not yet been codified in the Code of Federal Regulations and the EPA has not yet issued proposed or finalized aircraft engine GHG emissions standards.

The District cannot predict what additional laws and regulations with respect to GHG emissions or on other environmental issues (including, but not limited to, air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the Airport or airlines operating at the Airport or the local or State economy. The effects, however, could be material.

Federal Regulation Regarding Rates and Charges Disputes

The FAA Authorization Act of 1994 establishes that airline rates and charges set by airports, including the Airport, be "reasonable" and mandates an expedited administrative process by which the Secretary of Transportation (the "*Secretary*") shall review rates and charges complaints. An affected air carrier may file a written complaint requesting a determination of the Secretary as to reasonableness within 60 days after such carrier receives written notice of the establishment or increase of such fee. During the pendency of the review, the airlines must pay the disputed portion of the fee to the airport under protest, subject to refund to the extent such fees are found to be unreasonable by the Secretary. The airport must obtain a letter of credit, surety bond or other suitable credit facility equal to the amount in dispute unless the airport and the complaining carriers agree otherwise. Application of these provisions could adversely impact the amount of airline rates and charges received by the Airport.

New Technologies and Services

One significant category of non-airline revenues is from ground transportation activity, including use of on-Airport parking garages, trip fees paid by taxi, limousine and transportation network companies ("*TNCs*"), such as Uber Technologies Inc., Lyft, Inc., and Tickengo, Inc. d/b/a/ Wingz, and rental car transactions by Airport passengers. While passenger levels are increasing, the relative market share of these sources of revenue is shifting. As one example, the popularity of TNCs has increased because of the increasing number of cities where TNCs operate, the other technological innovations in ground transportation, convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing. In Fiscal Year 2023, TNCs recorded over 8,300 Airport pick-ups resulting in approximately $350,000 in trip fee revenue for the District, compared to over 19,300 Airport pickups/drop-offs and approximately $870,000 in trip fee revenue in Fiscal Year 2024, primarily reflecting a change in fee structure from pick-up only to both pick-up and drop-off fees, as well as continued TNC growth.

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

Potential Tax Law Changes

From time to time, there are legislative proposals in Congress and in state legislatures that, if enacted, could alter or amend the treatment of the Series 2024A Bonds for federal and state tax purposes or adversely affect the market value or marketability of the Series 2024A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, from time to time regulatory actions are announced or proposed, and litigation is threatened or commenced, which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2024A Bonds. It cannot be predicted whether any such regulatory action will be implemented, whether any particular litigation or judicial action will be commenced or, if commenced, how it will be resolved, or whether the Series 2024A Bonds or the market value or marketability thereof would be affected thereby. Prospective purchasers of the Series 2024A Bonds should consult their tax advisors regarding any future, pending or proposed legislation, regulatory initiatives, rulings or litigation as to which Bond Counsel expresses no opinion. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation. See "TAX TREATMENT."

No Acceleration Rights, Enforcement of Remedies

The Master Resolution does not contain provisions allowing for the acceleration of the 2024 Bonds or any other Bonds in the event of a payment default or other Event of Default under the terms of the Resolutions, except with respect to the rights of a Credit Provider or a Liquidity Provider as set forth in a Supplemental Resolution or a written agreement between the District and a Credit Provider or Liquidity Provider. See Appendix C under the headings "SUMMARY OF THE MASTER RESOLUTION – Events of Default" and "– Remedies." Further, the Resolutions provide only limited remedies upon an Event of Default and do not require the Trustee to seek any remedies, even at the direction of the owners of the 2024 Bonds. Upon the occurrence of an Event of Default under the Resolutions, the Trustee may, but is not required to, proceed to protect and enforce the rights of the owners of the 2024 Bonds by such remedies provided in the Master Resolution as it deems most effective to protect and enforce such rights. If the District fails to comply with its covenants under the Resolutions, including its covenants to pay principal and interest on the 2024 Bonds, there can be no assurance that the available remedies will be adequate to fully protect the interests of the owners of the 2024 Bonds.

The rights and remedies available to the Owners of the 2024 Bonds may become subject to, among other things, the federal bankruptcy code, applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally, now or hereinafter in effect, equity principles, limitations on the specific enforcement of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain circumstances, of the police powers inherent in the sovereignty of the State and its governmental bodies having an interest in serving a significant and legitimate public purpose, and regulatory and judicial actions that are subject to discretion and delay. The foregoing could subject the Owners of the 2024 Bonds to, among other things, judicial discretion and interpretation of rights, the automatic stay provisions of the federal bankruptcy code, rejection of significant agreements, avoidance of certain payments to the Owners of the 2024 Bonds as preferential payments, assignments of certain obligations, including those in favor of the Owners of the 2024 Bonds, significant delays, reductions in payments and other losses to the Owners of the 2024 Bonds, an adverse effect on the liquidity and values of the 2024 Bonds, additional borrowings, which borrowings may have a parity lien on Net Revenues, alterations to the interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants) and other terms or provisions of the Resolutions or the 2024 Bonds.

Legal opinions to be delivered concurrently with the delivery of the 2024 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the 2024 Bonds may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, as well as limitations on legal remedies against cities in the State. In the event the District fails to comply with its covenants under the Resolutions, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the 2024 Bonds.

Airline or Concessionaire Bankruptcy

In general, risks associated with an airline or concessionaire bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the District may not be able to enforce any of its remedies under the agreements with a bankrupt airline or concessionaire.

In the event of a bankruptcy proceeding of a customer of the District, the debtor customer may not, absent a court order, make any payments to the District on account of goods and services provided prior to the bankruptcy. Thus, the District's stream of payments from a debtor customer would be interrupted to the extent of pre-petition goods and services, including accrued tariffs and rents. In addition, payments made by a customer within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

A customer that has an executory contract with the District and seeks protection under the U.S. bankruptcy laws must assume or reject its executory contracts prior to the confirmation of a plan of reorganization. In the event of assumption and/or assignment of any agreement to a third party, the customer would be required to cure any pre-and post-petition monetary defaults and provide adequate assurance of future performance under the applicable preferential assignment agreement, lease or other agreements.

Bankruptcy of the District

As noted in "No Acceleration Rights, Enforcement of Remedies" above, the enforceability of the rights and remedies of the Owners, the obligations of tenants or customers of the District, and of the District and the liens and pledges created by the Resolutions are subject to the United States Bankruptcy Code (the "*Bankruptcy Code*") and/or to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, to equitable principles that may limit the enforcement under South Carolina law of certain remedies and to exercise by the United States of America of powers delegated to it by the United States Constitution. Some of the risks associated with a bankruptcy, insolvency or dissolution are described below and include the risks of delay in payment and of nonpayment. Potential purchasers of the 2024 Bonds should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the District, its tenants or customers, or any other party becomes a debtor in a bankruptcy, insolvency or dissolution case prior to the time bondholders are paid in full.

In addition, payments made by a bankrupt entity within 90 days (up to 366 days if the entity is found to be an insider) of a filing of a bankruptcy case could be deemed to be "avoidable preferences" under the Bankruptcy Code and thus could be subject to recapture in bankruptcy, including from the bondholders. If an entity is in bankruptcy, parties (including the bondholders) may be prohibited from taking action to collect from or to enforce obligations of such entity without permission of the bankruptcy court, and the District may be prevented from making payments to the bondholders from funds in its possession. These restrictions may result in delays or reductions in payments on the 2024 Bonds.

Should the District become the debtor in a bankruptcy case, the holders of the 2024 Bonds will not have a lien on Net Revenues received by the District after the commencement of the bankruptcy case unless the bankruptcy court determines that 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 or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. While the District believes that Revenues should be treated as "special revenues," no assurance can be given that a bankruptcy court would not find otherwise. If Revenues are not "special revenues," there could be delays or reductions in payments on the 2024 Bonds.

There may be other possible effects of a bankruptcy of the District or customers of the District that could result in delays or reductions in payments on the 2024 Bonds or result in losses to bondholders. Regardless of any specific adverse determinations in any such bankruptcy proceeding, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2024 Bonds.

Report of the Airport Consultant

The Report of the Airport Consultant was prepared in connection with, but prior to, the actual offering and sale of the 2024 Bonds, and consequently makes various assumptions as to the principal amounts and debt service requirements of the 2024 Bonds. It will not be revised to reflect the actual principal amounts and debt service requirements of the 2024 Bonds as marketed and sold. The Report of the Airport Consultant also makes various assumptions that were used to develop the forecasts, including forecasts of Net Revenues and Aggregate Annual Debt Service. The Report of the Airport Consultant should be read in its entirety for an understanding of all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the forecasts discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the forecasts are based will be realized. As noted in such report, any forecast is subject to uncertainties, therefore, there are likely to be differences between the forecasts and actual results, and those differences may be material. Further, the Report of the Airport Consultant does not cover the entire period through maturity of the 2024 Bonds. See Appendix A – "Report of the Airport Consultant."

LEGAL MATTERS

Litigation

No litigation is now pending or, to the best of the District's knowledge, threatened, against or affecting the District which seeks to restrain or enjoin the authorization, issuance or delivery of the 2024 Bonds or the Resolutions, or which contests the validity or the authority or proceedings for the adoption, authorization, issuance or delivery of the 2024 Bonds, or the District's creation, organization or corporate existence, or the title of any of the present officers thereof to their respective offices or the authority or proceedings for the District's authorization, issuance and delivery of the Resolutions or the 2024 Bonds, or the District's authority to carry out its obligations thereunder, or which would have a material adverse impact on the District's condition, financial or otherwise.

Opinions of Counsel

The 2024 Bonds are offered when, as and if issued by the District and accepted by the Underwriters (as defined herein) subject to the approval of legality of the 2024 Bonds by Pope Flynn, LLC, Columbia, South Carolina, as bond counsel to the District ("*Bond Counsel*"). Pope Flynn, LLC is also serving as Disclosure Counsel to the District in connection with the offer and sale of the 2024 Bonds. Certain legal matters will be passed upon for the District by its counsel, Womble Bond Dickinson (US) LLP, Greenville, South Carolina, and for the Underwriters by McGuireWoods LLP, Atlanta, Georgia.

Each legal opinion to be delivered concurrently with the delivery of the 2024 Bonds will speak only as of its date of delivery and will be qualified in certain customary respects, including as to the enforceability of the various legal instruments, by limitations imposed by state and federal law affecting remedies and by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. The legal opinions express the professional judgment of counsel rendering them, but are not binding on any court or other governmental agency. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Related Parties

Pope Flynn, LLC serves as Bond Counsel and disclosure counsel for the District and, from time to time they, Womble Bond Dickinson (US) LLP, and McGuireWoods LLP, counsel to the Underwriters, have represented and may currently represent the Underwriters as counsel in other financing transactions. Neither the District nor the Underwriters have conditioned the future employment of either of these firms in connection with any proposed financing issues for the District or for the Underwriters on the successful issuance of the 2024 Bonds.

TAX MATTERS

Federal Income Tax Treatment of Interest on the Series 2024A Bonds

On the date of issuance of the Series 2024A Bonds, Pope Flynn, LLC, in its capacity as Bond Counsel, will render an opinion that, under existing law, assuming continuing compliance with certain covenants made by the District to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the applicable regulations promulgated thereunder (the "*Regulations*"), and the accuracy of certain representations, interest on the Series 2024A Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations under Section 55 of the Code. (In general, an "applicable corporation" is a corporation whose average annual adjusted financial statement income (*i.e.,* adjusted book income) exceeds $1 billion for the 3-taxable year period ending with the tax year in question.) See "Appendix D – "Form of Opinion of Bond Counsel" attached hereto.

The opinion of Bond Counsel is based on current statutes, regulations, judicial decisions, rulings, and other published guidance of the Internal Revenue Service (the "*IRS*"), covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2024A Bonds for federal income tax purposes. Bond Counsel's opinion is based upon existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts, rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The opinion of Bond Counsel described above is subject to the condition that the District comply with all requirements of the Code and the Regulations, including, without limitation, certain limitations on the use, expenditure, and investment of the gross proceeds of the Series 2024A Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order for interest thereon to be, or to continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the inclusion of interest on the Series 2024A Bonds in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2024A Bonds. The opinion of Bond Counsel delivered on the date of issuance of the Series 2024A Bonds is conditioned on continuing compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Series 2024A Bonds.

Other Federal Income Tax Considerations Affecting the Series 2024A Bonds

Prospective purchasers of the Series 2024A Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion concerning such collateral income tax consequences, and prospective purchasers of Series 2024A Bonds should consult their tax own advisors as to the applicability thereof.

From time to time, there are legislative proposals in Congress which, if enacted into law, could eliminate or reduce the exclusion of the interest on the Series 2024A Bonds from gross income for federal income tax purposes or which might otherwise adversely affect the benefit or marketability of the Series 2024A Bonds. No prediction can be made as to whether any such provisions will be enacted as proposed or concerning other future legislation which, if passed, might affect the tax treatment of interest on the Series 2024A Bonds. Similarly, future clarifications of the Code by the IRS and court proceedings interpreting the Code could likewise affect the treatment of interest on the Series 2024A Bonds, as well as the benefit or marketability of the Series 2024A Bonds. Prospective purchasers of the Series 2024A Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, court proceedings, and IRS actions, as to all of which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2024A Bonds. Bond Counsel's engagement with respect to the Series 2024A Bonds ends with the issuance of the Series 2024A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the holders of the Series 2024A Bonds regarding the tax-exempt status of the Series 2024A Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the District and their appointed counsel, including the holders of the Series 2024A Bonds, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable.

Any action of the IRS, including but not limited to selection of the Series 2024A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2024A Bonds, and may cause the District or the holders of the Series 2024A Bonds to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the District may be obligated to disclose the commencement of an audit under the Continuing Disclosure Undertaking (a copy of which is attached as Appendix E to this Official Statement).

Federal Income Tax Treatment of Interest on the Series 2024B Bonds

In General. Interest on the Series 2024B Bonds (including any original issue discount accruing thereon, as discussed below) is not excluded from gross income for federal income tax purposes and will be taxable as ordinary income.

Medicare Surtax. Section 1411 of the Code generally imposes a tax of 3.8 percent on the "net investment income" of certain individuals, trusts, and estates, consisting of certain items of unearned income, offset by certain allowable deductions. The categories of unearned income taken into account for these purposes generally include taxable interest, and would therefore include interest and any original issue discount on the Series 2024B Bonds (but not on the Series 2024A Bonds), as well as any gains from the disposition of the 2024 Bonds of either Series.

Other Federal Income Tax Considerations Affecting the Series 2024B Bonds

Defeasance. If the District deposits moneys or securities in escrow so as to effect a "defeasance" of the Series 2024B Bonds, the defeased Series 2024B Bonds may treated as retired and "reissued" for federal income tax purposes and as involved in a deemed exchange under Section 1001 of the Code. In that event, the holder of a defeased Series 2024B Bonds may be required to recognize taxable gain or loss for federal income tax purposes, without any corresponding receipt of money. (A defeasance of Series 2024A Bonds would not give rise to any such deemed taxable exchange.) The District is required to provide notice of any defeasance of the 2024 Bonds as a reportable event under its Disclosure Dissemination Agreement (a copy of which is attached as Appendix D to this Official Statement).

Foreign Investors. The federal income tax treatment of a holder of Series 2024B Bonds that is not a "U.S. holder" (as defined below) may differ from that described elsewhere in this summary.

Among other things, a holder of a Series 2024B Bonds that is not a U.S. holder (a ***"foreign investor"***) may not be subject to federal income tax on the interest (or original issue discount) paid or accrued on a Series 2024B Bond or on any gain from a disposition of the same, provided (i) that the foreign investor is not engaged in a trade or business within the United States, (ii) that the foreign investor complies with certain identification requirements (confirming the foreign status of the investor on IRS Form W-8BEN or other appropriate form), and (iii) in the case of an individual, that the individual is not present in the United States for 183 days or more during the calendar year in question.

A foreign investor that fails to satisfy the identification and other requirement described above may be subject to a 30-percent withholding tax on payments of interest on the Series 2024B Bonds.

Foreign financial institutions that receive payments of interest on Series 2024B Bonds or proceeds from the disposition of such Bonds may be subject to a 30-percent withholding tax imposed under the Foreign Account Tax Compliance Act (FATCA) if the financial institution has not agreed to certain disclosure and due diligence requirements with respect to accounts owned by U.S. persons. An intergovernmental agreement between the United States and the applicable foreign country may modify these requirements.

In general, a *"U.S. holder"* for these purposes means a beneficial owner of a Series 2024B Bond that is (i) a citizen or resident of the United States, (ii) a corporation, partnership, or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate subject to United States federal income taxation, or (iv) a trust subject to the jurisdiction of a court within the United States and under the control of U.S. persons.

The foregoing is a brief summary of some of the federal income tax considerations that may be relevant to foreign investors in Series 2024B Bonds. Foreign investors should consult their own tax advisors regarding the tax consequences of purchasing Series 2024B Bonds.

Original Issue Premium

The Series 2024A Bonds have been sold at initial offering prices which are greater than the amounts payable at maturity. An amount equal to the excess of the purchase price of a Series 2024A Bond over its stated redemption price at maturity constitutes original issue premium.

For federal income tax purposes, bond premium is amortized over the period to maturity of a Series 2024A Bond, based on the yield to maturity of that Series 2024A Bond (or, in the case of a Series 2024A Bond callable prior to its stated maturity, 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 that Series 2024A Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Series 2024A Bond. Bond premium must be amortized by the owner of a Premium Series 2024A Bond.

For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Series 2024A Bond, the owner's tax basis in the Series 2024A Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Series 2024A Bond for an amount equal to or less than the amount paid by the owner for that Series 2024A Bond. A purchaser of a Series 2024A Bond in the initial public offering at the price for that Series 2024A Bond stated on the cover of this Official Statement who holds that Series 2024A Bond to maturity (or, in the case of a callable Series 2024A Bond, to its earlier call date that results in the lowest yield on that Series 2024A Bond) will realize no gain or loss upon the retirement of that Series 2024A Bond.

Owners of the Series 2024A Bonds should consult their own tax advisers with respect to all matters relating to such bond premium.

Reporting and Withholding Requirements

Payments of interest, including payments of tax-exempt interest on the Series 2024A Bonds, are generally subject to IRS Form 1099-INT information-reporting requirements.

An owner of a 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the 2024 Bonds if such owner, upon issuance of the 2024 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails properly to report interest, dividends, or other "reportable payments" (as defined in the Code), or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

These requirements do not affect the exclusion of interest on the Series 2024A Bonds from gross income for federal income tax purposes.

State Tax Exemption

Bond Counsel is of the opinion that, under existing law, both the Series 2024A Bonds and Series 2024B Bonds and the interest thereon are exempt from all taxation by the State, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest paid on the Bonds is currently subject to the tax imposed on banks by Section 12-11-20 Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

The opinion of Bond Counsel is limited to the laws of the State and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the 2024 Bonds or the interest thereon under the laws of any other jurisdiction.

UNDERWRITING

The Series 2024A Bonds are being purchased by BofA Securities, Inc. and TD Securities (collectively, the "*Underwriters*"), at a purchase price of $40,215,764.42 (equal to the principal amount of the Series 2024A Bonds, plus original issue premium of $3,214,691.40, less an Underwriters' discount of $218,926.98). The Series 2024B Bonds are being purchased by the Underwriters at a purchase price of $65,620,916.60 (equal to the principal amount of the Series 2024B Bonds, less an Underwriters' discount of $384,083.40). The Underwriters may offer and sell the 2024 Bonds to certain dealers (including dealers depositing the 2024 Bonds into investment trusts) and others at prices different from the initial public offering prices stated on the inside front cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., one of the Underwriters of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2024 Bonds.

TD Securities (USA) LLC ("*TD Securities*"), one of the Underwriters of the 2024 Bonds, has entered into two negotiated dealer agreements (the "*TD Dealer Agreements*") with Charles Schwab & Co., Inc. ("*CS&Co.*") and InvestorLink Capital Markets, LLC ("*ICM*"). These agreements allow CS&Co. and ICM to provide for the retail distribution of certain securities offerings, including the 2024 Bonds at the original issue prices. Pursuant to the TD Dealer Agreements, CS&Co. and ICM may purchase the 2024 Bonds from TD Securities at the original issue prices less a negotiated portion of the selling concession applicable to any of the 2024 Bonds ICM or CS&Co. sells.

INDEPENDENT AUDITORS

The 2023 Financial Report is included in this Official Statement as Appendix B – "Greenville-Spartanburg Airport District's Financial Report for the Fiscal Years Ended June 30, 2023 and 2022." The financial statements as of and for the years ended June 30, 2023 and 2022 included in the 2023 Financial Report have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing therein.

CONTINUING DISCLOSURE OBLIGATION

Rule 15c2-12. Pursuant to a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*"), the District will covenant for the benefit of the registered owners and the Beneficial Owners (as defined in the following paragraph) of the 2024 Bonds, to provide certain financial information and operating data relating to the Airport System by not later than February 1 after the end of each of the District's Fiscal Years, commencing with the report for the Fiscal Year ended June 30, 2024 (the "*Annual Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the 2024 Bonds, within ten business days of the occurrence. The Annual Report and the event notices will be filed by or on behalf of the District with the MSRB. The specific nature of the information to be contained in the Annual Report and the events for which notice is required is set forth in Appendix E – "Form of Continuing Disclosure Undertaking." These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2- 12(b)(5).

As provided in the Continuing Disclosure Undertaking, if the District fails to comply with any provision of the Second Supplemental Resolution relating to continuing disclosure, any registered owner or Beneficial Owner of the 2024 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its continuing disclosure obligations under the Continuing Disclosure Undertaking. "*Beneficial Owner*" is defined in the Continuing Disclosure Undertaking to mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2024 Bonds (including persons holding 2024 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2024 Bonds for Federal income tax purposes. If any person seeks to cause the District to comply with its continuing disclosure obligations under the Continuing Disclosure Undertaking, it is the responsibility of such person to demonstrate that it is a Beneficial Owner within the meaning of the Continuing Disclosure Undertaking.

State Law Requirement. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the District has covenanted to file with a central repository for availability in the secondary bond market, when requested, an annual independent audit, within 30 days of its receipt of the audit, and event specific information within 30 days of an event adversely affecting more than 5% of the revenues of the District.

RATINGS

The 2024 Bonds have been rated "A3" (stable outlook) by Moody's Investors Service, Inc. ("*Moody's*") and "A+" (stable outlook) by S&P Global Ratings ("*S&P*"). Further explanation of the significance of such ratings may be obtained from Moody's and S&P. The ratings are not a recommendation to buy, sell or hold the 2024 Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by Moody's or S&P. Any such action may have an adverse effect on the market price of the 2024 Bonds. Neither the District nor the Underwriters have undertaken any responsibility after the execution and delivery of the 2024 Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

FINANCIAL ADVISOR

Frasca & Associates, LLC, Atlanta, Georgia, serves as financial advisor to the District. Although the financial advisor assisted the District in the preparation of this Official Statement, and in other matters relating to the planning, structuring, and issuance of the 2024 Bonds and provided other advice, the Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification of the accuracy, completeness or fairness of the information or statements contained in this Official Statement or the appendices hereto. The Financial Advisor did not engage in any underwriting activities with regard to the sale of the 2024 Bonds.

CONCLUSION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, 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 a contract or agreement between the District and the purchasers or holders of any of the 2024 Bonds.

GREENVILLE-SPARTANBURG
AIRPORT DISTRICT, SOUTH CAROLINA

/s/ David N. Edwards, Jr.
President/CEO
Greenville-Spartanburg Airport District

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A:

Report of the Airport Consultant

Greenville-Spartanburg Airport District

Series 2024 Bonds

August 2, 2024

PREPARED FOR

Greenville-Spartanburg Airport District

PREPARED BY

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August 2, 2024

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2000 GSP Drive, Suite 1
Greer, SC 29651

Re: Report of the Airport Consultant

Greenville-Spartanburg Airport District, Greenville-Spartanburg International Airport Series 2024 Bonds

Dear Mr. Edwards:

Landrum & Brown, Incorporated (L&B) is pleased to submit this Report of the Airport Consultant (Report) for the proposed issuance by the Greenville-Spartanburg Airport District (District), of its Airport Revenue Bonds, Series 2024A (Non-AMT) and Taxable Airport Revenue Bonds, Series 2024B (herein referred to collectively as the Series 2024 Bonds). This independent Report has been prepared for the District in support of its issuance of the Series 2024 Bonds pursuant to various provisions in the Master Bond Resolution and is intended to be included in the Official Statement for the Series 2024 Bonds as Appendix A, Report of the Airport Consultant. All capitalized terms in this Report are used as defined in the Official Statement or Master Bond Resolution, except as otherwise defined herein.

The Greenville-Spartanburg International Airport (Airport) is owned and operated by the District and is governed by an appointed six-member Greenville-Spartanburg Airport Commission which is responsible for financial success as well as the future planning and development of the Airport.

The Series 2024 Bonds

The Series 2024 Bonds are being issued pursuant to the provisions of the Master Bond Resolution and the Second Supplemental Resolution. The District is planning to use the proceeds of the Series 2024 Bonds, together with other available funds as necessary, to (1) pay all or a portion of the costs of the Garage C Project (defined in the Official Statement for the Series 2024 Bonds as the 2024 Project), (2) fund a debt service reserve fund for the Series 2024 Bonds, and (3) pay the costs of issuance of the Series 2024 Bonds. The Series 2024 Bonds are secured by a pledge of Net Revenues of the Airport.

Master Bond Resolution

In the Master Bond Resolution, the District has covenanted to establish, fix, prescribe and collect rates, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year (FY)[1] the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding FY, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such FY.

[1] The District's Fiscal Year is from July 1 to June 30.

The Second Supplemental Resolution designates rental car customer facility charge (CFC) revenues received between FY 2025 through FY 2034 as Revenues for purposes of the Master Bond Resolution. In addition, CFCs received in each FY after FY 2034 are designated and included as Revenues for purposes of the Master Bond Resolution until such time as the Commission by Supplemental Resolution excludes and removes CFCs from Revenues for purposes of the Master Bond Resolution

For more information on the Master Bond Resolution, the Second Supplemental Resolution, and associated covenants of the District, see Section 4.2 of this Report.

Airline and Other Tenant Rates and Charges

As established by South Carolina Law Title 55, Article 3, Section 55-11-140, Paragraph 10, the District is authorized to place in effect and, from time to time, revise such schedules of licenses, rates, and charges for the use of its facilities as may be necessary or desirable to the orderly operation of the airport facility of the District; provided, that all such rates and charges shall be reasonable and nondiscriminatory. Pursuant to Paragraph 10, the District establishes a schedule of rates, fees, and charges at the beginning of each FY using the rate-setting methodology outlined in Section 4.1.2 herein.

Report of the Airport Consultant

In our preparation of this independent Report, we evaluated the ability of the District to generate Net Revenues sufficient to meet the funding requirements and obligations established by the Master Bond Resolution during the projection period from FY 2025 through FY 2030 (Projection Period). The following provides an overview of the primary findings and conclusions contained in the Report; however, the Report should be read in its entirety for a full description of the assumptions and methodology used therein.

Role of the Airport and Economic Base for Air Traffic

The Airport serves as the principal commercial service airport for the Greenville-Spartanburg metropolitan region and the rest of Northwest South Carolina. The geographical region that serves as an airport's primary air service catchment area is referred to as its Air Service Area (ASA). For the purposes of this report, the Airport's primary ASA is defined as the Greenville-Spartanburg-Anderson Combined Statistical Area (Greenville-Spartanburg CSA) also informally known as the Upstate. The Greenville-Spartanburg CSA is comprised of the Greenville-Anderson Metropolitan Statistical Area (MSA) which includes four counties (Greenville, Anderson, Pickens, and Laurens), the Spartanburg MSA which includes two counties (Spartanburg and Union), Oconee County, Greenwood County, Abbeville County, and Cherokee County. Asheville Regional Airport (AVL) is the closest commercial service airport (52 road miles) and provides similar service as the Airport in terms of number of daily nonstop flights and nonstop destinations. Charlotte Douglas International Airport (CLT), located 85 road miles northeast of the Airport, is the largest airport within 100 miles and is a hub for American Airlines. The Hartsfield-Jackson Atlanta International Airport (ATL), the busiest airport in the world based on passenger traffic, is located 165 road miles from GSP and is a hub for Delta Air Lines.

Historically, air travel demand at an airport is largely correlated with the demographic and economic characteristics of the region that it serves. Following the recovery of the aviation industry from the impacts of the COVID-19 pandemic, the demographic and economic strength of the ASA is expected to once again drive growth at the Airport. Population, employment, per capita personal income, and gross regional product (GRP) in the ASA are all expected to maintain pace with the U.S. over the Projection Period and economic and demographic growth in the ASA is expected to be positive. Chapter 1 reviews current economic trends and conditions of the Airport's ASA and presents data indicative of the ASA's capability to generate demand for air transportation through 2030.

For more information on the role of the Airport and its economic base for air transportation, see Chapter 1 of the Report.

Air Service and Air Traffic Analysis

In calendar year 2023, the Airport was the third largest in the State of South Carolina behind Charleston International and Myrtle Beach International Airports in terms of enplaned passengers by the FAA. Total enplaned passengers at the Airport grew in every year from FY 2013 through FY 2019 from 941,800 to approximately 1.25 million, reflecting an overall compounded annual growth rate (CAGR) of 4.8% for this period. In FY 2020 and FY 2021, enplaned passengers drastically declined due to the COVID-19 pandemic. However, air traffic at the Airport largely recovered in FY 2023 with 1.18 million enplaned passengers, an increase of 8.7% over FY 2022. The Airport's enplaned passengers increased to 1.37 million in FY 2024, 16.3% higher than FY 2023. Enplaned passengers in FY 2024 exceeded the Airport's previous peak of nearly 1.25 million enplaned passengers in FY 2019 just prior to the COVID-19 pandemic. The Airport's historical growth and recovery of air traffic is described further in Chapter 2 of this Report.

The Airport has historically had a diverse, stable base of air carriers. As of July 2024, the Airport had scheduled passenger service by four U.S. network airlines (American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines), and three ultra-low-cost carriers (Allegiant Air, Breeze Airways, and Avelo Airlines). American Airlines and Delta Air Lines have historically had the largest enplaned passenger market shares at the Airport, accounting for 35.6% and 32.4%, respectively in FY 2023. In July 2024, there was scheduled service to 26 markets with an average of 52.6 daily nonstop flights from the Airport.

Projections of air traffic activity were developed based on an analysis of the underlying economic conditions of the ASA and airline traffic trends. In general, it was assumed that the long-term growth in origin and destination (O&D) passenger traffic at the Airport will occur as a function of growth in population and the economy of the ASA. In addition, several other assumptions are incorporated into the projections including the following:

- Over the short-term, supply issues, including pilots, other airline staffing, and aircraft shortages, will continue to impact capacity; these issues, however, are expected to subside over the next few years.
- Over the long-term, the airlines will continue to add capacity that is in line with demand and economic growth.
- Long-term nationwide growth in air travel will occur over the Projection Period consistent with forecast growth in the economy.
- There will be no major disruption of airline service or airline travel behavior industry-wide or at the Airport over the Projection Period.

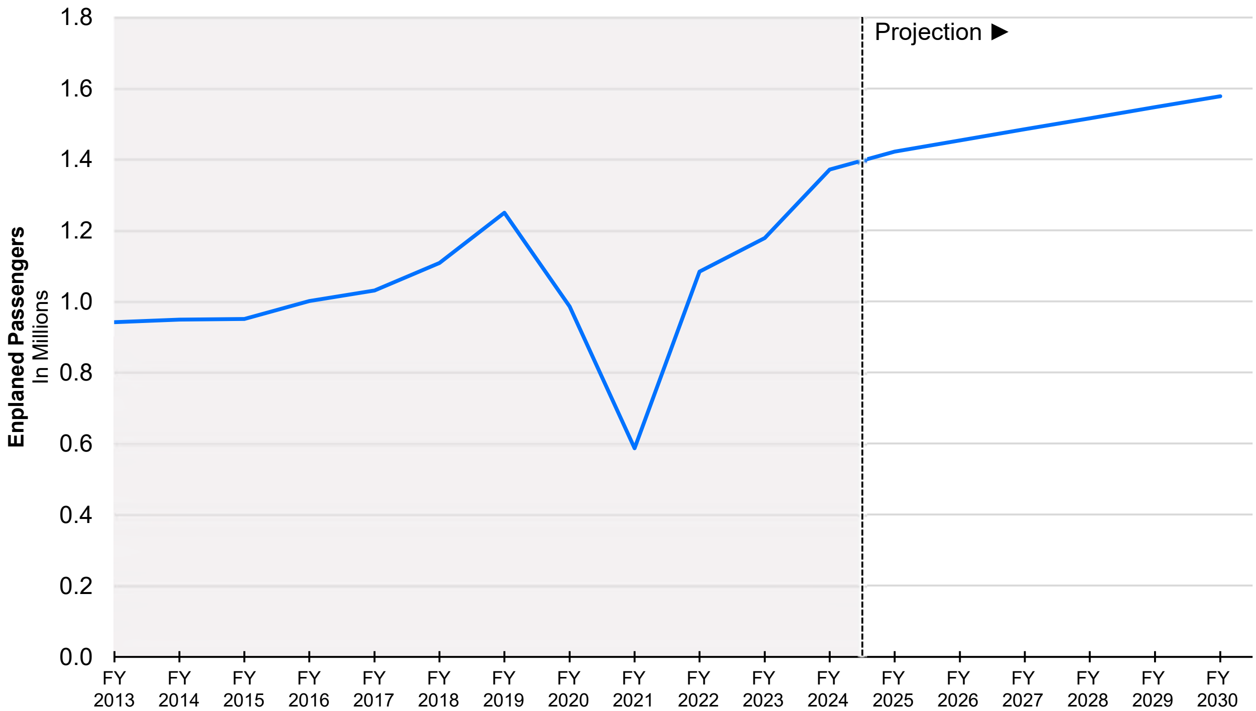
Service to five new destinations began in May 2024 by Avelo Airlines and Breeze Airways, and new nonstop service to Nashville by Southwest Airlines began in June 2024. Additional service was also added in early 2024 by American Airlines, Delta Air Lines, and United Airlines. Assuming that all the new service operates for the entire year in FY 2025, just over 1.42 million enplaned passengers are projected in FY 2025, a 3.7% increase over FY 2024.

Through the testing of multiple sets of independent variables, a univariate linear model using historical enplaned passengers from FY 2010 through FY 2019 (prior to the impacts of the COVID-19 pandemic) and the ASA's population, was employed to project enplaned passengers at the Airport through FY 2030. Based on the forecast model and certain assumptions detailed in Chapter 2, enplaned passengers are forecast to increase from 1.37 million in FY 2024 to nearly 1.58 million in FY 2030, a CAGR of 2.4%.

It is important to note that many of the factors affecting air travel demand are not necessarily quantifiable. As a result, all projections are subject to uncertainty. Therefore, these enplaned passenger projections, as with any projection, should be viewed as a general indication of future aviation activity as opposed to a precise prediction. Actual future traffic is likely to vary from this projection, and such variances could be material.

For more information on the Airport's air service and air traffic, see Chapter 2 of the Report.

Figure 1 Enplaned Passengers Projections



Source: Prepared by Landrum & Brown, Inc.

Capital Improvement Program

Exhibit A at the end of this Report presents a summary of the projected $430.4 million CIP for the Airport, including major projects and the proposed plan of finance. Garage C is the only project to be funded with the proceeds of the Series 2024 Bonds. The new Garage C is estimated to cost $98 million. The new Garage C will encompass a total of five levels, with the first three levels dedicated to rental car services providing approximately 750 ready/return spaces, and the top two levels dedicated to public parking providing approximately 750 public parking spaces.

In addition to the Garage C project, several other capital projects are also anticipated to be undertaken by the Airport through FY 2030, totaling approximately $332.4 million. The estimated capital funding and operating costs, if any, and estimated revenue impacts, if any, associated with these other capital projects have also been included as part of the financial analysis in this Report.

For more information on the Airport's CIP, see Chapter 3 of the Report and refer to Exhibit A.

Financial Analysis

L&B evaluated the ability of the District to generate Net Revenues sufficient to meet the funding requirements and obligations established by the Master Bond Resolution and the Second Supplemental Resolution during the Projection Period. Per our analyses, and as required pursuant to the Rate Covenant, (1) Net Revenues are projected to be sufficient to fund its obligations, indebtedness, and required reserves payable from or secured by

Net Revenues, and (2) Net Revenues in each FY are projected to be at least equal to 125% of the Annual Debt Service on Outstanding Bonds for each FY for all outstanding and projected general airport revenue bonds.

The Series 2024 Bonds will be secured by Airport Revenues, which includes rental car CFC revenues. The incremental capital and operating costs associated with the Garage C Project, as well as the CIP projects presented in Exhibit A, have been included in the financial analysis in this Report, which is further described in Chapter 4.

Table 1 presents projected Net Revenues, Net Debt Service, debt service coverage, and airline cost per enplaned passenger (CPE) at the Airport during the Projection Period. As shown, the District is projected to satisfy its obligations pursuant to the Rate Covenant and its airline CPE is projected to remain comparable to other small hub airports in the region with major capital programs. For the purposes of the analysis in this Report, projected debt service coverage ratios do not include any amounts in the Rolling Coverage Account.

For more information on the financial analysis and projections, see Chapter 4 of the Report.

Table 1 Financial Results Summary

Fiscal Year	Net Revenues	Net Debt Service	Debt Service Coverage Ratio	Airline CPE
2025 [1]	$25,899	$8,510	3.04x	$7.83
2026	$27,190	$9,689	2.81x	$8.44
2027	$26,983	$9,663	2.79x	$8.46
2028	$26,864	$9,629	2.79x	$8.56
2029	$27,168	$9,605	2.83x	$8.99
2030	$28,430	$12,380	2.30x	$10.06

[1] Reflects projections of FY 2025 based on the District's budget, and adjusted for the estimated debt service on the Series 2024 Bonds provided in this Report.

Note: These projections are based on current expectations and information and is not intended as a representation of facts or guarantee of results.

Source: Prepared by Landrum & Brown, Inc.

In preparing our findings and conclusions, L&B has relied upon the accuracy and completeness of financial and other data provided to it by the referenced sources, without independent verification. Certain statements contained in this Report, including the Exhibits that follow, are not historical facts but are projections and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the projections described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions, and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Report and the Official Statement. L&B has no responsibility to update this Report for events and/or circumstances occurring after the date of this Report.

References to website addresses presented herein, including the website of the District and the Airport and any other websites, are for informational purposes only for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Report.

L&B is not registered with the U.S. Securities & Exchange Commission as a municipal advisor, is not acting as a municipal advisor, and does not assume any fiduciary duties or provide advisory services as described in Section 15B of the Securities Exchange Act of 1934 or otherwise. L&B does not make recommendations or advice regarding any action to be taken by our clients with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities including with respect to the structure, timing, terms, or other similar matters concerning municipal financial products or the issuance of municipal securities.

L&B appreciates this opportunity to serve as the District's Airport Consultant for this proposed financing.

Sincerely,

Landrum & Brown, Incorporated

Landrum & Brown, Incorporated

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1 Role of the Airport and Socioeconomic Base for Air Traffic

This chapter describes the Greenville-Spartanburg International Airport (GSP or the Airport) and summarizes the role the Airport serves in accommodating air traffic for the nation and the region. This chapter also describes the Greenville-Spartanburg region's socioeconomic base and its ability to continue to support demand for air transportation.

1.1 Role of the Airport

The Airport is located midway between Greenville (13 miles from downtown) and Spartanburg (20 miles from downtown) in Greer, South Carolina, and serves as the principal commercial service airport for the Greenville-Spartanburg metropolitan region and the rest of Northwest South Carolina, nicknamed the Upstate. The Airport is owned and operated by the Greenville-Spartanburg Airport District (District) and is governed by an appointed six-member Greenville-Spartanburg Airport Commission which is responsible for financial success as well as the future planning and development of the Airport.

1.1.1 National Role

In its National Plan of Integrated Airport Systems (NPIAS), the Federal Aviation Administration (FAA) categorizes airports based on their level of activity within the national airport system. These categories help to define the role for each of the nearly 3,300 public-use airports included in the NPIAS. According to the FAA, the Airport had approximately 1.3 million enplaned passengers in calendar year (CY) 2023 and ranked as the 91st largest airport in the U.S.[2] The Airport accounted for less than 0.25% but more than 0.05% of the annual U.S. commercial enplaned passengers and as such is classified as a Small Hub airport. There are 74 total Small Hub airports in the U.S. which combined accounted for 9.0% of all enplaned passengers in the U.S.

1.1.2 Regional Role

The Airport serves as the primary commercial service airport for the Greenville-Spartanburg metropolitan area and the surrounding area. Origin and destination (O&D) passengers, or those that begin or end their travel at the Airport accounted for 96.9% of the passenger traffic at the Airport in Fiscal Year (FY) 2023. [3] [4]

The geographic region that serves as the Airport's primary catchment area is commonly referred to in the industry as its Air Service Area (ASA). For the purposes of this report, the Airport's primary ASA is defined as the Greenville-Spartanburg-Anderson Combined Statistical Area (Greenville-Spartanburg CSA) also known as the Upstate. The Greenville-Spartanburg CSA is comprised of the Greenville-Anderson Metropolitan Statistical Area (MSA) which includes four counties (Greenville, Anderson, Pickens, and Laurens); the Spartanburg MSA which includes two counties (Spartanburg and Union); and Oconee County, Greenwood County, Abbeville County, and Cherokee County.[5]

2 Federal Aviation Administration, Air Carrier Activity Database, accessed June 2024.
3 The District's Fiscal Year is from July 1 through June 30.
4 Data used to estimate an airport's share of O&D passengers is from the USDOT. These data are a random 10% sample of tickets either ticketed by a U.S. carrier or where a U.S. carrier operated at least one flight in the ticket's itinerary.
5 Executive Office of the President: Office of Management and Budget, Revised Delineations of Metropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas, July 21, 2023.

Figure 1-1 illustrates the Airport's location in relation to its ASA as well as the other airports within the region. The Asheville Regional Airport (AVL) in Fletcher, North Carolina is the closest commercial service airport (52 road miles north) and provides similar service as the Airport in terms of number of daily nonstop flights and number of destinations. The Charlotte Douglas International Airport (CLT), located 85 road miles northeast of the Airport, is the largest airport within 100 miles and is a major hub for American Airlines. The Columbia Metropolitan Airport is located 106 road miles from GSP. The Hartsfield-Jackson Atlanta International Airport (ATL), the busiest airport in the world based on passenger traffic, is located 165 road miles southwest of GSP and is a major hub for Delta Air Lines.

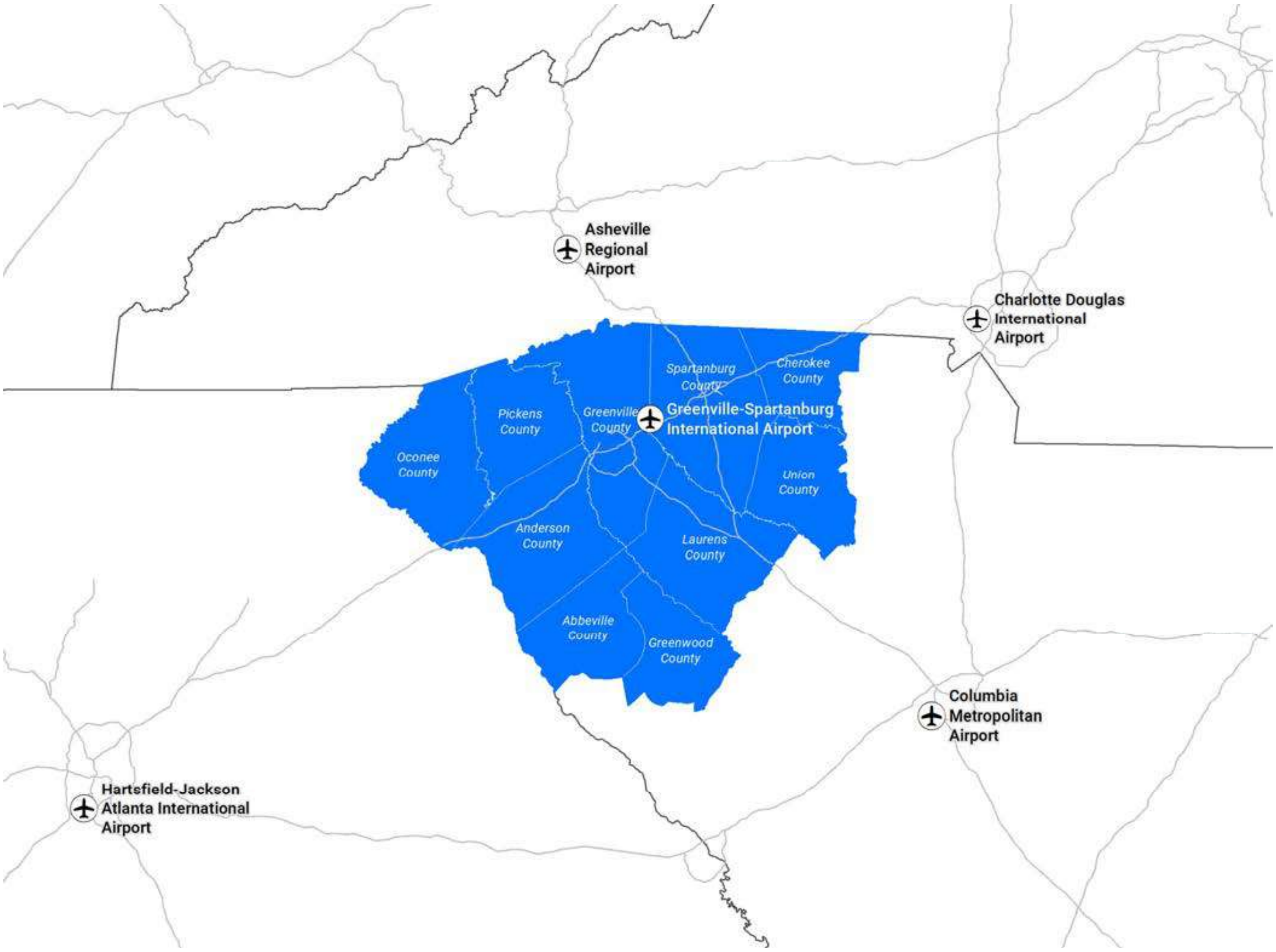
Within the Airport's primary catchment area, in CY 2022 it was estimated that approximately 54% of the region's air passengers use the Airport as their primary point of origin or destination, which is an increase from the roughly 30% share of the primary catchment area that the Airport captured in 2010. Of those primary catchment area air passengers using other airports, approximately 23% use ATL, 18% use CLT, and 5% use AVL as their primary airport.[6]

1.2 Socioeconomic Base for Air Traffic

Historically, air travel demand at an airport is largely correlated with the demographic and economic characteristics of the surrounding region. The economic strength of the ASA has a major impact on the aviation activity at the Airport since nearly all of the Airport's passenger demand is O&D. The following sections review current economic trends and conditions in the ASA and present data indicative of its capability to generate demand for air transportation through the next several years. Historical trends and projections for population, employment, income, and gross regional product (GRP) for the ASA and the U.S. are provided to provide a basis of comparison. Where available, historical data will be presented for the CY 2013 through CY 2023 period, which represents the most recent 11-year trend for historical data. Also, where available, data projections through CY 2030 are included to be consistent with air traffic and financial projections presented later in this Report. Historical data and projections are provided by Woods & Poole Economic, Inc. (W&P) unless otherwise noted.

6 Greenville-Spartanburg International Airport Passenger Leakage Study, March 2023.

Figure 1-1 Primary Air Service Area and Proximity to Other Airports



Airport	Code	FAA Airport Category	Driving Distance from the Airport (miles)	CY 2023 Enplaned Passengers	CY 2023 Nonstop Destinations
Greenville-Spartanburg Int'l Airport	GSP	Small	--	1,289,285	23
Asheville Regional Airport	AVL	Small	52	1,126,235	26
Charlotte Douglas Int'l Airport	CLT	Large	85	26,657,357	185
Columbia Metropolitan Airport	CAE	Small	106	607,481	9
Hartsfield-Jackson Atlanta Int'l Airport	ATL	Large	165	52,331,000	226

Source: Airport websites and Cirium, Diio Mi, Schedule, accessed May 2024.

1.2.1 Population

A growing population is a significant source of demand for air travel. **Table 1-1** provides the historical population data for CY 2013 and CY 2023 as well as the CY 2030 projection by county for the ASA. Between CY 2013 and CY 2023, the population in the ASA increased by 14.3% from approximately 1.39 million to 1.59 million. Since CY 2013, the ASA's population has increased at a compounded annual growth rate (CAGR) of 1.3%, equal to that of the State of South Carolina (1.3%) and higher than the nation (0.6%).

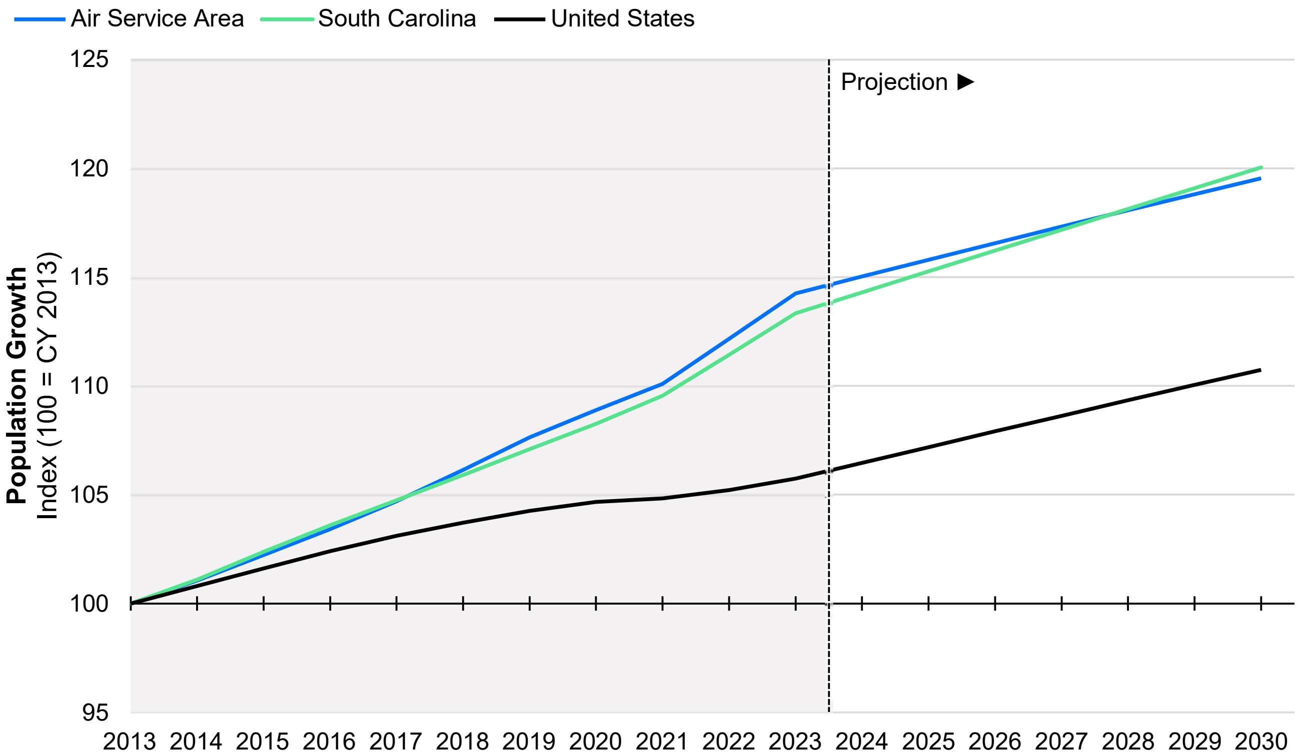
Table 1-1 Population (CY 2013, CY 2023, and CY 2030)

	Population (In Thousands)			CAGR	
	Historical		Projection		
Region	CY 2013	CY 2023	CY 2030	CY 2013 - 23	CY 2023 - 30
United States	316,668	334,915	350,794	0.6%	0.7%
South Carolina	4,741	5,374	5,691	1.3%	0.8%
Air Service Area	**1,392**	**1,591**	**1,664**	**1.3%**	**0.6%**
Greenville–Anderson MSA	***848***	***975***	***1,029***	***1.4%***	***0.8%***
Greenville County	*472*	*558*	*597*	*1.7%*	*1.0%*
Anderson County	*190*	*213*	*223*	*1.2%*	*0.6%*
Pickens County	*120*	*135*	*141*	*1.2%*	*0.6%*
Laurens County	*66*	*69*	*68*	*0.4%*	*-0.1%*
Spartanburg MSA	***320***	***383***	***398***	***1.8%***	***0.5%***
Spartanburg County	*291*	*357*	*372*	*2.0%*	*0.6%*
Union County	*28*	*27*	*26*	*-0.5%*	*-0.2%*
Seneca MSA	***75***	***81***	***85***	***0.9%***	***0.6%***
Oconee County	*75*	*81*	*85*	*0.9%*	*0.6%*
Greenwood MSA	***94***	***94***	***95***	***0.0%***	***0.1%***
Greenwood County	*69*	*69*	*70*	*0.0%*	*0.2%*
Abbeville County	*25*	*24*	*24*	*-0.2%*	*-0.2%*
Gaffney MSA	***56***	***57***	***58***	***0.2%***	***0.3%***
Cherokee County	*56*	*57*	*58*	*0.2%*	*0.3%*

Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

Figure 1-2 depicts the historical and projected population growth indexed to CY 2013 for the ASA and for the U.S. overall. Since CY 2013, population growth in the ASA has significantly outpaced the nation. According to W&P, the population in the ASA is forecast to increase from 1.59 million in CY 2023 to 1.66 million in CY 2030, resulting in a CAGR of 0.6%, which is slower than the national population and the rest of the state of South Carolina.

Figure 1-2 Historical and Forecast Population Trends (CY 2013 – CY 2030)



Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

The South Carolina Revenue and Fiscal Affairs Office released a revised forecast for the State by county in November 2023.[7] The forecast indicates that population in the ASA is expected to increase at a CAGR of 1.0%, which is above the 0.7% forecast provided by W&P. There are always many uncertainties associated with any forecast and they should always be viewed with caution as actual variance could be material. In an effort to remain conservative in the projections, this Report is assuming the W&P forecast for air traffic projection purposes.

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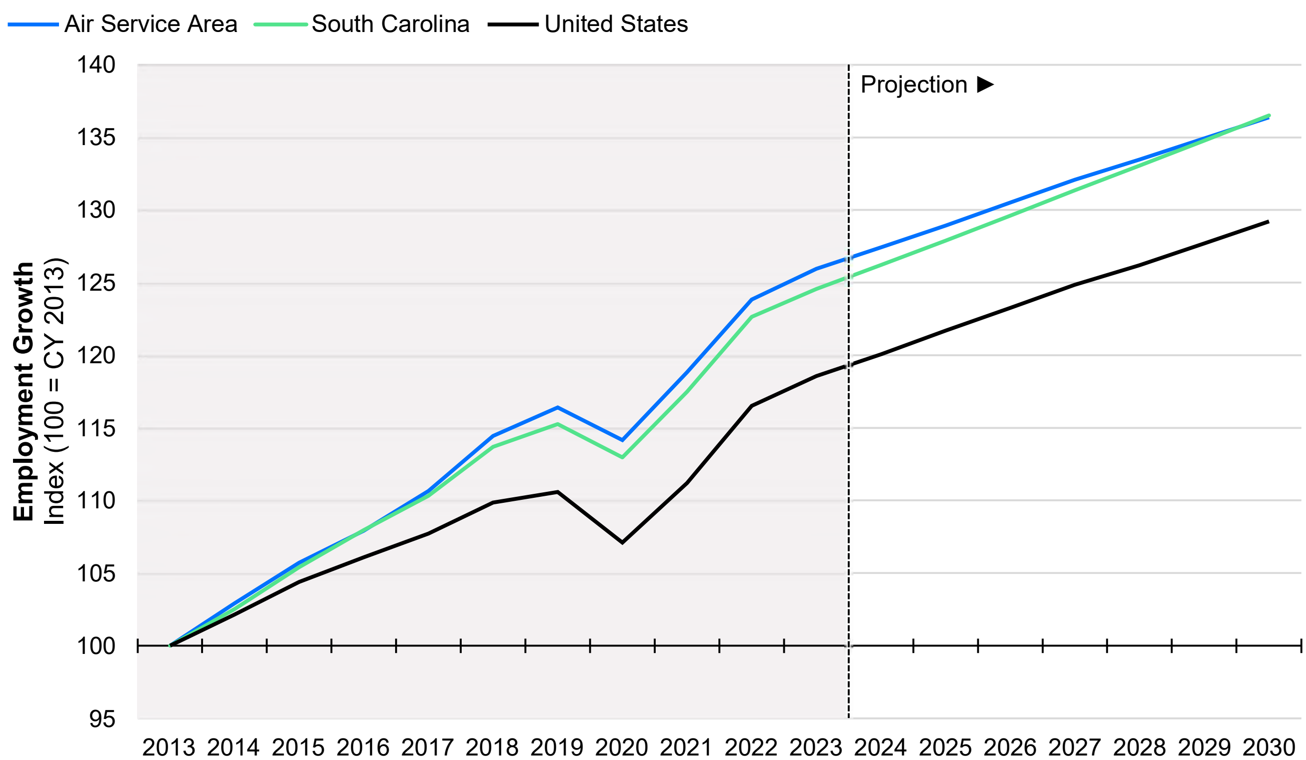
7 Upstate SC Alliance, Data Center – Population, accessed online at https://www.upstatescalliance.com/data-center-population/

1.2.2 Employment

Growth in employment is an important indicator of the overall health of the local economy. Historically, changes in population and employment tend to be closely correlated as people migrate in and out of areas largely depending on their ability to find work. **Figure 1-3** presents historical and projected employment growth in the ASA, the state of South Carolina and the U.S. indexed to CY 2013. From CY 2013 through CY 2019, employment in the ASA increased at a CAGR of 2.6%, significantly higher than the rate of the U.S. (1.7%). In CY 2020, employment in the ASA decreased by 1.9% as a direct result of the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic. The decline in ASA employment in CY 2020 of 1.9% was not as deep when compared to many other areas of the U.S., where employment decreased by 3.1%. By CY 2021, employment in the ASA exceeded CY 2019 levels and continued to increase in CY 2022 and CY 2023. In comparison, employment in the U.S. did not recover until CY 2022. Future growth in employment for the ASA is forecast to be generally in line with that of the U.S.

Figure 1-3 Historical and Forecast Employment Trends (CY 2013 – CY 2030)



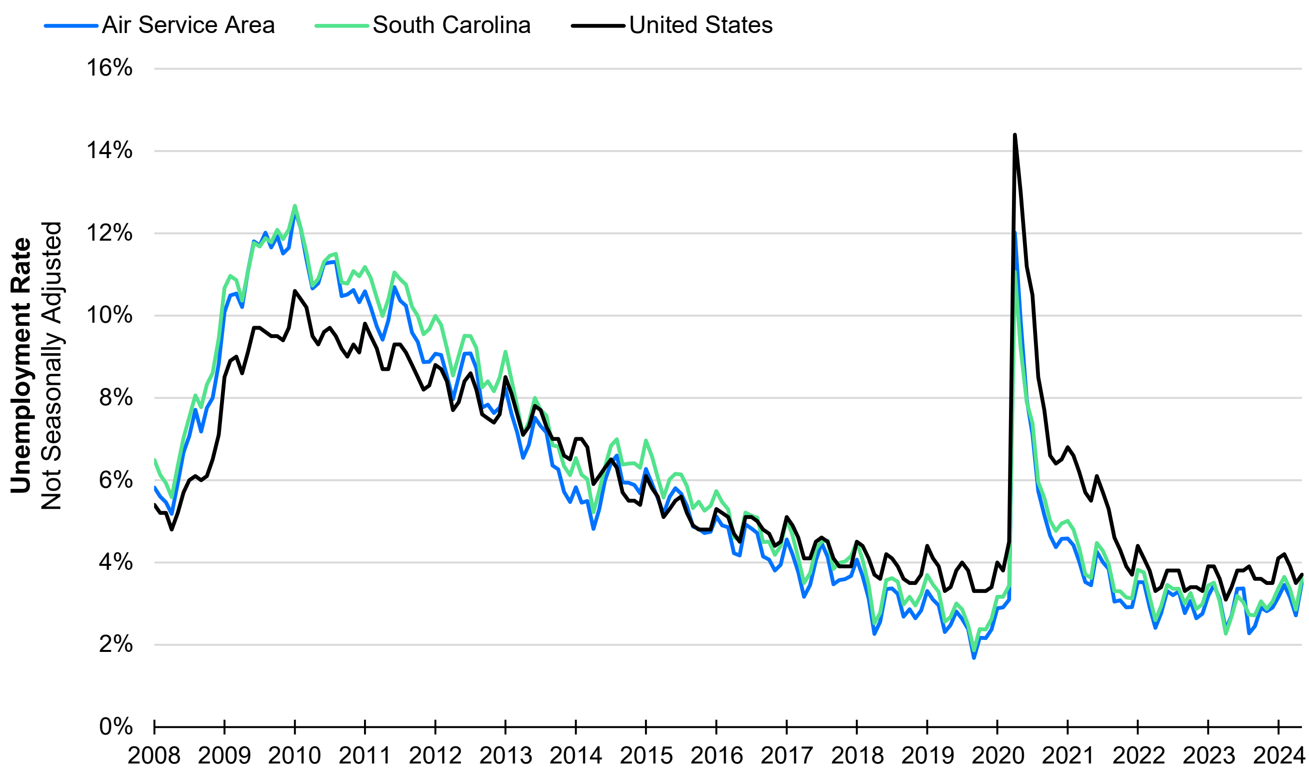
Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

1.2.2.1 Unemployment Rates

Unemployment rates are an indicator of economic health as rates usually decrease as economic activity in the region grows. **Figure 1-4** presents the historical monthly unemployment rates for the ASA and the U.S. As shown, unemployment rates in the ASA were higher than those for the nation during the Great Recession in 2009 and 2010, but trended similar to the national average from 2012 through 2016. During this period, unemployment for the ASA peaked at 12.6% in January 2010 as compared to the national unemployment peak of 10.6% in the same month primarily as a result of the Great Recession and its lingering impacts. Since 2016, unemployment rates in the Area Service Area have been consistently lower than the national average.

Unemployment rates increased significantly in April 2020 during the initial weeks of the COVID-19 pandemic as a result of stay-at-home orders and companies attempting to minimize potential losses. The unemployment rate in the ASA peaked at 12.0% in April 2020 compared to the national rate of 14.4%. The unemployment rates for both the nation and the ASA declined rapidly from these peaks over the next several months, with those for the ASA remaining well below national levels. In May 2024, the unemployment rate for the ASA was 3.5%, which was lower than the State at 3.6% and the 3.7% rate for the U.S. as a whole.

Figure 1-4 Historical Unemployment Rates (January 2008 – May 2024)



Sources: U.S. Department of Labor: Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey.

1.2.2.2 Industry Sectors

The breakdown of jobs by employment sectors within a region can provide insight into how resilient the local economy is to downturns. **Figure 1-5** presents a comparison of employment by industry sector between the ASA and the U.S. and the projected future growth of each sector. The comparison is provided using a location quotient (LQ) which is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit. An LQ is computed as an industry's share of a regional total for some economic statistic (earnings, GDP by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic. For example, the ASA's Goods Producing sector has an LQ of 1.30 which means the region has a higher concentration in good producing than the nation. As shown, the Professional Services and Goods Producing sectors are higher in concentration in the ASA than the U.S. However, the education and health as well as the financial activities sectors are projected to have some of the highest growth in jobs in the region. The growth for these sectors is higher than the national average which will result in their LQs becoming more central over time. Jobs in these sectors also tend to have higher incomes and are generally stable.

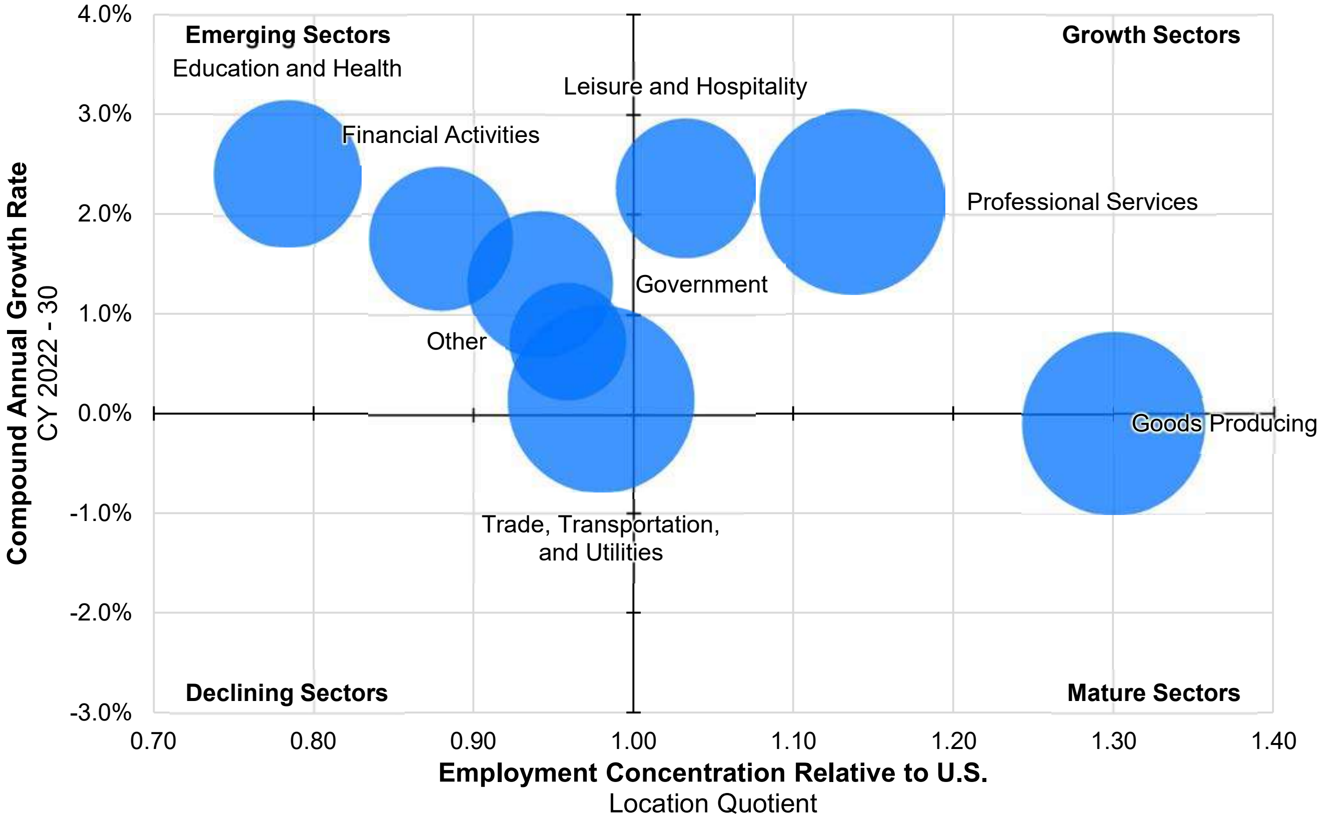
Upstate South Carolina is known for having a strong manufacturing sector. The region has attracted several companies seeking to take advantage of its highly skilled workforce. GE Energy, Michelin, BMW, Fluor, Magna, Bosch, and other leading manufacturing companies are among those with operations in the Upstate.

Spartanburg County is home to BMW's only North American manufacturing plant and employs approximately 11,000 employees locally. Spartanburg is also known as the "hub city" for its many railroad lines that radiate from the city. The Inland Port Greer, operated by the South Carolina Ports Authority, is located on I-85 in Greer, S.C., approximately 212 miles inland from Charleston and approximately halfway between Atlanta and Charlotte. The Inland Port Greer is located on 91 acres and operates 24 hours seven days a week and allows import loads discharged in Charleston in the morning to be taken to the local Norfolk Southern Intermodal ramp to be available in Greer by 8:00 a.m. the next morning. As a result of its rail lines and transportation network, Spartanburg also is known for its textile industry. Milliken & Company, which is headquartered in Spartanburg and has more than 4,500 employees in the region, is considered a global leader in textile manufacturing, including apparel, automotive and transportation, building and infrastructure, hospitality, industrial, military, specialty interiors, and protective workwear.

In addition to manufacturing, distribution, logistics, and transport is another of the Upstate's growth industries. The sector has grown so rapidly, it now represents one-fifth of all jobs in South Carolina. The Upstate is centrally located between two of the south's largest cities—Charlotte and Atlanta. An extensive network of highways, as well as air cargo capabilities, have helped to grow the sector.

The strength of the Upstate as a manufacturing sector has also resulted in strong growth in tech business development. The Upstate's access to technology training and education at Clemson University and other educational facilities has helped to create a ready workforce for tech companies. Leading tech-based companies with a presence in the Upstate include Aeronix, Merit Technologies, Synnex, Wipro, IBM, and Concentrix.

Figure 1-5 Employment by Industry Sectors (CY 2023 – CY 2030)



Note: A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit. An LQ is computed as an industry's share of a regional total for some economic statistic (earnings, GDP by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic.

Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

1.2.2.3 Major Employers

The top ranked employers in the Upstate for 2023 are shown in **Table 1-2**. These employers serve a diverse range of industries including health care, education, manufacturing, and retail. The region's largest employer is BMW Manufacturing Corporation, with approximately 11,000 employees, followed closely by Greenville County Schools, with approximately 10,300 employees.

Table 1-2 Top 25 Employers in the Upstate (2023)

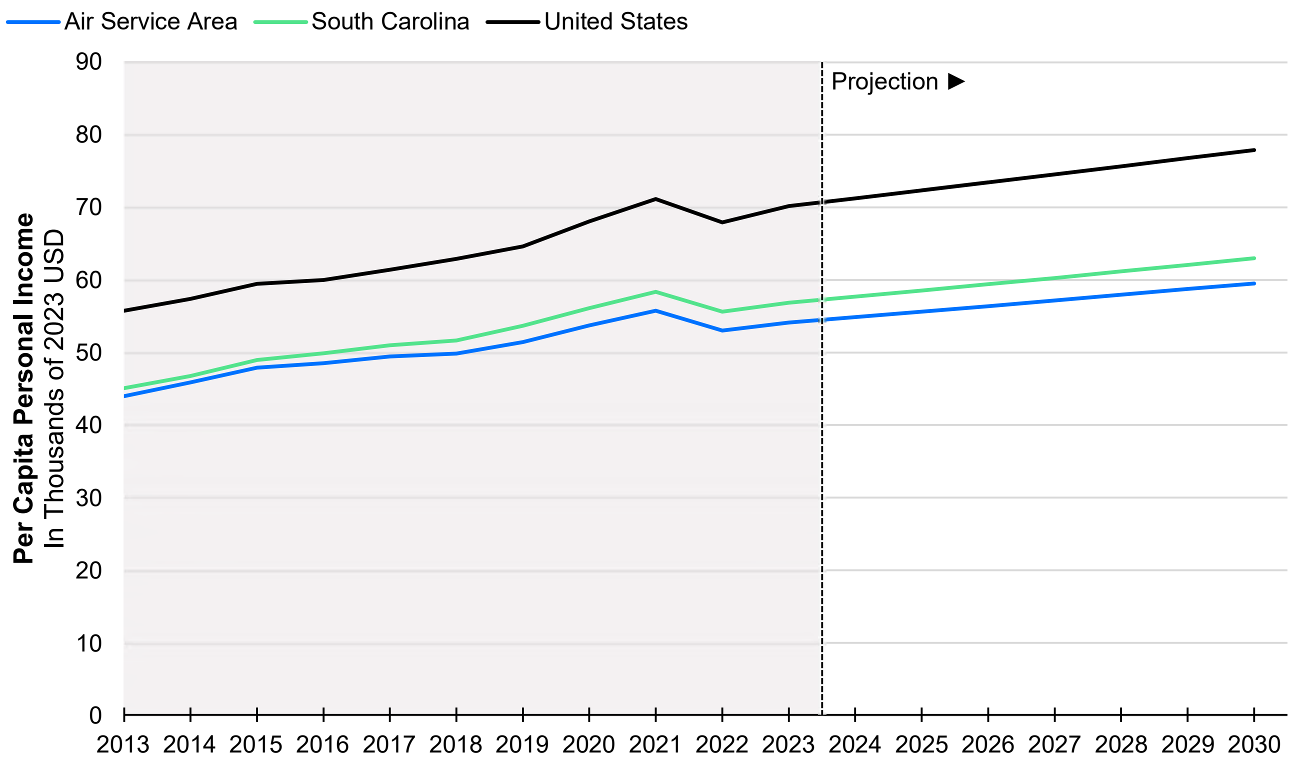
Company Name	Line of Business	Employees
BMW Manufacturing Corp	Automobile manufacturer	11,000
Greenville County Schools	K-12 public education	10,293
Clemson University	Public research university	5,698
Spartanburg Medical Center	Not-for-profit healthcare system	5,350
United States Government - Greenville County	Federal government	4,384
State of South Carolina - Pickens County	State government	3,947
AnMed Health	General medical and surgical hospitals	3,705
GE Vernova	Gas turbines for energy use	3,650
Prisma Health - Greenville Memorial Hospital	Not-for-profit academic health system	3,591
Self Regional Healthcare	General medical and surgical hospitals	2,754
Robert Bosch, LLC	Manufactures gasoline systems and electronic automotive components	2,470
Greenville County	County government and administration	2,440
State of South Carolina - Greenville County	State government	2,369
ZF Transmissions Gray Court LLC	Manufactures automatic transmissions	2,300
School District of Pickens County	K-12 public education	2,253
TD Bank - Greenville (#2)	Regional banking hub & contact center	2,100
State of South Carolina - Spartanburg County	State government	2,079
Electrolux	Top-freezer refrigerators and under-the counter refrigerators	2,000
Adidas America, Inc. (DC2)	Clothing and footwear distribution center	2,000
Michelin North America, Inc. (HQ)	North American Headquarters; Tire manufacturing facility (Tier 1 BMW supplier)	1,842
United States Government - Spartanburg County	Federal government	1,818
Foundever (fka Sitel, Corp.)	Customer care provider	1,705
Anderson County School District 5	K-12 public education	1,700
Spartanburg County School District 6	K-12 public education	1,680
Lockheed Martin Aeronautics (SC) - Greenville	Aircraft maintenance, repair, modification & overhaul, Final Checkout & Assembly (FACO) of T-50A and F-16	1,650

Source: Upstate SC Alliance, Major Employers: Largest Employers – All Sectors.

1.2.3 Income

Income statistics are broad indicators of the relative earning power and wealth of an area and provide a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel. Per capita personal income (PCPI) corresponds to the income per resident (total income divided by total population). **Figure 1-6** provides the historical and forecast PCPI for the ASA and the U.S. from CY 2013 through CY 2030. In CY 2013, PCPI in the ASA was $44,017, which was lower than the national average of $55,799. Since CY 2013, PCPI in the ASA has increased at a CAGR of 2.1%, below the U.S. rate. The PCPI in the ASA reached an estimated $54,123 in CY 2023 which was $16,049 lower than the national average. PCPI in the region is forecast to remain below the national average through the forecast period.

Figure 1-6 Historical and Forecast Per Capita Personal Income Trends (CY 2013 – CY 2030)

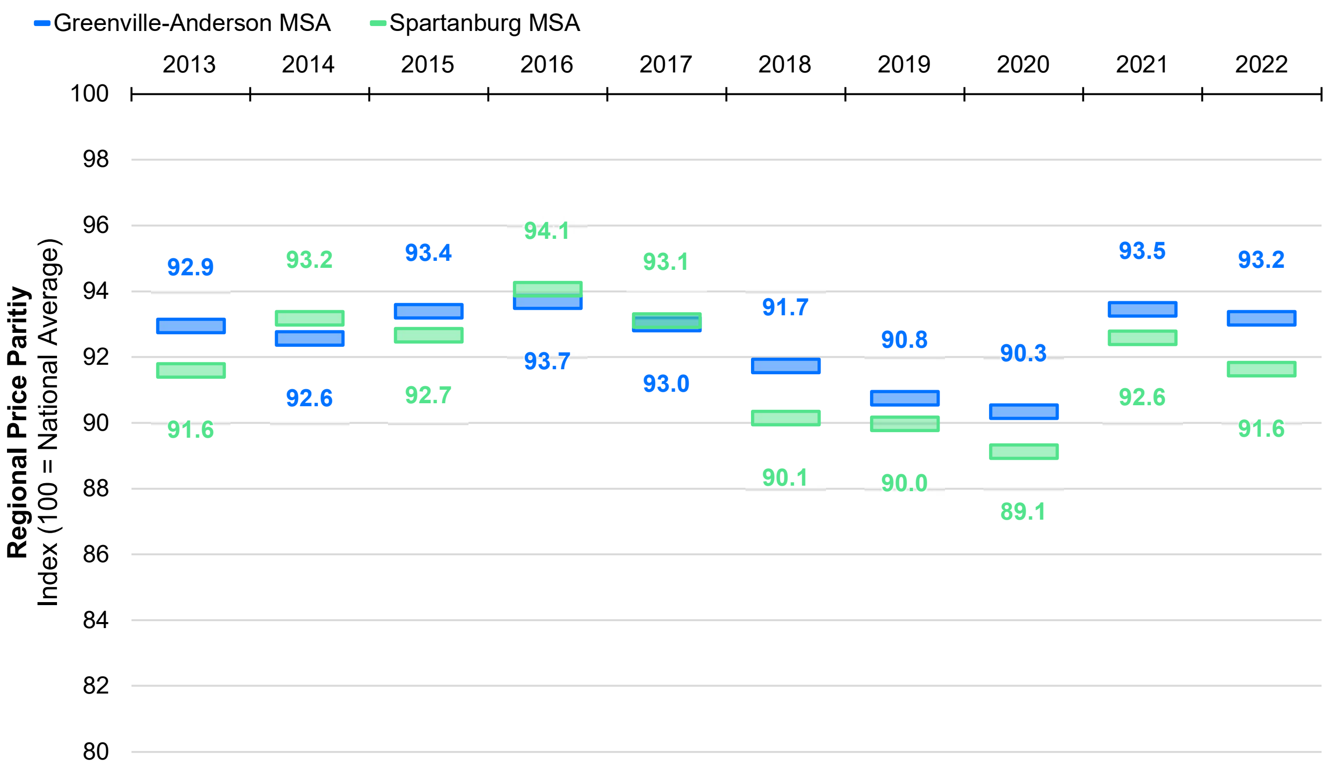


Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

1.2.4 Cost of Living

Although personal income is a vital statistic, it is only one determinant of the purchasing power of the people within a region and whether those people have the means to afford to travel by air. Other things being equal, a higher cost of living means less disposable income to purchase an airline ticket. Additionally, a relatively low cost of living can be a significant incentive for businesses to locate in a particular city. The U.S. Bureau of Economic Analysis uses Regional Price Parities (RPPs) to account for the cost of living in specific locations. RPPs measure the differences in the price levels of goods and services across states and metropolitan areas for a given year. RPPs are expressed as a percentage of the overall national price level, where the national average equals 100. **Figure 1-7** provides the RPP for the Greenville-Anderson MSA and the Spartanburg MSA from CY 2013 through CY 2022. In CY 2022, the RPP for the Greenville-Anderson MSA was 93.2% and for the Spartanburg MSA was 91.6%, which indicates that the Upstate region's cost of living is roughly 7% to 8% lower than that of the nation.

Figure 1-7 Regional Price Parity for Greenville-Anderson MSA and Spartanburg MSA (CY 2013 – CY 2022)

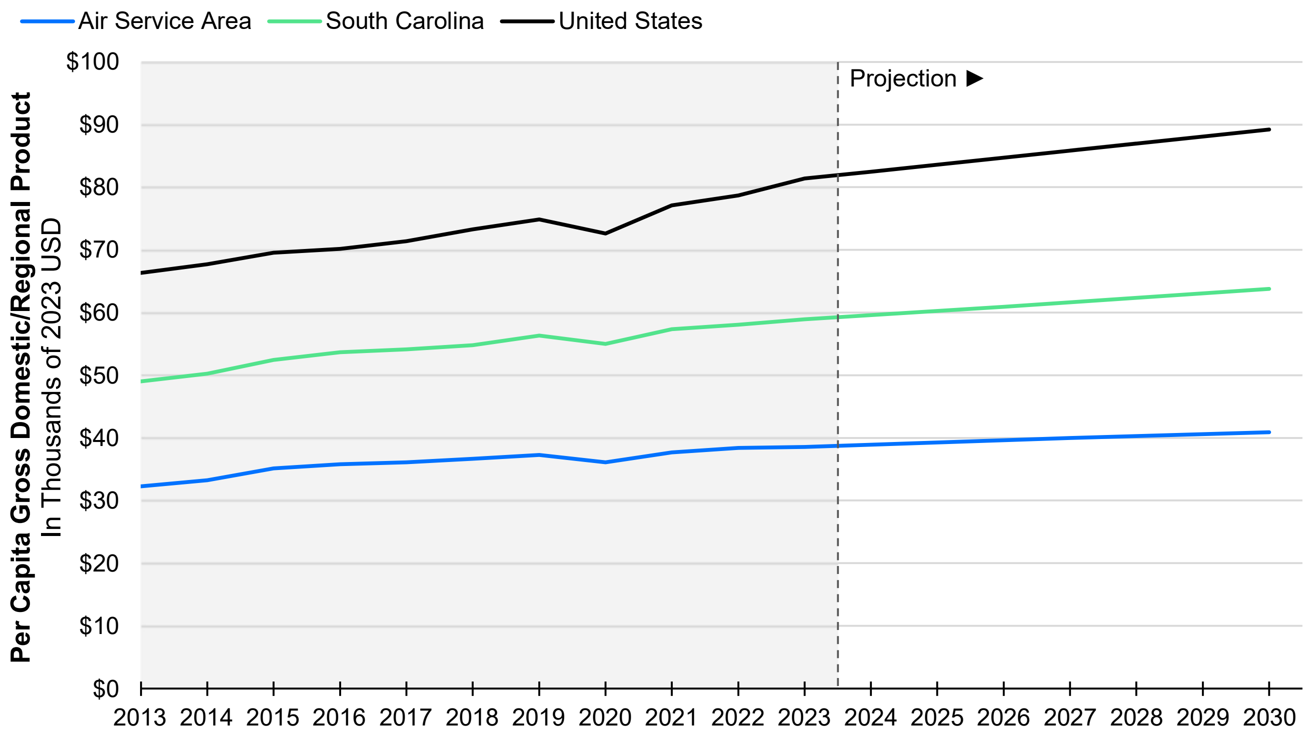


Source: Bureau of Economic Analysis, Regional Price Parities by State and Metro Area.

1.2.5 Gross Domestic/Regional Product

Gross domestic product (GDP) and gross regional project (GRP) are measures of the value of all final goods and services produced within a geographic area. These measures are general indicators of the economic health of a geographic area and, consequently, of the area's potential demand for air transportation services. **Figure 1-8** presents the historical and projected GDP for the U.S. and the GRP for the ASA on a per capita basis from CY 2013 through CY 2030. Over the period shown, GRP for the ASA on a per capita basis has consistently been lower than that of the U.S. GRP in the region is forecast to remain below the GDP through the forecast period.

Figure 1-8 Historical and Forecast Per Capita Gross Domestic/Regional Product Trends (CY 2013 – CY 2030)



Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, June 2024.

1.2.6 Regional Tourism and Attractions

In FY 2023, the Greenville MSA had 7 million visitors (arriving by all modes of transportation) who spent an estimated $1.5 billion and generated $42.9 million in tax revenue. Of the 7 million visitors, approximately 68% were from out of state, and were the most in the region's history and supported approximately 51,400 jobs in the region.[8] In addition, based on a study prepared by Clemson University, tourists spent more than $278 million in Spartanburg County resulting in a total economic impact of $307.8 million in fiscal year 2017-18. Tourism supported 6,677 jobs in Spartanburg County and local government received more than $17 million in taxes and fees from tourism.

8 Visit Greenville SC, FY 2023 Annual Report.

The Upstate is located at the foothills of the Blue Ridge Mountains. The area includes miles of hiking trails, more than 120 waterfalls, and over 40 golf courses, making it an ideal vacation location for anyone who loves the outdoors. There are 13 state parks in the region. Nearly all of the state parks include campsites, hiking or nature trails, and lakes and rivers for fishing. Some the lakes allow for boating with options to rent. For those who are seeking fun indoors, the region also has several art and history museums. The most notable of these museums is the BMW Zentrum Museum. The museum provides visitors with exhibits highlighting both the present and future of BMW. The museum is free of charge and is the only BMW museum in North America.

The Chapman Cultural Center, located in Spartanburg, is located in a three-building complex on the northern edge of downtown. It is considered a cultural center for history, art, theatre, dance, music, and science and houses the Spartanburg Art Museum, Spartanburg County Regional History Museum, Science Center, Little Theatre, Ballet, Music Foundation, and other groups that were formerly located in The Arts Center.

Sports tourism has been a main factor in the growth of the tourism industry in the Upstate. Spartanburg has more than 160 sporting events annually. The Spartanburg City Council approved a $425 million downtown baseball stadium development as part of its master plan known as Project Core in September 2023. Project Core is expected to transform the downtown's western gateway. In addition to the 3,500-seat stadium, the Project Core development area will include 200,000 square feet of office space, more than 375 apartment units, a 150-room hotel, parking facilities to house at least 1,500 vehicles, and a large public plaza and event space. Construction on the project will take place in phases, with the stadium and first parking structure expected to be completed by spring of 2025 and subsequent phases to be completed over several years.

In Greenville, in addition to numerous other activities and events, there are six signature events held each year which are summarized below.

- **Artisphere** is held on Mother's Day weekend each year. The event has a colorful array of vibrant visual and performing artists, amazing culinary experiences, and one-of-a-kind stage acts.
- On Memorial Day weekend, the **Gallabrae**, an annual Scottish cultural event, is held. Gallabrae begins with the Great Scot! Parade on Friday evening followed by the Greenville Scottish Games.
- The **Greenville Jazz Fest** is the newest event. The event includes both national and local jazz acts, food trucks, and drink tents.
- The **BMW Charity Pro-Am** is the only tournament that groups professional golfers from the Korn Ferry Tour with amateurs and celebrities. The event is held over two golf courses, the Thornblade Club and Spartanburg's Carolina Country Club.
- **Euphoria** features exclusive tastings, cooking demonstrations, wine seminars, and multi-course dinners with celebrity chefs, this upscale event shines a spotlight on Greenville's robust culinary community.
- **Fall for Greenville** is an event to celebrate the autumn season with more than 50 local restaurants serving food, more than 50 beers on tap, wine vendors, and over 75 musical acts on six stages.

Spartanburg also hosts several annual events, including:

- **Music on Main** is an annual summer concert series located in the heart of downtown on Morgan Square.
- **Spring Fling** is a festival features four stages filled with non-stop entertainment and numerous zones and attractions which kicks off with the Spartanburg Regional Healthcare System Criterium cycling race.
- **Juneteenth Celebration Weekend** is a unique educational event that celebrates the African-American experience since the end of slavery in 1865.

- **Red, White & Boom** is the annual Independence Day celebration located in Barnet Park is the perfect setting for Spartanburg's Independence Day celebration.
- The **Downtown Sunday Market** features artisan vendors, delicious food options, live entertainment, and fun family-friendly activities.
- **Spartanburg International Festival** is one of our city's most popular festivals and celebrates Spartanburg's global appeal and its corresponding diversity. It has more than 12,000 people attending annually to celebrate and explore world cultures through food, music, dance, folk art, and much more.

1.2.7 Higher Education and Research

Clemson University is located in the Upstate in Clemson, approximately 30 road miles southwest of Greenville. The University had 28,747 students enrolled in the Fall of 2023, making it the second-largest university by enrollment in the State after the University of South Carolina. Clemson University consists of seven colleges: Agriculture, Forestry and Life Sciences; Architecture, Arts and Humanities; The Wilbur O. and Ann Powers College of Business (located downtown Greenville); Behavioral, Social and Health Sciences; Education; Engineering, Computing and Applied Sciences; and Science. In addition to the students the school attracts visitors for their research facilities and their competitive sports teams.

The Clemson University International Center for Automotive Research (CU-ICAR), which is home to the nation’s only graduate Department of Automotive Engineering, was established in 2013 in Greenville. CU-ICAR is a 250-acre automotive and motorsports research campus. CU-ICAR includes a graduate school offering master's and doctoral degrees in automotive engineering, and programs focused on systems integration. The campus also includes an Information Technology Research Center. BMW, Microsoft, IBM, Bosch, Timken, JTEKT/Koyo and Michelin are all major corporate partners of CU-ICAR. The CU-ICAR campus has created thousands of high-quality jobs, many of which are filled by Clemson graduates. Additionally, the partnerships between Clemson and these companies have led to increased investment in research and development, further boosting the local economy.

Furman University (2,283 enrollment) and Greenville Technical College (15,109 enrollment) are also located in Greenville. Spartanburg has four universities/colleges, including the University of South Carolina-Upstate (4,458 enrollment), Spartanburg Community College (4,108 enrollment), , Wofford College (1,873 enrollment), and Converse University (1,284 enrollment).

1.2.8 Economic Outlook

Table 1-3 presents a summary of historical and projected economic variables for the ASA and for the U.S. through 2030 including population, employment, personal income, and gross regional and domestic product. As shown, population, employment, per capita personal income, and GRP in the ASA are all expected to maintain pace with the U.S. over the projection period from FY 2025 through FY 2030 (Projection Period) and economic and demographic growth in the ASA is expected to be on pace with the U.S.

Table 1-3 Passenger Demand Forecast Variables (CY 2013 – CY 2030)

		Population in thousands		Employment in thousands		Per Capita Personal Income in 2022$		Per Capita Gross Domestic/Regional Product in millions of 2022$	
Year		ASA	U.S.	ASA	U.S.	ASA	U.S.	ASA	U.S.
Historical	2013	1,392	316,765	743	182,328	44,017	55,799	32,305	66,379
	2018	1,478	328,526	851	200,292	49,837	62,890	36,663	73,282
	2019	1,498	330,222	865	201,635	51,417	64,601	37,284	74,840
	2020	1,516	331,527	849	195,287	53,736	68,051	36,094	72,615
	2021	1,533	332,049	883	202,752	55,767	71,153	37,706	77,092
	2022	1,561	333,271	920	212,442	53,029	67,920	38,398	78,700
	2023	1,591	334,915	936	216,167	54,123	70,172	38,547	81,385
Forecast	2024	1,601	337,215	947	218,894	54,873	71,254	38,895	82,497
	2025	1,612	339,516	958	221,879	55,622	72,340	39,247	83,617
	2026	1,623	341,808	970	224,737	56,386	73,437	39,615	84,734
	2027	1,633	344,080	982	227,627	57,158	74,543	39,976	85,856
	2028	1,644	346,327	992	230,072	57,950	75,661	40,282	86,965
	2029	1,654	348,565	1,003	232,834	58,739	76,789	40,606	88,091
	2030	1,664	350,794	1,014	235,603	59,536	77,924	40,937	89,221

Range	Compounded Annual Growth Rate							
2013-23	1.0%	0.6%	1.8%	1.5%	2.3%	2.4%	1.2%	2.0%
2023-30	0.6%	0.7%	1.1%	1.2%	1.4%	1.5%	0.9%	1.3%

Source: Woods & Poole Economics, Inc., 2023 Complete Economic and Demographic Data Source, July 2024.

2 Air Service and Air Traffic Analysis

This chapter describes and evaluates the state of air service at the Airport, analyzes historical trends in air traffic, identifies key factors that generally affect demand for air travel, and provides projections of air traffic activity.

2.1 Air Service at the Airport

The following sections evaluate current air service capacity and operating performance for the primary passenger airlines serving the Airport. The Airport's overall O&D market is also assessed at the market level, comparing performance with prior years.

2.1.1 Airlines Operating at the Airport

The Airport has historically experienced diverse air service from the primary U.S. airlines, with service primarily concentrated on the East Coast. As of July 2024, the Airport has scheduled passenger service by a total of seven major airlines, comprised of four U.S. network airlines,[9] and three ultra-low-cost carriers (ULCCs).[10] Additionally, seven regional airlines operating as affiliates of the network airlines serve the Airport. **Table 2-1** provides a list of the scheduled passenger and all-cargo airlines that serve the Airport as of July 2024. Table 2-1 also provides a list of regional airlines operating as affiliates of the network airlines serving the Airport.

Table 2-1 Airlines Serving the Airport (as of July 2024)

Passenger Airlines		
Major Airlines (7)	**Regional Airlines (7)**	**All-Cargo Airlines (4)**
Allegiant Air	Endeavor Air[3]	FedEx Express
American Airlines	Envoy Air[1]	Mountain Air Cargo
Avelo Airlines	Piedmont Airlines[1]	UPS Airlines
Breeze Airways	PSA Airlines[1]	Maersk Air Cargo
Delta Air Lines	Republic Airlines[2]	
Southwest Airlines	SkyWest Airlines[2,3]	
United Airlines	Mesa Airlines[2]	

[1] Doing business as American Eagle
[2] Doing business as United Express
[3] Doing business as Delta Connection
Source: Greenville-Spartanburg Airport District.

[9] For the purposes of this Report, American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines are considered network airlines.
[10] For the purposes of this Report, Allegiant Air, Breeze Airways, and Avelo Airlines are considered ultra-low-cost-carriers.

To illustrate specific trends in changes to the passenger market share, **Table 2-2** provides the enplaned passengers by airline at the Airport with the associated market share from FY 2019 through FY 2024. As shown, American Airlines and Delta Air Lines have historically had the largest enplaned passenger market share at the Airport, accounting for 35.6% and 32.4%, respectively in FY 2023. During the pandemic from FY 2020 through FY 2021, both American Airlines and Southwest Airlines increased their passenger market shares at the Airport while Delta Air Lines and United Airlines both lost market share. Since FY 2021, however, Delta Air Lines and United Airlines have recovered some of their lost market shares, albeit not to pre-pandemic levels. In FY 2024, American Airlines further increased its market share to 37.9%, while Delta Air Lines market share decreased to 29.5%. Other airlines, which include Avelo Airlines and Breeze Airways, increased their market share from 1.7% in FY 2023 to 3.4% in FY 2024.

2.1.2 Nonstop Service

Figure 2-1 illustrates the scheduled nonstop markets at the Airport. As shown, the Airport's nonstop service is focused primarily on larger O&D markets in the Northeast and leisure destinations in Florida, along with connecting service to each of the network airlines' major hub airports.

Figure 2-2 illustrates the Airport's number of nonstop destinations and average daily flights by quarter since CY 2014. As shown, from CY 2014 through the first half of CY 2016, there were 18 nonstop destinations at the Airport. Nonstop destinations declined to 14 in CY 2018 before increasing to 19 in the fourth quarter of 2018 where it remained until the start of the COVID-19 pandemic. Following the start of the COVID-19 pandemic, the number of nonstop destinations declined to 14 in the third quarter of 2020, but quickly returned to 20 in the first quarter of 2020, where it mostly remained through the first quarter of 2024. As of July 2024, the Airport had nonstop service to 26 destinations, which is scheduled to increase to 27 by the third quarter of 2024.

Similarly, the average number of daily flights generally increased from approximately 42.8 per day in the first quarter of 2014 to a peak of 52.0 per day in the third quarter of 2019. The number of average daily flights decreased to a low of 22.1 immediately following the COVID-19 pandemic. As of July 2024, the Airport had an average of 52.6 daily flights and are scheduled to increase to an average of 54.3 daily departures by the third quarter of 2024.

New nonstop service recently added at the Airport over the last year is summarized below:

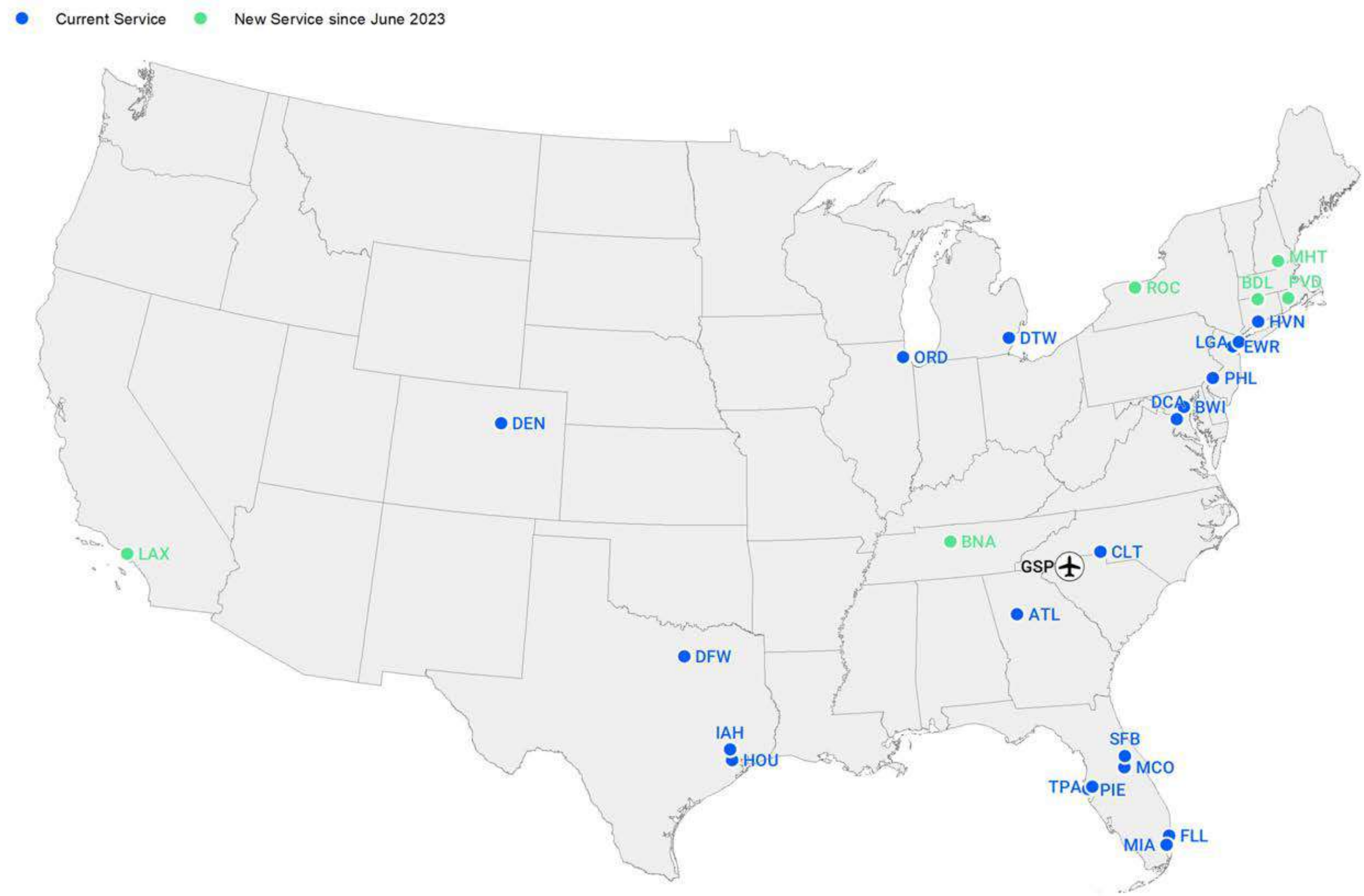
- Avelo Airlines started nonstop service at the Airport in June 2023 with two flights a week to New Haven, Orlando, and Wilmington. Service to Orlando and Wilmington was subsequently eliminated in November 2023, however, in May 2024, Avelo added new twice-weekly service to Manchester and Rochester, and increase its flights to New Haven to four flights a week.
- Delta Air Lines and Southwest Airlines each added one daily flight to their existing service to Atlanta in March 2024 and November 2023, respectively.
- As of March 2024, American Airlines added additional flights to several of its existing nonstop markets including Charlotte, Chicago O'Hare, Dallas/Ft. Worth, and Philadelphia. American added seven new daily flights and approximately 400 additional daily seats to these markets.
- Breeze Airways added nonstop service in May 2024 to Hartford, Los Angeles, Orlando, Providence, and Tampa with two weekly flights to each.
- United Airlines added one daily flight to its existing service to its hub at Houston in May 2024.
- Southwest Airlines began new nonstop service to Nashville in June 2024.

Table 2-2 Historical Airport Enplaned Passenger Market Share (FY 2019 – FY 2024)

	Enplaned Passengers (In Thousands)						Market Share					
Airline	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
American Airlines	397	331	226	372	420	519	31.7%	33.6%	38.6%	34.3%	35.6%	37.9%
Delta Air Lines	451	333	164	362	382	404	36.0%	33.8%	27.9%	33.4%	32.4%	29.5%
United Airlines	198	157	86	164	181	203	15.8%	15.9%	14.7%	15.2%	15.4%	14.8%
Southwest Airlines	110	89	75	130	135	155	8.8%	9.1%	12.8%	12.0%	11.4%	11.3%
Allegiant Airlines	56	40	31	42	42	43	4.4%	4.1%	5.3%	3.9%	3.6%	3.2%
Other	39	36	5	15	19	46	3.2%	3.6%	0.8%	1.4%	1.7%	3.4%
Total	**1,250**	**986**	**587**	**1,084**	**1,179**	**1,371**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

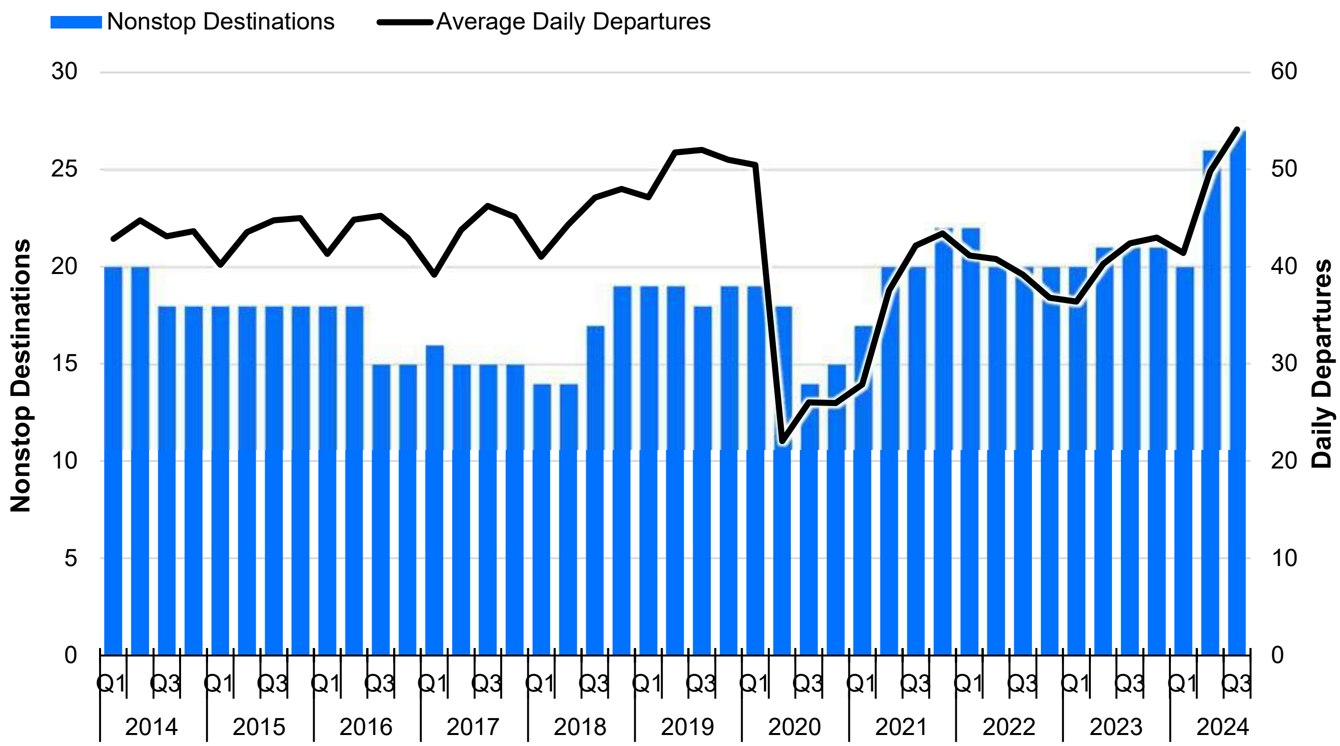
Note: Amounts may not add total because of rounding.
Source: Greenville-Spartanburg Airport District.

Figure 2-1 Map of Nonstop Destinations



Note: Service to IAD is scheduled to begin in September 2024.
Source: Cirium, Diio Mi, Schedule – Dynamic Table.

Figure 2-2 Historical Nonstop Destinations (CY 2014 – 2024 Q3)



Source: Cirium, Diio Mi, Schedule – Dynamic Table.

2.1.3 Origin and Destination Markets

The Airport's top domestic O&D markets reflect the base of travel demand from the region, and consequently, where airline capacity is most heavily allocated, either with nonstop or connecting service. As expected, the Airport's O&D demand is generated from the largest metropolitan areas in the U.S., particularly in the Northeast and top leisure destinations in Florida.

Table 2-3 provides information regarding the Airport's top domestic O&D markets, including the number of daily O&D enplaned passengers for FY 2023. The table also presents the number of scheduled nonstop daily departing seats. For example, the New York market (the largest O&D market served from the Airport) had an average of 252 daily O&D enplaned passengers with 380 total nonstop departing seats to the market (serving both O&D and connecting passengers) during FY 2023. The Airport's top O&D international markets are Cancun, Mexico; London, England; and Toronto, Canada. The Airport does not currently have any international nonstop passenger service.

Table 2-3 Top-25 Domestic O&D Markets from the Airport (FY 2023)

City	Airlines with Direct Service	O&D Enplaned Passengers		Nonstop Scheduled Departing Seats	
		Per Day	Share	Per Day	Share
New York	AA, DL, UA	252	9.3%	380	10.0%
Baltimore / Washington	AA, WN	173	6.4%	361	9.5%
Chicago	AA, UA	146	5.4%	277	7.3%
Dallas	AA	126	4.7%	319	8.4%
South Florida	AA, G4	117	4.3%	104	2.7%
Orlando	G4, MX	110	4.1%	68	1.8%
Tampa / St. Petersburg	G4, MX	102	3.8%	70	1.8%
Houston	UA, WN	85	3.2%	123	3.2%
Denver	UA, WN	80	3.0%	79	2.1%
Los Angeles[1]	MX	74	2.7%	0	0.0%
Detroit	DL	67	2.5%	122	3.2%
Philadelphia	AA	66	2.4%	119	3.1%
Boston[1]	XP	64	2.4%	0	0.0%
San Francisco Bay		44	1.6%	0	0.0%
Las Vegas		44	1.6%	0	0.0%
Austin		43	1.6%	0	0.0%
Phoenix		40	1.5%	0	0.0%
Seattle		32	1.2%	0	0.0%
San Antonio		30	1.1%	0	0.0%
Nashville[2]		29	1.1%	8	0.2%
Kansas City		28	1.1%	0	0.0%
San Diego		28	1.1%	0	0.0%
Minneapolis		28	1.0%	0	0.0%
New Orleans		27	1.0%	0	0.0%
Indianapolis		27	1.0%	0	0.0%
Top 25		1,864	69.1%	2,033	53.2%
Other		832	30.9%	1,790	46.8%
Total		2,696	100.0%	3,823	100.0%

[1] Service to LAX and MHT began service in May 2024.
[2] Service to BNA began in June 2024.
Notes: G4 = Allegiant Air, MX = Breeze Airways, UA = United Airlines, AA = American Airlines, DL = Delta Air Lines, WN = Southwest Airlines, XP = Avelo Airlines.
Source: Cirium, Diio Mi: US DOT Reports DB1A, accessed March 2024.

2.1.4 Airlines Revenue Performance at the Airport

Airline revenue performance at an airport can be measured primarily by three key airline revenue metrics: revenue per available seat mile, load factor, and yield. Each of these metrics are summarized below.

- **Revenue per available seat mile (RASM)** – RASM is the unit metric used by airlines, expressed in cents, to measure the amount of revenue received per available seat mile (ASM) flown. ASMs are measured by airlines for the purpose of determining capacity; one ASM unit equates to one seat flying one mile. For example, an aircraft with 100 seats operating on a route of 1,000 miles would equate to 100,000 ASMs. For the purposes of this analysis, RASM only measures passenger revenue derived from air fares and does not include other revenues received by airlines such as baggage fees.
- **Load factor** – Load factor measures how an airline is performing on a specific route or in aggregate in terms of filling its available seat capacity. Load factor is calculated as total revenue passenger miles (RPMs) divided by ASMs. RPMs are the general airline metric for measuring the number of miles traveled by paying passengers. For example, a revenue passenger flying one mile equates to one RPM.
- **Yield** – The last measure is airline yield, represented by fare revenue paid per passenger mile (RPM). RPM is like RASM, however, yield measures revenue for each passenger-mile sold (RASM measures revenue for each passenger-mile available to be sold). Yield is the industry measurement for price, while load factor is a volume-related measurement.

In general, the higher the RASM or yield the more profitable an airline is assuming that the number of ASMs remain constant over time. Since an airline's revenue does not necessarily increase proportionately with the distance it flies (reflecting the variable portion of an airline's cost structure), both RASM and yield will typically decrease as the overall length of the trip or stage length increases. Therefore, if an airline increases its overall stage length, it should be expected that RASM and yield will decrease. To account for this, RASM and yields have been adjusted based on the airline's average stage length. For the purposes of this Report and to normalize for varying stage lengths, all stage length adjusted (SLA)[11] values are expressed in a base of 1,000 miles.

Table 2-4 compares key airline revenue metrics for all U.S airlines and the four largest network airlines serving the Airport in FY 2019 versus FY 2023. These metrics exhibited some decreases during the COVID-19 pandemic. However, as shown for FY 2023, these metrics for the Airport are better than the national average, the average small hub airport, and better than those for the Airport prior to the COVID-19 pandemic, which indicates that the Airport is a strong and profitable market for the airlines. Note that the data presented do not include airline ancillary fees for items such as ticket changes, checked bags, priority seating, etc., as these data are not available by airport. Over the years, U.S. airlines have realized significant revenues from these ancillary fees.

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[11] Stage length adjustments are a common practice used to normalize comparisons of passenger yields and revenue per available seat mile. Stage length adjustments for 1,000 miles are made using the formula:
SLA Value = Value * (observed length of haul/1000)$^{0.5}$.

Table 2-4 Key Airline Revenue Metrics at the Airport (FY 2019 vs. FY 2023)

	SLA Passenger RASM		Load Factor		SLA Yield	
Airline	**FY 2019**	**FY 2023**	**FY 2019**	**FY 2023**	**FY 2019**	**FY 2023**
American Airlines	13.0¢	16.6¢	75%	83%	17.5¢	20.2¢
Delta Air Lines	15.3¢	9.0¢	79%	84%	19.2¢	22.0¢
United Airlines	15.7¢	18.4¢	83%	86%	19.1¢	21.5¢
Southwest Airlines	7.5¢	9.0¢	72%	79%	10.4¢	11.7¢
Airport Average	**13.7¢**	**16.4¢**	**78%**	**84%**	**17.6¢**	**19.6¢**
Small Hub Average	11.5¢	12.8¢	81%	82%	14.4¢	15.7¢
National Average	11.6¢	13.7¢	84%	84%	14.7¢	16.5¢

Notes: Data include regional affiliates, as applicable, and do not include airline ancillary fees such as charges for checked baggage, etc.
Stage length adjustments are a common practice used to normalize comparisons of passenger yields and revenue per available seat mile. Stage length adjustments for 1,000 miles are made using the formula.
SLA Value = Value * $(\text{observed length of haul}/1{,}000)^{0.5}$

Source: Cirium, Diio Mi: US DOT Reports DB1A and T100, accessed March 2024.

2.2 Air Traffic Activity and Trends

This section analyzes historical trends in air traffic activity at the Airport including enplaned passengers, aircraft operations, and landed weight. It also discusses the primary factors affecting these trends.

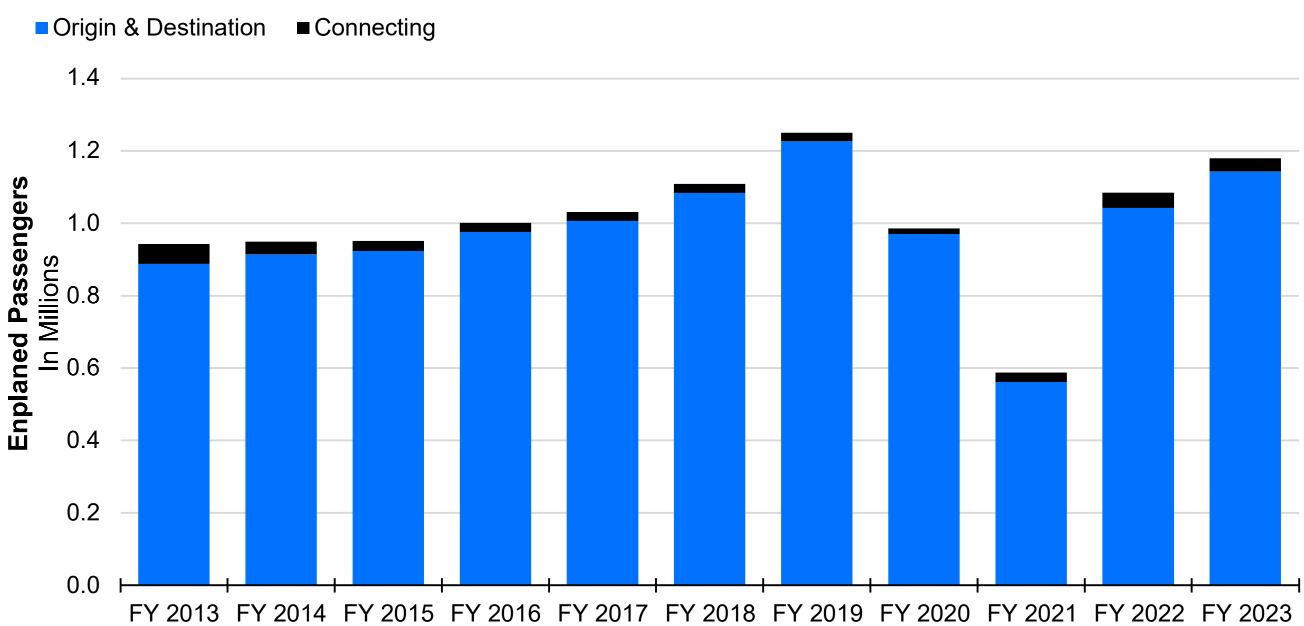
2.2.1 Enplaned Passengers

Passenger activity drives many of the revenues generated and some key capital funding sources at the Airport including key non-airline revenues, such as parking, rental car, and terminal concessions; Passenger Facility Charge (PFC) revenues; rental car customer facility charge (CFCs) revenues; and FAA Airport Improvement Program (AIP) entitlement grant distributions. **Table 2-5** presents the historical passenger trends at the Airport from FY 2013 through FY 2024.

Table 2-5 Historical Enplaned Passengers (FY 2013 – FY 2024)

Fiscal Year	Origin & Destination	Connecting	Total	Growth Rate
2013	888,333	53,547	941,880	--
2014	913,734	35,074	948,808	0.7%
2015	922,955	28,193	951,148	0.2%
2016	975,415	25,635	1,001,050	5.2%
2017	1,006,578	24,380	1,030,958	3.0%
2018	1,083,513	24,916	1,108,429	7.5%
2019	1,226,168	24,038	1,250,206	12.8%
2020	969,877	15,787	985,664	-21.2%
2021	561,469	25,514	586,983	-40.4%
2022	1,042,325	41,979	1,084,304	84.7%
2023	1,142,916	36,209	1,179,125	8.7%
2024			1,371,230	16.3%

Range	Compound Annual Growth Rate		
FY 2013-19	5.5%	-12.5%	4.8%
FY 2019-23	-1.7%	10.8%	-1.5%
FY 2019-24			1.9%



Source: Greenville-Spartanburg Airport District.

As shown, total enplaned passengers at the Airport grew in every year from FY 2013 through FY 2019 from 941,800 to a peak of approximately 1.25 million, reflecting an overall CAGR of 4.8% for this period. In FY 2020 and FY 2021, enplaned passengers drastically decreased as a result of the COVID-19 pandemic. However, passenger activity at the Airport had mostly recovered by FY 2023 to 1.18 million enplaned passengers, an increase of 8.7% over FY 2022. The Airport's enplaned passengers continued to increase in FY 2024 to 1.37 million, 16.3% higher than FY 2023. Much of this increase is a result of the new service by Avelo Airlines and Breeze Airways, and increased service by the Airport's existing airlines including American Airlines, Delta Air Lines, and Southwest Airlines discussed previously. Enplaned passengers in FY 2024 exceeded the Airport's previous peak of nearly 1.25 million enplaned passengers in FY 2019 just prior to the COVID-19 pandemic.

To further discuss the trends in enplaned passengers, the past decade has been segregated into certain time periods discussed below:

- **FY 2013 – FY 2017:** From FY 2013 through FY 2017, departing seating capacity was kept flat by the airlines at the Airport. However, during this period, the average load factor at the Airport increased from 75.0% in FY 2013 to 80.5% in FY 2017. As a result, enplaned passengers increased at a CAGR of 2.3% from FY 2013 to FY 2017.
- **FY 2017 – FY 2019:** In FY 2018, American Airlines increased capacity to Charlotte and added service to Chicago, followed by adding service to Miami the following year. Delta Air Lines added nearly 100,000 departing seats to its hubs (ATL, DTW, and LGA) from FY 2017 to FY 2019. Frontier Airlines also began service as the Airport's second ULCC providing more competition in the market. The result was that total enplaned passengers for the Airport increased by 7.5% in FY 2018 and 12.8% in FY 2019. In FY 2019, the Airport had a record number of enplaned passengers of approximately 1.25 million.
- **FY 2019 – FY 2021:** Beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic, as was experienced in the nation as a whole. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. At the Airport, enplaned passengers decreased by 21.2% in FY 2020 and 40.4% in FY 2021.
- **FY 2021 – FY 2024:** The Airport recovered quickly as soon as most of the direct effects of the COVID-19 pandemic subsided. In FY 2022, the Airport had nearly as many enplaned passengers in FY 2018, and by FY 2023 there were 1.18 million enplaned passengers, the second-most in the Airport's history, behind only FY 2019. In FY 2024 the Airport reached 1.37 million enplaned passengers, the most in the Airport's history.

2.2.2 Aircraft Operations

Airlines' decisions on aircraft type and the number of operations to accommodate passenger demand ultimately determine overall aircraft landed weight. Airlines are constantly evaluating how to best serve passenger demand with their available aircraft fleet. In markets that exhibit strong business travel, an airline may decide to operate smaller aircraft on the route several times per day to offer customers more choice and redundancy. In other cases, an airline may choose to offer larger aircraft and less frequency. Airlines also make decisions to change aircraft capacity on particular routes in response to load factors and profitability. Aircraft fleet mix and operations are important considerations for airport operators when planning for the appropriately sized airport facilities and to ensure the airport has sufficient capacity to accommodate operations in the future. **Table 2-6** presents trends in aircraft operations at the Airport from FY 2013 through FY 2024.

As shown, passenger aircraft operations, which comprise most of the air carrier and air taxi aircraft operations, slightly declined from FY 2013 through FY 2018 as airlines opted to increase capacity through increased aircraft size instead of more flights. In FY 2019, passenger aircraft operations increased more in-line with passenger growth. However, during the COVID-19 pandemic, airlines accelerated retirement of smaller regional jets. As a result, as the Airport recovered in terms of enplaned passengers, passenger aircraft operations continued to decrease through FY 2023. In FY 2024, aircraft operations at the Airport increased approximately 11.1%, largely attributable to a 16.8% increase in air carrier operations, reflecting new service by Avelo Airlines and Breeze Airways, as well as an increase in general aviation operations.

Table 2-7 presents historical passenger airline trends at the Airport for enplaned passengers, scheduled seats and departures, seats per departure, and aircraft load factors from FY 2013 to FY 2023. As shown, while the number of passenger aircraft departures has decreased by 21.9%, the number of enplaned passengers, scheduled aircraft seats, seats per departure, and aircraft load factors have all increased over the last 10 years. Even with the increased aircraft capacity at the Airport, enplaned passengers and passenger load factors have reached a high of nearly 1.18 million and 84%, respectively, in FY 2023.

General aviation aircraft operations remained relatively flat prior to the COVID-19 pandemic. General aviation declined initially during the pandemic but has exceed pre-pandemic levels and increased each subsequent year. Military operations have increased nearly every year since FY 2014.

2.2.3 Aircraft Landed Weight

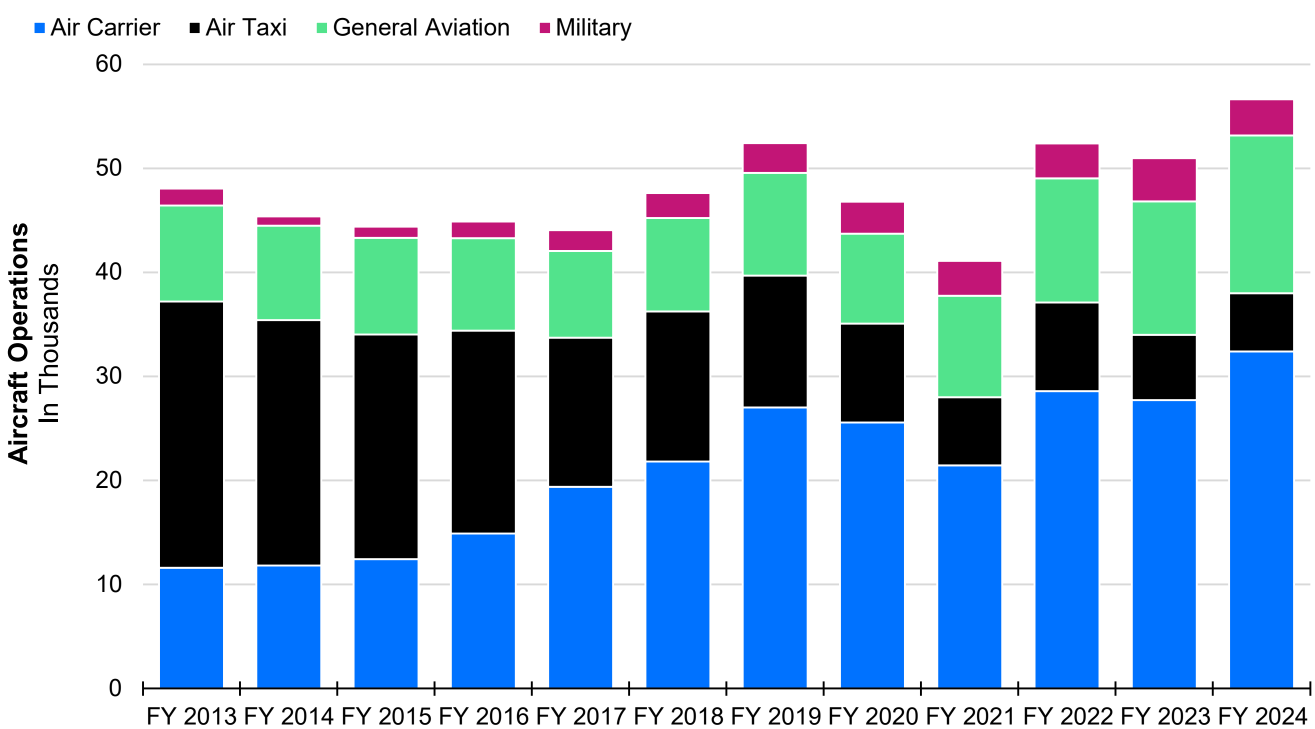
Aircraft landed weight, commonly expressed in 1,000-pound units, is the sum of the maximum gross certificated landing weight as certified by the FAA for passenger and all-cargo aircraft landing at the Airport. Aircraft landed weight is used as the denominator in the calculation of landing fees and therefore is an important measure for the District as it is the method by which airfield costs are allocated among the airlines.

Table 2-8 presents landed weight activity at the Airport for the period of FY 2013 through FY 2024 for passenger airlines and cargo airlines. As shown, in FY 2024, total Airport landed weight was 6.9% higher than in FY 2019, mainly due to strong growth of passenger airline landed weight from FY 2023 to FY 2024.

Passenger airline landed weight shows a similar trend as enplaned passengers from FY 2013 through FY 2019. Overall, total passenger landed weight increased at a CAGR of approximately 4.6% from FY 2013 to FY 2019. In FY 2020, passenger landed weight decreased by 10.5% compared to a decline of 21.2% in enplaned passengers. This discrepancy is due in large part to a significant drop in load factors due to lower demand and the need to implement social distancing practices. This trend continued in FY 2021, as passenger landed weight decreased 29.4% versus 40.4% for enplaned passengers. Since FY 2021, passenger landed weight at the Airport has increased to nearly the peak experienced in FY 2019, to approximately 1.34 million thousand-pound units in FY 2023. In FY 2024, there was a significant increase in passenger landed weight, in line with the increase in air carrier operations related to new service by Avelo Airlines and Breeze Airways.

Table 2-6 Historical Aircraft Operations (FY 2013 – FY 2024)

Fiscal Year	Air Carrier	Air Taxi	General Aviation	Military	Total	Growth Rate
2013	11,601	25,605	9,219	1,622	48,047	--
2014	11,802	23,618	9,071	893	45,384	-5.5%
2015	12,440	21,592	9,271	1,078	44,381	-2.2%
2016	14,875	19,510	8,899	1,601	44,885	1.1%
2017	19,370	14,343	8,334	2,012	44,059	-1.8%
2018	21,801	14,425	9,008	2,377	47,611	8.1%
2019	27,020	12,654	9,895	2,855	52,424	10.1%
2020	25,568	9,496	8,644	3,077	46,785	-10.8%
2021	21,440	6,549	9,748	3,354	41,091	-12.2%
2022	28,587	8,520	11,932	3,344	52,383	27.5%
2023	27,725	6,281	12,819	4,141	50,966	-2.7%
2024	32,394	5,588	15,189	3,467	56,638	11.1%
Range			**Compound Annual Growth Rate**			
FY 2013-19	15.1%	-11.1%	1.2%	9.9%	1.5%	
FY 2019-24	3.7%	-15.1%	8.9%	4.0%	1.6%	



Source: FAA, Air Traffic Activity System (ATADS): Airport Operations.

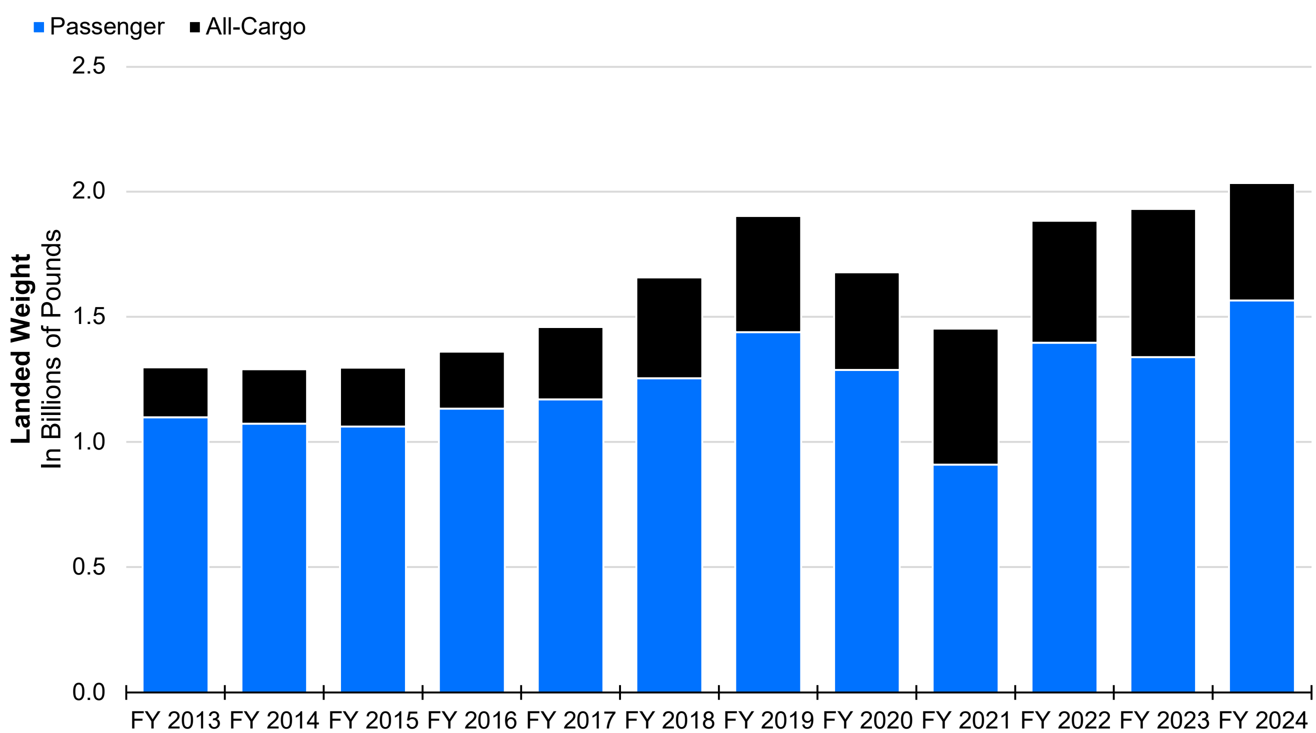
Table 2-7 Passenger Airline Activity Trends (FY 2013 – FY 2023)

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% Increase FY23 over FY13
Enplaned Passengers (000's)	941.9	948.8	951.1	1,001.1	1,031.0	1,108.4	1,250.2	985.7	587.0	1,084.3	1,179.1	25.2%
Scheduled Seats (000's)	1,244.5	1,150.2	1,114.2	1,192.5	1,226.1	1,305.7	1,525.4	1,321.6	922.1	1,347.2	1,362.5	9.5%
Departures	17,321	16,238	14,349	15,329	15,374	15,845	17,333	15,449	10,591	14,897	13,536	-21.9%
Seats per Departure	71.9	70.8	77.7	77.8	79.8	82.4	88.0	85.5	87.1	90.4	100.7	40.1%
Load Factor	75.0%	79.9%	82.7%	79.7%	80.5%	80.0%	78.1%	71.5%	63.3%	79.8%	83.8%	11.8%

Note: Complete FY 2024 information for departures, seats per departure, and load factor is not yet available from US DOT, which is the source for the information provided in Table 2-7, and therefore FY 2024 is not provided.
Sources: Cirium, Diio Mi: US DOT Report T100, accessed June 2024 and Greenville-Spartanburg Airport District.

Table 2-8 Historical Landed Weight in Thousand Pound Units (FY 2016 – FY 2024)

Fiscal Year	Passenger Airlines	All-Cargo	Total	Growth Rate
2013	1,099,449	198,354	1,297,803	
2014	1,073,175	216,927	1,290,102	-0.6%
2015	1,062,416	234,127	1,296,543	0.5%
2016	1,133,137	227,718	1,360,855	5.0%
2017	1,171,124	288,382	1,459,506	7.2%
2018	1,254,496	403,170	1,657,666	13.6%
2019	1,438,644	464,305	1,902,949	14.8%
2020	1,287,855	390,850	1,678,705	-11.8%
2021	909,774	543,900	1,453,673	-13.4%
2022	1,396,700	486,846	1,883,546	29.6%
2023	1,339,576	591,583	1,931,158	2.5%
2024	1,565,047	470,096	2,035,143	5.4%
Range		**Compound Annual Growth Rate**		
FY 2013-19	4.6%	15.2%	6.6%	
FY 2019-24	1.7%	0.2%	1.4%	



Source: Greenville-Spartanburg Airport District.

Cargo operations also represent an important component of activity at the Airport. The amount and growth of cargo activity at the Airport underscores the strength of the local market for air cargo. As described in more detail in Chapter 3, multiple facilities at the Airport provide opportunity for consolidation, shipment and forwarding for cargo and freight tenants. The Airport's cargo tenants include FedEx, American Airlines Cargo, Delta Cargo, Southwest Cargo, Maersk Air Cargo and UPS. In addition, multiple local and international freight forwarding organizations support the cargo tenants at the Airport. As shown in Table 2-8, similar to the passenger airlines, cargo landed weight also decreased in FY 2020 due to the COVID-19 pandemic. However, while the decrease in passenger landed weight was more in line with the decrease in passenger traffic, cargo landed weight rebounded significantly in FY 2021. This trend was generally experienced throughout the U.S. as all-cargo carriers have experienced growth since the COVID-19 pandemic as the demand for cargo services has remained strong. Cargo landed weight has increased nearly every year from 198,354 thousand-pound units in FY 2013 to a high of 591,583 thousand-pound units in FY 2023, representing a 15.2% CAGR.

2.3 Key Factors Affecting Air Traffic Demand

The following section addresses certain key factors that could impact air traffic activity, both nationwide and at the Airport.

2.3.1 Economic Conditions and Exogenous Events

Historically, the U.S. economy as measured by GDP has grown at a relatively steady rate, averaging 3.1% per annum between CY 1960 and CY 2019. The rate of growth has been remarkably stable reflecting both the size and maturity of the U.S. economy. Individual years have fluctuated from the long-term trend for a variety of reasons including macroeconomic factors, fuel shocks, war, and terrorist attacks.

Traditionally, two consecutive quarters of contraction is the benchmark used to determine if a country has entered a recession. The National Bureau of Economic Research defines a recession as a significant decline in economic activity that is spread across the economy and last more than a few months.[12]

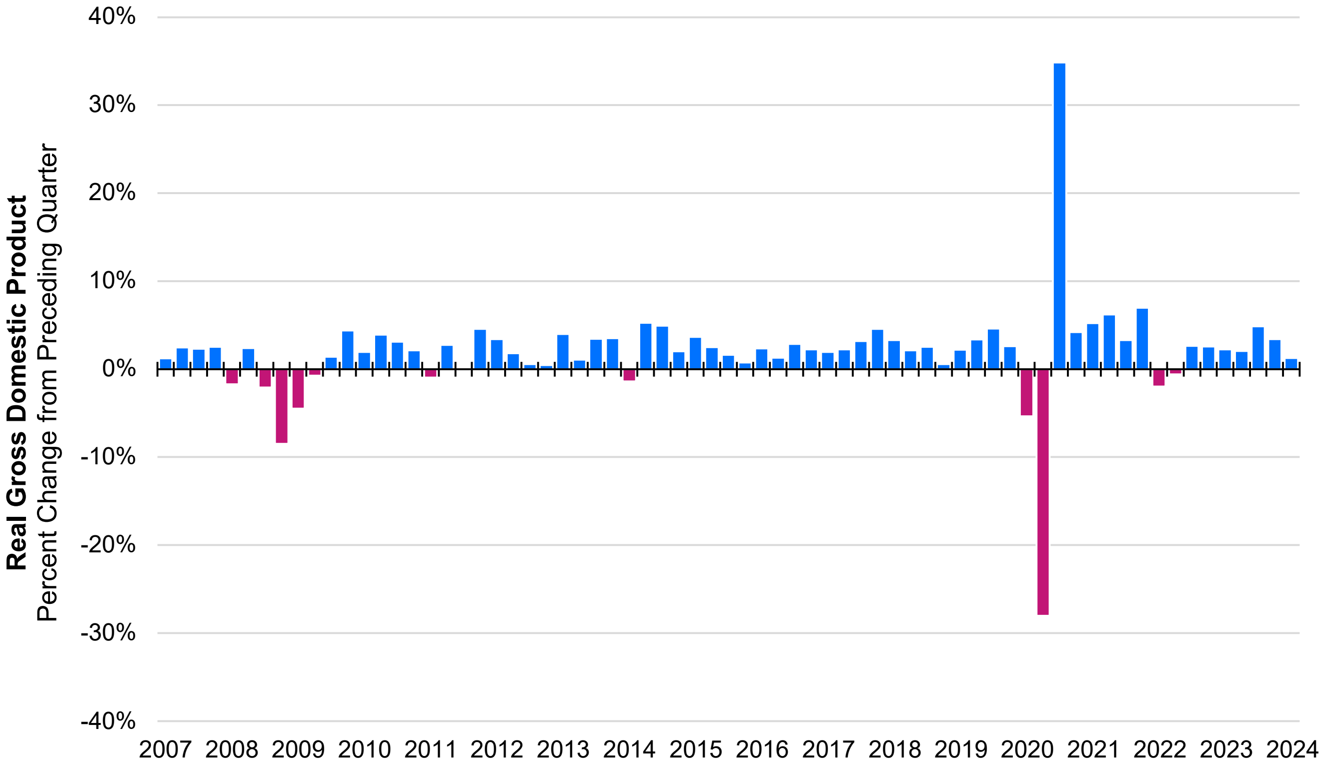
Prior to CY 2020, there were two official economic recessions in the U.S. in the 21st century. The first occurred between March 2001 and November 2001. The recession itself was short-lived by historical standards and the economy returned to positive growth quickly, fueled by a gradual but prolonged reduction in interest rates. The Great Recession occurred between December 2007 and June 2009.[13] As a result of the Great Recession, the nation's unemployment rate rose from 5.0% in December 2007 to a high of 10.0% in October 2009.[14]

The outbreak of COVID-19 in early CY 2020 and declaration of a pandemic by the World Health Organization on March 11, 2020, coupled with the subsequent stay-at-home orders led to the disruption of economies around the world, resulting in dramatic increases in unemployment. According to the Bureau of Economic Analysis (BEA), real GDP decreased at an annual rate of 31.4% in the second quarter of CY 2020 after decreasing by 5.0% in the first quarter of CY 2020. By comparison, the worst quarterly decrease in GDP during the Great Recession was 8.4% in the fourth quarter of CY 2008. There was a significant recovery in GDP in the third quarter of CY 2020, increasing 33.4% year-over-year. The initial recovery was followed by five consecutive quarters of positive growth. In the second quarter of CY 2021, GDP exceeded that for the fourth quarter of CY 2019. Starting in the first quarter of CY 2022, there were contractions in GDP for two consecutive quarters. However, it was determined that the low unemployment rates and consumer spending indicated that the economy was healthy enough to avoid a recession. The second estimate for the first quarter of CY 2024 shows a growth in GDP of 1.2%, the

12 National Bureau of Economic Research, Business Cycle Dating.
13 National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, September 20, 2010.
14 Ibid.

seventh consecutive quarter of positive growth. **Figure 2-3** depicts the magnitude of the impact the COVID-19 pandemic had on the U.S. economy and the subsequent recovery when compared to the Great Recession.

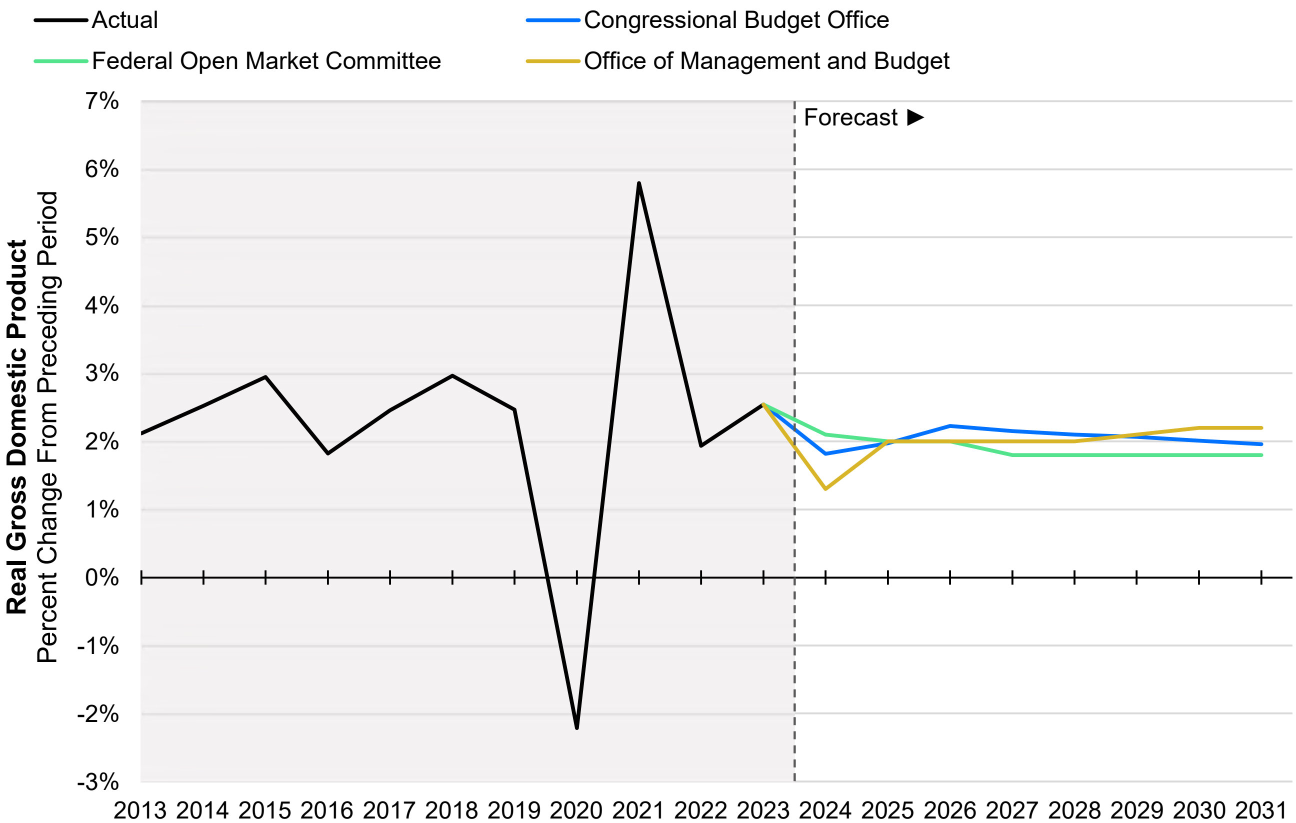
Figure 2-3 Change in U.S. Gross Domestic Product by Quarter



Source: U.S. Bureau of Economic Analysis, National Income and Product Accounts, February 2024.

Figure 2-4 shows the historical real U.S. GDP growth from the Bureau of Economic Analysis (BEA) and growth forecasts for the U.S. between 2024 and 2031 from three different sources, Congressional Budget Office (CBO), Federal Open Market Committee (FOMC), and the Office of Management and Budget (OMB). All of these sources forecast GDP will increase between 1.8% and 2.2% for the forecast period.

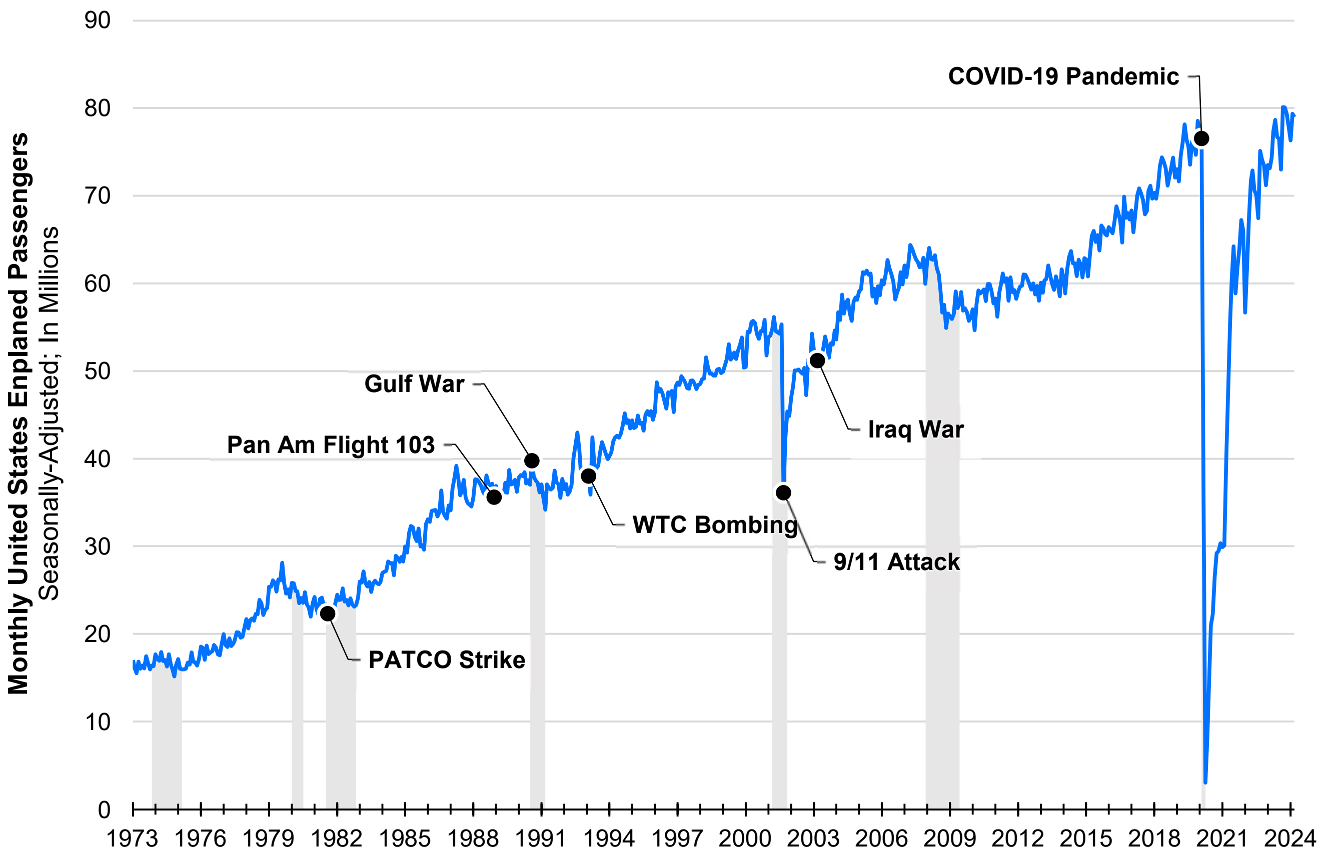
Figure 2-4 U.S. Real GDP Growth Forecasts



Sources: Congressional Budget Office, Budget and Economic Data: 10-Year Economic Projections, February 2024. Board of Governors of the Federal Reserve System, Federal Open Market Committee, Summary of Economic Projections, June 12, 2024. Office of Management and Budget, The President's Budget for Fiscal Year 2025, March 2024. Bureau of Economic Analysis, Gross Domestic Product, Gross Domestic Product, First Quarter 2024 (Second Estimate), May 2024.

Although the economy is the main driver for aviation activity, exogenous events can magnify the impacts of changes in the economy. For instance, the economic recession that occurred in CY 2001 had a direct impact on air travel, but its impact was compounded by the September 11, 2001 terrorist attacks. The negative impact of this event on the airline industry is well documented. More recently, the COVID-19 pandemic and subsequent resulting travel restrictions resulted in dramatic decreases in air traffic. **Figure 2-5** shows how enplaned passenger traffic in the U.S. has experienced long-term growth. During periods of economic contractions, there is a notable decline in passenger volumes, and during the subsequent economic expansions and recovery periods, there is significant growth in passenger volumes. Exogenous shocks such as terrorist attacks have generally had a short but significant impact on passenger volumes. As presented in this figure, the COVID-19 pandemic has been the most disruptive event to impact aviation in history.

Figure 2-5 U.S. Aviation System Shocks and Recoveries (through March 2024)

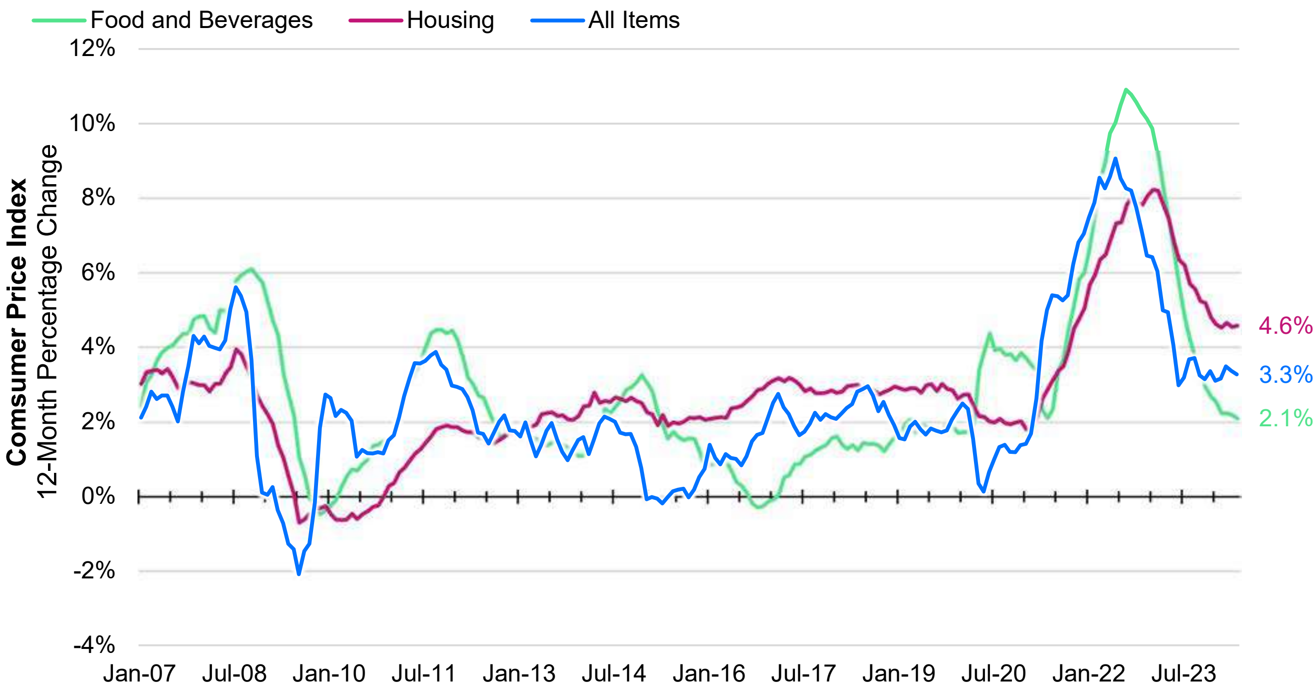


Note: Excludes non-revenue enplaned passengers.
Shading indicates recessions.

Source: U.S. Bureau of Transportation Statistics, U.S. Air Carrier Traffic Statistics; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions.

Increases in inflation can have a negative impact on passenger traffic if inflation increases at a faster rate than income. The consumer price index (CPI) is a measure of the average change over time in the prices paid by urban consumers for consumer goods and services. Consumer prices began to increase in April 2021 as the country continued to recover from the recession associated with the COVID-19 pandemic, driven in large part by rising fuel and food prices. Global supply chain issues also attributed to increases to the CPI. The average cost of goods and services began to climb at an accelerated rate in June 2021 with items like food, fuel, and housing being directly impacted. In June 2022, the CPI increased to 9.1% over June 2021. Since June 2022, the increase in CPI has slowed. In May 2024, the CPI increased 3.3% over May 2023. **Figure 2-6** graphically depicts how CPI in the U.S. has changed since January 2007.

Figure 2-6 Consumer Price Index (January 2007 – May 2024)



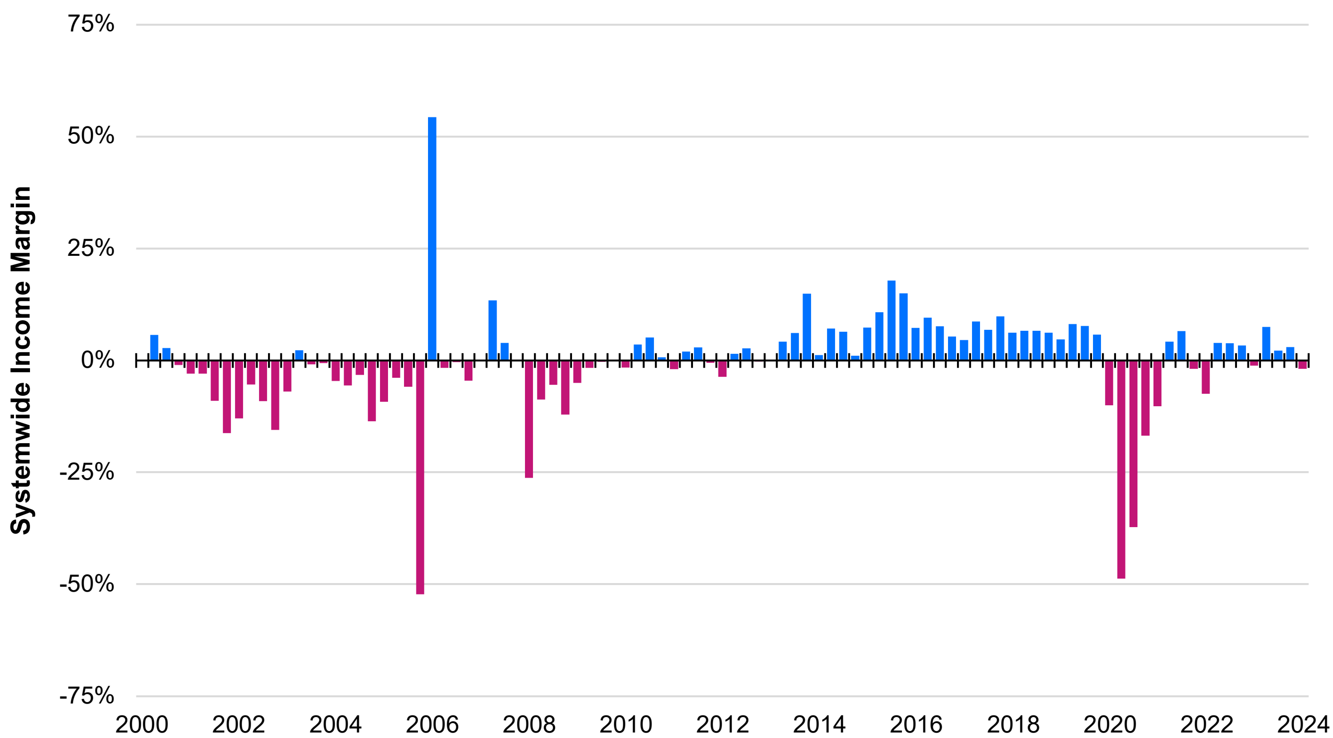
Source: United States Bureau of Labor Statistics, Consumer Price Index (CPI) Databases.

2.3.2 The U.S. Airline Industry

2.3.2.1 Airline Profitability

Airlines decide on route availability based on connectivity and profitability. When an airline's profitability is reduced, the airline will review each market's profitability and will typically act by reducing or eliminating an unprofitable market from their network. **Figure 2-7** provides the systemwide income margin for U.S. carriers since the first quarter of CY 2000. Triggered initially by the economic recession and compounded by the September 11 terrorist attacks, the airline industry as a whole experienced nearly 20 consecutive quarters of negative income margins beginning the fourth quarter of 2000 (with the second quarter of 2003 being the only exception). During this period, several airlines filed for bankruptcy protection, most notably Trans World Airlines, US Airways, United Airlines, Northwest Airlines, and Delta Air Lines. These airlines ultimately merged with other airlines. Most of these airlines returned to profitability in 2006 and maintained that status until CY 2008.

Figure 2-7 Systemwide Income Margin for U.S. Carriers (CY 2000 Q1 – CY 2024 Q1)



Source: Bureau of Transportation Statistics, Net Income: All U.S. Carriers - All Regions.

The Great Recession had a significant impact on the airline industry. In response the U.S. airline industry decreased capacity, particularly in short-haul markets with smaller, short range aircraft types in CY 2008 and CY 2009. The result was significant improvement in yields, RASM, and profitability prior to outbreak of the COVID-19 pandemic. In the years prior to the COVID-19 pandemic, the U.S. airline industry was at its most stable, profitable point in history. According to the Bureau of Transportation Statistics (BTS), the 23 U.S. scheduled passenger airlines collectively reported a pre-tax net operating profit of $15.8 billion in CY 2019, which was a 19.7% increase from CY 2018 and marked the eleventh consecutive year of pre-tax operating profits for the industry as a whole. The scheduled passenger airlines reported an operating profit margin of 7.5% in 2019, which was up from 6.3% in 2018.[15] Profitability during this period can also be attributed to airlines unbundling services and increasing the use of ancillary fees such as charges for checked baggage.

As a result of the impacts of the COVID-19 pandemic, U.S. airlines incurred record losses in 2020 and into 2021. The U.S. DOT has reported that U.S. scheduled passenger airlines reported four straight quarters of after-tax net losses beginning in the second quarter of 2020. To help support U.S. air carriers through the pandemic crisis, in March 2020, the U.S. Congress passed by unanimous vote the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under Title IV of the CARES Act, Congress approved $500 billion in federal assistance to severely distressed sectors of the economy as part of the larger $2 trillion stimulus package. Enacted on December 27, 2020, the Consolidated Appropriations Act (including CARES) created the Payroll Support Program Extension (PSP2) which allocated another $15 billion to passenger air carriers and $1 billion to contractors. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed and provided $2 billion in economic relief to airports. The American Rescue Plan Act of 2021 extended assistance to passenger air carriers and contractors that received financial assistance under PSP2 for an additional $14 billion and $1 billion respectively. Despite the assistance, airlines were still forced to reduce staffing, retired older fuel-inefficient aircraft, and removed unprofitable routes from their networks to minimize losses.

2.3.2.2 Airlines Consolidation

Over the past two decades, the U.S. airline industry has undergone a significant transformation. Although it had been profitable in recent years prior to the impacts associated with the COVID-19 pandemic, the U.S. airline industry cumulatively experienced losses of approximately $62 billion from 2000 through 2009 on domestic operations. Many airlines filed for Chapter 11 bankruptcy protection and some ceased operations altogether. During this period, airlines suffered from excess capacity, which drove down yields. Yields adjusted for inflation had dropped by approximately 70%. With oil prices spiking to nearly $150 per barrel in 2008, industry changes were critical. As a result, all the major network airlines restructured their route networks and reached agreements with lenders, employees, vendors, and creditors to decrease their cost structure.

Industry consolidation has taken place because of competitive pressures and economic conditions. Many airlines have merged or been acquired since the turn of the 21st century. **Figure 2-8** provides a graphical representation of the major U.S. airline mergers during this period. As shown, in CY 1990 there were 10 carriers accounted for 87.7% of the passenger traffic in the U.S. The introduction of low-cost and ultra-low-cost carriers increased competition and by CY 2001 there were 13 carriers accounting for 86.4% of the passengers. However, the run of mergers in the 2000s resulted in only 7 carriers accounting for 92.4% by CY 2022. These mergers have resulted in less competition among the airlines, increased pricing power, and by extension, increased profitability. The impacts associated with consolidation include limited industry seat capacity, limited capacity growth, and increases in fares.

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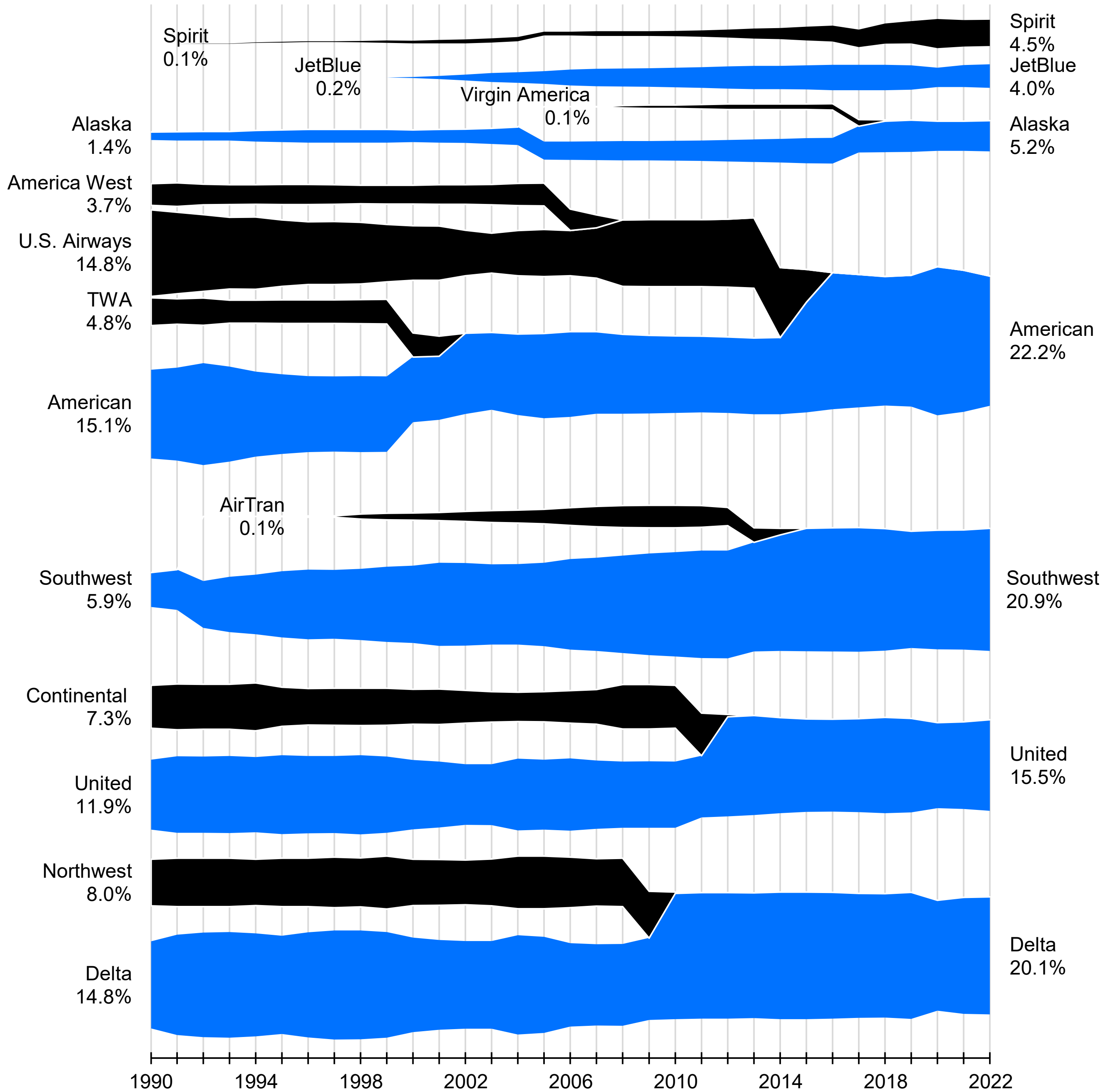
[15] Bureau of Transportation Statistics, 2019 Annual and 4th Quarter U.S. Airline Financial Data.

Figure 2-8 U.S. Airline Consolidation



Source: US DOT Reports DB1A; US DOT T100 Report, accessed via Cirium, Diio Mi.

It is expected that airlines will continue to enter into code-share agreements in attempts to seek competitive advantages. For example, in early 2021, American Airlines entered partnerships with both Alaska Airlines for markets in the western U.S. and JetBlue Airways for markets in the eastern U.S. However, in May 2023, a federal judge ruled that American Airlines must end alliance with JetBlue Airways because of competition issues. In July 2023, JetBlue Airways announced it would not appeal the ruling, withdrawing from the alliance.

On December 2, 2023 Alaska Air Group announced it was planning to buy Hawaiian Airlines. The merged company would operate as independent brands but combine its operating platform. The shareholders of Hawaiian Airlines voted to approve the merger deal in February 2024. The combined airline is hoping to complete the merger within 18 months but requires the approval of U.S. regulators. In April 2024, consumers filed a lawsuit in an effort to block the merger.

2.3.2.3 Aircraft and Personnel Shortages

Airlines parked and decommissioned aircraft during the pandemic as demand declined but now are struggling with capacity to meet the demand as air travel volume has essentially returned to 2019 levels. Supply chain issues and staffing shortages have resulted in a significant slowdown in production of new aircraft. In CY 2019, Boeing delivered 380 aircraft which quickly fell to 157 in CY 2020. Boeing was able to return to pre-pandemic delivery levels in 2022 but is still behind in deliveries. Through September 2023, Boeing has delivered 371 aircraft, representing an increase of 13% from the same period in 2022. Boeing expects to deliver between 375 and 400 737 MAX family aircraft this year, down from the previous estimate of 400 to 450.[16] In 2019, Airbus delivered 863 aircraft which decreased to 566 in 2020. In 2022, Airbus delivered 661 aircraft. Through October 2023, Airbus has delivered 559 units and is on target to meet its full-year target of 720 despite continued supply issues.[17]

The shortages due to production are compounded by maintenance delays. According to the management consulting company Oliver Wyman, there is a 12,000- to 18,000-person shortage in the number of needed mechanics.[18] In order to overcome this shortage of mechanics, airlines will have to employ similar solutions as they have been doing with pilots including increased pay and subsidizing the training process.

At the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages. In total, it is estimated that approximately 10% of commercial pilots took early retirement during the pandemic.[19] In addition, an aging pilot population is expected to continue to compound the issues arising from early retirements caused by the pandemic. FAA airman certification statistics shows that 13% of the 170,086 people with an airline transport pilot (ATP) certificate are 60 years of age or older and are due to retire over the next five years with another 33% set to retire within the next 15 years. In contrast, only 8% of people with an ATP certification were under the age of 30.

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16 CNBC, Boeing cuts 737 Max delivery forecast as production issues dent third-quarter results, October 26, 2023.
17 Reuters, Airbus Delivered 71 Aircraft in October – Sources, November 6, 2023.
18 Oliver Wyman, Not Enough Aviation Mechanics, January 2023.
19 CNN, A shortage of pilots could keep the airlines from making a real comeback.

The recovery of air traffic demand in the U.S. was relatively modest from April 2020 through February 2021. However, starting in March 2021, passenger demand increased more rapidly and has since recovered to more than 90% of the U.S. passenger levels experienced in 2019. As a result of this rapid recovery and the airlines' inability to quickly replace their retired pilots, airlines have experienced shortages of trained pilots to fly aircraft. The pilot shortage problem has been amplified during peak travel periods throughout the year. Regional airlines have been hit the hardest by the pilot shortage. Unable to provide the wages of the larger airlines, the regional airlines have been losing their pilots to the mainline carriers who are attempting to fill their needs. As a result, the regional airlines have had to scale back, or in some cases eliminate service, to smaller markets including some subsidized through the FAA's Essential Air Service Program.

In order to meet this demand, airlines are quickly attempting to backfill the positions left open by pilot retirements by hiring and training new pilots. However, in addition to offering early retirement to their pilots, the airlines also trimmed back their pilot training programs to cut costs during the pandemic. The Regional Airline Association states that only 8,927 new pilots qualified for their ATP certificates over the two-year span of CY 2020 to CY 2021 compared to 6,664 in CY 2019 alone. [20] In 2022, there were 9,323 new pilots that qualified for ATP certificates. [21]

According to a report from Oliver Wyman, by 2029 the increased demand for pilots is expected to outpace the supply creating a pilot shortage of approximately 60,000 pilots worldwide and nearly 21,000 in North America.[22] In the U.S., there are currently several potential measures being explored to help alleviate the pilot shortage, including:

- Raising the federally mandated retirement age for airline pilots from 65 to 67
- Reducing flight-hour requirements before joining a U.S. carrier
- Lowering the barrier to entry for training programs such as dropping the requirement for a four-year degree
- Creating gateway programs such as Alaska's Ascend Pilot Academy and United's Aviate Academy which offer financial aid and scholarships to lessen the cost of becoming a pilot.

If the pilot shortage becomes more widespread in the industry, the passenger airlines may not be able to meet future passenger demand, and would be required to reduce their seat capacity, resulting in material impacts to future passenger traffic in the U.S and internationally.

On March 1, 2023, Delta ratified a new Pilot Working agreement. The contract, which runs through December 2026, provides the 15,000 pilots with an immediate 18% pay increase and pay increases in each of the subsequent three years. Under the agreement, Delta will also provide a 1% increase of any pay offered by its competitors (American Airlines and United Airlines) under any those airline's negotiated contracts. The contract also provides paid maternity and paternal leave, better crew meals, improved health insurance, and more which is hoped to help improve employee retention.

In January 2024, B-737 MAX 9 aircraft were temporarily grounded following an incident where a panel in an aircraft fuselage blew out in flight. An investigation found that bolts meant to hold the panel in place had not been installed. Following inspections, the aircraft type was returned to service. As a result of the incident, the FAA announced increased oversight of Boeing's manufacturing processes and stated that it will not permit the company to increase aircraft production rates beyond 38 planes a month until the FAA is satisfied that adequate manufacturing quality controls are in place. On May 30, 2024, the FAA decided to keep the monthly aircraft

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20 Regional Airline Association, 2023 Regional Airline Association Annual Report.
21 Federal Aviation Administration, U.S. Civil Airmen Statistics.
22 Oliver Wyman, After COVID-19, Aviation Faces a Pilot Shortage.

restriction in place. Such restriction will constrain Boeing's ability to deliver aircraft as planned and could delay the ability of some airlines to upgrade their fleets with more fuel-efficient aircraft and increase capacity.

2.3.3 Aviation Fuel

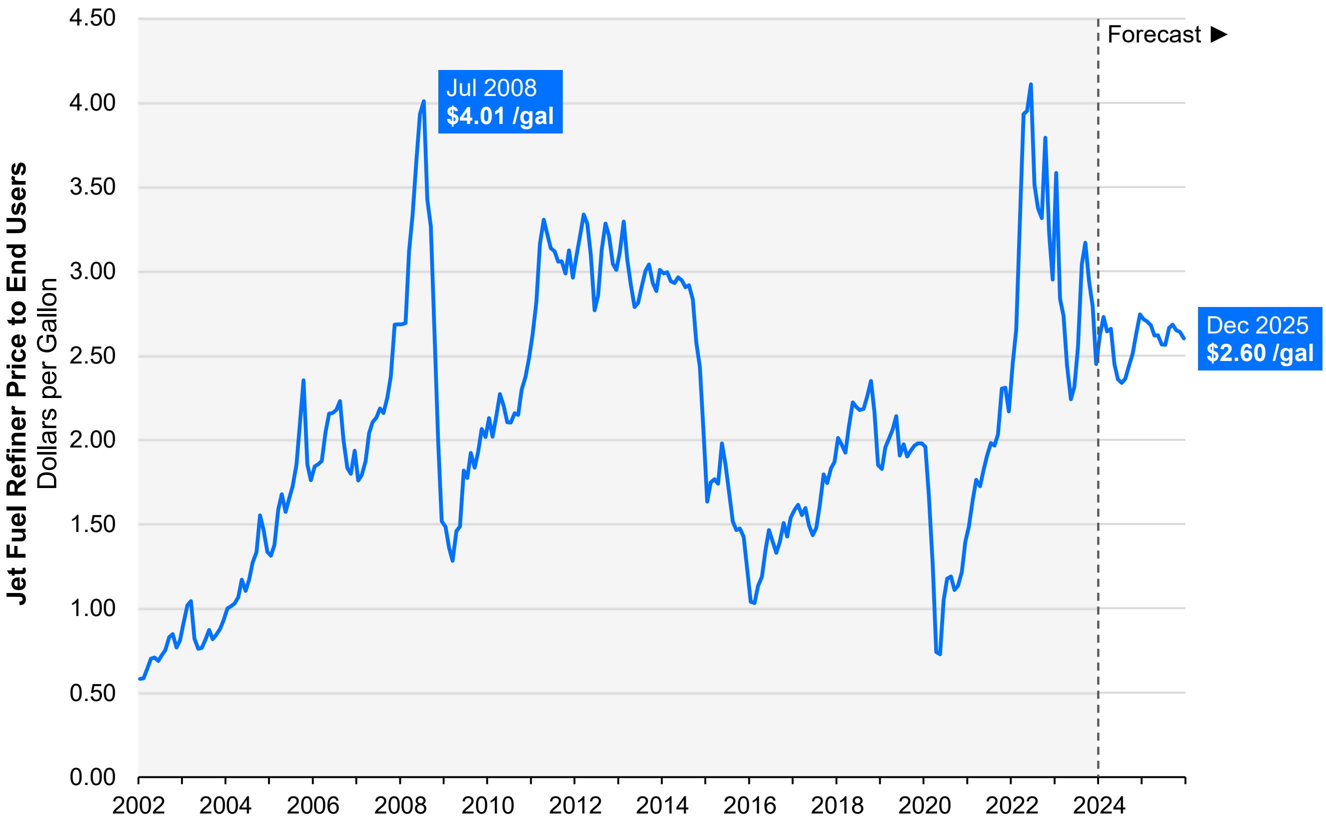
The price of oil and the associated cost of jet fuel has historically been one of the largest operating costs affecting the airline industry. In 2000, jet fuel sold to end users averaged $0.89 per gallon. The average cost of jet fuel increased steadily through 2007. However, in 2008, crude oil prices and, consequently, jet fuel surged in price as a result of strong global demand, a weak U.S. dollar, commodity speculation, political unrest, and a reluctance to materially increase supply. In July 2008, jet fuel reached an average price of $4.01 per gallon, nearly double the price the year prior. Reduced demand in 2009 stemming from the global financial crisis and subsequent economic downturn resulted in a sharp decline in price. However, as the economic climate improved and political unrest continued in the Middle East, oil prices increased in the subsequent three years. The increase in the price of jet fuel put upwards pressure on airline operating costs. As a result, airlines cut capacity or increased fares, and sometimes both. The average price of jet fuel dropped significantly in 2015 and 2016, reaching a low of $1.03 per gallon in February 2016. Since then, jet fuel prices increased steadily to a peak of $2.25 in October 2018 before falling to $1.70 per gallon in December 2019 due to increased oil supplies. In 2019, jet fuel prices remained fairly stable, averaging approximately $1.90 per gallon from February 2019 through January 2020.

As a result of the COVID-19 pandemic, the global demand for crude oil and fuel decreased dramatically starting in January 2020. As a result, the price of crude oil dropped below $20 per barrel in April 2020. Since then, crude oil supply curtailments have caused oil prices to recover. Prices hovered near $40 per barrel from early June 2020 through December 2020, then increased significantly to $92 per barrel in February 2022. Following the start of the war between Russia and Ukraine, crude oil prices reached nearly $109 per barrel in March 2022, receded to approximately $102 per barrel in April 2022 and increased again back to nearly $115 per barrel in June 2022. After such time, prices steadily declined through June 2023 before a slow climb through September 2023 where prices were at approximately $89 per barrel. Energy disruptions leading to price increases have been occurring since the start of the Ukraine war with Russia. Oil prices have increased by about 6% since the start of the conflict between Israel and Hamas. The World Bank has reported if there is a major escalation, widening the conflict, a global energy shock would likely occur. A large disruption could send oil prices up by as much as 75%.[23]

The U.S. Energy Information Administration (EIA) provides forecasts of jet fuel refiner price to end users in a report entitled Short-Term Energy Outlook. These prices are reported in cents per gallon as opposed to per barrel. In the June 2024 release, the EIA projects that jet fuel prices will be $2.60 per gallon by December 2025. **Figure 2-9** presents the historical price for jet fuel refiner price to end users and the EIA's forecast of that price.

[23] New York Times, Middle East War Could Cause Oil Price Shock, World Bank Warns, https://www.nytimes.com/2023/10/30/business/economy/middle-east-war-oil-prices-world-bank.html

Figure 2-9 Jet Fuel Prices (January 2002 – December 2025)



Source: U.S. Energy Information Administration, Short-Term Energy Outlook (June 2024).

Future fuel prices and availability are uncertain and fluctuate based on numerous factors. These can include supply-and-demand expectations, geopolitical events, fuel inventory levels, production capacity, monetary policies, and economic growth estimates. Historically, certain airlines have also employed fuel hedging as a practice to provide some protection against future fuel price increases.

Aviation fuel costs will continue to impact the airline industry in the future. If aviation fuel costs increase significantly over current levels, air traffic activity could be negatively affected as airlines attempt to pass costs on to consumers through higher airfares and fees to remain profitable. Currently, alternative fuels are not yet commercially cost effective.

2.3.4 Aviation Security

Since September 11, 2001, terrorist attacks, government agencies, airlines, and airport operators have upgraded security measures to guard against threats and to maintain the public's confidence in the safety of air travel. Security measures have included cargo and baggage screening requirements, passenger screening requirements, deployment of explosive detection devices, strengthening of aircraft cockpit doors, the increased presence of armed air marshals, awareness programs for personnel at airports, additional intelligence in identifying high-risk passengers and new programs for flight crews. Aviation security is controlled by the federal government through the Department of Homeland Security and the TSA.

Although terrorist event targeting aviation interests would likely have negative and immediate impacts on the demand for air travel, the industry and demand have historically recovered from such events relatively quickly. There have been terrorist attacks at airports internationally including at Brussels Airport in March 2016, the Istanbul Atatürk Airport in June 2016, and the Paris Orly Airport in March 2017. So long as government agencies continue to seek processes and procedures to mitigate potential risks and to maintain confidence in the safety of aircraft, without requiring unreasonable levels of costs or inconvenience to the passengers, economic influences are expected to be the primary driver for aviation demand as opposed to security and safety.

2.3.5 National Air Traffic Capacity

The U.S. aviation system has a major impact on the national economy because it provides a means of transporting people and cargo over long distances in a relatively short period. As demand for air travel increases, the national aviation system must maintain enough capacity to allow for travel without unacceptable delays or congestion. It is generally assumed that the required infrastructure improvements needed to maintain capacity will keep pace with demand. Although not likely over the Projection Period evaluated herein, the inability of the national aviation system to keep pace with demand could create congestion and delays on a national level that could adversely affect the passenger experience and impact future demand.

2.4 Air Traffic Activity Projections

This section presents the air traffic activity projections including the key assumptions used to develop those projections. The air traffic activity projections included in this Report represent L&B's opinion, based on information available to L&B as well as estimates, trends and assumptions that are inherently subject to economic, political, regulatory, competitive and other uncertainties, all of which are difficult to predict and which will be beyond the control of L&B. Projected results may not be realized, and actual results could be significantly higher or lower than projected. L&B is not obligated to update, or otherwise revise, the projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error.

2.4.1 Projection Assumptions

The forecast analysis presented herein is based on a number of assumptions. Most notably, it assumes that the underlying economic conditions of the ASA are expected to be the primary driver for passenger demand at the Airport, especially as it relates to O&D traffic. Economic disturbances are likely to occur over the forecast period. In general, it was assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in socioeconomic conditions within the ASA. In addition, several other assumptions are incorporated into the projections including the following:

- Over the short-term, supply issues, including pilots, other airline staffing, and aircraft shortages, will continue to impact capacity; these issues, however, are expected to subside over the next few years.
- Over the long-term, the airlines will continue to add capacity that is in line with demand and economic growth.
- Long-term nationwide growth in air travel will occur over the Projection Period consistent with forecast growth in the economy.
- There will be no major disruption of airline service or airline travel behavior industry-wide or at the Airport over the Projection Period.

2.4.2 Enplaned Passengers Projection

2.4.2.1 Short-Term Projection

The short-term projection is an estimate of the activity levels at the Airport for FY 2025. Service to five new destinations began in May 2024 by Avelo Airlines and Breeze Airways, and new nonstop service to Nashville by Southwest Airlines began in June 2024. Additional service was also added in early 2024 by American Airlines, Delta Air Lines, and United Airlines. Due to the timing of these flights, the impact of this additional service won't be fully realized until FY 2025. The new service is expected to increase seating capacity by approximately 180 seats per day. Assuming that all the new service operates for the entire year in FY 2025, this would equate to approximately an additional 66,000 seats for all of FY 2025. It was assumed that these flights would operate at 80% load factors for the year, which would result in just over 1.42 million enplaned passengers in FY 2025, a 3.7% increase over FY 2024 enplaned passengers.

2.4.2.2 Long-Term Projection

For the long-term projections beyond FY 2025, a number of standard industry forecasting techniques were considered in order to forecast enplaned passengers such as econometric regression modeling, trend analysis, market share, and time series. It was determined that economic regression models were the most appropriate to forecast enplaned passengers at the Airport. Econometric regression modeling quantifies the relationship between enplaned passengers and key socio-economic variables. This methodology recognizes that the key independent variables will change over time and assumes that their fundamental relationships to the dependent variables will remain.

The first step in developing the appropriate models was to test the independent, or explanatory, variables against the dependent variable (enplaned passengers). For an econometric model to be considered appropriate, the following must be true:

- Adequate test statistics (i.e. high coefficient of determination (R^2) values and low p-value statistics), which indicate that the independent variables are good predictors of passengers at the Airport.
- The analysis does not result in theoretical contradictions (e.g., the model indicates that GDP growth is negatively correlated with traffic growth).
- The results are not overly aggressive or conservative or are incompatible with historical averages.

Through the testing of multiple sets of independent variables such as population, employment, per capita income and GRP, a univariate linear model was found to provide the best correlation and was selected to project enplaned passengers at the Airport. The selected model uses historical enplaned passengers for a 10-year period from 2010 through 2019 (prior to the impacts of the COVID-19 pandemic) and the ASA's population.

Based on models and the set of assumptions detailed above, enplaned passengers are forecast to increase 2.4% per annum from FY 2024 through FY 2030. The result is that enplaned passengers are forecast to increase from 1.37 million in FY 2024 to nearly 1.58 million in FY 2030.

2.4.3 Aircraft Landed Weight Projection

During the height of the pandemic, passenger aircraft landed weight per enplaned passenger increased significantly as load factors dropped due to lower demand and the need to implement social distancing practices. However, the passenger aircraft landed weight per enplaned passenger decreased in FY 2022 and FY 2023. In FY 2024, 1.37 million enplaned passengers equated to approximately 1,595 million-pound units. It was assumed that the passenger airline landed weight per passenger would remain constant at the FY 2024 level over the

Forecast Period. Over the Projection Period, passenger airline landed weight is projected to increase from 1,565 million-pound units in FY 2024 to 1,783 million-pound units in FY 2030, which is a CAGR of 2.2% from FY 2024 through FY 2030.

It was assumed that all-cargo airline landed weight would increase at the same rate as the national domestic all-cargo revenue ton miles as presented in the FAA's Aerospace Forecast.[24] The result is that all-cargo landed weight is projected to increase at a CAGR of 2.1%, increasing from an estimated 592 million-pound units in FY 2024 to 699 million-pound units in FY 2030.

Total Airport landed weight is projected to increase from 2,035 million-pound units in FY 2024 to 2,482 million-pound units in FY 2030, a CAGR of 3.4%.

2.4.4 Activity Summary

Table 2-9 provides the historical Airport traffic from FY 2019 through FY 2024 and the enplaned passenger and the landed weight projections for the Airport from FY 2025 through FY 2030 used for the financial analysis provided in this Report.

24 Federal Aviation Administration, Aerospace Forecast: FY 2023–2043 Forecast, May 2023.

Table 2-9 Actual and Projected Aviation Activity (FY 2019 – FY 2030)

		Enplaned Passengers		Landed Weight	
Fiscal Year		Passengers (in thousands)	Growth Rate	Total (in million-pound units)	Growth Rate
Actual	FY 2019	1,250	--	1,903	--
	FY 2020	986	-21.2%	1,679	-11.8%
	FY 2021	587	-40.4%	1,454	-13.4%
	FY 2022	1,084	84.7%	1,884	29.6%
	FY 2023	1,179	8.7%	1,931	2.5%
	FY 2024	1,371	16.3%	2,035	5.4%
Projection	FY 2025	1,422	3.7%	2,236	9.9%
	FY 2026	1,454	2.2%	2,286	2.2%
	FY 2027	1,485	2.1%	2,335	2.2%
	FY 2028	1,516	2.1%	2,384	2.1%
	FY 2029	1,547	2.0%	2,433	2.0%
	FY 2030	1,578	2.0%	2,482	2.0%

Range	Compound Annual Growth Rate	
FY 2019-24	1.9%	1.4%
FY 2024-30	2.4%	3.4%

Sources: Greenville-Spartanburg Airport District (Actual).
Landrum & Brown, Inc. (Estimated and Projection).

3 Airport Facilities and Capital Program

This Chapter provides an overview of existing Airport facilities and describes the new Garage C Project (defined in the Official Statement for the Series 2024 Bonds as the 2024 Project) and other planned capital improvements at the Airport, referred to as Other Capital Projects for the purposes of this Report.

3.1 Existing Airport Facilities

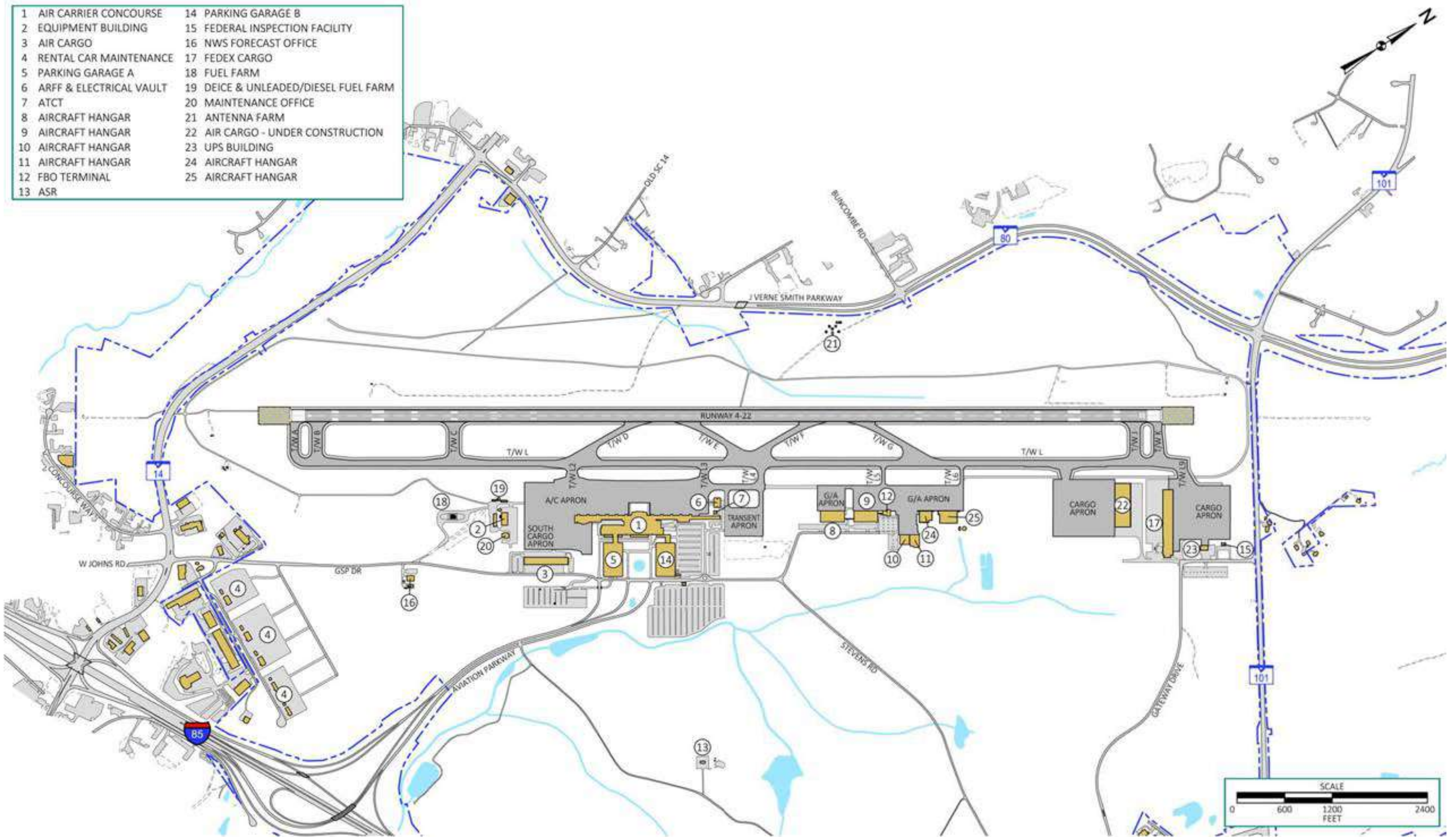
The Airport opened on October 15, 1962, replacing Greenville Downtown Airport and Spartanburg Downtown Airport as the primary commercial air carrier airport for the region and becoming the first non-military airport in the country to be equipped with a runway centerline lighting system. Throughout the 1970s and 80s, the Airport's role in the national airspace system expanded and the District further developed its air carrier terminal and cargo facilities. The runway was lengthened twice in the 1990s to its current length of 11,001 feet, a length capable of serving essentially all commercial service aircraft without restriction. To honor the tireless work to establish the Airport and his decades of service, the airfield was named for Mr. Roger Milliken in 2004 – Greenville-Spartanburg International Airport – Roger Milliken Field.

The Airport encompasses approximately 3,600 acres and is located approximately three miles south of the City of Greer, South Carolina, 10 miles east of the City of Greenville and 15 miles west of the City of Spartanburg. The Airport is located in both Greenville and Spartanburg Counties, which are in the northwest corner of the State, also known as South Carolina's Upstate region. Other major cities near GSP include Columbia, South Carolina (106 road miles southeast); Asheville, North Carolina (52 road miles northwest); Charlotte, North Carolina (85 road miles northeast); and Atlanta, Georgia (165 road miles southwest). Charleston, the State's largest city and center of its largest metro area, is located 213 road miles southeast of the Airport.

As presented in the previous chapter, the Airport is served by most major U.S. airlines. These airlines provide numerous non-stop flights to destinations throughout the United States. In addition to scheduled commercial airline service, the Airport also serves the needs of general aviation, including business aviation and privately owned/operated aircraft, military aircraft, and aircraft used in flight training activities.

Existing Airport facilities are described in sections below and are graphically illustrated on **Figure 3-1**.

Figure 3-1 Airport Layout



Source: Airport Master Plan Update, December 2019. Prepared by McFarland Johnson.

3.1.1 Airfield Facilities

The Airport has one runway, Runway 4-22, that measures 11,001 feet in length by 150 feet wide with 35-foot paved shoulders on both sides. Runway 4 has a Category IIIb precision instrument landing system (ILS) with distance measuring equipment (DME) and Runway 22 is equipped with Category I precision ILS. Additionally, Runway 4-22 is equipped with a forward scatter runway visual range (RVR) system to inform pilots of the exact visibility conditions on the airfield. For additional visual guidance, both Runway 4 and Runway 22 are equipped with a four-light precision approach path indicators (PAPI) with standard three-degree glide paths. Both PAPIs are located on the west side of Runway 4-22. The runway has precision runway markings in both directions and is able to accommodate essentially all commercial aircraft in service today in most weather conditions.

GSP has four independent apron areas including the commercial terminal/south cargo apron, general aviation apron, the center cargo apron, and the north cargo apron. The commercial terminal/south cargo apron covers an area of approximately 118,000 square yards. The commercial terminal/south cargo apron provides access to air carrier gates and passenger boarding bridges. The apron provides space for 13 air carrier gates connecting commercial aircraft to Concourses A and B and four air carrier hardstands on the southern portion of this apron to support off-gate remote parking of aircraft.

The north cargo apron area is northernmost of the four apron areas at the Airport. This apron offers over 450,000 square feet of pavement providing five hardstand positions, two of which provide direct access to the cargo sorting facility. Presently this apron supports scheduled integrator cargo activities from the adjacent 120,000 square-foot cargo sorting facility and 5,000 square-foot cargo operations building, as well as U.S. Customs and Boarder Protection which operates from a building located on the apron’s northeast corner.

The center cargo apron is the newest apron and supports scheduled and ad-hoc charter all cargo freighter operations. This apron includes nearly 1,000,000 square feet of aircraft parking pavement capable of simultaneously accommodating six 747-8 cargo freighter aircraft. This apron is immediately adjacent to a 160,000 square foot cargo facility, 1/3 of which is currently leased to an international freight forwarder and the balance of which is utilized by the on-airport cargo ground agent.

3.1.2 Terminal Facilities

Figure 3-2 illustrates the Airport’s terminal area, including the terminal building, roadways, public parking lots and rental car facilities. The passenger terminal complex at GSP recently completed in 2017 a major renovation and revitalization effort, which focused on increasing capacity, improving efficiency and elevating the aesthetics of the terminal building and its surroundings. The passenger terminal complex consists of the Main Terminal and two concourses, designated as Concourse A (south) and Concourse B (north). Together, these facilities total approximately 322,000 square feet and serve passenger airlines across 13 gates. Concourse A provides nine gates (A1 through A9) and Concourse B has 4 gates (B1 through B4). The Main Terminal has three floors and a basement. The first floor is designated as the Ticketing Level and is located prior to security screening. The second floor includes Airport administrative offices, security screening and, post-security, an airside garden and the Grand Hall; a two-story area with amenities. Concourse A is to the south of the Grand Hall on the third floor and Concourse B is to the north of the Grand Hall on the third floor.

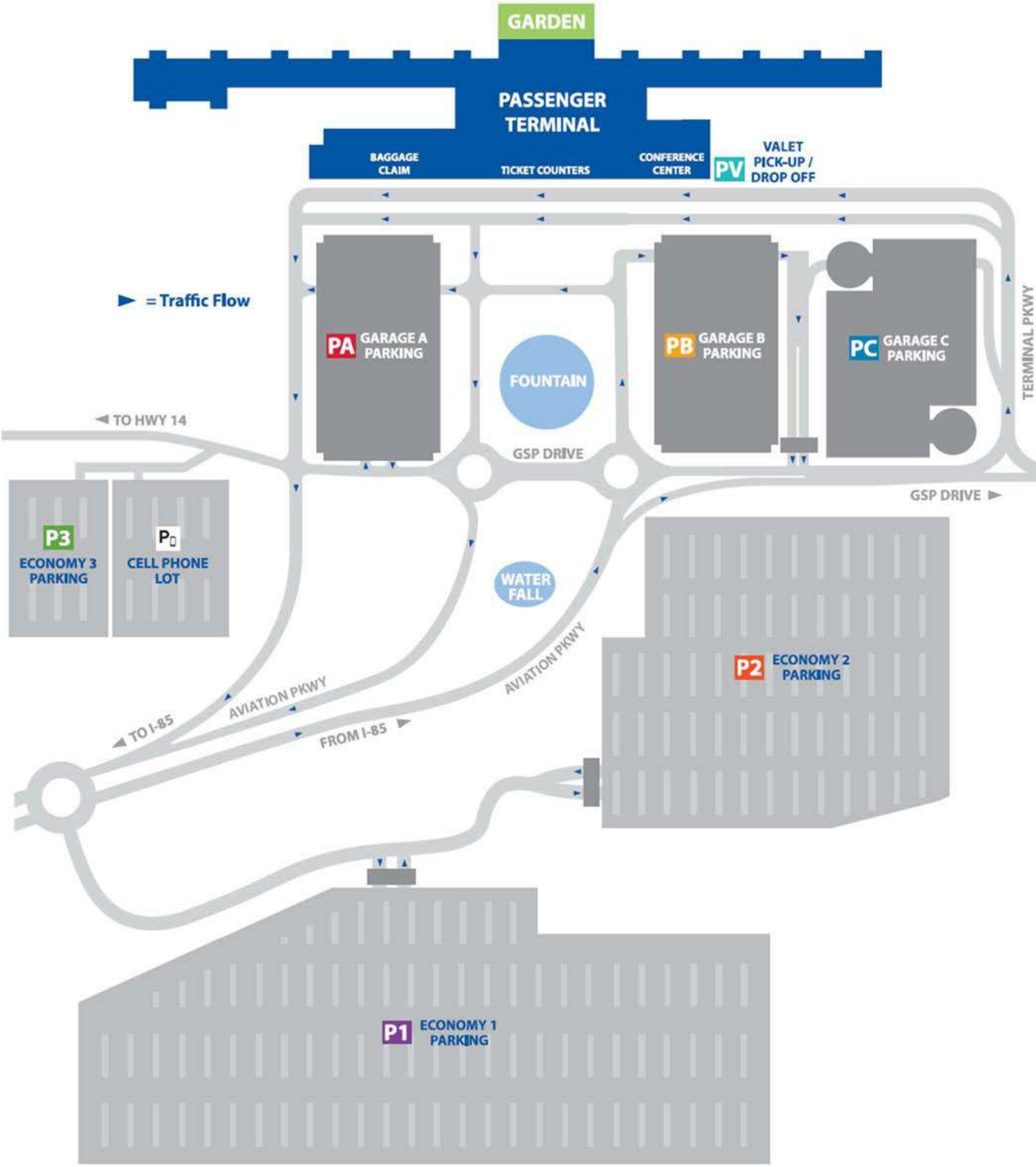
Concessions and amenity areas include food and beverage services and retail shops. Restaurants and amenities are available on each level of the terminal and encompass a total of approximately 25,000 square feet. Rental car agencies have customer service counters and administrative space in the baggage claim lobby.

3.1.1 Public Parking and Rental Car Facilities

Airport parking facilities include short-term lots, economy lots, overflow parking, valet parking, a cell phone lot, rental car, and additional parking for Airport and tenant staff. All revenue-producing parking areas are operated by LAZ Parking Georgia, LLC on behalf of the District. A summary of current parking lots and spaces is provided in **Table 3-1**.

- **Parking Garages A and B** – Parking Garages A and B are located across from the entrance to the terminal building. Both garages provide access to the terminal building via ground level painted and covered crosswalks. Garage A provides a total of 1,441 covered spaces. Of those, 386 spaces on the first floor of Garage A are reserved for rental car ready/return activities. As described in Section 3.2.1 below, once the new Garage C is constructed, the existing 386 rental car spaces in Garage A will be converted to public spaces. Garage B provides 1,463 spaces. Hourly parking in Garages A and B is $2 per hour for the first four hours, up to a maximum of $18 per day. The current charge for valet parking is $24 per day.
- **Economy Parking** – Economy parking is provided via three separate lots. Economy Lot 1 is located farthest from the terminal and provides 1,532 spaces. Economy Lot 2 is located just north of Economy Lot 1 and provides 1,391 spaces. Economy Lot 3 provides 342 spaces and is currently temporarily closed and not in use. These lots are provided with regular shuttle bus service between each lot and the terminal curb. The economy parking rates for the Economy Lots 1 and 2 are currently $10.
- **Valet Parking** – Valet parking is offered on the curbfront of the terminal and provides a total of 465 spaces in a remote lot for vehicle storage.
- **Rental Car Facilities** – As of July 1, 2024, eight rental car brands provide service at the Airport, namely Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, and Thrifty. Each company has a separate counter in the terminal and dedicated ready/return parking on the lower level of Parking Garage A. A total of 386 rental car ready/return spaces are provided. The rental car companies will be relocated to Parking Garage C once it is completed. The rental car companies also operate independent co-located quick turn-around (QTA) facilities located on Airport property at the juncture of GSP Drive, Airport Road, and Industrial Park Road. The area is also used for longer-term storage of vehicles. Altogether, approximately 16 acres have been constructed for the use of rental car QTA's and storage.
- **Cell Phone Lot** – A cell phone lot is available for meters and greeters waiting for arriving passengers. The cell phone lot is located adjacent to Economy Lot 3, across GSP Drive. The cell phone lot has 152 spaces and users enter via an access road connected to GSP Drive on the southeast side. This lot is open and available for free use by the public.
- **Employee Parking** – On the north end of the terminal is a private lot for airport and tenant employees with 214 spots. The entrance to the lot is via an access road connected to GSP Drive.

Figure 3-2 Airport Terminal Area



Source: Greenville-Spartanburg Airport District.

Table 3-1 Summary of Existing Parking Spaces

Parking Facility	Public Spaces	Rental Car Spaces	Total Spaces
Garage A	1,055	386	1,441
Garage B	1,463	--	1,463
Economy Lot 1	1,532	--	1,532
Economy Lot 2	1,391	--	1,391
Economy Lot 3	342	--	342
Valet	465	--	465
Cell Phone Lot	152	--	152
Total	**6,400**	**386**	**6,786**

Source: Greenville-Spartanburg Airport District.

3.1.2 General Aviation and Other Aviation-Related Facilities

Multiple general aviation facilities and apron areas on the southeast side of the airport provide access to various aircraft hangars, air cargo, commercial businesses, and airport support facilities.

- **Fixed Base Operator** – A department of the District, Cerulean Aviation operates the only full-service FBO at the Airport and is located northeast of the terminal area. Cerulean Aviation has provides the following services and amenities to passenger and cargo airlines in addition to general aviation operators:
    - Jet A and 100LL fueling services
    - Ground handling
    - Deicing and anti-icing Types I and IV
    - Freight handling services
    - Aircraft on Ground (AOG) services, by third party
    - Rental cars on-site

  Cerulean operates a general aviation terminal of approximately 6,700 square feet with a 150-space parking lot. The FBO terminal building is currently being renovated and expanded and once completed, will double its size to approximately 13,000 square feet. Cerulean also provides aircraft storage with six hangars totaling approximately 155,000 square feet.

  Cerulean also operates the Airport's fuel farm, located south of the airport maintenance facility. The fuel farm contains five 30,000-gallon tanks and two 125,000 gallon tanks of Jet-A fuel, providing a total Jet-A capacity to 400,000 gallons, and one 12,000-gallon tank of Avgas.

- **Air Cargo** – The Airport has three cargo facilities, one located on the north cargo apron, one on the center cargo apron, and one at the commercial terminal/south apron. . The north cargo apron is home to scheduled integrators FedEx and UPS and facilities include an approximately 105,000 square foot cargo facility for FedEx, an approximately 5,000 square foot facility for UPS, and Customs and Border Patrol facility. The center cargo apron includes a 160,000 square foot facility used for scheduled and ad-hoc charter all -cargo freighter activity. Approximately 1/3 of the center cargo facility is partially leased by Maersk Air Cargo and the balance of the facility is used by Cerulean Aviation as the cargo ground handling agent. The remainder of cargo and freight activity is housed in a 52,250 square-foot building adjacent to the commercial terminal/south cargo apron and located on GSP Drive. The building was renovated in 2015 and includes 30 docks. This space is occupied by American Airlines Cargo, Delta Cargo, Southwest Cargo, and Bradford Airport Logistics.

- **Industrial Park Road Complex** – The Airport currently owns and leases out facilities located on Industrial Park Road in three buildings to numerous tenants. Building A is approximately 42,500 square feet and is located between Airport Road and Runion Road. Building B is situated between Industrial Park Road and Runion Road. It has approximately 20,000 square feet leased to one tenant. Building C is situated between Industrial Park Road and Runion Road, and has approximately 39,500 square feet leased to six tenants.

3.1.3 Ancillary Facilities

Ancillary facilities support the aviation-related activities at the Airport, and are summarized below:

- **Air Traffic Control Tower (ATCT)** – The Airport's ATCT is located on the north end of the terminal building on the commercial terminal apron. The ATCT is open from 6:00am to 11:45pm local time and provides air traffic and ground control services throughout its availability.
- **Aircraft Rescue and Fire Fighting (ARFF) Facility** – The Airport's ARFF is located on the north end of the passenger service apron next to the ATCT where there is immediate access to Runway 4-22. The ARFF facility is operated by the GSP International Airport Fire Department and is considered an Index C facility. The ARFF facility houses firefighting vehicles, equipment, and staff offices.
- **Airport Maintenance** – The Airport's airfield maintenance facility complex is located southwest of the south cargo apron area. The complex occupies 9.18 acres of land to accommodate four buildings of approximately 12,800, 6,400, 5,040, and 1,080 square feet, respectively.

3.2 Summary of Capital Projects

Exhibit A at the end of this report presents the planned capital projects at the Airport from FY 2025 through FY 2030. As shown, Garage C is the only project to be funded with the proceeds of the Series 2024 Bonds. The Series 2024 Bonds will be secured by Airport Revenues, which include rental car CFCs revenues as described further in Chapter 4. In addition to the Garage C project, several other capital projects are also anticipated to be undertaken by the Airport through FY 2030. The estimated capital funding, operating costs, and estimated revenue impacts associated with Garage C and the other capital projects have also been included as part of the financial analysis in this Report (see Chapter 4).

It should be noted that certain capital projects included in Exhibit A may be potentially deferred or not otherwise undertaken by the District during the Projection Period, depending on circumstances such as aviation demand levels, availability of project funding, or prioritization of other projects. For purposes of this analysis, all such projects have been incorporated in this Report and the accompanying financial tables to demonstrate the full financial effect of undertaking the Garage C project along with all the other capital projects.

3.2.1 The Garage C Project

To meet current and forecast demand for public and rental car parking at the Airport, the District has developed a plan to construct a new Garage C at the previous site of the Airport's daily parking lot, just north of the Airport's existing Garage B (see Figure 3-2). The new Garage C is estimated to cost $98 million and will consist of a new five-story garage and will provide a total of 1,500 parking spaces. This new parking facility will encompass a total of five levels, with the first three levels dedicated to the rental car providing approximately 750 ready/return spaces, and the top two levels dedicated to public parking providing approximately 750 public parking spaces. Once the new Garage C is constructed, the existing 386 rental car spaces in Garage A will be converted to public spaces. Garage C will also include a new rental car customer center and QTA facilities. Similar to its existing system, Park Assist technology will be used to help guide public parking customers to available spaces on each floor and to help maximize the utilization of the parking garage by customers.

3.2.1 Other Capital Projects

Other capital projects currently anticipated by the District to be undertaken or completed during the Projection Period that are not part of the Garage C project are also shown in Exhibit A. Preliminary cost estimates for the other capital projects at the Airport total approximately $332.4 million through FY 2030. Other projects expected to be undertaken at the Airport include rehabilitation of Runway 4/22, the Terminal Expansion Program, aircraft apron expansion, and various taxiway/taxilane improvements, expansion of the general aviation facilities, and various facility/infrastructure improvements, among others.

As shown on Exhibit A, except for the Garage C project described above, the Terminal Expansion Program represents the largest other capital project planned to be undertaken and includes an expansion of the terminal's north baggage claim, inbound baggage areas, and administrative offices as well as the planning and design associates with a six-gate expansion of Concourse B. The Terminal Expansion Program is estimated to cost approximately $92 million, of which $30 million is anticipated to be funded with the proceeds of future bonds. To the extent the District is able to secure additional AIP, BIL, or State grant funds, however, the amount of the future bond issuance may be reduced. Construction of the terminal expansion is expected to occur beyond the window of the current CIP in the early to mid-2030s.

In addition to the other capital projects presented on Exhibit A, the District is currently planning for two other future projects at the Airport: an on-Airport hotel and the Automated Shuttle Airport Project (ASAP). Each of these projects are in various planning phases and as such, the costs, funding sources, and timing of each are unknown currently. The following briefly describes each of these potential future projects at the Airport.

- **On-Airport Hotel** – The proposed hotel will be located on-Airport and is anticipated to be built as a 135-room boutique upscale full-service hotel similar in style to the Tribute Portfolio by Marriott, the Tapestry Collection by Hilton, or the JdV by Hyatt. Amenities are expected to include an all-day dining outlet, rooftop pool with a bar, meeting and event space, sundry shop, business center, and a fitness center. The proposed hotel will be located across from new Garage C, providing auto parking to hotel guests. The proposed Hotel will also have direct access to the airport terminal via a covered walkway. The proposed hotel is expected to be constructed in the next five years and put in operation in the early 2030's.

- **Automated Shuttle Airport Project (ASAP)** – The ASAP will implement a system of automated shuttles that will transport passengers and employees between the Terminal and Economy Lots 1, 2, 3, and the Employee Lot. Through this project, GSP will improve the passenger experience, reduce traffic congestion on existing roads and the terminal curb, increase reliability, and decrease transit times while reducing the Airport's carbon footprint. The ASAP vehicles will operate on dedicated roadways, facilitating reliable, consistent passenger service that does not impact, and is not impacted by private airport vehicular traffic. Key features of the ASAP include:
  - Nine automated ASAP Electric Vehicles.
  - Seven at-grade parking lot stations and one main terminal station, each with a weather shelter and real-time passenger information displays.
  - Electric charging infrastructure to enable continuous, zero-emission operation of the ASAP vehicles.
  - Central control center & maintenance facility.
  - Offers built-in flexibility allowing GSP to easily expand ASAP as the Airport continues to grow.
  - Allow for future development & connectivity to a regional transportation system.

3.3 Plan of Finance

Exhibit A presents the total project costs along with estimated funding sources for the Garage C project and other capital projects discussed previously. These estimates are based on currently available information regarding the estimated cost and timing of the Garage C and other capital projects, and the estimated receipt of federal, state, and other grants and other funds. As presented in Exhibit A, the Garage C project is estimated to cost approximately $98 million, all of which is anticipated to be funded with the proceeds of the Series 2024 Bonds. Other capital projects are estimated to cost $332.4 million and are anticipated to be funded through a combination of FAA grants, Bipartisan Infrastructure Law (BIL) grants, state grants, PFCs, Airport funds and future general airport revenue bonds (GARBs). Additional detail regarding the estimated funding sources for the Garage C project and other capital projects is provided below.

3.3.1 Federal Grants

The District receives federal grants for Airport capital development under the FAA Airport Improvement Program (AIP). On May 16, 2024, H.R. 3935, the "FAA Reauthorization Act of 2024," was signed into law by President Biden which reauthorizes $105 billion for the FAA and related revenue authorities for another five years through September 30, 2028.

The District received AIP entitlement grants of approximately $4.5 million in FFY 2022 based on the levels of funding authorized and appropriated by Congress for the program and its number of enplaned passengers. The District also occasionally receives AIP discretionary grants for specific projects pursuant to grant applications for such funding, and FAA discretionary grant awards, which are a function of the amounts authorized and appropriated by Congress and the FAA's prioritization of competing projects. As shown on Exhibit A, the District estimates that approximately $57.1 million of FAA AIP grants will be used to fund a portion of the Other Capital Projects through FY 2030.

On November 15, 2021, the President signed into law an approximately $1 trillion investment of the federal government into U.S. infrastructure BIL. The BIL contains an investment of approximately $25 billion into the aviation sector, which includes $15 billion of Airport Infrastructure Grant (AIG) funding for airport infrastructure projects that increase safety and expand capacity, $5 billion of Airport Terminal Program (ATP) discretionary funding for new airport terminal facilities, and $5 billion of funding to improve air traffic control facilities. On November 18, 2021, the U.S. Department of Transportation released information on how this funding is expected to be distributed to each U.S. state. [25] Under the BIL, the Airport received $5.3 million, $5.4 million, and $5.3 million in FFY 2022, FFY 2023, and FFY 2024, respectively. The District is intending to use approximately $21.5 million of BIL grants to address a number of projects including airfield, terminal, and infrastructure projects. Additionally, the Airport has applied for, and plans to submit future applications for, discretionary ATP grants for eligible projects, although it has received none to date.

3.3.2 State Grants

In addition to FAA AIP and discretionary grants, the Airport also receives grant funds from the state of South Carolina. Historically these funds have been distributed through the South Carolina Aeronautics Commission (SCAC) or the South Carolina Department of Commerce (SC Comm). The District receives $250,000 a year in Commercial Carrier Entitlement Grants from the SCAC. In addition, the District pursues funding annually through the normal legislative budget process. The District has received between $2.9 million - $10.0 million for the past two budget years and is expected to receive $8.0 million for SC fiscal year 2025. The District expects to apply approximately $41.0 million in State funds toward its capital improvement program through FY 2030.

3.3.3 Passenger Facility Charge Revenues

PFC revenues are used to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC revenues to pay for approved project costs on a pay-as-you-go basis or by applying certain PFC revenues to pay debt service associated with bonds used to fund approved projects.

As of May 2024, the District is authorized by the FAA to impose and use approximately $18.0 million of PFC revenues (at the $4.50 level) for various projects. As of March 31, 2024, the District has collected approximately $15.4 million of its total approved collection and had disbursed approximately $9.7 million on approved projects. As a result, the District had a balance of approximately $5.7 million in its PFC Fund as of the end of 2023. The current estimated PFC charge will expire once the $18.0 million of PFC authorization is collected, which is estimated to be December 1, 2024. The District is currently in the process of finalizing a new PFC application for submission to the FAA, requesting PFC authority for an additional $15.5 million of PFC-eligible projects, with submission anticipated in early August 2024. If approved, the estimated charge expiration date would be extended until June 1, 2027.

The Airport collected approximately $4.7 million of PFC revenue in FY 2023 (including interest). As presented in Exhibit A, the District anticipates using approximately $36.3 million of future PFCs on a pay-as-you-go basis toward several airfield and terminal projects through FY 2030.

3.3.4 Customer Facility Charges

As adopted by the District on January 22, 2001, the District began charging a $2.90 rental car CFC in May 2001. The CFC rate of $4.00 per contract rental-day (per transaction-day) was increased to $6.00 on July 1, 2019, and was further increased to $9.00 on January 1, 2024. In FY 2023, the District collected approximately $4.1 million of CFC revenues and had a balance of approximately $5.2 million remaining in its CFC Fund at the end of FY 2023.

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[25] USDOT Releases State by State Fact Sheets Highlighting Benefits of the Bipartisan Infrastructure Law, U.S. Department of Transportation, November 18, 2021, https://www.transportation.gov/briefing-room/usdot-releases-state-state-fact-sheets-highlighting-benefits-bipartisan, accessed December 2021.

As a result of the increase to the CFC rate to $9.00, the District is expected to collect approximately $2.4 million more in additional annual CFC revenue, or a total of approximately $7.2 million per year starting in FY 2025.

CFCs at the Airport are currently being used to pay for the following rental car related facilities and functions:

- Ground rent for unimproved land, amortization, O&M Expenses, and upgrades related to the rental car service center.
- Reimbursement for District funds spent, and O&M Expenses related to construction and operations of Garage A.
- Common area maintenance charges related to construction and operations of Garage A.

Once the new Garage C is constructed, CFCs will no longer be used to pay for costs associated with the reimbursement of costs and operation of Garage A. CFCs will be used by the District to pay for the following items in the following order: (i) the land and use component; (ii) project capital expenses (including the amount required to pay the debt service on the 2024 Bonds) and other capital improvements benefiting the Operators; and (iii) common area maintenance expenses incurred by the District to operate, maintain, and repair the rental car facilities. As discussed further in the financial analysis, the District intends to also use future CFC revenues to support the Series 2024 debt service on debt issued to construct Garage C.

3.3.5 District Funds

The District has historically used its internal funds from the operation of the Airport to fund certain projects in the CIP. As presented in Exhibit A, the District is currently planning to apply $146.6 million of its internally generated Airport funds toward capital projects.

3.3.6 Series 2024 and Future Bonds

As shown in Exhibit A, the Garage C project is planned to be funded with approximately $98 million in proceeds from the Series 2024 Bonds. The analysis contained in this Report also assumes an additional $30 million of proceeds from future additional bonds will be used to fund the Terminal Expansion Program; however, to the extent the District is able to secure additional AIP, BIL, or State grant funds, the amount of the future bond issuance may be reduced. Assumptions related to the issuance of the Series 2024 Bonds and future bonds are provided in Section 4.4 of this Report.

4 Financial Framework and Analysis

This Chapter discusses the financial framework for the Airport, including an overview of the governing body, management structure of the District, certain obligations of the Master Bond Resolution (as supplemented), and certain provisions contained in other key agreements at the Airport. Debt Service projections for the Series 2024 Bonds, historical and projected Operation and Maintenance (O&M) Expenses and Revenues, and projections of debt service coverage and other key financial metrics are also described in this Chapter.

The financial analysis contained in this Chapter as well as the Exhibits provided at the end of this Chapter present estimates for FY 2024 and projections over the Projection Period. Financial estimates for FY 2024 and projections for FY 2025 are based in part on information provided by the District and information included in the District's FY 2025 operating budget.

4.1 Airport Governing Body

The Greenville-Spartanburg Airport District is a political subdivision of the State of South Carolina, created by the General Assembly of the State of South Carolina. The corporate powers and duties of the District are to be exercised and performed by the Greenville-Spartanburg Airport Commission (the Commission, or the District's Commission). The Commission is responsible for planning, establishing, developing, constructing, enlarging, improving, maintaining, equipping, operating, regulating, protecting and policing the Airport and air navigation facilities.

The membership of the Commission consists of a total of six members, three of whom are residents of Spartanburg County and who are appointed upon the recommendation of a majority of the members of the Spartanburg County Legislative Delegation, and three of whom are residents of Greenville County and who are appointed upon the recommendation of a majority of the members of the Greenville County Legislative Delegation. Members of the Commission serve six-year terms. The Commission employs a President/CEO who is responsible for the administration and management of the Airport.

4.1.1 Financial and Accounting Structure

The District funds its operation of the Airport with revenues received by the District from the operation and ownership of the Airport System. The District is financially self-sustaining, with Revenues generated from airline and other tenant fees, grants, concession fees, and other revenues of the Airport System. Capital improvements are funded by the District with: (1) federal, state, and other grants-in-aid, (2) revenues generated from Airport System rentals, fees and charges; (3) Airport revenue bond proceeds; (4) PFC revenues, and (5) other District funds.

The District utilizes cost centers for the purpose of accounting for and allocating costs and Revenues at the Airport in order to establish airline rates and charges for the use of the airfield and the terminal. Within the Terminal cost center, costs and Revenues are allocated between the terminal building, passenger loading bridges, security screening, and baggage equipment. For financial planning purposes, the District also allocates costs and revenues to a number of other cost centers and indirect cost centers.

The District's cost centers are as follows:

Direct Cost Centers

Airline Cost Centers

- Terminal
- Airfield

District Cost Centers

- Passenger Services
- Cargo Services
- Landside – Parking
- Landside – Rental Car
- Landside – Roads
- Commercial Properties
- Logistics Park
- South Cargo
- North Cargo
- Food and Beverage Concessions

Indirect Cost Centers

- ARFF
- Police
- Operations
- Facilities
- Administration and Other

Essential indirect functions are allocated to direct cost centers based on the type of function, its use at the Airport, and general industry standards. Indirect expenses are allocated to direct airline cost centers for the purposes of calculating airline rates and charges described in Section 4.3.1 herein.

The Series 2024 Bonds are payable from Net Revenues, inclusive of all cost centers. Airport Revenues generated in the District's cost centers can be used by the District to meet various obligations or be used for other authorized aviation-related purposes. The District bears the responsibility and risk for the District's cost centers.

4.1.2 Airline Rate-Setting Methodology

The District is empowered to place in effect and, from time to time, revise such schedules of licenses, rates, and charges for the use of its facilities as may be necessary or desirable to the orderly operation of the airport facility of the District; provided that all such rates and charges shall be reasonable and nondiscriminatory. Rates and charges can be recalculated at any time, at a minimum annually. There is no settlement of airline rates and charges to account for variances in budgeted versus actual activity and financial results. Additional information regarding airline rates and charges is provided in Section 4.9 herein.

Airline rates and charges are developed by the District under a compensatory rate making methodology. Each Airline operating at the Airport is responsible for paying the following rates and charges:

- Landing fees for the use of the airfield and apron facilities
- Terminal rents for preferential use space
- Other fees and charges (holdrooms, loading bridges, baggage handling system, baggage claim, and other airline equipment are used on a common use basis, with allocable costs recovered through per turn fees subject to a target minimum utilization.)

4.1.2.1 Landing Fee

The landing fee is calculated by dividing the net airfield requirement by the estimated certified maximum gross landed weight of all airlines' revenue aircraft arrivals. The net airfield requirement is calculated as the sum of the following for each FY:

- O&M Expenses allocated to the Airfield cost center;
- Amortization of capital outlays allocated to the Airfield cost center; and
- Bond Debt Service allocated to the Airfield cost center;
- Minus, for such FY, credits applied by the President/CEO related to general aviation fuel flowage fees and revenues received through other charges related to apron area costs, as well as other discretionary credits.

Landing fee revenues are derived by multiplying the landing fee by 1,000-pound units of actual airline landed weight.

4.1.2.2 Terminal Rental Rate

The terminal rental rate is calculated by dividing the net airline terminal building requirement by airline usable space in the terminal building. The net airline terminal building operating requirement is calculated as follows for each FY:

- O&M Expenses allocated to the Terminal cost center;
- Amortization of capital outlay allocated to the Terminal cost center; and
- Bond Debt Service allocated to the Terminal cost center;
- Minus, for such FY, credits applied by the President/CEO related to certain reimbursements to Terminal operating expenses and expenses effectively recovered through other charges, as well as other discretionary credits;
- Multiplied by the Airline share of total usable terminal building space;
- Plus terminal building O&M Expenses fully allocated to the airlines;
- Minus revenues generated through passenger security fees

Airline terminal rental revenues for preferential space are derived by multiplying the terminal rental rate by airline rented preferential use space. Airline terminal rental revenues are also generated from per turn fees, derived, in part, by multiplying the terminal rental rate by airline shared and common use space.

4.1.2.3 Other Fees and Charges

The District may assess fees to recover certain costs which include, but are not limited to, costs of utilities and services, employee parking fees, telecommunications charges, skycap services, preconditioned air and fixed ground power fees, security measures, such as key cards and identification badges and the like, common use fees and common equipment charges, and law enforcement fees(. The District assesses a passenger security fee on a per enplanement basis to recover passenger-related security checkpoint and security personnel costs.

4.2 Bond Resolution

The Series 2024 Bonds are being issued pursuant to the terms of the Master Bond Resolution, as supplemented by the Second Supplemental Resolution, collectively referred to herein as the Bond Resolution, and are secured by and payable from the Net Revenues and other security provided in the Bond Resolution and in accordance with the terms of the Bond Resolution.

4.2.1 Security and Sources of Payment

The Series 2024 Bonds are secured by a pledge and lien on Net Revenues generated from the operations of the Airport System and funds established by the Bond Resolution pledged to the payment of Bonds. The District has not pledged its full faith and credit or its taxing power payment of the Bonds. Net Revenues means, for any given period, the Revenues for such period, less the Operation and Maintenance (O&M) Expenses for such period. Revenues are defined as all income, receipts, earnings (interest or otherwise) and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles applicable to governmental entities, 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 District for the use or availability of the Airport System, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the District, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the District or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the District receives payments which are attributable to the Airport System or activities or undertakings related thereto.

“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, interest or otherwise (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 Gross Revenue Fund, any Construction Fund, the Debt Service Fund and any Account established therein (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund and the Common Reserve Account and any Series Debt Service Reserve Account established therein, and any such additional revenues, if any, as are designated as “Revenues” under the terms of any Supplemental Resolution. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the District from the imposition of ad valorem taxes, (ii) gifts, grants and other income 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, (iii) Net Proceeds and other insurance proceeds received with respect to the Airport System (other than business interruption insurance), and (iv) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in Section 6.05 of the Master Bond Resolution).

The following, including any investment earnings thereon, are specifically excluded from “Revenues,” unless designated as “Revenues” under the terms of a Supplemental Resolution: (A) Rental Credit, (B) Passenger Facility Charges (PFCs), (C) Customer Facility Charges (CFCs), (D) Federal Direct Payments, (E) Released Revenues, (F) subject to (ii) in the previous paragraph, grants and other charges authorized on or after the date of the Master Bond Resolution by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) 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 Second Supplemental Resolution designates CFCs received between FY 2025 through FY 2034 as Revenues for purposes of the Master Bond Resolution. In addition, CFCs received in each FY after FY 2034 which the District determines are allocable to land use charges or eligible for the payment of principal, interest and other amounts payable with respect to Bonds or for the payment of Operation and Maintenance Expensesare designated and included as Revenues for purposes of the Master Bond Resolution until such time as the Commission by Supplemental Resolution excludes and removes CFCs from Revenues for purposes of the Master Bond Resolution; provided, however, that the Commission shall take no action by Supplemental Resolution or otherwise to exclude and remove CFCs from Revenues for purposes of the Master Bond Resolution unless the Commission first obtains a certificate to the effect that the District will be in compliance with Sections 6.03(a) and (b) of the Master Bond Resolution when CFCs are no longer designated as Revenues.

4.2.2 Flow of Funds

All Revenues of the Airport System are to be deposited as promptly as possible after receipt into the Gross Revenue Fund, held and administered by the District. The moneys in the Gross Revenue Fund are to be applied in the following order of priority:

- Gross Revenue Fund
- Operating and Maintenance Expenses
- Debt Service Fund (including other amounts due on Bonds)
- Debt Service Reserve (and Common Reserve Account and Series Debt Reserve Accounts therein)
- Subordinate Obligation Debt Service
- Operating and Maintenance Reserve Fund
- Rebate Fund
- Airport General Fund

The Resolution authorizes the issuance of Airport System Revenue Bonds by the District. The requirements of the Resolution were adhered to in developing the application of revenues included in these financial analyses. The principal funds and accounts established within the Resolution and their use are summarized below:

- **Gross Revenue Fund** – receives all Revenues derived by the District and are deposited or transferred to the following funds and accounts in the order listed:
- **Operating and Maintenance Expenses (O&M)**. The District shall first pay from the Gross Revenue Fund a sufficient amount of Revenues to pay all Operating and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District shall pay all Operating and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.
- **Debt Service Fund**. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt Service Fund in the amounts, at the times and in the manner provided in Section 4.05 of the Master Bond Resolution, to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest, if any, due on the Outstanding Bonds.
- **Debt Service Reserve Fund-Common Reserve Account and Series Debt Service Reserve Accounts**. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account, the Series Debt Service Reserve Accounts and any other Accounts within the Debt Service Reserve

Fund, if any, at the times, in such amounts, and to be used in the manner provided for, as specified in Section 4.07 and 4.08 of the Master Bond Resolution and any Supplemental Resolution.

- **Subordinate Obligation Debt Service**. The District shall next pay a sufficient amount of Revenues to the Subordinate Obligation Debt Service Fund (and deposited into the applicable debt service account or debt service reserve account therein), such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinated Obligations, issued pursuant to the terms of a resolution of the Commission, but only to the extent a specific pledge of Net Revenues has been made pursuant to such subordinate resolution to the payment of debt service on such indebtedness.
- **Operating and Maintenance Reserve Fund**. The District shall next pay into the Operating and Maintenance Reserve Fund one-twelfth (1/12th) of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to one-fourth (1/4th) of the amount of operating expenses budgeted by the District for the current FY. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to one-fourth (1/4th) of the amount of operating expenses budgeted by the District for the current FY, no deposit is required.
- **Rebate Fund**. The District shall next pay into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.
- **Airport General Fund**. When and after the District shall have made all payments from the Gross Revenue Fund required at the time to be made as described above, all remaining money in the Gross Revenue Fund shall be paid and credited o the Airport General Fund. Money in the Airport General Fund shall be used for any lawful purpose of the Airport System. As determined by the District, money credited to the Airport General Fund shall be deposited into, and may be subsequently transferred among the Rolling Coverage Account, the General Airport Account, and such other Accounts as may be established therein by the District from time to time, unless otherwise provided in a Supplemental Resolution, and in such priority as the District may determine.
  - ***Rolling Coverage Account*** – the District may deposit money from the Airport General Fund into the Rolling Coverage Account in such amounts to be determined by the District. Unless otherwise required by a Supplemental Resolution, the District is ***not*** required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money in the Rolling Coverage Account may be taken into account for purposes of meeting the test for the issuance of Additional Bonds and the rate covenant required by the Master Resolution, or transferred from this Account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.
  - ***General Airport Account*** – subject to the provisions of the Master Bond Resolution with respect to the provisions of funds to pay General Obligation Bonds of the District, compliance with the immediately succeeding paragraph, all remaining money in the Airport General Fund not deposited to the Rolling Coverage Account shall be deposited into the General Airport Account or such other Account as may be established by the District and may be accumulated by the District to be used to fund equipment purchases or capital outlays that are included in the budget for the Airport System for a FY, to fund all or any portion of other capital projects that are included in the budget for the Airport System for a FY, and to pay the costs of any future capital project or projects (whether or not such projects have been specifically identified), transferred to any other Fund or Account, or used by the District for any other lawful purpose of the Airport System.

As a recipient of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, the District must comply with associated grant assurances which include, among others, a restriction regarding the use of revenue generated from the operation of the Airport System solely to Airport System purposes. The Debt Service Fund, the Debt Service Reserve Fund, and the Subordinate Obligation Debt Service Fund are all held and administered by the Trustee. All of the other funds established under the Resolution are special funds held in trust and administered by the District.

4.2.3 Rate Covenant

The District covenants to fulfill the following requirements:

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

- the Annual Debt Service on any Outstanding Bonds required to be funded by the District in such FY as required by the Master Resolution or any Supplemental Resolution with respect to the Outstanding Bonds;
- the required deposits to the Common Reserve Account and any Series Debt Service Reserve Account that may be established by a Supplemental Resolution;
- the required deposits to the Operating and Maintenance Reserve Fund;
- the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Resolution;
- the interest on and principal of any indebtedness required to be funded during such FY other than for Outstanding Bonds, including Subordinate Obligations; and
- payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

The District will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each FY the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding FY, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such FY. The balance in the Rolling Coverage Account taken into account shall not exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such FY.

If Net Revenues, together with any amount deposited in the Rolling Coverage Account, in any FY are less than the amount specified above, the District will retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport System and its schedule of rentals, rates, tolls, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District shall 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 above in the next succeeding FY.

In the event that Net Revenues for any FY are less than the amount specified above, but the District promptly has taken prior to or during the next succeeding FY all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as required by such deficiency in Net Revenues will not constitute an Event of Default under the provisions of the Resolution. Nevertheless, if after taking the measures to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues in the next succeeding FY (as evidenced by the audited financial statements of the District relating to the Airport System for such FY) are less than the amount specified above, such deficiency in Net Revenues constitutes an Event of Default under the provisions of the Resolution.

4.2.4 Additional Bonds

The Bond Resolution authorizes the issuance of Additional Bonds subject to certain conditions and tests, including that as a condition to the issuance of any Series of Bonds, there shall first be delivered to the District either:

(1) 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 District Representative showing that the Net Revenues for the last FY for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount on deposit in the Rolling Coverage Account, as of the end of the immediately preceding FY, were at least equal to 125% of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, for each Fiscal Year after the issuance of the proposed Series of Bonds so long as the proposed Series of Bonds will be Outstanding or

(2) (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 District Representative, showing that the Net Revenues for the last FY for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding FY, were at least equal to 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such FY or other applicable period; and

(b) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive FYs beginning with the first FY in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the certificate of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to 125% of the Aggregate Annual Debt Service for each such FY with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (1) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25 percent of the Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds. For purposes of paragraph (2)(a) and (b) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25 percent of the Aggregate Annual Debt Service on the Outstanding Bonds in such year. For purposes of paragraph (2)(b) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account.

4.3 Key Airport Tenant Agreements

4.3.1 Airline-Airport Use Permit

The District permits airlines to operate at the Airport through the execution of an Airline-Airport Use Permit, which remains effective until terminated by either party, subject to 30 days' notice. Under the terms of the Airline-Airport Use Permit, an airline is authorized to takeoff and land at the Airport, and use exclusive, preferential and common use premises, loading bridges, aircraft parking positions or gates at the Airport, as may be assigned by the District, and agrees to pay rentals, fees, and charges set by the District.

Pursuant to the Airline-Airport Use Permit, the District sets the following rates:

- Landing fee (per 1,000-lbs of landed weight)
- Terminal rental rate (per square foot of exclusive use and preferential use assigned terminal space)
- Terminal common use charge (pro rata share of common use terminal facility costs based on airlines' proportion of total enplaned passengers)
- Terminal fees for shared use space and equipment (per turn)
- Aircraft parking position rental (per parking position)
- Passenger security fee (pro rata share of certain terminal security costs based on airlines' proportion of total enplaned passengers)

The above rates are calculated and established by the District from time to time, but not less than one time per Fiscal Year, pursuant to the rate-setting methodologies described in Section 4.1.2 above. There is no annual year-end reconciliation of airline rates under the Airline-Airport Use Permit.

Under the terms and conditions of the Airline-Airport Use Permit, airlines also agree to pay other miscellaneous charges assessed by the District including, but not limited to, the cost of utilities and services, employee parking fees, and security measures such as key cards and identification badges.

The Airline-Airport Use Permit also establishes certain operating procedures and contains key legal, insurance, indemnification, and other provisions.

4.3.2 Other Agreements

The District has agreements with other entities that operate, provide services or occupy space at the Airport, including restaurants, newsstands, retail shops, and display advertising, among other specialties. In addition, several Airport tenants have executed lease agreements with the District governing their occupancy and use of space on Airport property. These other agreements are summarized below:

- The District has a concessions management agreement with Metz Culinary Management for the management of the Airport's concessions program
- The District has entered into an agreement with the Hudson Group and others to provide certain in-Terminal concessions at the Airport not operated by the District.
- The District has a parking management agreement with LAZ Parking Georgia, LLC to provide management of the on-Airport parking facilities.
- The District has entered into agreements with the following rental car brands to operate at the Airport: Avis, Budget, Enterprise, Hertz, and Alamo/National. All of these rental car companies pay privilege fees to the District.

- In addition, the District has agreements with cargo facility and other tenants leasing hangars and other buildings.

In general, the business terms of the Airport's non-airline agreements are based on industry standards and practices. Additional summaries of key non-airline agreement terms are provided below:

Food and Beverage Management Agreement:

- District maintains all of the sales generated by four food and beverage locations, pays the operating costs, and pays an incentive fee to the management firm

In-Terminal Concessions Agreements:

- Concession fees vary per agreement, including fixed percentages of gross revenues (15%-17%) as well percentages based on enplaned passengers at the Airport
- Minimum annual guarantee (MAG) equal to 90% of prior year concession fees or prior year MAG, whichever is greater annually
- The term of concessions agreements in the Terminal are generally five years
- Total MAG amount for FY 2024 was approximately $500,000

Parking Management Agreement:

- Includes automobile parking facilities
- Term of agreement with LAZ Parking Georgia, LLC is a 5 year base term (February 1, 2018 – January 31, 2023) with three (3) option years. Final option year ends January 31, 2026. Currently operating under the 2nd option year
- Under the parking management agreement, the District pays all expenses plus a management fee

Rental Car Concession Agreements:

- New 20-year rental car agreements executed in July 2024
- Fixed CFC rate of $9.00 per transaction-day for the 20-year term
- Concession fees equal to 10% gross revenues
- Expanded rental car space and increase in rental car revenue

Transportation Network Company Permits:

- District has permits with Uber Technologies, Inc. that went into effect on August 11, 2023 for a three-year term, and with Lyft that went into effect on July 1, 2023 with a one-year term and two additional one-year renewal periods
- Permittees pay $3.75 per pick up and per drop off
- Term of permit renews on an annual basis

4.4 Debt Service

4.4.1 2020 Note

On August 21, 2020, the District's Commission approved a $35 million, 10-year term note with a fixed interest rate of 1.61% for ten years. The $35 million 2020 note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The Term Note payable will be on parity with the Series 2024 Bonds and future bonds assumed in this analysis. It is assumed that the 2020 Note will remain payable during the Projection Period.

4.4.2 The Series 2024 Bonds

The District is planning to use the proceeds of the Series 2024 Bonds, together with other available funds, to (1) pay all or a portion of the costs of the Garage C Project, (2) fund a debt service reserve fund for the Series 2024 Bonds, and (3) pay the costs of issuance of the Series 2024 Bonds.

Table 4-1 presents a listing of estimated sources and uses of funds for the proposed Series 2024 Bonds. The estimated sources and uses of funds and Debt Service for the proposed Series 2024 Bonds were prepared by the District's financial advisor, Frasca & Associates, LLC (Frasca).

Debt Service estimates for the Series 2024 Bonds were provided by Frasca and include the following assumptions:

- Market interest rates as of July 8, 2024 plus 50 basis points
- Final maturity of 30 years
- The first principal payment is assumed to occur in FY 2026

Table 4-1 Series 2024 Bonds Sources and Uses (Dollars in Thousands)

	Series 2024A (Non-AMT)	Series 2024B (Taxable)	Total
Sources			
Par Amount of Bonds	$39,040	$66,305	$105,345
Premium	1,591		1,591
Total Sources	**$40,631**	**$66,305**	**$106,936**
Uses			
Project Fund	$37,240	$60,760	$98,000
Debt Service Reserve Fund	2,858	4,664	7,522
Cost of Issuance	533	881	1,414
Total Uses	**$40,631**	**$66,305**	**$106,936**

Source: Frasca & Associates, LLC; July 2024

4.4.3 Future Bonds

As described in Section 3.3.6 of this Report, this analysis assumes an additional $30.0 million of proceeds from future additional Bonds will be used to fund Terminal projects; however, to the extent the District is able to secure additional AIP, BIL, or State grant funds, the amount of the future Bond issuance may be reduced. For the purposes of this analysis, the future Bonds are assumed to be 30-year fixed-rate (6%) bonds, issued in FY 2027 with interest capitalized until FY 2030.

Exhibit B at the end of this Report presents Term Note payable and estimated debt service on the Series 2024 Bonds and future Bonds during the Projection Period.

As described in Chapter 3 of this Report, an on-Airport hotel and the ASAP project are also under consideration by the District. At this time, the timing and funding of this project are uncertain and therefore are not included in this analysis, nor are any potential future revenues or expenses associated with these projects.

4.5 Operation & Maintenance (O&M) Expenses

Table 4-2 presents actual O&M expenses by category for FY 2019 through FY 2023, the CAGR for each category of expenses over the five-year period, and the annual percent change in total O&M expenses. For the purposes of this analysis, O&M expenses have been categorized as follows: personnel (includes pension expense); contractual services; utilities; repairs and maintenance; supplies and equipment, insurance; and other expenses.

Table 4-2 Historical O&M Expenses (Dollars in Thousands)

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	2019-23 CAGR
Personnel	$15,769	$17,869	$19,463	$20,112	$24,523	11.7%
Contractual Services	5,170	4,396	4,611	5,350	5,785	2.8%
Utilities	1,887	1,800	1,662	1,773	2,224	4.2%
Maintenance and Repairs	1,094	932	757	910	1,020	(1.7%)
Supplies and Equipment	1,564	1,284	1,110	1,424	2,035	6.8%
Insurance	677	726	819	932	1,037	11.2%
Other Expenses	2,944	2,321	2,196	3,114	4,298	9.9%
Total O&M Expenses	**$29,104**	**$29,328**	**$30,618**	**$33,614**	**$40,922**	**8.9%**
Annual Growth	**--**	**0.8%**	**4.4%**	**9.8%**	**21.7%**	

Notes: Amounts in this table vary from those presented in other District financial reports because of certain reclassifications on expenses and inclusion of Pension Expenses.
Source: Greenville-Spartanburg Airport District.

As shown, total O&M expenses increased from approximately $29.1 million in FY 2019 to approximately $40.9 million in FY 2023, reflecting an overall CAGR of approximately 8.9%. The largest annual increase in O&M expenses was 21.7% from FY 2022 to FY 2023, primarily due to the removal of a hiring freeze put in place during the COVID-19 pandemic as well as certain compensation adjustments. As a result, full-time equivalent positions at the Airport increased 13.1% from 206 positions in FY 2022 to 233 positions in FY 2023, and personnel expenses increased approximately 21.9%, from approximately $20.1 million in FY 2022 to approximately $24.5

million in FY 2023. Other increases in certain categories of O&M expenses over this five-year period are attributable to growth in air traffic at the Airport and the end of expenses reductions made by the District during the COVID-19 pandemic. Total O&M expenses are estimated to be approximately $46.8 million in FY 2024 and are projected to be approximately $52.6 million in FY 2025. Increases in O&M Expenses in FY 2024 and FY 2025 are primarily related to additional increases in staff, increases in janitorial expenses related to traffic recovery and growth, certain air service development and marketing expenditures, increased lobbying costs, terminal worker security screening costs, and certain one-time expenses incurred related to land use master planning and other studies. Through May 2024, eleven months of FY 2024, actual O&M Expenses were approximately 5.5% lower than budgeted.

Overall, the projection of O&M expenses is based on the District's estimated FY 2024 and budgeted FY 2025 expenses, historical trend reviews, the anticipated impacts of inflation, projected activity levels, and impacts associated with the completion of the District's capital program. Key O&M expenses categories and assumptions in projecting future growth are summarized below. Overall, O&M Expenses are projected to increase to approximately $65.2 million by FY 2030, reflecting a CAGR of 4.4% over the Projection Period.

- **Personnel.** This expense category includes salaries, wages, and benefits associated with District staff for 243 full-time employees. Employee benefits include expenses for active and retired employee health care, pension contributions, Federal Insurance Contributions Act (FICA) taxes, workers' compensation insurance, disability insurance, unemployment insurance, and tuition reimbursements. Personnel is the largest single category of expenses at the Airport, representing approximately 55.3% of total estimated FY 2024 O&M expenses. Personnel expenses are budgeted to be approximately $27.8 million in FY 2025 and are projected to increase to approximately $35.5 million by FY 2030, reflecting a CAGR of 5.0% during that time. Projected increases in personnel expenses are primarily related to assumed on-going compensation increases.
- **Contractual services.** This expense category includes costs associated with the District's outsourcing for outside professional services such as legal, engineering, and other consulting services as well as contracted services related to parking, in-Terminal concessions, janitorial, and other services. These expenses increased at a CAGR of approximately 2.8% for the period FY 2019 through FY 2023, including a 15.0% reduction in these expenses in FY 2020 associated with cost-saving measures taken in response to the COVID-19 pandemic and then increases from FY 2021 through FY 2023 as air traffic recovered. Contractual services are budgeted to be approximately $12.0 million in FY 2025 and are projected to increase at a CAGR of 4.0% from FY 2025 through FY 2030 to approximately $14.6 million.
- **Utilities.** This expense category includes expenses for electricity, gas, water, and heating, ventilation, and air conditioning (HVAC). These expenses increased at a CAGR of approximately 4.2% for the period FY 2019 through FY 2023. Utilities are budgeted to be approximately $2.6 million in FY 2025 and are projected to increase at a CAGR of 4.0% from FY 2025 through FY 2030 to approximately $3.1 million.
- **Maintenance and Repairs.** This expense category includes corrective and preventative maintenance expenses for facilities, systems, and non-capital infrastructure maintenance and repairs. These expenses vary from year to year based on the needs of the District and ranged from between approximately $757,000 and $1.1 million between FY 2019 and FY 2023. Maintenance and repairs are budgeted to be approximately $1.3 million in FY 2025 and are projected to increase at a CAGR of 3.0% annually from FY 2025 through FY 2030 to approximately $1.5 million.
- **Supplies and Equipment.** This expense category includes costs associated with supplies and equipment needed for Airport operations. These expenses vary from year to year based on the needs of the District and ranged from between approximately $1.0 million and $1.9 million between FY 2019 and FY 2023.

Materials and supplies are budgeted to be approximately $2.8 in FY 2025 and are projected to increase at a CAGR of 3.0% from FY 2025 through FY 2030 to approximately $3.2 million.

- **Insurance.** This expense category includes both property and liability insurance at the Airport. These expenses increased at a CAGR of approximately 11.2% for the period FY 2019 through FY 2023. Insurance expenses are budgeted to be approximately $1.2 million in FY 2025 and are projected to increase at a CAGR 4.0% from FY 2025 through FY 2030.
- **Other expenses.** This category includes other miscellaneous and administrative Airport expenses. These expenses increased at a CAGR of approximately 9.9% for the period FY 2019 through FY 2023, including a 25.4% reduction in these expenses associated with cost-saving measures taken in response to the COVID-19 pandemic. Other expenses are budgeted to be approximately $4.98 million in FY 2025 and are projected to increase at a CAGR 3.0% from FY 2025 through FY 2030.

Exhibit C at the end of this Report presents O&M expenses by category and Airport cost center estimated for FY 2024 and projections of O&M expenses from FY 2025 through FY 2030.

4.6 Non-Airline Revenues

Table 4-3 presents historical non-airline revenues for the Airport from FY 2019 through FY 2023. As shown, on average, non-airline revenue has accounted for approximately 83% of the District's total Operating Revenue. Non-airline revenue totaled approximately $38.1 million in FY 2019 and then decreased to $32.4 million and $29.6 million in FY 2020 and FY 2021, respectively, resulting from the decreased travel demand associated with the COVID-19 pandemic. However, as traffic recovered, and with additional increases in non-airline revenue attributable to a cargo building expansion and an expansion of the Airport's fuel farm, non-airline revenue increased to approximately $46.3 million in FY 2022 and then to approximately $48.2 million in FY 2023, reflecting a CAGR of approximately 6.0% from FY 2019 through FY 2023.

Table 4-3 Historical Airport Non-Airline Revenues (dollars in thousands)

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	2019-23 CAGR
Parking	$15,044	$11,792	$6,012	$14,516	$16,934	3.0%
Rental Car	7,106	6,149	5,556	7,233	7,381	1.0%
Ground Transportation	441	397	208	397	486	2.5%
In-Terminal Concessions	1,683	1,364	1,753	3,849	3,945	23.7%
Cerulean Aviation (FBO)	6,940	5,438	6,216	7,794	6,721	(0.8%)
Cargo	4,765	4,511	7,080	8,010	7,911	13.5%
Miscellaneous	2,154	2,770	2,725	4,321	4,796	22.2%
Total Non-Airline Revenues	**$38,134**	**$32,421**	**$29,561**	**$46,120**	**$48,174**	**6.0%**
% of Total Operating Revenue	**81.3%**	**79.8%**	**85.9%**	**85.0%**	**84.9%**	

Notes: Amounts in this table vary from those presented in other District financial reports because of certain reclassifications consistent with financial reporting standards.
Amounts may not add because of rounding.
Source: Greenville-Spartanburg Airport District.

Non-airline revenues are further described in the following sections.

4.6.1 Public Parking, Rental Car, and Ground Transportation

Public parking, rental car, and ground transportation revenues represent the largest component of non-airline revenues at the Airport, accounting for nearly 56% of total non-airline revenues estimated for FY 2024, and generally consist of public parking revenues, rental car concessions, TNC fees, and taxi/limousine/shuttle fees. Parking, rental car, and ground transportation revenues are described further below.

4.6.1.1 Public Parking Revenues

As described in Chapter 3, the District offers several parking products to Airport parkers, including: valet parking, garage parking, and economy parking. These parking products are priced based on level of service.

Table 4-4 presents the public parking rates at the Airport since FY 2019. As shown, parking rates have been increased twice since FY 2019, with increases for each parking product in FY 2022 and FY 2024. There is no charge for the use of the cell phone lot at the Airport. In addition, in FY 2022 the District implemented an online parking reservation system allowing travelers to ensure that a parking space is available at the time and in the lot selected in their reservation. Parking reservations pre-booked through the online reservation system may also receive certain discounts on parking rates. In FY 2022, the District also implemented changes to the daily rate structure for garage parking, with the maximum daily rate being reached after four hours instead of eight. The District continues to monitor public parking rates, as it has been able to realize revenue gains from rate increases and differing products as demand has continued to increase.

Table 4-4 Public Parking Rates at the Airport (Daily Maximum Rates)

Parking Product	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Current [1]
Valet	$17.00	$17.00	$17.00	$21.00	$21.00	$24.00
Garage	$15.00	$15.00	$15.00	$16.00	$16.00	$18.00
Economy	$6.00	$7.00	$7.00	$8.00	$8.00	$10.00

[1] As of July 1, 2023.
Source: Greenville-Spartanburg Airport District.

Parking revenues represent the largest single component of non-airline revenues at the Airport, accounting for approximately 37.7% of total non-airline revenues estimated in FY 2024. As presented on Table 4-3, auto parking revenues increased from approximately $14.9 million FY 2019 to approximately $16.7 million FY 2023. On a per-enplaned passenger basis, parking revenues increased from $11.90 per enplaned passenger in FY 2019 to $14.27 per enplaned passenger in FY 2023. This increase is largely attributable to the parking rate increases in FY 2022.

Parking revenues are estimated to be approximately $21.0 million in FY 2024, or $15.82 per enplaned passenger, reflecting the current parking rates which became effective at the beginning of FY 2024. Parking revenues are projected to increase from approximately $22.0 million in FY 2025 to approximately $26.8 million by FY 2030. The projection assumes that public revenues per enplanement gradually increase, generally in line with inflationary trends, with revenues increasing as enplaned passengers at the Airport increase.

4.6.1.2 Rental Car Revenues

Rental car revenues, which consist of rental car facilities rents as well as privilege fees paid pursuant to the rental car agreements described in Section 4.3.2, have, on average, historically comprised approximately 17% of non-airline revenues at the Airport. As a result of the decline in traffic from the COVID-19 pandemic, rental car revenues decreased from approximately $7.1 million in 2019 to approximately $6.1 million and $5.5 million, in FY 2020 and FY 2021, respectively. Rental car revenues then increased in FY 2022 and FY 2023, as air traffic recovered, to approximately $7.4 million in FY 2023, representing a CAGR of approximately 1.0% over the five-year period from FY 2019 through FY 2023.

Rental car revenues are estimated to be approximately $7.5 million in FY 2024, consisting of approximately $2.8 million of facility rents and approximately $4.6 million of privilege fees. Rental car facility rents are projected to increase to $3.5 million in FY 2025 as a result of additional leased areas and grow at a CAGR of 1.5% thereafter over the Projection Period to approximately $3.8 million in FY 2030. Rental car privilege fees are budgeted to be approximately $4.9 million in FY 2025 and are projected to increase on a revenue per enplanement basis with gradual increases generally in line with inflationary trends, with revenues increasing as O&D enplaned passengers at the Airport increase, reflecting a CAGR of 4.0% during the Projection Period.

Projected rental car demand is further described in Section 4.6 of this analysis as it pertains to the generation of CFC Revenues.

4.6.1.3 Ground Transportation Revenues

Ground transportation revenues have historically consisted of revenues generated from taxi, transportation network companies (TNCs), and other public transportation operations at the Airport. Two TNCs, Uber and Lyft, offer rideshare services at the Airport. As a result of the decline in traffic from the COVID-19 pandemic, ground transportation revenues decreased from FY 2019 levels, from approximately $441,000 to a low of approximately $208,000 in FY 2021. Ground transportation revenues then increased as air traffic recovered to approximately $486,000 in FY 2023, reflecting a CAGR of approximately 2.5% from FY 2019 through FY 2023. Ground transportation revenues are estimated to be approximately $1.0 million in FY 2024. The increase in ground transportation revenues in FY 2024 is primarily attributable to an increase in the existing TNC pick-up fee from $3.50 to $3.75, the implementation of a $3.75 drop-off fee which became effective at the beginning of FY 2024, and the increase in enplaned passengers from FY 2023 to FY 2024.

Ground transportation revenues are projected to increase from approximately $1.2 million budgeted in FY 2025 to approximately $1.5 million by FY 2030, reflecting a CAGR of 4.3% over the Projection Period. The projection assumes gradual increases in revenues per enplanement generally in line with inflationary trends, with revenues increasing as O&D enplaned passengers at the Airport increase.

4.6.2 Terminal Concessions

Terminal concessions include food and beverage, retail, advertising, and other miscellaneous concession revenues at the Airport. As presented on Table 4-3, concessions revenues increased at a CAGR of approximately 23.7% from FY 2019 through FY 2023, from approximately $1.7 million to $3.9 million annually. In FY 2022, concessions revenues increased from approximately $1.7 million to $3.4 million, this increase is largely attributable to the District taking over the food and beverage program in FY 2021 after the concessions program redevelopment. Terminal concessions revenues presented in Table 4-3 are net of costs of goods sold. Terminal concessions revenues are estimated to be approximately $6.1 million in FY 2024 projected to increase from approximately $6.4 million budgeted in FY 2025 to approximately $7.8 million by FY 2030, reflecting a CAGR of 4.0% over the projection period. The projection assumes that revenues per enplanement gradually increases generally in line with inflationary trends, with revenues increasing as enplaned passengers at the Airport increase.

4.6.3 Other Non-Airline Revenues

Other non-airline revenues primarily include other non-airline tenant leases, fuel flowage fees, cargo building rents, revenue generated from Cerulean Aviation, hangar rents, and other buildings at the Airport leased by the District as described in Chapter 3 of this Report.

As described in Section 3.2.1 of this Report, Cerulean provides aircraft hangar storage with six hangars totaling approximately 155,000 square feet and also operates the Airport's fuel farm providing a total Jet-A capacity of 400,000 gallons.

In addition, the Airport currently owns and leases out facilities located on Industrial Park Road in three buildings, totaling approximately 102,000 square feet to numerous tenants.

These revenues totaled approximately $13.9 million in FY 2019 and increased at a CAGR of approximately 8.8% from FY 2019 through FY 2023. Other non-airline revenues are estimated to be approximately $20.1 million in FY 2024 and are projected to increase from approximately $21.8 million budgeted in FY 2025 to approximately $23.9 million by FY 2030, reflecting at a CAGR of 1.8% over the Projection Period. The projection for other non-airline revenues assumes increases generally in line with about half of the rate of inflation.

Exhibit D presents non-airline revenues estimated for FY 2024 and projections for FY 2025 through FY 2030. Non-airline revenues are estimated to be approximately $55.7 million in FY 2024 and are projected to increase each year from approximately $57.9 million in FY 2025 to approximately $67.4 million by FY 2030, reflecting a CAGR of approximately 3.1% during the Projection Period.

4.7 Customer Facility Charges

As presented in Chapter 3 of this Report, the District began charging a $2.90 rental car CFC in May 2001. The CFC rate was increased from $4.00 per contract rental day (per transaction day) to $6.00 on July 1, 2019, and was further increased to $9.00 on January 1, 2024. The District entered into a new 20-year agreement with the rental car companies on July 1, 2024. During the 20-year term of the rental car agreements, the rental car companies, acting as the District's agent for the collection of CFCs, will collect the CFCs from its customers in the amount of $9.00 per contract day.

In FY 2023, the District collected approximately $4.1 million of CFC revenues and had a balance of approximately $5.2 million remaining in its CFC Fund at the end of FY 2023. As a result of the increase to the CFC rate to $9.00, the District is expected to collect approximately $2.4 million more in additional CFC revenue, or a total of approximately $7.2 million per year, starting in FY 2025.

Through the first six months of FY 2024 (June – December 2023), total rental car transaction days were approximately 93% of the same period pre-pandemic (June – December 2019), compared to enplaned passengers which were approximately 99% of pre-Pandemic levels over the same period. Shifts in rental car demand as a ratio of rental car transaction days per enplaned passenger may be indicative of longer-term trends in the relationships between rental car contracts and rental car contract days driven by the mix of business and leisure passengers at the Airport. **Exhibit E** at the end of this Report presents CFC Revenues generated by the District estimated in FY 2024, and projected from FY 2025 through FY 2030. As shown, for the purposes of conservatism in this analysis, rental car transaction days are projected based on a decreasing ratio of rental car transaction days per enplaned passenger, resulting in a projected annual growth of rental car transaction days slightly lower than the projected annual growth of enplaned passengers. This analysis also assumed no further increases in the CFC rate above $9.00 per transaction day. CFC Revenues are projected to increase from approximately $7.3 million budgeted in FY 2025 to approximately $7.9 million in FY 2030, reflecting a CAGR of 1.6% over the Projection Period.

CFCs are to be used to pay debt service, in whole or in part, on the Series 2024 Bonds.

4.8 PFC Revenues

As described in Section 3.3.3 of this Report, PFC revenues are used to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC revenues to pay for approved project costs on a pay-as-you-go basis or by applying certain PFC revenues to pay debt service associated with bonds used to fund approved projects.

As of May 2024, the District is authorized by the FAA to impose and use approximately $18.0 million of PFC revenues (at the $4.50 level) for various projects. As of March 31, 2024, the District has collected approximately $15.4 million of its total approved collection and had disbursed approximately $9.7 million on approved projects. As a result, the District had a balance of approximately $5.7 million in its PFC Fund as of the end of 2023. The current estimated PFC charge will expire once the $18.0 million of PFC authorization is collected, which is estimated to be December 1, 2024. The District is currently in the process of finalizing a new PFC application for submission to the FAA, requesting PFC authority for an additional $15.5 million of PFC-eligible projects, with submission anticipated in early August 2024. If approved, the estimated charge expiration date would be extended until June 1, 2027.

The Airport collected approximately $4.7 million of PFC revenue in FY 2023 (including interest). As presented in Exhibit A, the District anticipates using approximately $36.3 million of future PFCs on a pay-as-you-go basis toward several airfield and terminal projects through FY 2030.

Exhibit F presents the PFC revenues of the District estimated for FY 2024 and projected from FY 2025 through FY 2030. PFC revenues are driven by enplaned passengers at the Airport as presented on the exhibit. Based on historical trends, the projection assumes that the District will collect PFC revenues from 90% of enplaned passengers at a net collection rate of $4.39, which is the $4.50 rate less the $0.11 administrative fee. PFC collections are estimated to be approximately $5.4 million in FY 2024 and are projected to increase to approximately $6.2 million by FY 2030. PFC revenues are projected to be sufficient to fund the portions of the Airport’s capital program presented in Exhibit A. The Garage C Project is not PFC-eligible, and no debt service on the Series 2024 Bonds will be paid with PFCs.

4.9 Airline Revenues

As described in Section 4.3.1, airline revenues at the Airport include landing fees, terminal space rentals, terminal common use and per turn fees, passenger security fees, and other fees. **Table 4-5** presents historical airline revenues for the Airport for FY 2019 through FY 2023 along with the CAGR during that period. Total passenger airline revenues were approximately $8.0 million in FY 2019 and then decreased in FY 2020 and FY 2021 to approximately $7.6 million and $4.0 million, respectively, primarily due to a combination of: the decline in traffic from the COVID-19 pandemic, the structure of terminal per turn charges, landing fees, and passenger security fees, and discretionary rate credits provided by the District. Passenger airline revenues then increased in FY 2022 and FY 2023 as passenger traffic recovered to approximately $7.2 million and $7.7 million, respectively.

Passenger airline cost per enplaned passenger (CPE) was $6.43 in FY 2019 and then increased to $7.76 in FY 2020 as the decrease in enplaned passengers was greater than the decrease in airline revenues during that time. Airline CPE then ranged between $6.37 and $6.84 in each year between FY 2021 and FY 2023.

Landing fees paid by cargo airlines were approximately $738,000 in FY 2019 and then ranged between $563,000 and $927,000 from FY 2020 through FY 2023.

Table 4-5 Historical Airline Revenues

Airline Revenue	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	CAGR 2019-23
Passenger airline landing fees	$2,211	$2,023	$1,319	$1,946	$1,993	(2.6%)
Terminal rents – preferential	1,277	1,364	422	774	970	(6.6%)
Terminal per turn fees	4,070	3,915	2,017	4,024	4,264	1.2%
Passenger security fees	279	133	126	225	246	(3.1%)
Other fees and charges	200	211	133	212	241	4.8%
Total airline revenues	**$8,037**	**$7,646**	**$4,017**	**$7,181**	**$7,714**	**(1.0%)**
Enplaned passengers (000s)	1,251	986	587	1,084	1,179	(1.5%)
Airline CPE	**$6.42**	**$7.75**	**$6.84**	**$6.62**	**$6.54**	**0.5%**
Cargo airline landing fees	$738	$563	$842	$927	$879	4.5%

Notes: Amounts in this table may vary from those presented in other District financial reports because of certain reclassifications consistent with financial reporting standards.
Amounts may not add because of rounding.
Source: Greenville-Spartanburg Airport District.

The rate-setting formulas used for the projection of landing fees, terminal rents, passenger security fees and other fees and charges in this analysis are consistent with the rate-setting methodologies described earlier in this Chapter. **Exhibits G, H, and I** further illustrate the rate-setting methodologies for landing fees, terminal rental rate, and Security Fees, respectively.

4.9.1 Landing Fees

Exhibit G presents the calculation of landing fees projected for FY 2025 through FY 2030. The landing fee rate was $1.95 per 1,000-lb. unit of landed weight in FY 2024. Over the Projection Period, the landing fee rate is projected to increase from $2.09 in FY 2025 to $2.19 per 1,000-pounds of landed weight by FY 2030. Landing fees are projected to increase from approximately $4.0 million estimated in FY 2024 to approximately $5.4 million by FY 2030.

4.9.2 Terminal Rents

Exhibit H presents the calculation of the terminal rental rate projected for FY 2025 through FY 2030. The terminal rental rate was $59.79 per square foot in FY 2024 and is $60.54 per square foot in FY 2025. As shown, the terminal rental rate is projected to increase to approximately $68.96 per square foot by FY 2029 and then projected to further increase, to approximately $81.48 per square foot, in FY 2030 as debt service on the assumed future Bonds issued to fund terminal projects becomes payable.

Terminal rents are generated through rents paid by airlines for the use of preferential space at the Airport as well as per turn fees. Per turn fees are charges paid by airlines for the use of common use areas such as holdrooms, storage, baggage makeup, and other areas, as well as shared use equipment such as loading bridges, ground power, baggage systems, and other shared tenant services. Per turn fees are calculated for each class of aircraft, weighted by factors including the number of seats on an aircraft. For the purposes of this analysis, terminal per turn fee revenues are projected based on the projected net airline terminal building requirement, the share of common use area space as a percentage of total airline rentable space, plus projected costs of shared use equipment and services.

4.9.3 Passenger Security Fees

Exhibit I presents the calculation of the passenger security fees projected for FY 2025 through FY 2030. As shown, the passenger security fee is derived based on the cost of police personnel at the Airport, the number of net hours of officer deployment required, and other security-related costs. The passenger security fee was $0.22 per enplaned passenger in FY 2024 and is $0.69 per enplaned passenger in FY 2025. The passenger security fee is projected to remain stable, between $0.66 and $0.71 per enplaned passenger through the Projection Period, as the projected security personnel-related costs are projected to increase at a similar rate as enplaned passengers.

4.9.4 Other Fees and Charges

The District also assesses other miscellaneous fees and charges for the use of Airport equipment and services not otherwise covered in other airline fees. For the purposes of this analysis, these charges are projected to generate approximately $180,000 annually, on average.

4.10 Airline Cost per Enplaned Passenger

A key performance indicator for relative airline costs at an airport is the average airline CPE. **Exhibit J** presents the projection of CPE for the airlines at the Airport. As shown, the airline CPE includes the landing fees, terminal rents for leased preferential space, terminal per turn fees, passenger security fees, and other airline fees and charges revenues divided by total enplaned passengers. As shown, airline revenues are estimated to total approximately $10.0 million in FY 2024, resulting in an airline CPE of approximately $7.40. The average airline CPE at small hub airports in 2023 was $7.44. Airline CPE is projected to increase throughout the Projection Period to approximately $10.06 by FY 2030, attributable, in part, to projected debt service on future bonds assumed to be issued to fund Terminal projects.

4.11 Application of Revenues

Exhibit K presents the application of Revenues for the Airport throughout the Projection Period consistent with the requirements of the Bond Resolution. As presented, the District is projected to have sufficient Revenues to make all required deposits.

4.12 Debt Service Coverage

Exhibit L presents the debt service coverage ratios for debt service for the Projection Period. As presented, the Net Revenues available for debt service are projected to be approximately $25.9 million in FY 2025 and are projected to increase to approximately $28.4 million by FY 2030. Debt service coverage ratios are projected to range from 2.30x to 3.04x during the Projection Period.

As contained in the Resolution:

> "The District will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account, will be equal to at least 125 percent of Annual Debt Service on the Outstanding Bonds in such Fiscal Year."

As presented on Exhibit J, the District is projected to satisfy the rate covenant requirement (Rate Covenant) in each year of the projection. A summary of debt service coverage and CPE projections is also presented below in **Table 4-6**. For the purposes of this analysis, projected debt service coverage ratios do not include any amounts in the Rolling Coverage Account.

Table 4-6 Projection of Debt Service Coverage and Passenger Airline CPE (Dollars in Thousands, except for CPE)

Fiscal Year	Net Revenues	Annual Debt Service	Debt Service Coverage Ratio	Airline CPE
2025 [1]	$25,899	$8,510	3.04x	$7.83
2026	$27,190	$9,689	2.81x	$8.44
2027	$26,983	$9,663	2.79x	$8.46
2028	$26,864	$9,629	2.79x	$8.56
2029	$27,168	$9,605	2.83x	$8.99
2030	$28,430	$12,380 [2]	2.30x	$10.06

[1] Reflects projections of FY 2025 based on the District's budget, and adjusted for the estimated debt service on the Series 2024 Bonds provided in this Report.

[2] Debt service in FY 2030 also includes assumed debt service from future bonds. See Exhibit B at the end of this report for a breakout of the Series 2024 and future debt service.

Note: These projections are based on current expectations and information and is not intended as a representation of facts or guarantee of results.

Source: Landrum & Brown, Inc.

Exhibit A

AIRPORT CAPITAL PROJECTS - PLAN OF FINANCE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**
(dollars in thousands)
(Fiscal Years Ending June 30)

		Funding Sources						
	Project	FAA				Airport	Airport System Revenue Bonds	
Project name	Cost	AIP	BIL	State	PFC	Funds	Series 2024	Future Bonds
Parking Garage C & CONRAC Facility	**$98,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$98,000**	**$0**
OTHER CIP PROJECTS								
Airfield								
RW 4/22 Rehab Construction	$28,652	$17,162	$0	$6,440	$5,000	$50	$0	$0
Apron Edge Taxilane Widening	15,124	-	5,921	1,817	2,159	5,227	-	-
Terminal Apron Expansion	27,591	15,618	-	5,250	4,703	2,020	-	-
Airfield Lighting Improvements	285	-	-	-	142	142	-	-
New Vault & Airfield Lighting Improvements	3,876	3,488	-	-	388	-	-	-
Taxiway H Design	592	-	-	-	-	592		
Misc. Airfield Projects	311	-	-	-	57	254		
Subtotal	**$76,431**	**$36,269**	**$5,921**	**$13,506**	**$12,449**	**$8,286**	**$0**	**$0**
Terminal								
Passenger Boarding Bridge Project	$5,050	$0	$0	$0	$5,050	$0	$0	$0
Terminal Furniture & Seating	1,500	-	-	-	-	1,500	-	-
Terminal Expansion Program	91,979	-	8,203	-	18,542	35,235	-	30,000
TSA Checkpoint 6th Lane	109	-	-	-	109	-	-	-
Misc. Terminal Projects	190	-	-	-	-	190	-	-
Subtotal	**$98,828**	**$0**	**$8,203**	**$0**	**$23,701**	**$36,925**	**$0**	**$30,000**
Landside								
GSP Drive connection to Aviation Parkway	$4,791	$0	$4,312	$0	$0	$479	$0	$0
Terminal Roadway Improvement Project	5,935	-	-	-	-	5,935	-	-
P1 Economy Lot Expansion	4,164	-	-	-	-	4,164	-	-
Terminal Exit Improvements	123	-	-	-	123	-		
Subtotal	**$15,013**	**$0**	**$4,312**	**$0**	**$123**	**$10,578**	**$0**	**$0**

Exhibit A

AIRPORT CAPITAL PROJECTS - PLAN OF FINANCE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

		Funding Sources						
	Project	FAA				Airport	Airport System Revenue Bonds	
Project name	Cost	AIP	BIL	State	PFC	Funds	Series 2024	Future Bonds
General Aviation / Cargo								
2102 GSP Drive Hangar Renovation	$1,300	$0	$0	$0	$0	$1,300	$0	$0
FBO Terminal Expansion Project	12,550	-	-	2,584	-	9,966	-	-
Fedex Renovation	1,500	-	-	-	-	1,500	-	-
GA Apron Reconstruction	34,158	20,878	-	6,642	-	6,639	-	-
Subtotal	**$49,508**	**$20,878**	**$0**	**$9,226**	**$0**	**$19,404**	**$0**	**$0**
Other Projects								
Facilities Expansion	$26,964	$0	$0	$12,359	$0	$14,605	$0	$0
South Aviation Complex	16,670	-	-	5,869	-	10,801	-	-
Utility/Water Line Improvements	2,854	-	530	-	-	2,324	-	-
Terminal Hotel Infrastructure	3,423	-	-	-	-	3,423	-	-
Other CIP Projects	42,751	-	2,539	-	-	40,212	-	-
Subtotal	**$92,663**	**$0**	**$3,069**	**$18,227**	**$0**	**$71,366**	**$0**	**$0**
TOTAL ALL PROJECTS	**$430,444**	**$57,147**	**$21,504**	**$40,960**	**$36,273**	**$146,560**	**$98,000**	**$30,000**

Note: Amounts may not add due to rounding.

Source: Greenville-Spartanburg Airport District.

Exhibit B

DEBT SERVICE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)
(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
By Series:							
2020 Note	$2,229	$2,199	$2,170	$2,142	$2,114	$2,085	$2,056
Proposed Series 2024 Bonds	**0**	**6,311**	**7,519**	**7,521**	**7,515**	**7,521**	**7,517**
Anticipated Future Bonds	0	0	0	0	0	0	2,808
Annual Debt Service	$2,229	$8,510	$9,689	$9,663	$9,629	$9,605	$12,380
By Cost Center:							
Airfield	$0	$0	$0	$0	$0	$0	$0
Terminal	0	0	0	0	0	0	2,808
District Cost Centers	2,229	8,510	9,689	9,663	9,629	9,605	9,573
Annual Debt Service	$2,229	$8,510	$9,689	$9,663	$9,629	$9,605	$12,380

Note: Amounts may not add due to rounding.

Source: Greenville-Spartanburg Airport District

Exhibit C

OPERATION AND MAINTENANCE EXPENSES **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED						2025-2030
	2024	2025	2026	2027	2028	2029	2030	CAGR
By Category								
Personnel	$25,145	$27,793	$29,182	$30,641	$32,173	$33,782	$35,471	5.0%
Contractual Services	10,326	12,019	12,500	13,000	13,520	14,060	14,623	4.0%
Utilities	2,404	2,553	2,655	2,762	2,872	2,987	3,106	4.0%
Maintenance and Repairs	1,373	1,294	1,332	1,372	1,414	1,456	1,500	3.0%
Supplies and Equipment	2,773	2,803	2,887	2,974	3,063	3,155	3,249	3.0%
Insurance	1,116	1,205	1,253	1,303	1,355	1,409	1,465	4.0%
Other	3,646	4,978	5,127	5,281	5,439	5,603	5,771	3.0%
Total Airport System O&M Expenses [1]	$46,784	$52,644	$54,937	$57,332	$59,836	$62,452	$65,186	4.4%
By Cost Center								
Airfield	$4,239	$4,625	$4,892	$5,110	$5,337	$5,574	$5,823	4.7%
Terminal	11,623	13,360	13,929	14,523	15,143	15,789	16,465	4.3%
District Cost Centers	30,922	34,659	36,115	37,700	39,357	41,088	42,898	4.4%
Total Airport System O&M Expenses	$46,784	$52,644	$54,937	$57,332	$59,836	$62,452	$65,186	4.4%
Annual Growth in O&M Expenses		12.5%	4.4%	4.4%	4.4%	4.4%	4.4%	

Note: Amounts may not add due to rounding.

Source: Landrum and Brown, Inc.

Exhibit D

NON-AIRLINE REVENUE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED						2025-2030
	2024	2025	2026	2027	2028	2029	2030	CAGR
By Category								
Public Parking	$21,026	$22,045	$23,239	$24,090	$24,962	$25,855	$26,768	4.0%
Rental Car Privilege Fees	4,646	4,853	5,116	5,303	5,495	5,692	5,893	4.0%
Rental Car Facilities	2,848	1,562	1,585	1,609	1,633	1,658	1,683	1.5%
Ground Transportation	1,002	1,187	1,271	1,317	1,365	1,414	1,464	4.3%
In-Terminal Concessions	6,054	6,397	6,743	6,990	7,243	7,502	7,768	4.0%
FBO/GA Revenues	7,678	8,152	8,274	8,398	8,524	8,652	8,782	1.5%
Cargo	8,880	9,225	9,363	9,504	9,646	9,791	9,938	1.5%
Other	3,582	4,437	4,568	4,703	4,843	4,986	5,133	3.0%
Total Non-Airline Revenue	$55,716	$57,858	$60,160	$61,916	$63,712	$65,549	$67,429	3.1%
Annual Growth in Non-Airline Revenue	--	3.8%	4.0%	2.9%	2.9%	2.9%	2.9%	

Note: Amounts may not add due to rounding.

Source: Landrum and Brown, Inc.

Exhibit E

CFC REVENUE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
CFC Collections							
Enplaned Passengers (000s)	1,371	1,422	1,454	1,485	1,516	1,547	1,578
Rental Car Transaction Days per Enplaned Passenger	0.573	0.570	0.567	0.564	0.561	0.558	0.555
Rental Car Transaction Days	786	811	824	838	850	863	876
CFC Rate (per transaction day) [1]	$7.50	$9.00	$9.00	$9.00	$9.00	$9.00	$9.00
CFC Collections	$5,893	$7,295	$7,420	$7,538	$7,654	$7,769	$7,882

Note: Amounts may not add due to rounding.

[1] Estimated FY 2024 CFC rate reflects a blended rate of $6.00 for the first six months of FY 2024 and an increase to $9.00 beginning January 1, 2024.

Source: Landrum and Brown, Inc.

Exhibit F

PFC REVENUE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
PFC Collections							
Enplaned Passengers (000s)	1,371	1,422	1,454	1,485	1,516	1,547	1,578
% Enplaned Passengers paying PFCs	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Enplaned Passengers	1,234	1,280	1,309	1,337	1,364	1,392	1,420
PFC Rate	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Admin. Fee	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Net PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
PFC Collections	$5,418	$5,618	$5,745	$5,867	$5,990	$6,112	$6,235

Note: Amounts may not add due to rounding.

Source: Landrum and Brown, Inc.

Exhibit G

PROJECTED LANDING FEE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED [1]	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
Airfield Requirement							
Airfield O&M Expenses		$4,625	$4,892	$5,110	$5,337	$5,574	$5,823
Airfield Debt Service		0	0	0	0	0	0
Amortization - Prior Airfield Investment		626	578	544	529	506	477
Amortization - Future Airfield Investment			200	200	245	245	245
Gross Airfield Requirement		$5,251	$5,670	$5,854	$6,111	$6,325	$6,545
Less: Rate Credits							
GA Flowage Fees		($171)	($174)	($176)	($179)	($181)	($184)
Apron Charges Paid through Per Turn		($637)	($758)	($840)	($861)	($892)	($923)
Net Airfield Requirement		$4,443	$4,739	$4,838	$5,070	$5,252	$5,438
Landed Weight (000s)	2,035	2,127	2,286	2,335	2,384	2,433	2,482
Landing Fee	**$1.95**	**$2.09**	**$2.07**	**$2.07**	**$2.13**	**$2.16**	**$2.19**
Landing Fee Revenue							
Passenger Airlines	$3,110	$3,436	$3,582	$3,660	$3,838	$3,977	$4,120
Cargo Airline	858	1,062	1,076	1,099	1,152	1,193	1,235
Total Landing Fee Revenue	$3,968	$4,497	$4,659	$4,759	$4,990	$5,170	$5,355

Note: Amounts may not add due to rounding.

[1] Estimated FY 2024 Landing Fee revenue based on charged Landing Fee and estimated FY 2024 landed weight.

Source: Landrum and Brown, Inc.

Exhibit H

PROJECTED TERMINAL RENTAL RATE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED [1]	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
Terminal Building Requirement							
Terminal O&M Expenses		$13,360	$13,929	$14,523	$15,143	$15,789	$16,465
Less: Terminal O&M Expense Credits [2]		(1,465)	(1,351)	(1,378)	(1,407)	(2,173)	(2,428)
Terminal Debt Service		0	0	0	0	0	2,808
Amortization - Prior Terminal Investment		6,711	6,580	6,454	6,377	6,287	6,238
Amortization - Future Terminal Investment		0	437	437	437	437	1,517
Total Terminal Building Requirement		$18,606	$19,595	$20,036	$20,550	$20,341	$24,599
Airline Terminal Rental Rate							
Total Airline Terminal Space (sq. ft.)		108,046	108,046	108,046	108,046	108,046	108,046
Total Terminal Space (sq. ft.)		345,815	345,815	345,815	345,815	345,815	345,815
Airline Share of Terminal Building Space		31.2%	31.2%	31.2%	31.2%	31.2%	31.2%
Airline Terminal Base Costs		$5,813	$6,122	$6,260	$6,421	$6,355	$7,686
Plus: Terminal O&M Expenses Fully Allocable to Airlines		$1,692	$2,031	$2,092	$2,155	$2,219	$2,286
Less: Passenger Security Charges		($965)	($1,002)	($1,041)	($1,082)	($1,124)	($1,168)
Net Airline Terminal Building Requirement		$6,541	$7,151	$7,311	$7,494	$7,451	$8,804
Total Airline Terminal Space (sq. ft.)		108,046	108,046	108,046	108,046	108,046	108,046
Airline Terminal Rental Rate (per sq. ft.)	**$59.79**	**$60.54**	**$66.19**	**$67.66**	**$69.35**	**$68.96**	**$81.48**

Note: Amounts may not add due to rounding.

[1] Estimated FY 2024 Terminal Rental revenue based on charged Airline Terminal Rental Rate and estimated FY 2024 leased space and per turn revenue.

[2] Includes certain reimbursements to Terminal operating expenses and expenses effectively recovered through per turn fees.

Source: Landrum and Brown, Inc.

Exhibit I

PROJECTED PASSENGER SECURITY FEE RATE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED [1]	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
Personnel-Related Security							
Police Personnel Costs		$2,705	$2,705	$2,840	$2,982	$3,131	$3,288
Annual Deployment Hours per Officer		1,699	1,699	1,699	1,699	1,699	1,699
Number of Officers		24	24	24	24	24	24
Total Deployment Hours		40,776	40,776	40,776	40,776	40,776	40,776
Less: Adminstrative Hours		(2,407)	(2,407)	(2,407)	(2,407)	(2,407)	(2,407)
Net Police Deployment Hours		38,369	38,369	38,369	38,369	38,369	38,369
Cost per Deployed Hour		$70.50	$70.50	$74.03	$77.73	$81.61	$85.69
Required Annual LEO Flexible Response Coverage (Hours)		6,023	6,023	6,023	6,023	6,023	6,023
Net Security Personnel-Related Costs		$425	$425	$446	$468	$492	$516
Plus: Airport employee screening costs		540	540	556	573	590	608
Security Personnel-Related Costs		$965	$965	$1,002	$1,041	$1,082	$1,124
Enplaned Passengers (000s)	1,371	1,422	1,454	1,485	1,516	1,547	1,578
Passenger Security Fee (per enplaned passenger)	**$0.22**	**$0.69**	**$0.66**	**$0.67**	**$0.69**	**$0.70**	**$0.71**

Note: Amounts may not add due to rounding.

[1] Estimated FY 2024 Passenger Security Charge revenue based on charged Passenger Security Fee and estimated FY 2024 enplaned passengers.

Source: Landrum and Brown, Inc.

Exhibit J

PROJECTED AIRLINE COST PER ENPLANED PASSENGER **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	ESTIMATED	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030
Passenger Airline Revenue							
Passenger Airline Landing Fee Revenue	$3,011	$3,436	$3,582	$3,660	$3,838	$3,977	$4,120
Terminal Rentals - Preferential	1,067	1,095	1,197	1,224	1,254	1,247	1,473
Terminal - Common Use and Per Turn	5,366	5,466	6,318	6,460	6,625	7,372	8,915
Security Fees	435	965	1,002	1,041	1,082	1,124	1,168
Other Charges	178	167	172	177	182	188	194
Total Passenger Airline Revenue	$10,057	$11,128	$12,271	$12,562	$12,982	$13,908	$15,870
Enplaned Passengers	1,371	1,422	1,454	1,485	1,516	1,547	1,578
Airline Cost per Enplaned Passenger	**$7.33**	**$7.83**	**$8.44**	**$8.46**	**$8.56**	**$8.99**	**$10.06**
Airline Cost per Enplaned Passenger (2024 dollars)	$7.33	$7.60	$7.95	$7.74	$7.61	$7.76	$8.42

Note: Amounts may not add due to rounding.

Source: Landrum and Brown, Inc.

Exhibit K

APPLICATION OF REVENUE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)
(Fiscal Years Ending June 30)

	PROJECTED					
	2025	2026	2027	2028	2029	2030
Gross Revenue Fund:						
Beginning Balance	$0	$0	$0	$0	$0	$0
Deposits:						
Airline Revenue [1]	$12,190	$13,347	$13,661	$14,134	$15,101	$17,105
Non-Airline Revenue	57,858	60,160	61,916	63,712	65,549	67,429
CFC Revenue	7,295	7,420	7,538	7,654	7,769	7,882
Total Deposits	$77,342	$80,927	$83,115	$85,500	$88,419	$92,416
Expend:						
O&M Expenses	($52,644)	($54,937)	($57,332)	($59,836)	($62,452)	($65,186)
Debt Service	($8,510)	($9,689)	($9,663)	($9,629)	($9,605)	($12,380)
Total Expenditures	($61,154)	($64,625)	($66,995)	($69,465)	($72,057)	($77,566)
Transfers Out:						
Debt Service Reserve						
Subordinate Obligation Debt Service						
O&M Reserve Fund	($300)	($382)	($399)	($417)	($436)	($456)
Rebate Fund						
Airport General Fund	($15,889)	($15,920)	($15,720)	($15,618)	($15,926)	($14,395)
Total Transfers Out	($16,189)	($16,302)	($16,120)	($16,035)	($16,362)	($14,850)
Ending Balance	$0	$0	$0	$0	$0	$0

Note: Amounts may not add due to rounding.
[1] Includes Passenger Airline Revenues plus Cargo Airline Landing Fees

Source: Landrum and Brown, Inc.

Exhibit L

DEBT SERVICE COVERAGE **GREENVILLE-SPARTANBURG AIRPORT DISTRICT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	PROJECTED					
	2025	2026	2027	2028	2029	2030
Net Revenue						
Airline Revenue [1]	$12,190	$13,347	$13,661	$14,134	$15,101	$17,105
Non-Airline Revenue	57,858	60,160	61,916	63,712	65,549	67,429
CFC Revenue	7,295	7,420	7,538	7,654	7,769	7,882
Interest Income	1,200	1,200	1,200	1,200	1,200	1,200
Total Revenue	$78,542	$82,127	$84,315	$86,700	$89,619	$93,616
Less: O&M Expenses	($52,644)	($54,937)	($57,332)	($59,836)	($62,452)	($65,186)
Net Revenue	$25,899	$27,190	$26,983	$26,864	$27,168	$28,430
Annual Debt Service	$8,510	$9,689	$9,663	$9,629	$9,605	$12,380
Debt Service Coverage Ratio	**3.04**	**2.81**	**2.79**	**2.79**	**2.83**	**2.30**

Note: Amounts may not add due to rounding.
[1] Includes Passenger Airline Revenues plus Cargo Airline Landing Fees

Source: Landrum and Brown, Inc.

APPENDIX B

GREENVILLE-SPARTANBURG AIRPORT DISTRICT'S FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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GSP INTERNATIONAL AIRPORT

ROGER MILLIKEN FIELD

SOUTH CAROLINA

2023

ANNUAL FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 20, 2023

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GREENVILLE-SPARTANBURG AIRPORT DISTRICT

(A political subdivision of the State of South Carolina)

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

Fiscal Years Ended June 30, 2023 and 2022

Prepared by: District's Finance Department

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
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FINANCIAL SECTION

FINANCIAL SECTION

This section contains the following subsections:

Report of Independent Auditor
Management's Discussion and Analysis
Basic Financial Statements

FORVIS
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Independent Auditor's Report

To the Commissioners of
Greenville-Spartanburg Airport District
Greer, South Carolina

Opinion

We have audited the financial statements of the Greenville-Spartanburg Airport District (Airport), a political subdivision of the State of South Carolina, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport, as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

FORVIS, LLP

Indianapolis, Indiana
October 19, 2023

The following Management Discussion and Analysis (MD&A) of the Airport's activities and financial performance for the fiscal years ended June 30, 2023 and 2022, is presented in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — Management's Discussion and Analysis — For State and Local Governments*. The intent of the MD&A is to provide the reader with an introduction and overview to the financial statement package.

Following this MD&A are the basic financial statements of the Airport together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this section also presents certain required supplementary information.

Overview of Annual Financial Report

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Airport's financial condition and performance. Summary financial statement data, key financial, and operational indicators used in the Airport's budgeting and other management tools were used for this analysis.

The Airport's financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position presents the financial position of the Airport on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at the end of a year.

The statement of revenues, expenses, and changes in net position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Airport's recovery of its costs. The Airport's rates and charges are based on a cost recovery methodology provided in its airline use agreements. The primary objective of the rates and charges model is to determine the costs not covered by non-airline sources and to annually compute landing fees and terminal rents which will provide sufficient funding to reimburse the Airport.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

The notes to the financial statements provide disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Airport's accounting policies, significant account balances, activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The financial statements were prepared by the Airport's staff from the detailed books and records of the Airport.

FINANCIAL HIGHLIGHTS

STATEMENTS OF NET POSITION, JUNE 30, 2023 AND 2022

	June 30			
	2023	**2022**	**Change**	**% Change**
Assets:				
Cash and investments	$ 85,917,690	$ 90,229,850	$ (4,312,160)	-4.8%
Receivables	50,323,325	47,301,298	3,022,027	6.4%
Capital and lease assets - net	334,380,317	316,914,020	17,466,297	5.5%
Other	602,732	962,438	(359,706)	-37.4%
Total assets	471,224,064	455,407,606	15,816,458	3.5%
Deferred outflows of resources	6,379,431	5,100,004	1,279,427	25.1%
Liabilities:				
Current liabilities	15,852,372	15,873,866	(21,494)	-0.1%
Long-term liabilities	57,200,083	54,067,427	3,132,656	5.8%
Total liabilities	73,052,455	69,941,293	3,111,162	4.4%
Deferred inflows of resources	34,647,333	42,090,502	(7,443,169)	-17.7%
Net position:				
Net investment in capital assets	298,990,570	278,701,138	20,289,432	7.3%
Restricted	30,278,301	21,349,019	8,929,282	41.8%
Unrestricted	40,634,836	48,425,658	(7,790,822)	-16.1%
Total net position	$ 369,903,707	$ 348,475,815	$ 21,427,892	6.1%

- As can be seen from the above, the Airport has maintained a strong Statement of Net Position. Liquidity continues to be very strong. Total net position as of June 30, 2023 is $369,903,707, of which $40,634,836 is unrestricted.
- Total assets at June 30, 2023 were $471,224,064, which included $63,054,276 in cash, receivables, and other, $39,130,692 in investments, $35,648,589 in lease receivables/assets as required to be recorded by GASB Statement No. 87 and $333,390,507 in net capital assets. Total liabilities were $73,052,455, which included $23,778,825 in the unfunded portion of the pension plans and $30,187,500 in term notes payable. The difference between the $471,224,064 in assets plus the $6,379,431 in deferred outflows of resources and the $73,052,455 in liabilities plus the $34,647,333 in deferred inflows of resources is categorized as Net Position of $369,903,707. Included in deferred inflows of resources is $32,741,470 in deferred lease revenues as required to be recorded by GASB Statement No. 87. Net position is composed of $298,990,570 of net investment in capital assets, $30,278,301 restricted for capital projects, and $40,634,836 unrestricted.

FINANCIAL HIGHLIGHTS

STATEMENTS OF NET POSITION, JUNE 30, 2022 AND 2021

	June 30			
	2022	**2021**[1]	**Change**	**% Change**
Assets:				
Cash and investments	$ 90,229,850	$ 72,144,118	$ 18,085,732	25.1%
Receivables	47,301,298	8,519,494	38,781,804	455.2%
Capital assets - net	316,914,020	299,598,776	17,315,244	5.8%
Other	962,438	596,023	366,415	61.5%
Total assets	455,407,606	380,858,411	74,549,195	19.6%
Deferred outflows of resources	5,100,004	6,822,099	(1,722,095)	-25.2%
Liabilities:				
Current liabilities	15,873,866	11,122,841	4,751,025	42.7%
Long-term liabilities	54,067,427	59,164,522	(5,097,095)	-8.6%
Total liabilities	69,941,293	70,287,363	(346,070)	-0.5%
Deferred inflows of resources	42,090,502	894,698	41,195,804	4604.4%
Net position:				
Net investment in capital assets	278,701,138	262,010,047	16,691,091	6.4%
Restricted	21,349,019	13,729,426	7,619,593	55.5%
Unrestricted	48,425,658	40,758,976	7,666,682	18.8%
Total net position	$ 348,475,815	$ 316,498,449	$ 31,977,366	10.1%

(1) The balances for the year ended June 30, 2021 were not restated to reflect the adoption of GASB Statement No. 87, *Leases*. See Note 3 for additional information regarding adoption of this standard.

- As of June 30, 2023, total net position is $348,475,815, of which $48,425,658 is unrestricted.
- Total assets at June 30, 2022 were $455,407,606, which included $61,531,323 in cash, receivables, and other, $38,421,183 in investments, $39,839,084 in lease receivables/assets as required to be recorded by GASB Statement No. 87 implemented this fiscal year and $315,616,016 in net capital assets. Total liabilities were $69,941,293, which included $18,779,257 in the unfunded portion of the pension plans and $31,937,500 in term notes payable. The difference between the $455,407,606 in assets plus the $5,100,004 in deferred outflows of resources and the $69,941,293 in liabilities plus the $42,090,502 in deferred inflows of resources is categorized as Net Position of $348,475,815. Included in deferred inflows of resources is $37,536,744 in deferred lease revenues as required to be recorded by GASB Statement No. 87 implemented this fiscal year. Net Position is composed of $278,701,138 of net investment in capital assets, $21,349,019 restricted for capital projects, and $48,425,658 unrestricted.

FINANCIAL HIGHLIGHTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, JUNE 30, 2023 AND 2022

	June 30			
	2023	**2022**	**Change**	**% Change**
Operating revenues:				
Landing and other airside fees	$ 3,384,075	$ 3,343,073	$ 41,002	1.2%
Space and ground rental fees	14,364,070	13,871,360	492,710	3.6%
Concessions revenue	21,721,183	19,784,954	1,936,229	9.8%
Expense reimbursements	1,999,390	2,009,257	(9,867)	-0.5%
Other revenue	6,262,883	6,148,930	113,953	1.9%
Net profit on fuel sales	5,400,438	6,316,821	(916,383)	-14.5%
Net profit on food and beverage	3,635,395	2,753,600	881,795	32.0%
Total operating revenues	56,767,434	54,227,995	2,539,439	4.7%
Operating expenses:				
Direct operating expenses	37,787,603	31,093,433	6,694,170	21.5%
Pension	3,134,427	2,521,009	613,418	24.3%
Depreciation	16,478,709	15,129,992	1,348,717	8.9%
Total operating expenses	57,400,739	48,744,434	8,656,305	17.8%
Operating income	(633,305)	5,483,561	(6,116,866)	-111.5%
Nonoperating income:				
Contract and passenger facility charges	6,977,244	5,809,960	1,167,284	20.1%
Federal non-capital grants	1,093,725	11,123,326	(10,029,601)	-90.2%
Other nonoperating income (expense)	1,345,705	(701,642)	2,047,347	-291.8%
Total nonoperating income	9,416,674	16,231,644	(6,814,970)	-42.0%
Income before capital contributions	8,783,369	21,715,205	(12,931,836)	-59.6%
Capital contributions	12,644,523	10,262,161	2,382,362	23.2%
Change in net position	21,427,892	31,977,366	(10,549,474)	-33.0%
Net position - beginning of year	348,475,815	316,498,449	31,977,366	10.1%
Net position - end of year	$ 369,903,707	$ 348,475,815	$ 21,427,892	6.1%

- Total operating revenues were $56,767,434 for the fiscal year ended June 30, 2023, up 4.7% from $54,227,995 as compared to the prior year. The increase in operating revenues is driven primarily by an almost 9% increase in enplanements, which drove increases in parking, ground transportation, concessions, ground handling and other passenger-related revenue streams. In addition, net profit on food and beverage increased due to pricing, concept changes as well as the return of passenger traffic. These increases were partially offset by approximately $1.3 million of federal grants for concessionaire relief, the reset of cargo volumes back to pre-COVID levels, and a decline in fuel revenue.
- Total direct operating expenses were $37,787,603 for the fiscal year ended June 30, 2023, up 21.5% from $31,093,433 as compared to the prior year. The increase in operating expenses is due primarily to continued investment in our workforce and other costs associated with increased traffic levels such as administrative fees related to credit card expenses (parking), utilities, repair and maintenance, contractual (janitorial) and supplies (paper, ticketing supplies).
- Pension expense was $3,134,427 for the fiscal year ended June 30, 2023, up 24.3% from $2,521,009 as compared to the prior year. This is due to an increase in the actuarially determined Pension Plan's expenses pushed down by the state to each participating entity.
- Depreciation expense was $16,478,709 for the fiscal year ended June 30, 2023, as compared to $15,129,992 in the fiscal year ended June 30, 2022.
- Total non-operating income was $9,416,674 for the fiscal year ended June 30, 2023, down 42.0% from $16,231,644 as compared to the prior year. This decrease is primarily due to the one-time American Rescue Plan Act from fiscal year 2022.
- The combined result of increased operating revenues, increased operating expenses and decreased non-operating income, as discussed above, resulted in income before capital contributions of $8,783,369 and $21,715,205 for the fiscal years ended June 30, 2023 and 2022, respectively.
- Total capital contributions were $12,644,523 for the fiscal year ended June 30, 2023, up 23.2% from $10,262,161 as compared to the prior year.
- In summary, capital contributions, contract facility charges and passenger facility charges were the biggest contributing factors in an overall improvement in the financial position of the Airport with a $21.4 million increase in total net position.

FINANCIAL HIGHLIGHTS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, JUNE 30, 2022 AND 2021

	June 30			
	2022	**2021[(1)]**	**Change**	**% Change**
Operating revenues:				
Landing and other airside fees	$ 3,343,073	$ 2,520,963	$ 822,110	32.6%
Space and ground rental fees	13,871,360	10,356,976	3,514,384	33.9%
Concessions revenue	19,784,954	9,303,434	10,481,520	112.7%
Expense reimbursements	2,009,257	1,846,617	162,640	8.8%
Other revenue	6,148,930	4,755,354	1,393,576	29.3%
Net profit on fuel sales	6,316,821	4,741,137	1,575,684	33.2%
Net profit on food and beverage	2,753,600	894,654	1,858,946	207.8%
Total operating revenues	54,227,995	34,419,135	19,808,860	57.6%
Operating expenses:				
Direct operating expenses	31,093,433	26,005,569	5,087,864	19.6%
Pension	2,521,009	4,612,922	(2,091,913)	-45.3%
Depreciation	15,129,992	13,462,619	1,667,373	12.4%
Total operating expenses	48,744,434	44,081,110	4,663,324	10.6%
Operating income	5,483,561	(9,661,975)	15,145,536	-156.8%
Nonoperating income				
Contract and passenger facility charges	5,809,960	3,176,053	2,633,907	82.9%
Federal non-capital grants	11,123,326	20,111,293	(8,987,967)	-44.7%
Other nonoperating income (expense)	(701,642)	465,298	(1,166,940)	-250.8%
Total nonoperating income	16,231,644	23,752,644	(7,521,000)	-31.7%
Income before capital contributions	21,715,205	14,090,669	7,624,536	54.1%
Capital contributions	10,262,161	7,270,663	2,991,498	41.1%
Change in net position	31,977,366	21,361,332	10,616,034	49.7%
Net position - beginning of year	316,498,449	295,137,117	21,361,332	7.2%
Net position - end of year	$ 348,475,815	$ 316,498,449	$ 31,977,366	10.1%

(1) The balances for the year ended June 30, 2021 have not been restated to reflect the adoption of GASB Statement No. 87, *Leases*. See Note 3 for additional information regarding adoption of this standard.

- Total operating revenues were $54,227,995 for the fiscal year ended June 30, 2022, up 57.6% from $34,419,135 as compared to the prior year. Passenger-centric revenues such as parking and rental car concessions have increased due to partial recovery from the COVID-19 pandemic.
- Total direct operating expenses were $31,093,433 for the fiscal year ended June 30, 2022, up 19.6% from $26,005,569 as compared to the prior year. Often, an increase in revenues requires an increase in expenses. Such is the case with administrative fees related to credit card expenses (parking) and independent contractor expenses (cargo operations). In addition, personnel costs increased with the removal of the hiring freeze put in place during the pandemic and compensation survey adjustments made.
- Pension expense was $2,521,009 for the fiscal year ended June 30, 2022, down 45.3% from $4,612,922 as compared to the prior year. This is due to a decrease in the actuarially determined Pension Plan's expenses pushed down by the state to each participating entity.
- Depreciation expense was $15,129,992 for the fiscal year ended June 30, 2022, as compared to $13,462,619 in the fiscal year ended June 30, 2021.
- Total non-operating income was $16,231,644 for the fiscal year ended June 30, 2022, down 31.7% from $23,752,644 as compared to the prior year. This decrease is due to the on-time CARES Act and CRRSA Act grant revenues from fiscal year 2021.
- The combined result of increased operating revenues, increased operating expenses and decreased non-operating income, as discussed above, resulted in income before capital contributions of $21,715,205 and $14,090,669 for the fiscal years ended June 30, 2022 and 2021, respectively.
- Total capital contributions were $10,262,161 for the fiscal year ended June 30, 2022, up 41.1% from $7,270,663 as compared to the prior year.
- In summary, operating revenues increased as a result of the COVID-19 pandemic recovery, resulting in an overall improvement in the financial position of the Airport with a $32.0 million increase in total net position.

Description of Significant Capital Expenditures

During the fiscal year ended June 30, 2023, the District completed and capitalized the following major programs:

- Fuel farm expansion that added two vertical tanks allowing an additional 214,000 gallons of inventory storage
- Center cargo building expansion that added 50,000 square feet of cargo warehouse space for the expanding market
- Airfield improvement programs that affected taxiways D, G and L, the general aviation ramp and all concrete ramps

Total capital asset additions for the fiscal years ended June 30, 2023 and 2022 were $79,548,787 and $59,569,351, respectively. Overall, capital assets and lease assets – net at June 30, 2023 and 2022 were $334,380,317 and $316,914,020, respectively.

Further detailed information on the District's capital assets can be found in Note 9 to the financial statements.

Description of Significant Debt Expenditures

On May 9, 2016, the District's Commission approved the opening of a $25 million revolving Line of Credit (LOC) with TD Bank for special project use. Interest was variable at 1 Month LIBOR plus 75 basis points. The most recent two-year term of the LOC was set to mature on September 7, 2023. Because of that maturity and the cessation of LIBOR on June 30, 2023, the LOC was modified as of June 28, 2023, to replace LIBOR with SOFR and extend the maturity date to September 7, 2025. There were no draws against the LOC in fiscal years 2023

or 2022. The interest rate was 5.81% (SOFR of 5.06% plus 0.75%) and 1.81% (1 Month LIBOR of 1.06% plus 0.75%) at June 30, 2023 and 2022, respectively.

On August 21, 2020, the District's Commission approved a $35 million, 20-year term note with a fixed finance rate of 1.61% for ten years. The $35 million term note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The purpose of the new term loan was to refinance the previous term loan and reimburse the District for the cost of the Surface Parking Project and the local share of the Aircraft Rescue and Firefighting Station Construction Project at a reduced interest rate. Debt activity during the fiscal years ended June 30, 2023 and 2022 consisted of scheduled monthly payments only. As of June 30, 2023 and 2022, the District had an outstanding principal balance of $30,187,500 and $31,937,500, respectively.

The District is evaluating funding sources for our five year capital program, and we anticipate using a mix of District funds, grant funds and debt to fund the program. There were no outstanding bonds at June 30, 2023 and 2022.

Aviation Industry Overview

The airline industry is susceptible and sensitive to many variables we find in our world today, including the following:

- Oil Prices
- Terrorism
- Domestic and global economic conditions
- Pandemics and other health concerns
- Aircraft accidents
- Fleet & maintenance issues / aircraft orders and delays
- Customer service issues / failures & resultant negative press
- Volatility of fuel prices
- Debt restructuring
- Volcanic activity
- Merger, acquisitions, bankruptcies of airlines
- Changing regional, national, and international trends
- Federal funding mandates, restrictions, and uncertainties
- Pilot shortages
- Emerging issues in the aviation industry, such as unmanned aerial vehicles (UAVs)

The most recent Federal Aviation Administration ("FAA's") Aerospace Forecast currently published (2023-2043) contains the following:

"The outbreak of the COVID-19 pandemic in 2020, however, brought a rapid and cataclysmic end to those boom years [2009-2019]. Airline activity and profitability tumbled almost overnight and without the financial and competitive strength built up during the boom, airlines would have faced even greater challenges. As it was, they were able to slash capacity and costs, and then, relying on their balance sheets, credit ratings and value inherent in their brands, to raise capital through borrowing and restructuring fleets allowing them to withstand the period of losses. Although several small regional carriers ceased operations in 2020, no mainline carriers did. Cargo activity was one of few bright spots as it surged, boosted by consumers purchasing goods to enhance time spent at home as necessitated by the pandemic, and by surface transportation disruptions caused by worker shortages due to COVID-19 illnesses.

Since 2020, conditions and the outlook have brightened considerably. As vaccines were introduced and local and international travel restrictions were lifted, leisure travel rebounded. Initially concentrated in outdoor recreation spots, whether beach or mountain, the recovery in leisure demand spread first to domestic destinations in 2021 and then expanded to many traditional international vacation destinations and by the summer of 2022, most carriers were reporting leisure demand was exceeding pre-pandemic levels. A rebound in business travel, which had been severely curtailed with the onset of the pandemic, lagged that of leisure demand. However by the end of 2022, U.S. airlines were reporting that business demand had recovered to 70-80% of pre-pandemic levels. Higher fares accompanied the strong rebound in leisure demand leading to positive financial results. For all of CY 2022, the top nine U.S. passenger carriers posted operating profits of $7.8 billion and net profits of $1.8 billion.

The business modifications necessitated by the downturn will shape the industry for years to come, long after the recovery is complete. Primarily, airlines will be smaller having retired aircraft and encouraged voluntary employee separations. Fleets, however, become younger and more fuel-efficient as retirements targeted the oldest and the least efficient aircraft. Although U.S. airlines carry high levels of debt, it is unclear to what extent capital spending and investment will be restrained, as evidenced by United's massive wide-body order for 787's in December 2022. And even the unbundling of services took a small step backwards as carriers eliminated change fees for all but Basic Economy tickets.

In the medium-term, airlines will be focused on trying to foretell the recovery in demand and position themselves to meet it. To date, that demand recovery has been extremely uneven across markets and population segments, driven by COVID-19 case counts, vaccinations, governmental restrictions and the degree of pent-up demand experienced by consumers and businesses. While leisure traffic has led the recovery, business travel is expected to build on the gains logged in 2022. International activity in some regions has lagged domestic due in part to individual country policies on lifting travel restrictions and will continue to lag over the next few years.

Long-term, the strengths and capabilities developed over during decade between the end of the great recession and the onset of COVID-19 will become evident again. There is confidence that U.S. airlines have finally transformed from a capital intensive, highly cyclical industry to an industry that can generate solid returns on capital and sustained profits.

Fundamentally, over the long-term, aviation demand is driven by economic activity, and a growing U.S. and world economy provides the basis for aviation to grow. The 2023 FAA forecast calls for U.S. carrier domestic passenger growth over the next 20 years to average 2.7 percent per year. This average, however, includes robust growth in 2023, as activity returns to pre-pandemic levels. Following the recovery period, trend rates resume with average growth through the end of the forecast of 2.8 percent. Domestic passengers are forecast to be within 1 percent, on an annual basis, of 2019 levels in 2023.

After averaging $55 per barrel over the five years ending in 2021, oil prices surged to $93 per barrel with the Russian invasion of Ukraine in 2022. Prices are forecast to ease somewhat over the next two years before climbing slowly to reach $113 per barrel at the end of the forecast period.

Just as U.S. economic activity drives domestic demand for air transport, foreign economic activity affects international travel demand. As global economies were recovering from the pandemic in 2022, the demand imbalances and Russia's invasion of Ukraine sent consumer prices soaring. Central banks moved to restrain inflation by raising interest rates and slowing demand which consequently curtailed GDP growth as well as price increases. In 2023, GDP is expected to slow further to the extent that the U.S. enters a mild recession while Europe sees a sharper downturn. Latin American growth remains solidly positive and China's economy, which suffered from stringent COVID-19 policies in 2022, rebounds in 2023 supporting the region. Global growth returns close to trend rates in 2024 although some individual countries take longer.

System traffic in revenue passenger miles (RPMs) is projected to increase by 3.2 percent a year between 2023 and 2043. Domestic RPMs are forecast to grow 3.0 percent a year while International RPMs are forecast to grow faster at 3.7 percent a year, largely due to the steep declines in 2020 and 2021 that brought RPM to just 31 percent of 2019's level – about half that of domestic RPM. Thus, these figures are boosted by several years of high growth rates during the recovery after which the annual rates return to more moderate long-term trends. The strong growth rates propel system RPM, on an annual basis, to exceed 2019 levels in 2024, with domestic RPM returning a year earlier while international RPM also recovering in 2024. System capacity as measured by available seat miles (ASMs) is forecast to grow somewhat slower than RPM during the recovery period as airlines seek to restore load factors but, subsequently, ASM grow in line with the increases in demand.

After U.S. carriers posted an unexpected profit in CY 2022, the FAA expects U.S. carriers to remain profitable over the next few years as rising demand -- despite higher fares -- more than offsets higher costs for labor and fuel. As carriers return to levels of capacity consistent with their fixed costs, shed excess debt, and yields stabilize, consistent profitability should continue. Over the long term, we see a competitive and profitable aviation industry characterized by increasing demand for air travel and airfares growing more slowly than overall inflation, reflecting growing U.S. and global economies.

The general aviation (GA) sector was less affected by the COVID-19 crisis than the airlines and recovered faster. Private aviation became an attractive substitute for wealthier individuals who could afford to pay during the heaviest times of the pandemic. Even though there are recent indicators that with airlines increasing frequency of their scheduled flights, some reversal in this trend is expected, many have continued to fly privately. At the lower end of the industry, new comers to private flying included student, private and commercial pilots, joining the existing GA pilot population. The long-term outlook for general aviation thus is promising, as growth at the higher-end offsets continuing retirements at the traditional low end, mostly piston-powered part of the sector. The active GA fleet is forecast to increase by 3.5 percent between 2023 and 2043, after declining slightly in 2022 from the year before. The turbine aircraft fleet, including rotorcraft, did not experience a decline between 2019 and 2021, and is estimated to have shown a small increase between 2021 and 2022. The total of piston fleet (single and multi-engine pistons, light-sport aircraft, and piston rotorcraft) declined by 2.0 percent between 2019 and 2021 and is estimated to have fallen by an additional 0.7 percent in 2022. While steady growth in both GDP and corporate profits results in continued growth of the turbine and rotorcraft fleets, the largest segment of the fleet – fixed wing piston aircraft will continue to shrink over the forecast period, just to be offset by the growing turbine fleet. Despite the minimal growth of the active GA fleet between 2021 and 2043, the number of GA hours flown is projected to increase by 16.6 percent from 2021 to 2043 (an average of 0.7 percent per year), as growth in turbine, rotorcraft, and experimental hours more than offset a decline in fixed wing piston hours.

With robust air travel demand growth between 2023 and 2025, we expect increased activity growth that has the potential to increase controller workload. The recovery in U.S. airline activity from the COVID downturn is the primary driver. The U.S. commercial aviation sector was hit by the pandemic much harder than the non-commercial sector. Operations at FAA and Contract Towers return to pre-COVID levels in 2023, led by strong growth in commercial operations. In particular, large and medium hubs will continue to see faster increases than small and non-hub airports, largely due to the commercial nature of their operations. Over the entire forecast period, operations at FAA and contract towers are forecast to grow 1.2 percent a year with commercial activity growing at approximately four times the rate of noncommercial (general aviation and military) activity."

Greenville-Spartanburg International Airport (GSP) Outlook

Although profitability levels have been and continue to be very strong, management is focused on and remains committed to providing increased levels of air service for the surrounding population base. We continue to work diligently towards attracting greater levels of air service for the Upstate region and are ever mindful about posturing ourselves from a competitive standpoint in the face of increased competition from Charlotte and Atlanta.

An Airport Master Plan was completed in late 2018. On November 19, 2018, the Commission adopted the final Greenville-Spartanburg International Airport Master Plan presented by McFarland Johnson. The Master Plan addresses, among other things, the following variables which will impact the Airport's future:

- The financial and operational impact of the air cargo route to Germany, and associated airfield changes (e.g., Taxiway L extension) to support cargo growth
- Projected availability of continued federal funding
- Our assumption of FBO and fueling responsibilities
- A thorough airport pavement evaluation
- Sustainability issues
- An analysis of GSP360 for land use compatibility, highest and best use, and linkage to GSP International Industrial Logistics Park
- Future development of aeronautical and non-aeronautical land owned by the District in concert with our GSP360 plan
- The proposed PRT system and associated impacts on parking, roadway circulation, curbside and other
- Expansion of rental car parking capacities
- Staged parking lot expansions for customers
- Potential capacity constraints for ground transportation along the terminal curb-front and options to reduce congestion along public roadways
- Long-term development planning for future needs of key airport tenants
- Optimal location for new Air Traffic Control tower
- Updated airport layout plan (ALP) to meet FAA SOPs
- Updated GIS database to meet FAA requirements to include infrastructure capacities, environmental information, and areas for future development

COVID-19 Grant Updates

The Airport received $183K in Coronavirus aid and relief grant funds in fiscal year 2023 from the Airport Coronavirus Grant Program (ACRGP) for federally mandated relief to concessionaires. In fiscal year 2022, the Airport received $11.1M in in Coronavirus aid and relief grant funds from the Coronavirus Aid, Relief and Economic Security Act (CARES Act) grant and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) grant related to operating expenses.

Financial Standpoint

As passenger traffic levels have increased to approximately 90% of pre-COVID 19 levels, most normal activities have resumed. The District continues to remain on track for a four-year recovery to pre-COVID-19 operational levels.

Management is committed to providing our customers with the highest level of service possible in these challenging and exciting times and looks forward to the future.

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances and to demonstrate the Airport's accountability for the funds it receives and expends. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Finance Department, 2000 GSP Drive, Suite 1, Greer, South Carolina 29651-9202.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	$ 17,351,271	$ 31,157,298
Receivables, net of Allowance for Doubtful Accounts of $149,500	14,821,972	8,062,568
Inventories and prepaid insurance	602,732	962,438
Investments	14,067,329	12,122,630
Leases receivable	1,389,219	3,955,235
Total unrestricted current assets	48,232,523	56,260,169
Restricted assets:		
Cash and cash equivalents	29,435,727	20,651,369
Receivables	842,574	697,650
Total restricted current assets	30,278,301	21,349,019
Total current assets	78,510,824	77,609,188
Noncurrent assets:		
Investments	25,063,363	26,298,553
Leases receivable	33,269,560	34,585,845
Lease assets - net	989,810	1,298,004
Capital assets - net	333,390,507	315,616,016
Total noncurrent assets	392,713,240	377,798,418
Total Assets	471,224,064	455,407,606
Deferred Outflows of Resources:		
Deferred Outflow Related to State Pension Plans	5,573,211	4,184,048
Deferred Outflow Related to OPEB	806,220	915,956
Total Deferred Outflows	6,379,431	5,100,004

The accompanying notes to the financial statements are an integral part of these statements.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
STATEMENTS OF NET POSITION

JUNE 30, 2023 AND 2022

	2023	2022
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	$ 11,214,940	$ 11,740,013
Accrued employee benefits	2,531,043	2,027,642
Accrued interest payable	41,610	44,407
Lease liabilities - current portion	314,779	311,804
Term notes payable - current portion	1,750,000	1,750,000
Total payable from unrestricted assets	15,852,372	15,873,866
Total current liabilities	15,852,372	15,873,866
Noncurrent Liabilities:		
Long-term employee benefits	2,029,199	1,577,815
Net pension liability	23,778,825	18,779,257
Total OPEB liability	2,260,165	2,513,682
Lease liabilities - net of current portion	694,394	1,009,173
Term notes payable - net of current portion	28,437,500	30,187,500
Total noncurrent liabilities	57,200,083	54,067,427
Total Liabilities	73,052,455	69,941,293
Deferred Inflows of Resources:		
Deferred Inflow - State Pension Plans	620,233	3,668,826
Deferred Inflow - OPEB	1,285,630	884,932
Deferred Inflow - Leases	32,741,470	37,536,744
Total Deferred Inflows	34,647,333	42,090,502
NET POSITION		
Net investment in capital assets	298,990,570	278,701,138
Restricted:		
Contract facility charges	18,130,929	14,020,406
Passenger facility charges	12,147,372	7,328,613
Total restricted	30,278,301	21,349,019
Unrestricted	40,634,836	48,425,658
Total Net Position	$ 369,903,707	$ 348,475,815

The accompanying notes to the financial statements are an integral part of these statements.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

JUNE 30, 2023 AND 2022

	2023	2022
Operating revenues:		
Airside	$ 3,384,075	$ 3,343,073
Space and ground rental	14,364,070	13,871,360
Concessions	21,721,183	19,784,954
Other	8,262,273	8,158,187
Operating revenues before fuel sales	47,731,601	45,157,574
Gross profit on fuel sales:		
Fuel sales	9,765,724	9,739,426
Cost of goods sold	(4,365,286)	(3,422,605)
Fuel sales - net	5,400,438	6,316,821
Gross profit on food and beverage:		
Food and beverage	5,110,106	3,904,405
Cost of goods sold	(1,474,711)	(1,150,805)
Food and beverage - net	3,635,395	2,753,600
Total operating revenues	56,767,434	54,227,995
Operating expenses before pension and depreciation expense:		
Airfield	361,652	289,937
Terminal building	3,985,163	3,412,630
Administrative	9,180,853	7,905,310
Maintenance and operations	5,856,868	4,840,247
Fire and crash department	1,706,963	1,266,491
Security	1,824,380	1,416,361
Other direct expenses	14,871,724	11,962,457
Total operating expenses before pension and depreciation expense	37,787,603	31,093,433
Operating income before pension and depreciation expense	18,979,831	23,134,562
Pension expense	3,134,427	2,521,009
Depreciation and amortization	16,478,709	15,129,992
Operating income	(633,305)	5,483,561
Nonoperating revenues (expenses):		
Contract facility charges	2,283,232	1,457,404
Passenger facility charges	4,694,012	4,352,556
Interest earned on accounts and leases	2,200,449	1,359,059
Change in fair value of investments	(359,030)	(1,581,294)
Insurance proceeds and legal settlement	21,087	68,176
Interest expense and other financing costs	(516,801)	(547,583)
Federal non-capital grants	1,093,725	11,123,326
Nonoperating revenues - net	9,416,674	16,231,644
Income before capital contributions	8,783,369	21,715,205
Capital contributions and grants	12,644,523	10,262,161
Increase in net position	21,427,892	31,977,366
Net position:		
Beginning of year	348,475,815	316,498,449
End of year	$ 369,903,707	$ 348,475,815

The accompanying notes to the financial statements are an integral part of these statements.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
STATEMENTS OF CASH FLOWS

JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Cash received from providing services	$ 54,998,581	$ 54,209,543
Cash payments to suppliers for goods and services	(19,088,482)	(18,301,101)
Cash payments to employees for services	(22,537,804)	(18,607,772)
Net cash provided by operating activities	13,372,295	17,300,670
Cash flows from noncapital and related financing activities:		
Federal non-capital grants	273,471	11,128,426
Net cash provided by capital and related financing activities	273,471	11,128,426
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(37,472,600)	(27,019,599)
Principal payments on note payable	(1,750,000)	(1,750,000)
Interest payment on note payable	(508,753)	(536,658)
Principal payments received on leases receivable	3,882,301	3,727,905
Interest payments received on leases receivable	627,315	594,845
Principal payments on lease liability	(311,804)	(285,221)
Interest payments on lease liability	(10,845)	(11,650)
Proceeds from insurance settlement	21,087	68,176
Capital contributions	9,618,508	9,698,992
Contract facility charges	2,208,946	1,404,088
Passenger facility charges	4,623,374	4,649,414
Net cash used in capital and related financing activities	(19,072,471)	(9,459,708)
Cash flows from investing activities:		
Maturities of investment securities	12,200,000	15,456,000
Purchases of investment securities	(13,268,539)	(16,270,276)
Investment income	1,473,575	697,638
Net cash provided by (used in) investing activities	405,036	(116,638)
Net increase (decrease) in cash and cash equivalents	(5,021,669)	18,852,750
Cash and cash equivalents, beginning of year	51,808,667	32,955,917
Cash and cash equivalents, end of year	$ 46,786,998	$ 51,808,667
Reconciliation to balance sheet		
Unrestricted cash and cash equivalents	$ 17,351,271	$ 31,157,298
Restricted cash and cash equivalents	29,435,727	20,651,369
Cash and cash equivalents, end of year	$ 46,786,998	$ 51,808,667

The accompanying notes to the financial statements are an integral part of these statements.

JUNE 30, 2023 AND 2022

	2023	2022
Noncash Transactions from NonCapital and Related Financing Activities		
Non-capital grant revenue included in accounts receivable	$ 1,093,725	$ 273,431
Noncash Transactions from Capital and Related Financing Activities		
Capital asset acquisitions included in accounts payable	$ 4,193,074	$ 7,720,668
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (633,305)	$ 5,483,561
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	16,478,709	15,129,992
Change in assets and liabilities:		
Receivables	(2,813,576)	140,379
Inventory and prepaid insurance	359,706	(366,415)
Deferred outflows related to state pension plans	(1,389,163)	1,587,297
Deferred outflows related to OPEB	109,736	134,798
Accounts payable	3,002,521	(26,308)
Net pension liability	4,999,568	(4,407,426)
Total OPEB liability	(253,517)	(212,934)
Accrued employee benefits	954,785	910,907
Deferred inflows related to state pension plans	(3,048,593)	3,267,003
Deferred inflows related to OPEB	400,698	392,057
Deferred inflows related to leases	(4,795,274)	(4,732,241)
Total adjustments	14,005,600	11,817,109
Net cash provided by operating activities	$ 13,372,295	$ 17,300,670

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Organization

The Greenville-Spartanburg Airport District (the "Airport") is a political subdivision of the State of South Carolina (the "State"). Commissioners of the Airport are recommended for appointment by a majority of the Greenville and Spartanburg County Delegations and appointed by the governor of the State.

Note 2—Summary of Significant Accounting and Reporting Policies

Basis of Presentation – The Airport is accounted for as a single-purpose, business-type entity since its operations are financed and operated in a manner similar to a private business. The Airport's financial statements are presented on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when earned or when services are provided, and expenses are recognized when the related obligations are incurred.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflow of resources, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the accompanying statements of cash flows, the Airport considers all cash on hand and highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2023 and 2022 consist of money market mutual funds.

Inventories – Inventories are stated at cost.

Investments – The Airport's investments, consisting of U.S. treasury bills and U.S. government securities at June 30, 2023 and 2022, are carried at fair value, based on quoted market prices, and changes in the fair value of investments are reported as nonoperating revenues in the statements of revenues, expenses and changes in net position. All investments are carried in the Airport's name and held by the dealer/safekeeping agent. The investments mature at various dates from less than a year up to five years. At maturity, the U.S. treasury bills and U.S. government securities are either reinvested or included in current assets until used for construction in progress.

Lease Assets – Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Capital Assets – Capital assets are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 40 years. The Airport's threshold for capitalization is $10,000. Repair and maintenance costs are expensed when incurred.

Changes in accumulated depreciation during 2023 and 2022 are as follows:

	Capital Assets Acquired by FAA Grants	Other Capital Assets	Total Capital Assets
Accumulated depreciation - June 30, 2021	$ 91,427,422	$ 93,876,885	185,304,307
Fiscal year 2022 depreciation	4,488,443	10,333,355	14,821,798
Less - 2022 capital asset write-offs	-	(524,442)	(524,442)
Accumulated depreciation - June 30, 2022	$ 95,915,865	$ 103,685,798	$ 199,601,663
Fiscal year 2023 depreciation	4,705,363	11,465,152	16,170,515
Accumulated depreciation - June 30, 2023	$ 100,621,228	$ 115,150,950	$ 215,772,178

Deferred Outflows and Inflows of Resources – The Airport reports the consumption of net assets that is applicable to a future reporting period as deferred outflows of resources and the acquisiton of net assets that is applicable to a future reporting period as deferred inflows of resources in separate sections of its statements of net position.

Contract Facility Charge – Contract Facility Charges ("CFCs") are levied by the Airport pursuant to a Memorandum of Understanding signed with the rental car companies serving the Airport. This rate is adjusted from time to time as deemed necessary by airport management in order to cover the related annual expenses. The CFC rate was $6.00 per contract rental day as of June 30, 2023 and 2022. Up to the date of beneficial occupancy, April 1, 2003, the amounts received were recorded as non-operating revenues when earned and were to be used for construction of the rental car facility. Subsequent to April 1, 2003, CFCs received are recorded as space and ground rental operating revenue.

For the years ended June 30, 2023 and 2022, the Airport has recorded CFCs related to space and ground rental as operating revenue of $1,831,802 and $1,842,817, respectively, in addition to non-operating revenue consisting of the following:

	2023	2022
Reimbursement of Airport-funded construction costs	$ 241,261	$ 329,460
CFC surplus (deficit)	2,041,971	1,127,944
	$ 2,283,232	$ 1,457,404

Additionally, as of June 30, 2023 and 2022, the Airport had received but not yet spent CFCs totaling $17,731,887 and $13,695,650, respectively, which are reported as restricted until expended in the accompanying statements of net position. The assets are included in cash and cash equivalents at June 30, 2023 and 2022.

Passenger Facility Charges (PFCs) – On March 18, 2020, the U.S. Department of Transportation's Federal Aviation Administration (FAA) acknowledged the District's notice of intent to impose and use a PFC. The airlines began collecting PFCs on qualifying enplaning passengers at the Airport for the current maximum rate of $4.50 beginning May 1, 2020 through July 1, 2023. In May 2023, the application was extended so the airlines could continue collection until October 1, 2024. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system; fund noise mitigation at the airport; or furnish opportunities for enhanced competition between or among air carriers. Regulations have been promulgated by the Federal Aviation Administration ("FAA") that enhance the eligibility of PFC usage to include, among other things, capital projects and debt service payments. Both the fee imposed and the intended uses must be reviewed and approved by the FAA. The Airport was approved to expend their PFC collections on various capital projects. As of June 30, 2023, the Airport has not expended any funds on these projects.

PFC revenues are classified as nonoperating in the statements of revenues, expenses and changes in net position and are restricted for the uses approved by the FAA.

Net Position – Net position is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law. When both restricted and unrestricted net position are available for use, it is the Airport's policy to use restricted net position first, and then unrestricted net position as they are needed.

Capital Contributions and Grants – Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program ("AIP") of the FAA, the Economic Development Assistance program ("EDA"), 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 and facility development and rehabilitation are reported in the accompanying statements of revenues, expenses, and changes in net position, after non-operating revenues (expenses), as capital contributions and grants.

Federal Non-Capital Grants – The United States of America acting through the FAA released additional funding under the American Rescue Plan Act (ARPA) to all eligible airports. The ARPA funding is to be used for reimbursement of an airport's operational and maintenance expenses starting January 20, 2020 or debt service payments starting March 11, 2021. The total approved grant was for $11,121,484, which the Airport used for allowable costs during 2022.

In addition, during 2021, the FAA released additional funding under the Airport Coronavirus Response Grant Program ("ACRGP"), which is used to provide relief from rent and minimal annual guarantee or obligations for airport concessions. The total approved grant is for $1,093,725, which the Airport has used for allowable costs during 2023.

As of June 30, 2023 and 2022, the Airport recognized $1,093,725 and $11,123,326, respectively, in the accompanying statements of revenues, expenses, and changes in net position, within nonoperating revenues, as federal non-capital grants.

Operating Revenues and Expenses – All of the Airport's activities relate to the operation of the Airport except for the investment of residual cash and investments and financing-related activities. Accordingly, all of the Airport's revenues and expenses, except for investment income, financing-related costs and charges, and insurance proceeds, are classified as operating in the accompanying statements of revenues, expenses, and changes in net position.

Revenue Recognition – Airside and space and ground rental revenues consist of amounts received under Airline Operating Agreements with the major airlines serving the Airport, certain fixed fees for nonscheduled airlines and private users of the Airport, and certain fixed fees for other ancillary services provided. The Airline Operating Agreements stipulate that landing fees and space rental revenues will be based on maintenance and operations costs, as defined in the agreements. Airside and space and ground rental fees are recognized as revenue when the related services are provided and facilities utilized.

Concessions and other revenues consist primarily of rental car, parking, and other ancillary services revenue. Such revenue is generally based on a fixed percentage of tenant revenues subject to certain minimum monthly fees or a fixed fee schedule. Concessions and other revenue are recognized when earned.

Other Direct Expenses – Other direct expenses consist primarily of the upkeep of the cargo, rental car, and parking lot facilities. Other direct expenses are recognized when incurred.

Post-Employment Benefits (OPEB) – During the 2010 fiscal year, the Airport implemented a new personnel policy in which it will pay for a portion of an eligible retiree's health insurance premiums between ages 60 to 65 who also have at least 10 years of service with the Airport. The liability related to this benefit is included in the long-term employee benefits in the statements of net position.

Compensated Absences – Employees earn vacation leave at a rate of 80 to 160 hours per year dependent upon length of service. Unused vacation hours can be carried over from year to year up to a maximum of 480 hours and are payable upon termination, resignation, retirement, or death in accordance with the Airport's personnel policy. The noncurrent portion of the accrued liability related to vacation hours is included in long-term employee benefits and the current portion in accrued liabilities in the statements of net position.

Regular full-time employees accumulate sick leave at the rate of 96 hours per year and can accrue up to 720 hours. All employees who properly resign, are laid off, or otherwise separated from the Airport in good standing are entitled to be paid 33% of any unused sick balance not to exceed 240 hours. An accrual for sick leave has been made as of June 30, 2023 and 2022 and has been categorized into a short-term and long-term portion. Sick leave can be taken for medical appointments, personal illness or illness of a member of the immediate family. Sick leave may be used in the determination of length of service for retirement benefit purposes. The noncurrent portion of the accrued liability related to sick leave is included in long-term employee benefits and the current portion in accrued liabilities in the statements of net position.

Reclassifications – Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 financial statement presentation. These reclassifications had no effect on the change in net assets.

New Pronouncements – The GASB has issued several statements which have not yet been implemented by the Airport. The statements which may have a significant future impact on the Airport are as follows:

GASB has issued: GASB Statement No. 99, *Omnibus*; GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*; and GASB Statement No. 101, *Compensated Absences*. The Airport intends to adopt these GASB Statements, as applicable, on their respective effective dates.

Note 3—Adoption of GASB Statement No. 87, *Leases*

During 2022, the Airport implemented GASB Statement No. 87, *Leases* (GASB No. 87). This statement requires governments to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 87 did not result in any change to beginning net position. As of July 1, 2021, the standard did result in the increase of lease receivable and deferred inflows for leases of $42,268,985 and the increase of lease asset and liability of $1,606,198. Leases have been recognized and measured using the facts and circumstances that existed at the beginning of the year. Refer to Notes 7, 9 and 14 for the additional disclosures on these balances. In addition, disclosures were added relating to regulated leases that are exempt from being included in the measurement of the above balances. Refer to Note 8 for the additional disclosure.

Note 4—Cash, Cash Equivalents and Investment Securities

As of June 30, 2023 and 2022, the Airport had the following cash deposits and investments:

	2023	2022
Deposits	$ 46,786,998	$ 51,808,667
Investments	39,130,692	38,421,183
	$ 85,917,690	$ 90,229,850

Deposits – All the cash deposits of the Airport are in a single financial institution. The carrying amount of cash deposits is separately reported as cash in the accompanying statements of net position. The Airport's cash deposits are insured up to $250,000 at financial institutions insured by the FDIC. Any cash deposits in excess of the $250,000 FDIC limit are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits are collateralized with securities held by the Airport. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Investments – In accordance with the South Carolina State Statutes and the Airport's approved investment policy, the following investments are permitted:

1. Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts;

2. Money market funds that invest in U.S. Government-backed securities;

3. U.S. Treasury Obligations to include U.S. Treasury bills and notes, or any other obligation or security issued by or backed by the full faith and credit of the U.S. Treasury;

4. Federal Agency Obligations including bonds, notes, debentures, or other obligations or securities issued by, or backed by, full faith and credit of any U.S. Government agency or sponsored enterprise.

5. South Carolina Local Government Investment Pool ("SCLGIP") limited to 25% of investment portfolio.

The maturity ranges and credit ratings for the Airport's investment securities at June 30, 2023 and 2022 follow:

2023

		Maturities (in Years)		Moody's
	Fair Value	**Less than 1**	**1 - 5**	**Credit Rating**
U.S. government bonds	$ 6,441,020	$ -	$ 6,441,020	Aaa
U.S. treasury securities	32,689,672	14,067,329	18,622,343	Aaa
Total investments	$ 39,130,692	$ 14,067,329	$ 25,063,363	

2022

		Maturities (in Years)		Moody's
	Fair Value	**Less than 1**	**1 - 5**	**Credit Rating**
U.S. government bonds	$ 3,586,728	$ 3,586,728	$ -	Aaa
U.S. treasury securities	34,834,455	8,535,902	26,298,553	Aaa
Total investments	$ 38,421,183	$ 12,122,630	$ 26,298,553	

Interest Rate Risk: The risk that changes in interest rates of debt securities will adversely affect the value of an investment. The Airport generally limits a portion of its investment portfolio to maturities of less than 12 months. Also, the Airport's purchases of securities are laddered with staggered maturity dates.

Credit Risk: The risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Airport has no written policy regarding credit risk. However, a conservative investment strategy is maintained. Currently, most investments are in low risk securities or deposits, which fall within the Federal Deposit Insurance Corporation limits.

Custodial Credit Risk: The risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Since a large majority of the Airport's investments are with the U.S. Treasury Department in the form of T-bills, or other securities backed by the U.S. Treasury, management views custodial credit risk as minimal, and consequently, has no written policy on this particular form of risk.

Concentration of Credit Risk: The Airport places no limit on the amount that the Airport may invest in any one issuer, with the exception of the 25% limitation on the SCLGIP. All of the Airport's investments are in, or backed by, U.S. Treasury bills and the SCLGIP.

Foreign Currency Risk: The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Airport's investment policy prohibits investment in foreign securities.

Note 5—Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements – The following tables present the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
June 30, 2023			
Investments at fair value			
U.S. government bonds	$ 6,441,020	$ -	$ 6,441,020
U.S. treasury securities	32,689,672	32,689,672	-
Total investments by fair value	$ 39,130,692	$ 32,689,672	$ 6,441,020
June 30, 2022			
Investments at fair value			
U.S. government bonds	$ 3,586,728	$ -	$ 3,586,728
U.S. treasury securities	34,834,455	34,834,455	-
Total investments by fair value	$ 38,421,183	$ 34,834,455	$ 3,586,728

Investments – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 6—Receivables

Receivables are recorded at their gross value when earned and are reduced, if applicable, by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts, when applicable, is based on collection history, aviation industry trends, and current information regarding the creditworthiness of the tenants and others doing business with the Airport. As of June 30, 2023 and 2022, there was an allowance for uncollectible accounts of $149,500.

Receivables (including restricted assets) consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Trade	$ 6,065,326	$ 3,178,572
Contract and passenger facility charges	842,574	697,650
FAA and other grants	8,003,294	4,157,025
Interest and other	753,352	726,971
	$ 15,664,546	$ 8,760,218

Note 7—Leases Receivable

The Airport leases a portion of its property to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2024 through 2064. Payments for most of the leases increase annually either by 3% or the Consumer Price Index (Index), with the latter based upon the Index at lease commencement. In addition, the Airport has some leases with rental car and retail companies that have a portion of their rent based on the higher of a percentage of receipts for the year or a minimum annual guarantee. The Airport bases the payments for these leases on the required minimum annual guarantee. The Airport leases certain property to third parties that conduct operations at airport owned facilities where lease payments are based on usage. The usage-based payments are not included in the measurement of the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the years ended June 30, 2023 and 2022, was $5,509,775 and $5,402,580, respectively, which includes both lease revenue and interest. The Airport recognized lease revenue of $3,704,755 and $3,149,445, for the years ended June 30, 2023 and 2022, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Airport's leases that are included in the measurement of the lease receivable as of June 30, 2023:

	Principal	Interest	Total
2024	$ 1,389,219	$ 588,731	$ 1,977,950
2025	1,343,856	572,069	1,915,925
2026	1,298,022	555,566	1,853,588
2027	1,015,134	539,955	1,555,089
2028	763,782	527,448	1,291,230
2029 - 2033	4,792,376	2,425,824	7,218,200
2034 - 2038	6,267,720	1,947,445	8,215,165
2039 - 2043	8,135,023	1,275,593	9,410,616
2044 - 2048	7,312,331	559,053	7,871,384
2049 - 2053	1,277,780	117,869	1,395,649
2054 - 2058	327,013	82,447	409,460
2059 - 2063	486,083	44,897	530,980
2064	250,440	3,815	254,255
Total	$ 34,658,779	$ 9,240,712	$ 43,899,491

Note 8—Regulated Leases

The Airport leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB No. 87, and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2038. Payments for most of the leases increase annually either by 3% or the Consumer Price Index (Index), with the latter based upon the Index at lease commencement. The Airport leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. Most of these leases allow the lessee the exclusive use of the premises, however, aircraft and vehicles may traverse the space and the Airport has the right to grant third party privileges at their discretion. The portion of buildings and improvements that are exclusive as of June 30, 2023 and 2022 are $8,853,791. In addition, 3 of the 6 hangars that the Airport has as of June 30, 2023 and 2022 are for the exclusive use of the lessee.

The Airport did not recognize any lease revenue for the years ended June 30, 2023 and 2022, for variable payments not previously included in the future minimum payments.

The following is a schedule by year of expected future minimum payments to be received under the Airport's regulated leases as of June 30, 2023:

	Total Future Payments
2024	$ 2,469,762
2025	1,545,749
2026	1,315,343
2027	1,316,777
2028	737,131
2029 - 2033	2,087,114
2034 - 2038	2,205,999
Total	$ 11,677,875

Certain aeronautical leases with the major air carriers are not included in the regulated leases disclosures as each of these agreements are considered short-term leases and exempt from disclosure. The Airport or air carriers both have the option to terminate at any point as long as 60 days' notice is given. The air carriers are also given exclusive use of certain spaces, including such areas as ticket counter office space, operations space, apron storage space, etc. to conduct their operations, which are defined in the agreements.

Note 9—Capital and Lease Assets

Capital assets activity for the year ended June 30, 2023 is as follows:

	June 30, 2022	Transfers/ Additions	Transfers/ Disposals	June 30, 2023
Capital assets not being depreciated:				
Land	$ 40,166,121	$ -	$ -	$ 40,166,121
Construction-in-process	34,149,348	33,945,008	(45,603,781)	22,490,575
Total capital assets not being depreciated	74,315,469	33,945,008	(45,603,781)	62,656,696
Capital assets being depreciated:				
Buildings and improvements	312,700,066	25,203,218	-	337,903,284
Equipment	14,835,357	3,304,390	-	18,139,747
Roadways	13,641,182	18,550	-	13,659,732
Runways	99,725,605	17,077,621	-	116,803,226
Total capital assets being depreciated	440,902,210	45,603,779	-	486,505,989
Less accumulated depreciation				
Buildings and equipment	(116,028,499)	(11,245,440)	-	(127,273,939)
Equipment	(8,468,595)	(946,767)	-	(9,415,362)
Roadways	(10,157,301)	(460,363)	-	(10,617,664)
Runways	(64,947,268)	(3,517,945)	-	(68,465,213)
Total accumulated depreciation	(199,601,663)	(16,170,515)	-	(215,772,178)
Net capital assets	$ 315,616,016	$ 63,378,272	$ (45,603,781)	$ 333,390,507

Lease assets activity for the year ended June 30, 2023 is as follows:

	June 30, 2022	Transfers/ Additions	Transfers/ Disposals	June 30, 2023
Lease assets:				
Buildings and improvements	$ 155,523	$ -	$ -	$ 155,523
Equipment	1,450,675	-	-	1,450,675
Total lease assets	1,606,198	-	-	1,606,198
Less accumulated amortization				
Buildings and improvements	(44,435)	(44,435)	-	(88,870)
Equipment	(263,759)	(263,759)	-	(527,518)
Total accumulated amortization	(308,194)	(308,194)	-	(616,388)
Net lease assets	$ 1,298,004	$ (308,194)	$ -	$ 989,810

Capital assets activity for the year ended June 30, 2022 is as follows:

	June 30, 2021	Transfers/ Additions	Transfers/ Disposals	June 30, 2022
Capital assets not being depreciated:				
Land	$39,593,155	$ 572,966	$ -	$ 40,166,121
Construction-in-process	32,040,584	30,839,077	(28,730,313)	34,149,348
Total capital assets not being depreciated	71,633,739	31,412,043	(28,730,313)	74,315,469
Capital assets being depreciated:				
Buildings and equipment	288,570,263	24,654,245	(524,442)	312,700,066
Equipment	13,622,686	1,212,671	-	14,835,357
Roadways	11,395,961	2,245,221	-	13,641,182
Runways	99,680,434	45,171	-	99,725,605
Total capital assets being depreciated	413,269,344	28,157,308	(524,442)	440,902,210
Less accumulated depreciation				
Buildings and equipment	(106,188,654)	(10,364,287)	524,442	(116,028,499)
Equipment	(7,681,838)	(786,757)	-	(8,468,595)
Roadways	(9,713,359)	(443,942)	-	(10,157,301)
Runways	(61,720,456)	(3,226,812)	-	(64,947,268)
Total accumulated depreciation	(185,304,307)	(14,821,798)	524,442	(199,601,663)
Net capital assets	$ 299,598,776	$ 44,747,553	$ (28,730,313)	$ 315,616,016

Lease assets activity for the year ended June 30, 2022 is as follows:

	June 30, 2021[1]	Transfers/ Additions	Transfers/ Disposals	June 30, 2022
Lease assets:				
Buildings and improvements	$ 155,523	$ -	$ -	$ 155,523
Equipment	1,450,675	-	-	1,450,675
Total lease assets	1,606,198	-	-	1,606,198
Less accumulated amortization				
Buildings and improvements	-	(44,435)	-	(44,435)
Equipment	-	(263,759)	-	(263,759)
Total accumulated amortization	-	(308,194)	-	(308,194)
Net lease assets	$ 1,606,198	$ (308,194)	$ -	$ 1,298,004

[1] The balances were previously restated to reflect the adoption of GASB No. 87.

Note 10—Changes in Long-Term Liabilities

Long-term obligation activity for the Airport for the years ended June 30, 2023 and 2022, is as follows:

2023	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Term note payable	$ 31,937,500	$ -	$ (1,750,000)	$ 30,187,500	$ 1,750,000
Lease liability	1,320,977	-	(311,804)	1,009,173	314,779
Net pension liability	18,779,257	7,025,852	(2,026,284)	23,778,825	-
Total OPEB liability	2,513,682	368,537	(622,054)	2,260,165	-
Employee benefits	3,605,457	2,982,427	(2,027,642)	4,560,242	2,531,043
Total long-term liabilities	$ 58,156,873	$ 10,376,816	$ (6,737,784)	$ 61,795,905	$ 4,595,822

2022	Beginning Balance[1]	Additions	Reductions	Ending Balance	Current Portion
Term note payable	$ 33,687,500	$ -	$ (1,750,000)	$ 31,937,500	$ 1,750,000
Lease liability	1,606,198	-	(285,221)	1,320,977	311,804
Net pension liability	23,186,683	-	(4,407,426)	18,779,257	-
Total OPEB liability	2,726,616	363,126	(576,060)	2,513,682	-
Employee benefits	2,694,550	2,291,734	(1,380,827)	3,605,457	2,027,642
Total long-term liabilities	$ 63,901,547	$ 2,654,860	$ (8,399,534)	$ 58,156,873	$ 4,089,446

[1] The balances were previously restated to reflect the adoption of GASB No. 87.

Note 11—Term Note Payable

On August 21, 2020, the District's Commission approved a $35 million, 20-year term note with a fixed finance rate of 1.61% for ten years. The $35 million term note was established with TD Bank on August 31, 2020 with a maturity date of August 31, 2030. The purpose of the term loan was to refinance the previous term loan and reimburse the District for the cost of the Surface Parking Project and the local share of the Aircraft Rescue and Firefighting Station Construction Project at a reduced interest rate.

The future maturities of the remaining note payable are as follows:

	Principal	Interest	Total
2024	$ 1,750,000	$ 480,997	$ 2,230,997
2025	1,750,000	451,133	2,201,133
2026	1,750,000	422,566	2,172,566
2027	1,750,000	394,000	2,144,000
2028	1,750,000	366,418	2,116,418
2029-2031	21,437,500	717,575	22,155,075
Total	$ 30,187,500	$ 2,832,689	$ 33,020,189

Note 12—Line of Credit

The Airport entered into a $25,000,000 revolving line of credit agreement with a maturity date of September 7, 2021. On September 8, 2021, the Airport renewed its revolving line of credit with a maturity date of September 7, 2023. The line of credit bears an interest rate of 1-month LIBOR rate plus 0.75%. At June 30, 2023 and 2022, the applicable interest rate was 5.92% and 1.81%, respectively. For the years ended June 30, 2023 and 2022, there was no balance outstanding against this line of credit.

In June 2023, the Airport renewed its revolving line of credit to extend the maturity date to September 7, 2025. In addition, the interest rate was updated to be Term SOFR plus .75%.

Note 13—Capital Contributions and Grants

For the years ended June 30, 2023 and 2022, the Airport recognized capital contributions primarily from the FAA totaling $12,644,523 and $10,262,161, respectively, in its statements of revenues, expenses, and changes in net position.

Note 14—Lease Liability

The Airport leases equipment and building space, the terms of which expire in 2025 and 2027, respectively. The payments are fixed throughout the life of the lease, and there are no variable payments associated with the lease agreements.

The following is a schedule by year of payments under the leases as of June 30, 2023:

	Principal	Interest	Total
2024	$ 314,779	$ 8,116	$ 322,895
2025	291,531	5,216	296,747
2026	267,937	2,663	270,600
2027	134,926	374	135,300
Total	$ 1,009,173	$ 16,369	$ 1,025,542

Note 15—Commitments and Contingencies

The Airport is party to various legal actions in the ordinary course of business from time to time. Management believes that such matters will not have a material adverse effect on the Airport's financial condition, results of operations or cash flows.

The Airport's ability to derive net revenues from operations depends upon various factors, many of which are not within the control of the Airport. The primary sources of net revenues are parking revenues and the Airline Operating Agreements between the Airport and the airlines. The Airline Operating Agreements provide for the landing fees, terminal rentals, and ramp fees to be charged to the airlines. Should an airline default under the terms of the Airline Operating Agreement, management believes it can take certain actions to mitigate any potential adverse impact.

At any point in time, the U.S. economy, excess airline capacity, and industry-wide competition through airfare discounting may create significant constraints on the operations of the airlines. Due to these factors, the financial results of the Airport are largely dependent upon conditions in the national economy and the U.S. airline industry.

Additionally, the Airport receives significant financial assistance from federal governmental agencies in the form of grants and other awards. The disbursement of resources received under such programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Management believes the Airport is in compliance with all such terms and conditions.

Note 16—Pension Plan and Post-retirement Benefits

Pension Plan – All Airport permanent employees are members of either the South Carolina Retirement System ("SCRS") or the Police Officers Retirement System ("PORS"), collectively the "Plans", cost-sharing multiple-employer defined benefit pension plans administered by the Retirement Division of the State Budget and Control Board. The Plans offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the South Carolina Code of Laws.

South Carolina Retirement System

Plan Description – All employees of the Airport are required to participate in and contribute to the SCRS plan as a condition of employment unless they are eligible for the PORS plan. Employee members of the system with an effective membership prior to July 1, 2012 are Class Two members. Any employees with a membership date on or after July 1, 2012 are Class Three members.

Benefits – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employees who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lessor of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions – Plan members were required to contribute 9.0% of their annual covered salary to the Plan for June 30, 2023 and 2022. The Airport was required to contribute 17.41% and 16.41% for June 30, 2023 and 2022, respectively, plus an additional 0.15% for employer incidental death benefits. For the years ended June 30, 2023 and 2022, the Airport's contributions to the plan were $2,120,600 and $1,684,783, respectively, and equaled the required contributions for those years.

Pension Liability – The SCRS plan reported a liability of $20,411,278 and $15,832,889 for its proportionate share of the net pension liability as of June 30, 2023 and 2022, respectively. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2021 and 2020 rolled forward to the measurement date. The Airport's proportion of the net pension liability was based on its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of June 30, 2023 and 2022, the Airport's proportion was 0.084197% and 0.073161%, respectively, of the total SCRS pension liability.

<u>*Police Officers Retirement System*</u>

Plan Description – The PORS plan provides retirement and other benefits to police officers and firefighters employed by the Airport. Employee members of the system with an effective membership prior to July 1, 2012 are Class Two members. Any employees with a membership date on or after July 1, 2012 are Class Three members.

Benefits – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees of their surviving annuitants is increased by the lessor of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions – Plan members were required to contribute 9.75% of their annual covered salary to the Plan for June 30, 2023 and 2022. The Airport was required to contribute 19.84% and 18.84% for June 30, 2023 and 2022, respectively, plus an additional 0.20% for both employer incidental death benefits and the accidental death program. For the years ended June 30, 2023 and 2022, the Airport's contributions to the plan were $476,089 and $341,501, respectively, and equaled the required contributions for that year.

Pension Liability – The PORS plan reported a liability of $3,367,547 and $2,946,368 for its proportionate share of the net pension liability as of June 30, 2023 and 2022, respectively. The net pension liability was measured as of June 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2021 and 2020 rolled forward to the measure date. The Airport's proportion of the net pension liability was based on its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the measurement date of June 30, 2023 and 2022, the Airport's proportion was 0.112290% and 0.114515%, respectively, of the total PORS pension liability.

The Airport reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS retirement plans from the following sources as of June 30:

	South Carolina Retirement System			
	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 177,336	$ 88,952	$ 269,695	$ 21,369
Changes of assumptions	654,638	-	866,640	-
Net difference between projected and actual earnings on pension plan investments	31,478	-	-	2,299,936
Changes in proportion and differences between the Airport's contributions and proportionate share of contributions	1,901,164	278,767	678,456	471,240
Contributions subsequent to the measurement date	2,120,600	-	1,684,783	-
	$ 4,885,216	$ 367,719	$ 3,499,574	$ 2,792,545

	Police Officers Retirement System			
	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 56,501	$ 66,571	$ 100,233	$ 9,176
Changes of assumptions	140,230	-	210,149	-
Net difference between projected and actual earnings on pension plan investments	10,169	-	-	660,562
Changes in proportion and differences between the Airport's contributions and proportionate share of contributions	5,006	185,943	32,591	206,543
Contributions subsequent to the measurement date	476,089	-	341,501	-
	$ 687,995	$ 252,514	$ 684,474	$ 876,281

The Airport’s contributions of $2,596,689 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Total pension expense for the years ended June 30, 2023 and 2022 was $2,864,035 and $2,229,450, respectively, for SCRS and $270,392 and $291,559, respectively, for PORS, which is recognized as pension expense of $3,134,427 and $2,521,009, respectively, on the statements of revenues, expenses and changes in net position.

The following schedule reflects the Airport's proportion of the amortization of the net balance of remaining deferred outflows / (inflows) of resources of the SCRS and PORS at the measurement date of June 30, 2023:

	SCRS	PORS
2024	$ 959,926	$ (4,533)
2025	864,733	(27,338)
2026	39,924	(139,632)
2027	532,314	130,895
Total	$ 2,396,897	$ (40,608)

Actuarial Assumptions – Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2019.

The most recent annual actuarial valuation reports adopted by the Public Employee Benefit Authority Board and the SC Budget and Control Board are as of July 1, 2021. The total pension liability in that report was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return*	7.00%	7.00%
Projected salary increases (varies by service)*	3.0% to 11.0%	3.5% to 10.5%
Benefit adjustment (annually)	Lesser of 1% or $500	Lesser of 1% or $500

*includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC) was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2020.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market assumptions. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. For actuarial purposes for the measurement years ended June 30, 2023 and 2022, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component. The target asset allocations and the long-term expected real rates of return are as follows:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Public Equity	46%	6.79%	3.12%
Private Equity	9%	8.75%	0.79%
Real Estate	9%	4.12%	0.37%
Infrastructure	3%	5.88%	0.18%
Bonds	26%	-0.35%	-0.09%
Private Debt	7%	6.00%	0.42%
Total Expected Return	100%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% in the June 30, 2023 and 2022 valuations. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the fiduciary net position of SCRS and PORS 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.

Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability the Airport calculated using the discount rate of 7.00%, as well as what the Airport's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate as of:

	June 30, 2023		
	1.00% Decrease (6.00%)	**Current Discount Rate (7.00%)**	**1.00% Increase Rate (8.00%)**
SCRS	$ 26,169,777	$ 20,411,278	$ 15,623,834
PORS	4,695,841	3,367,547	2,280,213

	June 30, 2022		
	1.00% Decrease (6.00%)	**Current Discount Rate (7.00%)**	**1.00% Increase Rate (8.00%)**
SCRS	$ 20,739,114	$ 15,832,889	$ 11,754,802
PORS	4,724,802	2,946,368	1,858,176

Plan Fiduciary Net Position and Required Supplementary Information – The SCRS issues a publicly available Annual Comprehensive Financial Report that includes the fiduciary net position and required supplementary information for the SCRS. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. The report is publicly available on the South Carolina Public Employee Benefit Authority's ("PEBA") Retirement Benefits' website at http://www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, South Carolina 29211-1960.

Note 17—Postemployment Benefits Other Than Pensions (OPEB)

Medical Postemployment Benefits – The Airport provides medical and dental insurance benefits to its eligible retirees who have reached the age of 60 and have 10 years of service, through a single-employer defined benefit other postemployment benefit plan (the "OPEB Plan"). The benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. The Airport pays 80% of the retiree's medical and dental insurance premiums until the retiree reaches the age of 65, where the benefits are terminated, and the employee pays the other 20%. Spouses are permitted to participate in the plan. GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits ("OPEB") on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statements of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The total OPEB liability is recognized on the Statements of Net Position over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue separate financial statements.

The employees covered by the benefit terms at the measurement date for the fiscal years are:

	2023	2022
Inactive employees or beneficiaries currently receiving benefit payments	9	7
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	169	190
Total participants covered by the OPEB Plan	178	197

The Airport's total OPEB Plan liability at June 30, 2023 and 2022 was measured as of December 31, 2022 and 2021, respectively, and was determined by an actuarial valuation as of December 31, 2021 and 2020, respectively.

The total OPEB Plan liability for each year was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement:

	2023	2022
Discount Rate	3.72%	2.06%
Inflation Rate	14.31%	7.00%
Salary Increases	3.50%	3.00%
Healthcare Cost Trend Rates:	14.31%	7.00%
2023 – 7.50% for 2023, 7.00% for 2024 and decreasing each year to an ultimate rate of 4.54% in 2090.		
2022 – 0.00% for 2022, 7.00% for 2023 and decreasing each year to an ultimate rate of 4.24% in 2088.		

For June 30, 2023 and 2022, the discount rates were based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2022 and 2021, respectively. Mortality rates were based on the Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Safety Employees Headcount-Weighted Mortality fully generational using Scale MP-2021 for June 30, 2023 and 2022.

The changes in the OPEB liability are as follows for the years ended June 30:

	2023	2022
OPEB Plan liability, beginning of year	$ 2,513,682	$ 2,726,616
Changes for the year:		
Service cost	275,602	317,942
Interest	92,935	45,184
Differences between expected and actual experience	(479,829)	-
Change of assumptions or other inputs	(67,215)	(490,375)
Benefit payments	(75,010)	(85,685)
OPEB Plan liability, end of year	$ 2,260,165	$ 2,513,682

Sensitivity of Total OPEB Liability to Change in Discount Rate and Healthcare Trend Rate – The total OPEB Plan's liability of the Airport has been calculated using a discount rate of 3.72% and 2.06% at June 30, 2023 and 2022, respectively. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	Discount Rate		
	1.00% Decrease	Current: 3.72% (2023) 2.06% (2022)	1.00% Increase
2023	$ 2,485,500	$ 2,260,165	$ 2,054,506
2022	3,390,706	2,513,682	2,782,567

The total OPEB Plan's liability of the Airport has been calculated using a health care cost trend rate of 14.31% and 0.00% at June 30, 2023 and 2022, respectively. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	Healthcare Cost Trend Rate		
	1.00% Decrease	Current: 14.31% (2023) 0.00% (2022)	1.00% Increase
2023	$ 1,965,214	$ 2,260,165	$ 2,621,054
2022	2,632,420	2,513,682	3,617,144

For the years ended June 30, 2023 and 2022, the Airport recognized OPEB Plan expense of $331,927 and $374,544, respectively. At June 30, 2023 and 2022, the Airport reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 13,033	$ 813,335	$ 25,326	$ 421,779
Changes of assumptions	793,187	472,295	890,630	463,153
	$ 806,220	$ 1,285,630	$ 915,956	$ 884,932

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense for the year ended June 30, as follows:

2024	$	(36,610)
2025		(40,501)
2026		(40,750)
2027		(40,750)
2028		(40,750)
Thereafter		(280,049)
	$	(479,410)

401(k) and 457 Plans – The Airport matches 100% of employee contributions to the South Carolina Deferred Compensation Program ("SCDCP") 401(k) and/or 457 plans up to 5% of the employee's gross income.

The Airport's SCDCP matching contribution in the fiscal years ended June 30, 2023 and 2022 was $219,880 and $198,135, respectively.

Note 18—Restricted Assets

The Airport's PFC and CFC receipts and receivables not yet spent at year-end are classified as restricted assets on the statements of net position because their use is limited by applicable concession agreements. The Cash and Receivables accounts represent passenger facility charges or contract facility charges that have either been received or earned by the Airport but not yet spent as of June 30, 2023 and 2022. The CFC funds are to be used by the Airport to fund additional improvements to the rental car facilities at the Airport, while the PFC funds are to be used for various eligible airport related capital projects.

Note 19—Net Investment in Capital Assets

The Airport's net investment in capital assets is comprised of the following components for the years ended:

	2023	2022
Capital assets, net of accumulated depreciation	$ 333,390,507	$ 315,616,016
Lease assets, net of accumulated amortization	989,810	1,298,004
Long-term debt	(30,187,500)	(31,937,500)
Lease liability	(1,009,173)	(1,320,977)
Accounts payable - related to capital assets	(4,193,074)	(4,954,405)
	$ 298,990,570	$ 278,701,138

Note 20—Risk Management

The Airport, like other business enterprises, is exposed to various risks including, but not limited to, fire, accident, natural disasters, fraud, torts, error and omissions, environmental incidents, cybercrime, damage/destruction of assets, as well as other causal factors. The following policies are carried by the Airport to protect against such risks and are competitively bid out each year with an insurance brokerage firm:

- General liability, war risk, non-owned aircraft liability, and hangarkeepers,
- Commercial Crime (Dishonesty, Forgery, Computer and Funds Transfer Fraud),
- Public officials liability (Directors & Officers (“D&O”) liability, Professional Liability Insurance),
- Workers Compensation,
- Auto comprehensive/collision/liability,
- Building and personal property,
- Environmental mitigation,
- Police professional liability, and
- Inland marine.

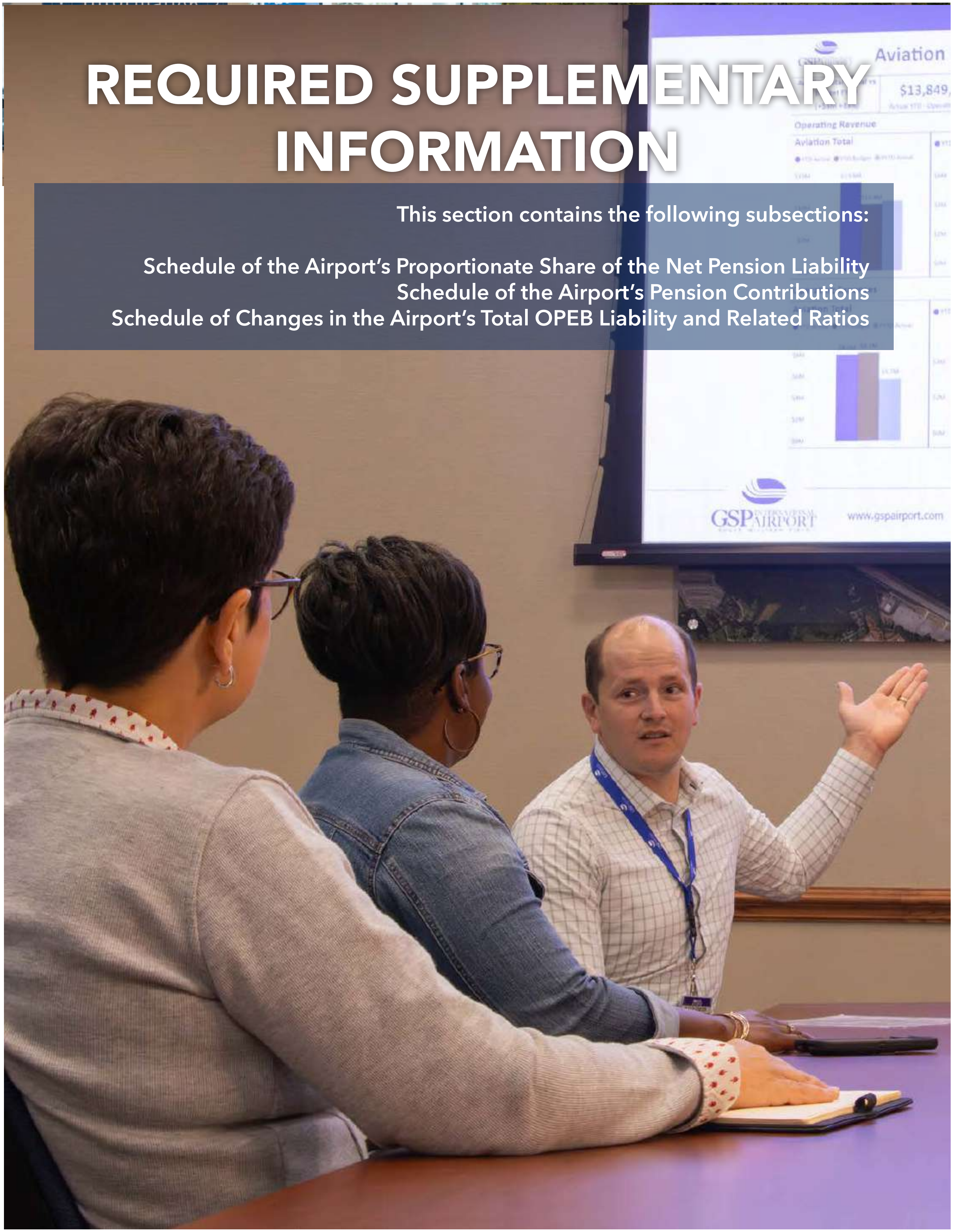
The Airport has not significantly reduced any of its insurance coverage from the prior year, and settled claims have not exceeded the Airport’s insurance coverage in the past five years.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

This section contains the following subsections:

Schedule of the Airport's Proportionate Share of the Net Pension Liability
Schedule of the Airport's Pension Contributions
Schedule of Changes in the Airport's Total OPEB Liability and Related Ratios



JUNE 30, 2023

Fiscal Year	Airport's Proportion of Net Pension Liability	Airport's Proportionate Share of the Net Pension Liability	Airport's Covered Payroll	Airport's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
South Carolina Retirement System					
2023	0.084197%	$ 20,411,278	$ 11,913,566	171.3%	57.1%
2022	0.073161%	15,832,889	10,032,874	157.8%	60.7%
2021	0.074761%	19,102,682	8,347,053	228.9%	50.7%
2020	0.076472%	17,461,652	8,050,283	216.9%	54.4%
2019	0.064788%	14,516,992	6,725,393	215.9%	54.1%
2018	0.053344%	12,008,619	5,380,687	223.2%	53.3%
2017	0.043232%	9,234,291	4,186,489	220.6%	52.9%
2016	0.042039%	7,972,910	3,941,685	202.3%	57.0%
2015	0.041344%	7,118,066	3,775,657	188.5%	59.9%
2014	0.041344%	7,415,639	3,624,914	204.6%	56.4%
Police Officers Retirement System					
2023	0.112290%	$ 3,367,547	$ 2,375,695	141.7%	66.4%
2022	0.114515%	2,946,368	1,793,598	164.3%	70.4%
2021	0.123153%	4,084,001	1,881,027	217.1%	58.8%
2020	0.124391%	3,564,963	1,818,106	196.1%	62.7%
2019	0.120492%	3,414,195	1,688,587	202.2%	61.7%
2018	0.118090%	3,235,174	1,614,548	200.4%	60.9%
2017	0.117490%	2,980,003	1,519,914	196.1%	60.4%
2016	0.113490%	2,473,521	1,427,286	173.3%	64.6%
2015	0.114560%	2,193,168	1,367,390	160.4%	67.5%
2014	0.114560%	2,374,797	1,233,905	192.5%	63.0%

The amounts presented for each fiscal year were determined as of June 30th of the prior year (measurement date). Required supplementary information is presented for ten years.

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
SCHEDULE OF THE AIRPORT'S PENSION CONTRIBUTIONS

JUNE 30, 2023

Fiscal Year	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Airport's Covered Payroll	Contributions as a Percentage of Covered Payroll
South Carolina Retirement System					
2023	$ 2,120,600	$ 2,120,600	$ -	$ 11,913,566	17.8%
2022	1,684,783	1,684,783	-	10,032,874	16.8%
2021	1,278,916	1,278,916	-	8,270,134	15.5%
2020	1,298,801	1,298,801	-	8,347,053	15.6%
2019	1,172,121	1,172,121	-	8,050,283	14.6%
2018	901,877	901,877	-	6,725,393	13.4%
2017	613,609	613,609	-	5,380,687	11.4%
2016	513,824	513,824	-	4,186,489	12.3%
2015	429,644	429,644	-	3,941,685	10.9%
2014	400,220	400,220	-	3,775,657	10.6%
Police Officers Retirement System					
2023	$ 476,089	$ 476,089	$ -	$ 2,375,695	20.0%
2022	341,501	341,501	-	1,793,598	19.0%
2021	314,035	314,035	-	1,740,771	18.0%
2020	339,337	339,337	-	1,881,027	18.0%
2019	309,805	309,805	-	1,818,106	17.0%
2018	267,445	267,445	-	1,688,587	15.8%
2017	223,454	223,454	-	1,614,548	13.8%
2016	213,415	213,415	-	1,519,914	14.0%
2015	188,544	188,544	-	1,427,286	13.2%
2014	172,838	172,838	-	1,367,390	12.6%

The amounts presented for each fiscal year were determined as of June 30th of the current year. Required supplementary information is presented for ten years.

GREENVILLE-SPARTANBURG AIRPORT DISTRICT
SCHEDULE OF CHANGES IN THE AIRPORT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 275,602	$ 317,942	$ 372,214	$ 56,084	$ 53,875	$ 53,468	$ 22,432
Interest	92,935	45,184	49,748	30,156	26,915	19,455	10,488
Changes of benefit terms	-	-	1,035,506	-	-	-	-
Differences between expected and actual experience	(479,829)	-	(514,071)	-	62,205	19,464	259,178
Change of assumptions or other inputs	(67,215)	(490,375)	1,085,516	34,579	(41,256)	-	64,269
Benefit payments	(75,010)	(85,685)	(83,906)	(51,661)	(49,626)	(39,619)	(21,994)
Net change in total OPEB Plan liability	(253,517)	(212,934)	1,945,007	69,158	52,113	52,768	334,373
Total OPEB Plan liability, beginning of year	2,513,682	2,726,616	781,609	712,451	660,338	607,570	273,197
Total OPEB Plan liability, end of year	$ 2,260,165	$ 2,513,682	$ 2,726,616	$ 781,609	$ 712,451	$ 660,338	$ 607,570
Covered-employee payroll	$ 7,909,654	$ 9,527,289	$ 9,340,480	$ 5,618,353	$ 5,508,190	$ 6,908,993	$ 6,773,523
Total OPEB Plan liability as a % of covered payroll	28.57%	26.38%	29.19%	13.91%	12.93%	9.56%	8.97%

The amounts presented for each fiscal year were determined as of December 31st (measurement date) of the prior year. Required supplementary information is presented for those years for which information is available.

Notes to Schedule

Changes of Benefit Terms – None

Changes of Assumptions – The following changes occurred for assumptions: 1) The discount rate changed from 2.06% in 2022 to 3.72% in 2023, 2) Payroll growth rate increased from 3.00% to 3.50%, 3) Trend rates in subsequent years were based on the Getzen Model as updated through September 2022, and 4) The contribution rate for future retirees was changed from 20% to 17% based on information provided by management.

Plan Assets – The Airport operates the OPEB Plan on a pay-as-you-go basis and as such, no assets are pre-funded for retiree health benefits. Therefore, at all times, the net position available for plan benefits is zero.

APPENDIX C

SUMMARY OF THE RESOLUTIONS

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SUMMARIES OF THE RESOLUTIONS

The following is a summary of certain defined terms as provided in the Master Resolution and the Second Supplemental Resolution. This summary is not to be regarded as a complete statement of the defined terms provided in the Master Resolution and the Second Supplemental Resolution, to which reference is made for a complete statement of the actual terms thereof. Copies of the Master Resolution and the Second Supplemental Resolution are on file with the Trustee. Reference to Sections contained in this summary are to Sections of the Master Resolution, unless otherwise noted.

SUMMARY OF DEFINED TERMS

"*2020 Note*" means the Term Note of the District dated August 31, 2020, in favor of TD Bank in the original principal amount of $35,000,000, as amended pursuant to the First Supplemental Resolution. The 2020 Note constitutes a Series of "Bonds" under the Master Resolution.

"*Account*" means any account established pursuant to the Master Resolution or any Supplemental Resolution.

"*Accreted Value*" means (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Resolution as the amount representing the initial principal amount of such Capital Appreciation Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to the principal amount of any Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bond plus the amount of the discounted principal that has accreted since the date of issue.

"*Act*" means Title 55, Chapter 11, Article 3, and Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended.

"*Aggregate Annual Debt Service*" means for any Fiscal Year, the aggregate amount of Annual Debt Service on all Outstanding Bonds and, if applicable, Bonds proposed to be issued.

"*Airport*" means the Greenville-Spartanburg International Airport and any other airport hereafter owned and operated by the District.

"*Airport Facilities*" or "*Airport Facility*" means a facility or group of facilities or category of facilities that constitute or are part of the Airport System.

"*Airport General Fund*" means the Airport General Fund established pursuant to the Master Resolution.

"*Airport System*" means the Airport and all operations of the Airport, including all of its revenue-producing functions, facilities and properties, whether or not directly related to the air transportation of people and goods.

"*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. For the purpose of this definition, any principal and interest payable on July 1 shall be deemed to be payable in the Fiscal Year ending on the immediately preceding June 30. For each Series of Outstanding Bonds, and, if applicable, any Series of Bonds proposed to be issued, Annual Debt Service shall be computed using the principles and assumptions set forth below:

(a) In determining the amount of principal due in each Fiscal Year, except to the extent that another subparagraph of this definition applies, payment shall be assumed to be made on Outstanding Bonds or on Bonds proposed to be issued in accordance with any principal maturity or amortization provisions established or authorized pursuant to the related Supplemental Resolutions, setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such Fiscal Year. In determining the amount of interest due in each Fiscal Year, except to the extent subparagraphs (b), (c) or (d) of this definition apply, (i) interest payable at a fixed rate shall be assumed to be made at such fixed rate and on the required payment dates and (ii) the interest rate to be used for Variable Rate Indebtedness that has been Outstanding for at least 12 months shall be the average rate over the 12 months immediately preceding the date of calculation, or for Variable Rate Indebtedness that has been Outstanding fewer than 12 months the interest rate to be used shall be the actual rate on the date of calculation, or, for Variable Rate Indebtedness proposed to be issued the interest rate to be used for such computation shall be 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 that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

For the purpose of verifying compliance with the rate covenant contained in the Master Resolution (as summarized in "SUMMARY OF THE MASTER RESOLUTION – Rate Covenant"), Variable Rate Indebtedness shall be deemed to bear interest at the actual rate or rates borne during any applicable Fiscal Year.

The amount of Capitalized Interest on deposit in any Debt Service Account shall be subtracted from the amount of interest due for any related Fiscal Year, but only to the extent that such Capitalized Interest is dedicated to a particular interest payment coming due during such Fiscal Year.

(b) Each maturity of a Series of Bonds that constitutes Balloon Indebtedness shall be treated as if it were to be amortized over a term of not more than 40 years and with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 40 years from the date such Balloon Indebtedness was originally issued. For fixed rate obligations, the interest rate used for such computation shall be the applicable fixed rates. For Balloon Indebtedness that also constitutes Variable Rate Indebtedness, the interest rate used for such computation shall be 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 that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

(c) Notwithstanding subparagraph (b) above, if any stated maturity date of Bonds that constitute Balloon Indebtedness occurs within 12 months from the date of the calculation of Annual Debt Service, the principal amount maturing shall be assumed to become due and payable on the stated maturity date unless there is delivered a certificate of an Authorized Officer of the District stating that (i) the District intends to refinance such maturity and (ii) the probable terms of such refinancing. Upon delivery of such certificate, such Balloon Indebtedness shall be assumed to be refinanced, and Annual Debt Service shall be calculated, in accordance with the probable terms set out in such certificate, except that such assumption shall not result in an interest rate lower than that which would be assumed under subparagraph (b) above and such Balloon Indebtedness shall be amortized over a term of not more than 40 years from the date of refinancing.

(d) If any Outstanding Bonds or any Bonds that are then proposed to be issued constitute Tender Indebtedness, then Tender Indebtedness shall be treated as if the principal amount of such Bonds were to be amortized over a term of not more than 40 years from the date such Tender Indebtedness was originally issued, except that if any principal maturity or amortization schedule is set forth in a Supplemental Resolution, such schedule shall be used to determine the principal maturity or amortization of such Bonds. The interest rate used for such computation shall be 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 that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax. For all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in the other applicable subparagraphs of this definition.

(e) With respect to any Interim Indebtedness, it shall be assumed that the principal amount of the Interim Indebtedness will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Interim Indebtedness has not been capitalized or otherwise funded or provided for. For such first Fiscal Year, it shall be assumed that (i) the Outstanding principal amount of the Interim Indebtedness will be refinanced with a Series of additional Bonds that will be amortized over a period not to exceed 40 years in such manner as will cause the maximum annual debt service payments applicable to such Series in any 12 month period not to exceed 110% of the minimum annual debt service payments applicable to such Series for any other 12 month period, and (ii) the Series of additional Bonds will bear interest at a fixed interest rate estimated by a Consultant to be the interest rate such Series of additional Bonds would bear if issued on such terms on the date of such estimate.

(f) If, pursuant to a Supplemental Resolution, the Commission has made an Irrevocable Commitment to use Passenger Facility Charges, Federal Direct Payments, or money available under a grant to pay Annual Debt Service on the Bonds for any Fiscal Year or period of Fiscal Years, then such amounts shall be deposited into the applicable Debt Service Account when received and shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds as set forth in the Master Resolution (as summarized under "SUMMARY OF THE MASTER RESOLUTION – Tests for Issuance of Bonds") and for the purpose of verifying compliance with the rate covenant in the Master Resolution (as summarized under "SUMMARY OF THE MASTER RESOLUTION – Rate Covenant").

(g) If money that is not included in the definition of "Revenues" has been used to pay or has been irrevocably deposited with and is held by the District to pay principal and/or interest on Bonds, then the principal and/or interest paid from such money shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds under the Master Resolution and for the purpose of verifying compliance with the rate covenant of the Master Resolution.

"*Approved PFC Projects*" means any additions, betterments, extensions, other improvements of or related to the Airport or other costs incurred for any purpose at or related to the Airport from time to time (whether or not located at the Airport), including, without limitation, the acquisition of land, all of which shall have been authorized by the FAA in a Record of Decision or Final Agency Decision (or comparable decision named in accordance with then current FAA terminology), and shall constitute an "Approved Project," as such term is defined in the PFC Regulations.

"*Authorized Officer of the District*" means the Chair, Vice-Chair or Secretary of the Commission, or the President/CEO or Vice President/CFO of the District, or any other officer or employee of the Commission authorized by resolution of the Commission, and for which a certification of incumbency and specimen signatures has been delivered to the Trustee, to perform specific acts or duties related to the subject matter of the authorization.

"*Average Aggregate Annual Debt Service*" means the Aggregate Annual Debt Service of any Outstanding Bonds, proposed Series of Bonds, or other obligations, as applicable, to become due from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations, divided by the number of years from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations.

"*Balloon Indebtedness*" means all or any portion of a Series of Bonds 25% or more of the initial principal amount of which matures on the same date or within such 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.

"*Beneficial Owners*" means the actual purchasers of the Bonds as listed on the records of DTC.

"*Bond*" or "*Bonds*" means any debt obligation of the District 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, any bonds, notes, bond anticipation notes, and other instruments creating an indebtedness of the District, 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" does not include any Subordinate Obligation.

"*Bond Counsel*" means a firm or firms of attorneys that are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under the Master Resolution and which are acceptable to the District.

"*Bondholder*," "*holder*," "*Owner*," "*owner*" or "*registered owner*" means the person in whose name any Bond or Bonds are registered on the books maintained by the Bond Registrar and shall include any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be a Bond under the Master Resolution.

"*Bond Resolution*" means collectively, the Master Resolution and any applicable Supplemental Resolution.

"*Bond Register*" means the books for the registration, transfer and exchange of Bonds maintained by the Bond Registrar.

"*Bond Registrar*" means the bond registrar selected from time to time by the Commission or its designee with respect to the Bonds or any Series of Bonds, which Bond Registrar may be an Authorized Officer of the District.

"*Business Day*" means any day except Saturday, Sunday, a legal holiday or a day on which banking institutions located in the states of South Carolina or New York, or any state in which the designated office of the Trustee is located are authorized by law to close or a day on which the payment system of the Federal Reserve is not operational, provided that such term may have a different meaning for any specified Series of Bonds if so provided by Supplemental Resolution.

"*Capital Appreciation Bonds*" means Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Resolution and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"*Capitalized Interest*" means the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other money that is deposited with the Trustee in a Debt Service Account as shall be described in a Supplemental Resolution upon issuance of Bonds to be used to pay interest on the Bonds.

"*CFC Authorization*" means the resolution of the Commission authorized as of January 1, 2024, as the same may be amended, modified or superseded from time to time in the future, which authorizes the imposition and collection of a Customer Facility Charge from customers of automobile rental companies.

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

"*Commission*" means the Greenville-Spartanburg Airport Commission as the governing body of the District, and any successor to its functions.

"*Common Reserve Account*" means the account within the Debt Service Reserve Fund created pursuant to the Master Resolution and that may be required to be funded for the purpose of providing additional security for Bonds issued pursuant to the Master Resolution and as specified in any Supplemental Resolution as participating in the Common Reserve Account.

"*Construction Fund*" means any of the Construction Funds authorized to be established 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 qualified for work of the character required, as determined by an Authorized Officer of the District, and retained by the District to perform acts and carry out the duties provided for such consultant in the Master Resolution or in a Supplemental Resolution.

"*Continuing Disclosure Undertaking*" means the continuing disclosure undertaking or continuing disclosure agreement, if any, relating to a Series of Bonds, as amended from time to time in accordance with its terms.

"*Costs*" or "*Costs of a Project*" means all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the District or a Consultant; (d) costs of the District properly allocated to a 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; (e) Costs of Issuance and other financing expenses, including costs related to issuance of and securing of Bonds, costs of Credit Facilities, Liquidity Facilities, Capitalized Interest, the Common Reserve Account, any Series Debt Service Reserve Account (other than the Common Reserve Account), Paying Agent's fees and expenses; and (f) such other costs and expenses that can be capitalized under generally accepted accounting principles applicable to governmental entities in effect at the time the cost is incurred by the District.

"*Costs of Issuance*" means issuance costs with respect to the Bonds, including but not limited to the following: underwriters spread, discount or fees; Credit Provider fees, Liquidity Provider fees and Reserve Fund Surety Policy fees; counsel fees (including bond counsel, underwriters counsel, disclosure counsel, counsel to the District, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the District incurred in connection with the issuance of the Bonds; Consultant fees; fees and expenses of the Trustee and counsel to the Trustee; initial remarketing agent fees or auction agent fees; rating agency fees; escrow agent, verification agent and paying agent fees; accountant fees and other expenses related to issuance of the Bonds; printing costs (for the Bonds and of the preliminary and final official statements relating to the Bonds); and fees and expenses of the District incurred in connection with the issuance of the Bonds.

"*Credit Facility*" means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, or other financial instrument that obligates a third party to pay, or provide funds to the District for the payment of, the principal of and/or interest on Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the District fails to do so. The phrase "Credit Facility" excludes a Reserve Fund Surety Policy.

"*Credit Provider*" means the party obligated to make payment of principal of and interest on the Bonds under a Credit Facility.

"*Customer Facility Charges*," "*Contract Facility Charge*," or "*CFC*" means all amounts received by the District from the payment of the Customer Facility Charge or Contract Facility Charge established by the CFC Authorization. For avoidance of doubt, Customer Facility Charges and Contract Facility Charges (sometimes referred to as CFCs) are not part of "Revenues" for purposes of the Master Resolution; provided, however, that the Commission may by Supplemental Resolution designate such CFCs as part of Revenues as provided in the Master Resolution.

"*Debt Service Account*" means a Debt Service Account established pursuant to the Master Resolution.

"*Debt Service Fund*" means the Debt Service Fund established pursuant to the Master Resolution.

"*Debt Service Reserve Fund*" means the Debt Service Reserve Fund established pursuant to the Master Resolution.

"*District*" means the Greenville-Spartanburg Airport District and its successors and assigns.

"*Event of Default*" means any occurrence or event specified as such in the Master Resolution (as summarized under "SUMMARY OF THE MASTER RESOLUTION – Events of Default."

"*FAA*" means the Federal Aviation Administration, or the successor to its powers and authority.

"*Federal Direct Payments*" means amounts payable by the federal government to the District, pursuant to Sections 54AA and 6431 of the Code, as may be amended from time to time, in connection with the District's issuance of Bonds with respect to the Airport, in lieu of any credit otherwise available to the Owners of Bonds. The phrase "Federal Direct Payments" shall also include a federal program that provides a refundable credit payment to the District in connection with the issuance of a Series of Bonds, similar to the refundable credit payment payable to issuers of Bonds under Section 54AA of the Code, which is enacted subsequent to the adoption of the Master Resolution.

"*Federal Securities*" means 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.

"*Final Agency Decision*" means a Final Agency Decision of the FAA relating to the District's Approved PFC Projects as may be issued, modified or amended from time to time.

"*First Supplemental Resolution*" means the First Supplemental Bond Resolution adopted by the Commission on July 8, 2024.

"*Fiscal Year*" means the 12-month period used by the District for its general accounting purposes, as it may be changed from time to time. The Fiscal Year at the time the Master Resolution was adopted begins on July 1 and ends on June 30 of the immediately following calendar year.

"*Fitch*" means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any nationally recognized rating agency designated by the District.

"*Fund*" means any fund established pursuant to the Master Resolution or any Supplemental Resolution.

"*General Airport Account*" means a General Airport Account established by the District pursuant to the Master Resolution.

"*General Obligation Bonds of the District*" means indebtedness of the District secured in whole or in part by a pledge of its full faith, credit, and taxing power.

"*Gross Revenue Fund*" means the Gross Revenue Fund established pursuant to the Master Resolution.

"*Independent*" means, when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the District, other than the payment to be received under a contract for services to be performed, and (b) is not connected with the District as an official, officer or employee.

"*Interim Indebtedness*" means any Bond or Bonds (a) for or with respect to which no principal payments are required to be made other than on the maturity date thereof, which date shall be no later than five years from the date of their delivery to their initial purchasers, and (b) which are authorized by a Supplemental Resolution that declares the District's intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such maturity date, including commercial paper, notes, and similar obligations.

“*Irrevocable Commitment*” means an unalterable agreement to assume a financial obligation. This phrase may include terms and other conditions that the Commission may describe by Supplemental Resolution or other official action of the Commission, such as, but in no way limited to, a financial obligation of the District that may last for a specific period of time.

“*Kroll*” means Kroll Bond Rating Agency, Inc., and its successors and assigns, and if such rating agency shall for any reason no longer perform the functions of a securities rating agency, the term “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

“*Liquidity Facility*” means a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Bonds.

“*Liquidity Provider*” means the entity, including a Credit Provider, which is obligated to provide funds to purchase Bonds under the terms of a Liquidity Facility.

“*Mail*” means by first-class United States mail, postage prepaid.

“*Master Resolution*” means the Master Bond Resolution, together with all amendments thereto.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized rating agency designated by the District.

“*Net Proceeds*” means insurance proceeds received as a result of damage to or destruction of the Airport System or any condemnation award or amounts received by the District from the sale of the Airport System under the threat of condemnation less expenses (including attorneys’ fees and expenses) incurred in the collection of such proceeds or award.

“*Net Revenues*” means, for any given period, the Revenues for such period, less the Operation and Maintenance Expenses for such period. Notwithstanding the foregoing, for purposes of calculating Net Revenues for purposes of the tests for the issuance of Bonds and the rate covenant provisions of the Master Resolution (summarized under “SUMMARY OF THE MASTER RESOLUTION – Tests for Issuance of Bonds” and “– Rate Covenant”), no determination thereof shall take into account:

(a) any loss, realized or unrealized, resulting from the extinguishment or forgiveness of indebtedness or the establishment of reserves therefor;

(b) any gain or loss resulting from the sale, exchange or other disposition of assets not in the ordinary course of business;

(c) any loss resulting from any discontinued operations;

(d) pension or OPEB Obligations and other employment or post-employment benefit liabilities or similar accounting determinations under generally accepted accounting principles applicable to governmental entities that do not result in any actual disposition of cash;

(e) depreciation or amortization charges or allowances;

(f) any unusual charges for employee severance;

(g) non-cash adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles applicable to governmental entities;

(h) unrealized gains or losses on investments, including "other than temporary" declines in book value;

(i) unrealized losses from the write-down, reappraisal or revaluation of assets; or

(j) other nonrecurring items of any extraordinary nature which do not involve the receipt, expenditure or transfer of funds or other assets.

"*Notes*" means Bonds issued under the provisions of the Master Resolution that have a maturity of one year or less from their date of original issuance.

"*Operating and Maintenance Fund*" means the Operating and Maintenance Fund established pursuant to the Master Resolution.

"*Operating and Maintenance Reserve Fund*" means the Operating and Maintenance Reserve Fund established pursuant to the Master Resolution.

"*Operation and Maintenance Expenses*" means reasonable and necessary costs paid or incurred by the District for maintaining and operating the Airport System, determined in accordance with generally accepted accounting principles applicable to governmental entities, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Airport System, such as salaries and wages of employees, payments for pensions and other employment or post-employment benefit obligations, overhead, taxes (if any) and insurance premiums, governmental charges and assessments, any Bond Registrar or Paying Agent fees, and including all other reasonable and necessary costs of the District or charges required to be paid by the District in order to comply with the terms hereof; but excluding in all cases:

(a) reserves for depreciation, replacement, litigation, or obsolescence; and

(b) any Operation and Maintenance Expenses payable from money other than Revenues.

"*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*" or "*outstanding*," when used with respect to Bonds, means all Bonds that have been authenticated and delivered under the Master Resolution, except the following:

(a) any portion of the Bonds theretofore fully paid by the Paying Agent to the registered holders or canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) any portion of the Bonds that has been defeased by the deposit of funds or qualified securities with the Paying Agent or other qualified party in compliance with the Master Resolution;

(c) Bonds deemed to be paid in accordance with the Master Resolution (as summarized under "SUMMARY OF THE MASTER RESOLUTION – Defeasance";

(d) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the Master Resolution and any Supplemental Resolution;

(e) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient money, including interest accrued to the due date, are held by the Paying Agent;

(f) Bonds which, under the terms of the Supplemental Resolution pursuant to which they were issued, are deemed to be no longer Outstanding;

(g) Repayment Obligations deemed to be Bonds under the Master Resolution to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Liquidity Provider, provided the Liquidity Provider purchased and holds Bonds pursuant to the Liquidity Facility; and

(h) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under the Master Resolution, Bonds held by or for the account of the District or by any person controlling, controlled by or under common control with the District, unless such Bonds are pledged to secure a debt to an unrelated party.

"*Paying Agent*" means the paying agent selected from time to time by the Commission or its designee with respect to any Bonds or Series of Bonds. For purposes of the Second Supplemental Resolution, means U.S. Bank Trust Company, National Association, or any other institution appointed by the Commission or its designee to act as Paying Agent for the 2024 Bonds. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Resolution and the Supplemental Resolution.

"*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 Investments*" means, except as may be otherwise limited or restricted by the terms of a Supplemental Resolution, any investment permitted from time to time for funds held by or in the name of the District under the laws of the State. At the time of the adoption of the Master Resolution, the following investments constitute Permitted Investments under the laws of the State:

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

(b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(c) (i) General obligations of the State or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(f) Repurchase agreements when collateralized by securities as set forth in this definition.

(g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the District if the particular portfolio of the investment company or investment trust in which the investment is made (a) is limited to obligations described in items (1), (2), (3), and (6) of this definition, and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

(h) The South Carolina Pooled Investment Fund established pursuant to the provisions of Title 6, Chapter 6 of the Code of Laws of South Carolina 1976, as amended.

Such investments shall have maturities consistent with the time or times when the invested moneys will be needed in cash.

For purposes of this definition, in the case of a defeased obligation, an obligation shall be treated as the obligation of the issuer of the obligation included in the qualifying defeasance escrow for the defeased obligation. A "defeased obligation" means any obligation the payment of which is secured and payable solely from a qualifying defeasance escrow and the terms of which may not be amended or modified without the consent of each of the holders of the defeased obligation. A "qualifying defeasance escrow" means a deposit of securities, including defeasance obligations, with a trustee or similar fiduciary under the terms of an agreement that requires the trustee or fiduciary to apply the proceeds of any interest payments or maturity of the defeasance obligation to the payment of the defeased obligation and when the trustee or fiduciary has received verification from a certified public accountant that the payments will be sufficient to pay the defeased obligation timely. A defeasance obligation must not be callable or subject to prepayment by the issuer and it must be a direct general obligation of the United States and its agencies, or an obligation the payment of principal and interest on which is fully and unconditionally guaranteed by the United States. Notwithstanding anything contained within the Master Resolution to the contrary, the Trustee will have no obligation to enter into any repurchase agreement, investment agreement or any similar agreements with respect to the investment of any moneys held under the Master Resolution unless (i) such agreement is in form and content acceptable to the Trustee in its sole discretion, (ii) any liability of the Trustee under such agreement is limited to loss occasioned by the negligence or willful misconduct of the Trustee, and (iii) the

District will pay to the Trustee an additional fee established by the Trustee in accordance with its customary practices.

"*PFCs*" or "*Passenger Facility Charges*" means charges collected by the District pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 and 14 CFR Part 158, all as amended from time to time, or any other applicable federal law, and by the Records of Decision or Final Agency Decisions (or comparable decision named in accordance with then-current FAA terminology), 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.

"*PFC Act*" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, 9110 and 9111, recodified as 49 U.S. 40117, as modified by the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 ("AIR-21"), as amended or replaced from time to time.

"*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.

"*Principal Amount*" or "*principal amount*" means, as of any date of calculation, (a) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), (b) with respect to any Original Issue Discount Bond, the Accreted Value thereof, unless the Supplemental Resolution under which such Bond was issued shall specify a different amount, in which case, the terms of the Supplemental Resolution shall control, and (c) with respect to any other Bonds, the principal amount of such Bond payable at maturity or redemption thereof.

"*Project*" means any and all facilities, improvements and other expenditures related to the Airport System financed in whole or in part with proceeds of a Series of Bonds.

"*Rating Agency*" and "*Rating Agencies*" means Fitch, Moody's or S&P, or any other nationally recognized rating agency of municipal obligations, but only if such Rating Agencies have been requested by the District to maintain a rating on the Bonds and such Rating Agencies are then maintaining a rating on any of the Bonds.

"*Rating Category*" and "*Rating Categories*" means (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"*Rebate Fund*" means the Rebate Fund established pursuant to the Master Resolution.

"*Record Date*" means, with respect to any Series of Bonds, the record date as specified in the Supplemental Resolution which provides for the issuance of such Series.

"*Record of Decision*" means any Record of Decision or Records of Decision of the FAA relating to the District's Approved PFC Projects as may be issued, modified or amended from time to time.

"*Refunding Bonds*" means any Bonds issued pursuant to the Master Resolution to refund or defease all or a portion of any Series of Outstanding Bonds or any Subordinate Obligations.

"*Released Revenues*" means Revenues in respect of which the following shall have been delivered to the District and filed with the Trustee:

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

(a) either (i) a certificate prepared by an Authorized Officer of the District showing that Net Revenues for each of the two most recently completed Fiscal Years, after the specific identifiable portion of Revenues covered by the Commission's 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 from the Gross Revenue Fund pursuant to the Master Resolution (summarized under "SUMMARY OF THE MASTER RESOLUTION – Receipt, Deposit and Use of Revenues Deposited into the Gross Revenue Fund"), 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 approved by the Commission 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 Commission, will not be less than the greater of (A) the amounts needed for making the required deposits and payments from the Gross Revenue Fund 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;

(b) 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

(c) confirmation from each of the Rating Agencies which have been requested by the District to maintain a rating on the Bonds and 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 with the Trustee, the specific identifiable portion of Revenues described in the resolution of the Commission 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.

"*Rental Credit*" means the amount resulting from an arrangement set forth in a written agreement between the District and another person or entity pursuant to which the District permits such person or entity to make a payment or payments to the District that is reduced by the amount owed by the District to such person or entity under such agreement, resulting in a net payment to the District by such person or entity. The "Rental Credit" shall be deemed to be the amount owed by the District under such agreement that is "netted" against the payment of such person or entity due to the District.

"*Repayment Obligations*" means an obligation arising under a written agreement of the District and a Credit Provider pursuant to which the District 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 District and a Liquidity Provider pursuant to which the District 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.

"*Reserve Fund Surety Policy*" means an insurance policy, a surety bond or a letter of credit, held by the Trustee for the credit of the Common Reserve Account or any Series Debt Service Reserve Fund created for one or more Series of Outstanding Bonds in lieu of, or partial substitution for, cash or securities on deposit therein. Except as otherwise provided in a Supplemental Resolution, the entity providing such Reserve Fund Surety Policy 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 Agencies.

"*Reserve Requirement*" means an amount that is not less than the least of (i) 10% of the sum of the principal amounts (less any original issue discount and plus any original issue premium when such original issue discount or premium represents more than a de minimis amount) of the Bonds participating in the Common Reserve Account, (ii) the maximum annual debt service on the Bonds participating in the Common Reserve Account (determined as of the date of issuance of the most recently issued Series of Bonds participating in the Common Reserve Account or the defeasance or satisfaction by the refunding of Bonds participating in the Common Reserve Account), and (iii) 125% of the average annual debt service of the Bonds participating in the Common Reserve Account (determined as of the date of issuance of the most recently issued Series of Bonds participating in the Common Reserve Account or the defeasance or satisfaction by the refunding of Bonds participating in the Common Reserve Account); provided, that in no event shall proceeds representing more than 10% of the issue price (as defined in the Treas. Reg. § 1.148-1(f)) of any issue of Bonds be deposited in the Common Reserve Account if the interest on such issue is intended to be excluded from gross income for federal income tax purposes. For purposes of this definition, annual debt service will cover the 12-month period commencing July 2 of a particular year and ending July 1 of the following year. For a Series of Bonds participating in a separately created Series Debt Service Reserve Account, the phrase "Reserve Requirement" shall be defined in a Supplemental Resolution establishing such Series Debt Service Reserve Account. If a Series of Bonds is issued as tax-exempt or tax-advantaged, the Reserve Requirement shall not exceed the amount permitted by applicable federal law.

"*Revenues*" means, except to the extent specifically excluded therefrom, all income, receipts, earnings (interest or otherwise) and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles applicable to governmental entities, 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 District for the use or availability of the Airport System; and

(b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the District, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the District or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the District receives payments which are attributable to the Airport System 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, interest or otherwise (except any earnings allowed to be pledged by the terms of a Supplemental Resolution to fund the Construction Fund as provided below) from the investment of amounts held in the Gross Revenue Fund, any Construction Fund, the Debt Service Fund and any Account established therein (except Capitalized Interest on deposit therein), the Debt Service Reserve Fund and the Common Reserve Account, and any Series Debt Service Reserve Account established therein, and any such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution.

The following, including any investment earnings thereon, are specifically excluded from Revenues:

(a) any amounts received by the District from the imposition of ad valorem taxes;

(b) gifts, grants and other income 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;

(c) Net Proceeds and other insurance proceeds received with respect to the Airport System (other than business interruption insurance); and

(d) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue).

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) Rental Credit, (B) Passenger Facility Charges, (C) Customer Facility Charges, (D) Federal Direct Payments, (E) Released Revenues, (F) subject to (b) 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 System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) 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.

"*Rolling Coverage Account*" means the Rolling Coverage Account established pursuant to the Master Resolution.

"*S&P*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business organized and existing under the laws of the State of New York, its successors and their assigns, and if such rating agency shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

"*Second Supplemental Resolution*" means the Second Supplemental Bond Resolution adopted by the Commission on July 8, 2024 authorizing the issuance of the 2024 Bonds.

"*Series*" or "*series*" means Bonds designated as a separate Series by a Supplemental Resolution.

"*Series 2024A Construction Fund*" means the Fund of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024B Construction Fund*" means the Fund of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024A Costs of Issuance*" means all Costs of Issuance with respect to the issuance of the Series 2024A Bonds.

"*Series 2024B Costs of Issuance*" means all Costs of Issuance with respect to the issuance of the Series 2024B Bonds.

"*Series 2024A Costs of Issuance Fund*" means the Fund of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024B Costs of Issuance Fund*" means the Fund of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024A Debt Service Account*" means the Account of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024B Debt Service Account*" means the Account of such designation established pursuant to the Second Supplemental Resolution.

"*Series 2024A Rebate Account*" means the Account by that name established in the Rebate Fund with respect to the Series 2024A Bonds.

"*Series 2024 Reserve Account*" means the Account of such designation established in the Debt Service Reserve Fund pursuant to the Second Supplemental Resolution.

"*Series Debt Service Reserve Account*" means any account within the Debt Service Reserve Fund (other than the Common Reserve Account) created pursuant to the Master Resolution by the Commission pursuant to a Supplemental Resolution in connection with the issuance of any Series of Bonds that may be funded for the purpose of providing additional security for such Series of Bonds and, if specified in such Supplemental Resolution, to provide additional security for such other designated Series of Bonds issued pursuant to the Master Resolution.

"*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 District 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 other than the Master Resolution to finance Special Facilities and which, except as otherwise provided in the Master Resolution, 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 a group of alternative Projects which are described in a certificate of an Authorized Officer of the District, which is delivered to the Consultant preparing the certificate described in paragraph (b) under the provisions relating to the tests for the issuance of Bonds under the Master Resolution (summarized under "SUMMARY OF THE MASTER RESOLUTION – Tests for the Issuance of Bonds"), 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 such certificate.

"*State*" means the State of South Carolina.

"*Subaccount*" means any subaccount established pursuant to the Master Resolution or any Supplemental Resolution.

"*Subordinate Obligation Debt Service Fund*" means the Subordinate Obligation Debt Service Fund created pursuant to the Master Resolution.

"*Subordinate Obligation*" means any bond, note or other debt instrument issued or otherwise entered into by the District which ranks junior and subordinate to the Bonds, and which may be paid from money 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 District have been paid in full and the District is current on all payments, if any, required to be made to replenish the Common Reserve Account and any Series Debt Service Reserve Accounts. "Subordinate Obligations" are not Bonds for purposes of the Master Resolution; provided, however, that the Commission 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 Commission as a "Subordinate Obligation" in a Supplemental Resolution or other written instrument.

"*Supplemental Resolution*" means any document supplementing or amending the Master Resolution or providing for the issuance of Bonds and entered into as provided in the Master Resolution.

"*Tender Indebtedness*" means any Bonds or portions of Bonds a feature of which is an option and/or an obligation on the part of the Bondholders, under the terms of such Bonds, to tender all or a portion of such Bonds to the District, the Paying Agent or other fiduciary or agent or Credit Provider or Liquidity Provider for payment or purchase and requiring that such Bonds or portions of Bonds be purchased if properly presented.

"*Term Bonds*" means Bonds of a Series that 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.

"*Trustee*" means U.S Bank Trust Company, National Association, and any successor Trustee appointed in accordance with the Master Resolution and any co-trustee appointed pursuant to the Master Resolution.

"*Unfunded OPEB Obligations*" means the amount by which the District's actual other post-employment benefits (OPEB) contributions are less than its OPEB cost or expense for any Fiscal Year.

"*Variable Rate Indebtedness*" means any Bond or Bonds the interest rate on which is not fixed to maturity at the time of calculation, or other relevant time.

SUMMARY OF THE MASTER RESOLUTION

Authorization and Form of Bonds Generally; Pledge of Net Revenues

Bonds that bear interest that is or is not excluded from gross income for federal income tax purposes may be issued by the Commission, on behalf of the District, under the terms of the Master Resolution for any purpose for which the Commission, on behalf of the District, at the time of such issuance, may incur debt. Except as otherwise provided in the Master Resolution, Bonds may be issued under the Master Resolution only if the provisions thereof are satisfied. The total principal amount of Bonds of each Series Outstanding may not exceed the amount specified in the Supplemental Resolution providing for the issuance of such Bonds, except as provided therein with respect to replacement of mutilated, lost or stolen or destroyed Bonds. The Bonds may be in certificated or uncertificated form, and Bonds that are issued in certificated form may be freely transferable or may be immobilized and held by a custodian for the beneficial owners, all as shall be set forth or permitted in the Supplemental Resolution providing for the issuance of such Bonds. In addition, Bonds may be in the form of notes, contracts or other evidences of indebtedness issued to banks, other financial institutions or creditors providing money, goods or services to the District as provided in the applicable Supplemental Resolution and in all cases subject to compliance with the provisions of the Master Resolution. The Bonds may have notations, legends or endorsements required by law or usage.

The Bonds shall be legal, valid and binding special obligations of the District payable solely from, and secured as to payment of principal and interest by a pledge of and lien upon, the Net Revenues derived from the operation of the Airport System, and the taxing power of the District is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be nor constitute general obligations of the District, nor shall they constitute indebtedness of the District within the meaning of any constitutional, or statutory provision, limitation or restriction, except as provided in the Act and Article X, Section 14, Paragraph 10 of the Constitution of the State.

The District has covenanted that, until all the Bonds authorized and issued under the provisions of the Master Resolution and the interest thereon shall have been paid or are deemed to have been paid, it will not, except as otherwise permitted or contemplated under the Master Resolution, grant any prior or parity pledge of or any security interest in the Net Revenues or any other security that is pledged to the payment of the Bonds pursuant to the Master Resolution, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under the Master Resolution. The District may grant a lien on or security interest in the Net Revenues or any of the other security, which is pledged to the payment of the Bonds to secure Subordinate Obligations.

Issuance of Series of Bonds; Supplemental Resolution

Bonds may be issued in one or more Series from time to time, subject to the conditions of the Master Resolution.

The Bonds shall be issued in the principal amount, shall bear interest at a rate or rates, including a rate of 0% and including variable or adjustable rates, or by such other methods as the Commission may from time to time determine, and such interest may be payable periodically, in whole or in part, or may be accumulated and paid at maturity or at such other time or times as the Commission shall determine. Bonds shall mature and shall be subject to redemption prior to their respective maturities, all as shall be set forth in a Supplemental Resolution relating to such Series of Bonds. Bonds will be numbered and dated as provided in the applicable Supplemental Resolution. The Bonds of each Series shall state that they are issued under and are secured by the Master Resolution and the pledge of Net Revenues and such other amounts, funds and accounts pledged therefor under the Master Resolution and state that regardless of the form thereof, they are "Bonds" issued thereunder and within the meaning of the Master Resolution. In each case where a Commission determination is required in connection with the issuance of a Series of Bonds, the Commission shall make such determination in a Supplemental Resolution or provide for the manner of such determination.

Such Supplemental Resolution may provide that the interest rate on the Bonds and the duration of the periods during which such interest accrues may from time to time be adjusted and that the Bonds may be purchased upon the demand of the owners thereof or may be subject to mandatory purchase upon the occurrence of certain events or certain times, and such provisions may include, without limitation, the creation of objective standards for such adjustments, the appointment of agents to apply such standards to the Bonds, the criteria for such purchases upon demand and the procurement of Liquidity Facilities and Credit Facilities with respect to the Bonds.

The Principal Amount of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Redemption of Bonds

Bonds may be made subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Resolution providing for the issuance of such Bonds. The District may provide for the redemption of Bonds from any funds available to the District and not obligated for other purposes.

In connection with the partial early redemption of any Term Bonds of a Series, the Commission may, in any Supplemental Resolution, provide that the principal amount of Bonds of such Series being redeemed shall be allocated against its scheduled sinking fund redemption and modify its scheduled sinking fund installments payable thereafter as to the Outstanding Term Bonds of such Series in any manner the Commission may determine. The Commission may provide in any Supplemental Resolution that, prior to notice of redemption for any Bonds of a Series, money in the Debt Service Account, the Common Reserve Account or any Series Debt Service Reserve Account relating to such Series of Bonds may be applied at the direction of the Commission to the purchase of Bonds of such Series and, if any such purchased Bonds are Term Bonds, the Commission may allocate the principal amount of Bonds of such Series being redeemed against its scheduled sinking fund redemption for such Bonds and may modify its scheduled sinking fund installments thereafter payable with respect to Bonds of such Series in any manner the Commission may determine.

Notice of Redemption

Unless waived by any registered owner of Bonds to be redeemed and except as may be otherwise provided in a Supplemental Resolution, official notice of any such redemption shall be given by the Bond Registrar on behalf of the District by mailing a copy of an official redemption notice by first class mail, at least 20 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated, shall contain the complete official name of the Bond issue, and shall state:

(a) the redemption date;

(b) the redemption price;

(c) the interest rate (unless such Bonds constitute Variable Rate Indebtedness) and maturity date of the Bonds being redeemed;

(d) if less than all the Outstanding Bonds are to be redeemed, the Bond numbers, and, where part of the Bonds evidenced by one Bond certificate are being redeemed, the respective Principal Amounts of such Bonds to be redeemed;

(e) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and

(f) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal payment office of the Paying Agent or at such other office designated by the Paying Agent for such purpose) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption.

Any notice of optional redemption of any Bonds may specify that the redemption is contingent upon the deposit of money with the Paying Agent in an amount sufficient to pay the redemption price (which price shall include the redemption premium, if any) of all the Bonds or portions of Bonds that are to be redeemed on that date, and may further specify that it may be rescinded or withdrawn at any time prior to the date fixed for redemption in the sole discretion of the District.

Not later than the redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

For so long as DTC is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified above to DTC. It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, a participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

Establishment of Funds

The following funds have been established pursuant to the Master Resolution:

(a) Gross Revenue Fund to be held by the District;

(b) Operating and Maintenance Fund to be held by the District;

(c) Debt Service Fund and related separate Accounts for each Series of Bonds, to be held by the District;

(d) Debt Service Reserve Fund to be maintained in trust and held by the Trustee, in which there is established a Common Reserve Account and one or more Series Debt Service Reserve Accounts, in accordance with the Master Resolution;

(e) Subordinate Obligation Debt Service Fund to be maintained in trust and held by the Trustee, in which there is established a separate debt service account, and a debt service reserve account;

(f) Operating and Maintenance Reserve Fund to be held by the District;

(g) Rebate Fund to be held by the District; and

(h) Airport General Fund to be held by the District, in which there is established a Rolling Coverage Account and a General Airport Account.

Gross Revenue Fund

So long as any Bonds remain Outstanding, the District covenanted and agreed that all Revenues derived and to be derived by the District from the operation of the Airport System including all Revenues derived by the District from all additions, extensions, enlargements and improvements of the Airport System hereafter made or acquired will be paid and deposited promptly in the Gross Revenue Fund, which shall be segregated and kept separate and apart from the other revenues and funds of the District.

So long as the District establishes, under generally accepted accounting principles applicable to governmental entities, proper records of receipt and disbursements from the Gross Revenue Fund, the Gross Revenue Fund may be used for the purposes of the Operating and Maintenance Fund, the Operating and Maintenance Reserve Fund, the Rebate Fund, and the Airport General Fund.

Receipt, Deposit and Use of Revenues Deposited into the Gross Revenue Fund

No later than the fifth day of each month, all Revenues deposited in the Gross Revenue Fund shall be set aside for the payment of the following amounts or deposited or transferred to the following Funds and Accounts in the order listed:

(a) *Operation and Maintenance Expenses*. The District shall first pay from the Gross Revenue Fund a sufficient amount of Revenues to pay all Operation and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District shall pay all Operation and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.

(b) *Debt Service Fund; Other Amounts Due on Bonds*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt Service Fund in the amounts, at the times and in the manner provided in the Master Resolution to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest, if any, due on the Outstanding Bonds.

(c) *Common Reserve Account and Series Debt Service Reserve Accounts*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account, the Series Debt Service Reserve Account, and any other Accounts within the Debt Service

Reserve Fund, if any, at the times, in such amounts, and to be used in the manner provided for, as specified in the Master Resolution and any Supplemental Resolution.

(d) *Subordinate Obligation Debt Service*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues to the Subordinate Obligation Debt Service Fund (and deposited into the applicable debt service account or debt service reserve account therein) such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinate Obligations, issued pursuant to the terms of a resolution of the Commission, but only to the extent a specific pledge of Net Revenues has been made pursuant to such subordinate resolution to the payment of debt service on such indebtedness.

(e) *Operating and Maintenance Reserve Fund*. The District shall next pay from the Gross Revenue Fund into the Operating and Maintenance Reserve Fund one-twelfth ($1/12^{th}$) of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to one-fourth ($1/4^{th}$) of the amount of operating expenses budgeted by the District for the current Fiscal Year. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to one-fourth ($1/4^{th}$) of the amount of operating expenses budgeted by the District for the current Fiscal Year, no deposit is required.

(f) *Rebate Fund*. The District shall next pay from the Gross Revenue Fund into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.

(g) *Airport General Fund*. When and after the District shall have made all payments from the Gross Revenue Fund required at the time to be made under the provisions of (a) through (f) above, all remaining money in the Gross Revenue Fund shall be credited to the Airport General Fund. Money in the Airport General Fund shall be used for any lawful purpose of the Airport System. As determined by the District, money credited to the Airport General Fund shall be deposited into, and may be subsequently transferred among the Rolling Coverage Account, the General Airport Account, and such other Accounts as may be established therein by the District from time to time, unless otherwise provided in a Supplemental Resolution, one or more of the following accounts and in such priority as the District may determine.

(i) *Rolling Coverage Account* – the District may deposit money from the Airport General Fund into the Rolling Coverage Account in such amounts as it may determine. Unless otherwise required by a Supplemental Resolution, the District is not required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money in the Rolling Coverage Account may be taken into account for purposes of the tests for the issuance of Bonds and rate covenant provisions of the Master Resolution (as summarized under "SUMMARY OF THE MASTER RESOLUTION – Tests for the Issuance of Bonds" and "– Rate Covenant"), or transferred from this Account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.

(ii) *General Airport Account* – subject to compliance with the immediately succeeding paragraph, all remaining money in the Airport General Fund not deposited to the Rolling Coverage Account shall be deposited into the General Airport Account or such other Account as may be established by the District and may be accumulated by the District to be used to fund equipment purchases or capital outlays that are included in the budget for the Airport System for a Fiscal Year, to fund all or any portion of other capital projects that are included in the budget for the Airport System for a Fiscal Year, and to pay the costs of any future capital project or projects (whether or not such projects have been specifically identified), transferred to any other Fund or Account, or used by the District for any other lawful purpose of the Airport System.

If any General Obligation Bonds of the District are outstanding at the end of a Fiscal Year, then within 60 days after the end of such Fiscal Year, and after all deposits required to be made into each of the Funds have been made, sufficient money remaining in the Gross Revenue Fund that are not required to make up deficiencies in any of the Funds or to pay costs of operating, maintaining, enlarging, or improving any Airport Facilities shall be transferred to the applicable County Treasurer to be applied by the applicable County Treasurer for the payment of the interest and principal on the General Obligation Bonds of the District for the next succeeding Fiscal Year; provided, however, in the event that the applicable County Treasurer has at such time sufficient moneys available for payment of the principal of and interest to come due on all the General Obligation Bonds of the District for the next succeeding Fiscal Year no such transfer need be made and such excess shall be deposited in the General Airport Account. The District may create additional Funds and Accounts to facilitate the operation of this paragraph.

The Debt Service Fund

At the time of issuance of each Series of Bonds, the District shall cause the Trustee to create a Debt Service Account for such Series within the Debt Service Fund.

Except as otherwise provided in a Supplemental Resolution, the District shall deposit money into a Debt Service Account for a Series of Bonds as follows: So long as any of the Bonds are Outstanding, the District shall transfer from the Gross Revenue Fund to the Debt Service Account established in respect of each Series of Outstanding Bonds (a) to the payment of interest on Bonds of that Series an amount equal to one-sixth ($1/6^{th}$) of the interest on Bonds of that Series bearing interest payable semi-annually scheduled to be due and payable on the next succeeding Payment Date so that there will be accumulated on such Payment Date, after taking into account interest earnings on amounts held in any such Account, an amount not less than the interest on Bonds of that Series coming due on the immediately succeeding Payment Date, plus (b) to the payment of principal on Bonds of that Series payable annually an amount equal to one-twelfth ($1/12^{th}$) of the principal amount on Bonds of that Series coming due by maturity or mandatory redemption on the next principal payment, maturity or mandatory redemption date, so that there will be accumulated in such Account, after taking into account interest earnings on amounts held in such Account, an amount not less than the principal on Bonds of that Series coming due by maturity or mandatory redemption on the immediately succeeding principal payment, maturity or mandatory redemption date.

All amounts paid to a Debt Service Account as provided in the Master Resolution and in a Supplemental Resolution shall be expended and used by the Trustee for the sole purpose of paying the interest on and principal of the respective Series of Bonds as and when the same become due.

With respect to any Series of Bonds, the Supplemental Resolution 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 shall control.

Except as otherwise provided in a Supplemental Resolution, the Trustee shall withdraw from the respective Debt Service Account, sums sufficient to pay both principal of and interest on the Bonds of a given Series as and when the same become due, and shall forward such sums to the Paying Agent in next day funds no later than the Business Day prior to the date when such principal, interest and fees will become due.

The Debt Service Reserve Fund

Common Reserve Account. The Common Reserve Account shall be held in trust by the Trustee, and amounts therein shall be held, disbursed and accounted for in accordance with the provisions of the Master Resolution. The District may cause the Trustee to establish separate Accounts within the Common Reserve Account for the deposit of and accounting for proceeds of separate Series of Bonds participating in the Common Reserve Account and may designate two or more Series of Bonds issued on the same date as a single "Series" for purpose of participation in the Common Reserve Account.

The Reserve Requirement of each respective Series of Bonds participating in the Common Reserve Account shall be funded either (A) by including the required amount in the principal amount of the Bonds being issued, (B) by requiring the required amount to be deposited to the Common Reserve Account from Net Revenues in approximately equal monthly installments over a period not exceeding 60 months following the date of issuance of such Series of Bonds, (C) by a Reserve Fund Surety Policy provided pursuant to paragraph (c) below insuring or providing amounts up to the amount of the Reserve Requirement applicable to the Series of Bonds being issued, or (D) by any combination of such methods. Any cash to be deposited in the Common Reserve Account may be derived from proceeds of Bonds or any other legally available source of funds.

Money held in the Common Reserve Account, including all Accounts established therein, shall be used for the purpose of paying principal of and interest on the Bonds participating in the Common Reserve Account on a pro rata basis with all Bonds then participating in the Common Reserve Account. If, on any Payment Date, the amounts in the Debt Service Fund for any Bonds participating in the Common Reserve Account available therefor are insufficient to pay in full the amount then due on such Bonds, money held in the Common Reserve Account shall be used for the payment of principal of and interest thereon. If amounts in the Common Reserve Account consist of both cash and one or more Reserve Fund Surety Policies, the District shall make any required payments of amounts in the Common Reserve Account first from any cash held in the Common Reserve Account, prior to making a draw upon any of such Reserve Fund Surety Policies. Money held in the Common Reserve Account may also be used by the Trustee to make any deposit required to be made to the Rebate Fund created for the Bonds participating in the Common Reserve Account at the written direction of the District if the District does not have other funds available from which such deposit can be made.

The District shall annually, prior to June 30 of each year and at such other times as the District shall determine, value the Common Reserve Account on the basis of the market value thereof, adjusted for any amortization of premium or discount on the investment thereof and may obtain advice from a third party such as the Trustee with respect to completing the valuation. For purposes of determining the amount on deposit in the Common Reserve Account, any Reserve Fund Surety Policy held by, or the benefit of which is available to, the District as security for the Bonds participating in the Common Reserve Account, such Reserve Fund Surety Policy shall be deemed to be a deposit in the face amount of the Reserve Fund Surety Policy or the stated amount of the Reserve Fund Surety Policy, except that, if the amount available under a Reserve Fund Surety Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or other legally required (such as court order or state mandate) reduction in value of such Reserve Fund Surety Policy, then, in valuing the Common Reserve Account, the value of such Reserve Fund Surety Policy shall be reduced accordingly. Upon each such valuation, the District shall prepare, or cause to be prepared, a written certificate setting forth the Reserve Requirement with respect to the Bonds participating in the Common Reserve Account as of such valuation date and the value of the Common Reserve Account. Said certificate shall be delivered to the Trustee. If, upon any valuation of the Common Reserve Account, the value of the Common Reserve Account exceeds the Reserve Requirement with respect to the Bonds participating in the Common Reserve Account, the excess amount may, at the written direction of an Authorized Officer of the District, be withdrawn and paid by the

Trustee pro rata to the Debt Service Accounts for the Bonds participating in the Common Reserve Account to be applied as a credit against the District's obligation to make its next interest payment. If, upon any valuation of the Common Reserve Account, the value is less than the Reserve Requirement with respect to the Bonds participating in the Common Reserve Account, the District shall replenish such amounts within 12 months after the date of such valuation.

A Reserve Fund Surety Policy shall be acceptable in lieu of a deposit of cash or securities into the Common Reserve Account, or may be substituted for amounts on deposit in the Common Reserve Account, only if at the time of such deposit (i) such Reserve Fund Surety Policy extends to the maturity of the Series of Bonds for which the Reserve Fund Surety Policy was issued, or the District has covenanted, by Supplemental Resolution, that the District will replace such Reserve Fund Surety Policy prior to its expiration with another Reserve Fund Surety Policy which shall have no adverse effect on the ratings, if any, then in effect on the Bonds participating in the Common Reserve Account, or with cash and (ii) the face amount of the Reserve Fund Surety Policy, together with amounts on deposit in the Common Reserve Account, including the face amount of any other Reserve Fund Surety Policy, is at least equal to the Reserve Requirement with respect to the Bonds participating in the Common Reserve Account.

If money has been withdrawn from the Common Reserve Account or a payment has been made under a Reserve Fund Surety Policy constituting all or a portion of the Common Reserve Account, and deposited into the Debt Service Fund to prevent a default on the Bonds participating in the Common Reserve Account, then the District will deposit into the Common Reserve Account the full amount so withdrawn, together with interest, if any, required under the terms of the Reserve Fund Surety Policy, or so much as shall be required to restore the Common Reserve Account to the Reserve Requirement with respect to the Bonds participating in the Common Reserve Account and to pay such interest, if any. Such repayment shall be made in no more than 12 substantially equal monthly installments commencing with the first month after such withdrawal occurs. If such repayment is with respect to a draw under a Reserve Fund Surety Policy, the District shall pay to the provider of such Reserve Fund Surety Policy the amount required to reimburse the provider of such Reserve Fund Surety Policy.

All money on deposit in the Common Reserve Account representing the Reserve Requirement for a Series of Bonds on the final Payment Date of such Series of Bonds may be applied to the payment of the principal of and/or interest on such Series of Bonds, provided that the amount in the Common Reserve Account after such application shall not be less than the Reserve Requirement with respect to all remaining Bonds participating in the Common Reserve Account.

All money remaining in the Common Reserve Account on the final Payment Date of the Bonds participating in the Common Reserve Account in excess of the amount required to make provisions for the payment in full of the interest and/or the principal of the Bonds of all Outstanding Series participating in the Common Reserve Account shall be transferred by the Trustee to the District for deposit in the Gross Revenue Fund.

Series Debt Service Reserve Accounts. Instead of making or causing a deposit to be made to the Common Reserve Account, the Commission may, at the time of issuance of any Series of Bonds, provide by Supplemental Resolution for the creation of a Series Debt Service Reserve Account as additional security for such Series of Bonds, and in its discretion reserving the right to allow a future Series of Bonds to participate in such Series Debt Service Reserve Account, or provide that such Series of Bonds participate in a Series Debt Service Reserve Account previously created for an Outstanding Series of Bonds. Any Series Debt Service Reserve Account established under a Supplemental Resolution shall be funded, at the time of issuance of such Series of Bonds or over such other period of time as set forth in a Supplemental Resolution, in an amount equal to the Reserve Requirement with respect to the Bonds participating in such Series Debt Service Reserve Account. The Commission shall, by such Supplemental Resolution, provide for the manner of funding and replenishing of such Series Debt Service Reserve Account and shall establish such other terms with respect to such Series Debt Service Reserve Account as the Commission may deem to be appropriate, including providing a Credit Facility or Reserve Fund Surety Policy in lieu thereof.

Deficiency of Payments into Funds or Accounts

If at any time the Revenues accruing to the Gross Revenue Fund are insufficient to make any payment or credit on the date or dates specified, the District shall transfer the amount of such deficiency out of the first available Revenues thereafter accruing to the Gross Revenue Fund from the operation of the Airport, such transfer being made and applied in the order specified.

Issuance of Bonds

The District has covenanted and agreed that so long as any of the Bonds remain Outstanding, it will not issue any Bonds, or other obligations which stand on a parity or equality with the 2020 Note or the 2024 Bonds under the Master Resolution except in accordance with the following conditions and provisions:

(a) a Supplemental Resolution shall have been passed authorizing the issuance of such Bonds;

(b) there shall be no default by the District in the payment of any sums required to be paid from the Gross Revenue Fund under the Master Resolution;

(c) an Authorized Officer of the District shall have executed a certificate to the effect that: (i) none of the Events of Default under the Master Resolution have occurred and remain uncured or (ii) that upon issuance of such Series of Bonds, all Events of Default that have occurred and are continuing, shall be cured;

(d) the District shall have received an opinion of Bond Counsel, dated as of the date of issuance of the Bonds, to the effect that the Supplemental Resolution authorizing the issuance of Bonds has been duly adopted by the Commission;

(e) there shall be written instructions from the District to authenticate the Bonds and, upon receipt of the purchase price, to deliver the Bonds to or upon the order of the purchasers named in such instructions; and

(f) the tests for issuance of Bonds set forth in the Master Resolution shall have been satisfied.

Refunding Bonds

Refunding Bonds may be issued under and secured by the Master Resolution. Such Refunding Bonds shall be issued in accordance with the provisions of the Master Resolution.

Tests for Issuance of Bonds

Subject to the provisions under paragraphs (c)(i), (ii) or (iii) below, as a condition to the issuance of any Series of Bonds other than the 2020 Note or the 2024 Bonds issued under the Master Resolution, there shall first be delivered to the District 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), of an Authorized Officer of the District showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount on deposit in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds for each Fiscal Year after the issuance of the proposed Series of Bonds so long as the proposed Series of Bonds will be Outstanding; or

(b) (1) 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), of an Authorized Officer of the District, showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements 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, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such Fiscal Year or other applicable period; and

(2) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (a) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds. For purposes of paragraph (b)(i) and (ii) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such year.

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the District, as the Consultant believes to be appropriate. The Consultant 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.

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

(1) if the Bonds being issued are for the purpose of refunding then Outstanding Bonds and (A) an Authorized Officer of the District executes a certificate 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 any Fiscal Year prior to the issuance of such Refunding Bonds in the years through the final maturity of the Outstanding Bonds to be refunded, or (B) the District obtains a report from a Consultant demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a present value basis;

(2) if the Bonds being issued constitute Notes and an Authorized Officer of the District executes, instead, a certificate 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, accompanied by a certificate of an Authorized Officer of the District 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 District will be in compliance with paragraphs (a) and (b) above; or

(3) 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 of the District and there is delivered to the District (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 District 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 money 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 money 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

Unless otherwise provided in a Supplemental Resolution, 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 District, 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 the Master Resolution, 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 tests for the issuance of additional Bonds under the Master Resolution provided that the payment terms of the Bond held by the Credit Provider or Liquidity Provider shall be as set forth in the written agreement with the Credit Provider or Liquidity Provider or a Supplemental Resolution pursuant to which such Bonds are issued. This provision shall not defeat or alter the rights of subrogation that any Credit Provider or Liquidity Provider may have under law or under the terms of any Supplemental Resolution. The Trustee and the Paying Agent 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.

In addition to the Repayment Obligations described in the paragraph above, any other amounts owed by the District to a Credit Provider or a Liquidity Provider pursuant to the provisions of a written agreement between the District 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 Article II of 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 tests for the issuance of Bonds of the Master Resolution. Such Repayment Obligation will be paid in accordance with the terms of the Supplemental Resolution pursuant to which the Bonds are issued or the terms of the agreement with the Credit Provider or the Liquidity Provider. The Trustee and the Paying Agent 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.

Subordinate Obligations

The District may, from time to time, incur indebtedness that 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 Commission shall determine, provided that:

(a) any resolution of the Commission authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Net Revenues is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Bonds;

(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 from the Gross Revenue Fund to the payment Operation and Maintenance Expenses, to the Debt Service Fund and to the Debt Service Reserve Fund pursuant to the Master Resolution have been made or satisfied;

(c) At the time of issuance of any Subordinate Obligations, there shall be established a debt service account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service account shall be held in trust by the Trustee, and amounts to be used to pay principal of and interest on such Subordinate Obligations shall be deposited therein and used for such purpose; and

(d) The District may, at the time of issuance of any Subordinate Obligations, create a debt service reserve account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service reserve account shall be held by the Trustee for the purpose described in the Supplemental Resolution authorizing the issuance of such Subordinate Obligations.

Rate Covenant

The District has covenanted to fulfill all of the following requirements:

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

(1) the Annual Debt Service on any Outstanding Bonds required to be funded by the District in such Fiscal Year as required by the Master Resolution or any Supplemental Resolution with respect to the Outstanding Bonds;

(2) the required deposits to the Common Reserve Account and any Series Debt Service Reserve Account that may be established by a Supplemental Resolution;

(3) the required deposits to the Operating and Maintenance Reserve Fund required by the Master Resolution;

(4) the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Resolution;

(5) 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

(6) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

(b) The District will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of this paragraph (b), the balance in the Rolling Coverage Account taken into account shall not exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

(c) If Net Revenues, together with any amount deposited in the Rolling Coverage Account (as applied in accordance with paragraph (b) above), in any Fiscal Year are less than the amount specified in paragraph (a) and (b) above, the District will retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport System and its schedule of rentals, rates, tolls, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District shall 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) and (b) above in the next succeeding Fiscal Year.

In the event that Net Revenues for any Fiscal Year are less than the amount specified in paragraph (a) or (b) above, but the District 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 required by this paragraph (c), such deficiency in Net Revenues shall not constitute an Event of Default under the Master Resolution. Nevertheless, if after taking the measures required by this paragraph (c) 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 District relating to the Airport System for such Fiscal Year) are less than the amount specified in paragraph (a) or (b) above, such deficiency in Net Revenues shall constitute an Event of Default under the provisions of the Master Resolution described in subparagraph (d) under "– Events of Default" below.

Events of Default

Each of the following events shall constitute and is referred to in the Master Resolution as an "Event of Default":

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) except as otherwise provided in a Supplemental Resolution, a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Resolution;

(d) a failure by the District to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) above) that are to be observed or performed by the District and which are contained in the Master Resolution or a Supplemental Resolution, which failure, except for rate covenant violation under the Master Resolution which shall be controlled by the provisions set forth therein (as summarized under "– Rate Covenant" above), shall continue for a period of 90 days after written notice specifying such failure and requiring it to be remedied shall have been given to the District by the owners of not less than, or a Credit Provider or Liquidity Provider securing not less than, 25% in aggregate Principal Amount of the Bonds then Outstanding; provided, however, if the failure stated in such notice can be corrected, but not within such 90-day period, the District shall have 180 days after such written notice to cure such default if corrective action is instituted by the District within such 90-day period and diligently pursued until the failure is corrected; or

(e) the filing by the District 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 District, 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 District or of the whole or any substantial part of the Airport System; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Resolution.

Remedies

Upon the occurrence and continuance of any Event of Default, the Trustee may proceed to protect and enforce the rights of the owners of Bonds by such of the following remedies as it shall deem most effectual to protect and enforce such rights:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the District to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under any law to which it is subject and the Master Resolution;

(b) bring suit upon the Bonds;

(c) commence an action or suit in equity to require the District to account as if it were the trustee of an express trust for the Bondholders;

(d) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders; or

(e) by pursuing any other available remedy at law or in equity or by statute.

In the enforcement of any remedy under the Master Resolution, the Trustee shall be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the District for Principal Amount, redemption premium, interest, or otherwise, under any provision of the Master Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Master Resolution and under such Bonds, without prejudice to any other right or remedy of the owners of Bonds, and to recover and enforce a judgment or decree against the District for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect from any money available for such purpose, in any manner provided by law, the money adjudged or decreed to be payable.

Except with respect to the rights of a Credit Provider or a Liquidity Provider as provided in a Supplemental Resolution or a written agreement between the District and a Credit Provider or a Liquidity Provider, in no event, upon the occurrence and continuation of an Event of Default under the Master Resolution, shall the Trustee, 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.

Defeasance

Bonds or portions thereof that have been paid in full or are deemed paid in full shall not be secured by or entitled to the benefits of the Master Resolution except for the purposes of payment from money or Federal Securities held by a Paying Agent or other bank or trust company in trust located within or without the State having full trust powers.

A Bond shall be deemed to be paid for all purposes of the Master Resolution when payment of the principal, interest and premium either shall have been (a) made or caused to be made in accordance with the terms of the Bonds and the Master Resolution or (b) provided for by irrevocably depositing with the Paying Agent or other bank or trust company in trust exclusively for such payment, (i) money sufficient to make such payment and/or (ii) noncallable Federal Securities maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient money to make such payment. As to any deposit of Federal Securities, the Paying Agent or other bank or trust company shall have received a verification report prepared by an Independent certified public accountant, or other verification agent, satisfactory to the Commission, to the effect that the payment of the principal of and redemption premium, if any, and interest on such Bonds has been provided for.

Notice of redemption shall be made at the time of such defeasance or prior to such date required by the Supplemental Resolution under which such Bonds were issued. The District may at any time, prior to issuing such notice of redemption as may be required by the Supplemental Resolution under which such Bonds were issued, modify or otherwise change the scheduled date for the redemption or payment of any Bond deemed to be paid under the terms of the foregoing paragraph in accordance with the terms of the Bonds or the Master Resolution subject to (A) receipt of an approving opinion of nationally recognized Bond Counsel that such action will not adversely affect the tax-exemption of any Bond or Bonds then Outstanding and (B) receipt of a verification report prepared by an Independent certified public accountant, or other verification agent, satisfactory to the Commission, that there are sufficient money and/or Federal Securities to provide for the payment of such Bonds.

In connection with any redemption or defeasance of Bonds, the District may permit, or cause to be assigned to Bonds of a single maturity, multiple CUSIP numbers.

The District may at any time surrender to the Bond Registrar for cancellation by it any Outstanding Bonds that the District may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Supplemental Resolutions Not Requiring Consent of Bondholders

The Commission, on behalf of the District, may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Resolutions supplementing and/or amending the Master Resolution or any Supplemental Resolution as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds and to set forth the terms of such Bonds and the special provisions that shall apply to such Bonds;

(b) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, the Master Resolution or any Supplemental Resolution, provided such supplement or amendment is not materially adverse to the Bondholders;

(c) to add to the covenants and agreements of the District in the Master Resolution or any Supplemental Resolution other covenants and agreements, or to surrender any right or power reserved or conferred upon the District, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(d) to subject to the lien and pledge of the Master Resolution additional revenues, receipts, properties, or other collateral;

(e) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Resolution at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Resolution;

(f) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(g) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(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 that are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness that the Commission from time to time deems appropriate to incur;

(j) to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds;

(k) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Bonds, including, without limitation, the segregation of Revenues and Net Revenues into different funds;

(l) to designate CFC Revenues or Passenger Facility Charges as Revenues or to withdraw any such designation as may be provided in the Master Resolution or the applicable Supplemental Resolution;

(m) to make an Irrevocable Commitment to use Passenger Facility Charges, Federal Direct Payments, or money available under a grant to pay Annual Debt Service on Bonds; and

(n) to modify, alter, amend or supplement the Master Resolution or any Supplemental Resolution in any other respect that is not materially adverse to the Bondholders.

Before the Commission, on behalf of the District, may execute any Supplemental Resolution, there shall have been delivered to the District and the Trustee an opinion of Bond Counsel to the effect that such Supplemental Resolution: (y) is authorized or permitted by the Master Resolution and any applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the District in accordance with its terms and (z) will not cause interest on any of the Bonds that is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes. The opinion of Bond Counsel required pursuant to clause (z) in the preceding sentence shall not be required for a Supplemental Resolution executed and delivered in accordance with clause (a) in the preceding sentence.

Supplemental Resolution Requiring Consent of Bondholders

(a) Except for any Supplemental Resolution entered into as described in the section above entitled "– Supplemental Resolutions Not Requiring Consent of Bondholders" and any Supplemental Resolution entered into pursuant to paragraph (b) below, the holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Commission of any Supplemental Resolution deemed necessary or desirable by the Commission for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in the Master Resolution or in a Supplemental Resolution; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and paragraph (b) below is applicable, nothing in the Master Resolution shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing in the Master Resolution, including the provisions of paragraph (b) below, shall, unless approved in writing by the holders of all the Bonds then Outstanding, permit or be construed as permitting (iii) except as expressly permitted by the Master Resolution, the creation of a lien upon or pledge of the Net Revenues created by the Master Resolution, ranking prior to or on a parity with the claim created by the Master Resolution, (iv) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Resolution. Nothing described in this paragraph, however, shall be construed as making necessary the approval by Bondholders of the execution of any Supplemental Resolution as described in the section above entitled "– Supplemental Resolutions Not Requiring Consent of Bondholders," including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(b) The Commission, on behalf of the District, may, from time to time and at any time, execute a Supplemental Resolution that amends the provisions of an earlier Supplemental Resolution under which a Series or multiple Series of Bonds were issued. If such Supplemental Resolution is executed for one of the purposes described in the section above entitled "– Supplemental Resolutions Not Requiring Consent of Bondholders," no notice to or consent of the Bondholders shall be required. If such Supplemental Resolution contains provisions that affect the rights and interests of less than all Series of Bonds Outstanding and the provisions described in the section above entitled "– Supplemental Resolutions Not Requiring Consent of Bondholders" are not applicable, then this paragraph (b) rather than paragraph (a) above shall control and, subject to the terms and provisions contained in this paragraph (b) and the Master Resolution and not otherwise, the holders of not less than 51% in aggregate Principal Amount of the Bonds of all Series that are affected by such changes shall have the right from time to time to consent to any Supplemental Resolution deemed necessary or desirable by the Commission for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in such Supplemental Resolution and affecting only the Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Bonds of all the affected Series then Outstanding, nothing contained in the Master Resolution shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon.

(c) If at any time the Commission shall desire to enter into any Supplemental Resolution for any of the purposes described above, the Commission shall cause notice of the proposed execution of the Supplemental Resolution to be given by Mail to all Bondholders or, under paragraph (b) above, all Bondholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that a copy thereof is on file at the office of the District for inspection by all Bondholders and it shall not be required that the Bondholders approve the final form of such Supplemental Resolution but it shall be sufficient if such Bondholders approve the substance thereof.

(d) The Commission may execute and deliver such Supplemental Resolution in substantially the form described in such notice, but only if there shall have first been delivered to the District (i) the required consents, in writing, of Bondholders and (ii) the opinion of Bond Counsel required by the last paragraph in the section above entitled "– Supplemental Resolutions Not Requiring Consent of Bondholders."

(e) If Bondholders of not less than the percentage of Bonds required above shall have consented to and approved the execution and delivery thereof as provided in the Master Resolution, no Bondholders shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Commission from executing the same or from taking any action pursuant to the provisions thereof.

(f) Notwithstanding paragraphs (c) through (e) above, the Commission may, at its discretion, execute and deliver a Supplemental Resolution that contains such modifications, alterations, amendments or supplements prior to receipt of the required consents in writing of the Holders; provided, that such Supplemental Resolution or the applicable provisions of such Supplemental Resolution subject to the consents of the Holders shall not become effective until such time as there has been delivered to the District (i) the required consents, in writing, of Holders and (ii) the opinion of Bond Counsel required by the Master Resolution. In the event the Commission decides to execute and deliver a Supplemental Resolution in accordance with this paragraph (f), the notice required in paragraph (c) above shall make reference to a final and executed Supplemental Resolution as opposed to a proposed Supplemental Resolution.

(g) For the purposes of the amendment consent provisions of the Master Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may approve a Supplemental Resolution and may consent to a modification or amendment of the Master Resolution or any Supplemental Resolution and other modifications permitted as described in this Section in the manner described herein, 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 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 prepared in connection with the primary offering of the Bonds of such Series by the District.

Regarding the Trustee

U.S. Bank Trust Company, National Association has under the Master Resolution been appointed by the Commission as Trustee. The Trustee, including any successor Trustee shall, at the time of appointment, be a bank, trust company, or association organized under state or federal law and which is a member of the Federal Reserve System with a capital stock, surplus and undivided profits aggregating in excess of $50,000,000. The same bank, trust company, or association may serve any or all of the roles of Bond Registrar, Paying Agent, and Trustee.

Duties and Obligations of the Trustee. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Master Resolution, and no implied covenants or obligations should be read into the Master Resolution against the Trustee. If any Event of Default under the Master Resolution shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by the Master Resolution and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs. The Trustee shall perform such trusts only upon and subject to the expressed terms and conditions set forth in the Master Resolution.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties under the Master Resolution, and may in all cases pay and be reimbursed by the District reasonable compensation to all attorneys, agents, receivers, and employees as may be reasonably employed in connection with the trusts thereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the District) except that with respect to matters involving the exemption from federal income taxes of the interest on the Bonds, any attorneys shall be Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon the opinion or advice.

The Trustee shall not be responsible for any recital in the Master Resolution or in the Bonds, or for the validity of the adoption by the Commission of the Master Resolution or of any Supplemental Resolution or instruments of further assurance, or for the sufficiency or the security for the Bonds or intended to be secured thereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the District, except as in the Master Resolution expressly set forth; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property conveyed by the Master Resolution.

The Trustee shall be protected in acting under the Master Resolution or any Supplemental Resolution upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Master Resolution or any Supplemental Resolution upon the request or authority or consent of any person who at the time of making the request or giving the authority or consent is the Bondholder of any Bond, shall be conclusive and binding upon all future Bondholder of the same Bond and of Bonds issued in exchange therefor or in place thereof, regardless of whether or not any notation of making the request or giving the authority or consent is made on the Bond.

The permissive right of the Trustee to do things enumerated in the Master Resolution or any Supplemental Resolution shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default except failure by the District to cause to be made any of the payments to the Trustee required to be made to the Debt Service Fund, the Debt Service Reserve Fund or the Subordinate Obligation Debt Service Fund, or an Event of Default for failure to pay principal and interest on Bonds, unless the Trustee shall be specifically notified in writing of the Event of Default by the District, or by the Bondholders of at least 25% in aggregate principal amount of all Bonds then Outstanding and all notices or other instruments required by the Master Resolution or any Supplemental Resolution to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee or at any other address as set forth in a Supplemental Resolution, and in the absence of notice delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

Notwithstanding anything elsewhere in this Master Resolution or any Supplemental Resolution contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Master Resolution or any Supplemental Resolution, to be furnished with any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of that action by the Trustee, as the Trustee may deem desirable.

Before taking any action under the Bond Resolution, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement or all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

None of the provisions of the Master Resolution shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties under the Master Resolution, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

Intervention by Trustee. In any judicial proceeding to which the District is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the holders of at least 25% in aggregate principal amount of all Bonds then Outstanding and provided indemnity reasonably satisfactory to it. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any conversion, sale, merger, consolidation, or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee and vested with all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties to the Master Resolution.

Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign by giving 30 days' written notice to the District, and by first-class mail to each holder of Bonds then Outstanding shown by the books of the Bond Registrar, and the resignation shall take effect upon the appointment of a successor Trustee or successor temporary Trustee by the bondholders or by the District. The notice to the District may be served personally or sent by registered or certified mail. If no appointment of a successor Trustee shall be made within 60 days of the proposed resignation date, any Bondholder or the Trustee may make application to any court of competent jurisdiction for the appointment of a successor Trustee and the court may thereupon, after any notice as the court may prescribe, appoint a successor Trustee.

Removal of the Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee under the Master Resolution.

(b) Prior to the occurrence and continuance of an Event of Default, or after the curing or waiver of any such Event of Default, the District or the holders of a majority in aggregate principal amount of the Outstanding Bonds, may remove the Trustee and shall appoint a successor

Trustee. In the event there shall have occurred and be continuing an Event of Default, the majority of Bondholders may remove the Trustee and shall appoint a successor Trustee. In each instance such removal and appointment shall be accomplished by an instrument or concurrent instruments in writing signed by the District or such holders, as the case may be, and delivered to the Trustee, the District, and holders of the Outstanding Bonds.

(c) If at any time: (1) the Trustee shall cease to be eligible and qualified under the Master Resolution and shall fail or refuse to resign after written request to do so by the District or the holder of any Bond, or (2) the Trustee shall become incapable of acting or shall be adjudged insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee, its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then in either such case (A) the District may remove the Trustee and appoint a successor Trustee in accordance with the provisions of the Master Resolution; or (B) any holder of a Bond then Outstanding may, on behalf of the holders of all Outstanding Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

The District shall give written notice of each resignation or removal of the Trustee and each appointment of a successor Trustee to each holder of Bonds then Outstanding as listed in the books of the Bond Registrar. Each such notice shall include the name and address of the applicable corporate trust office of the successor Trustee.

Appointment of Successor Trustee; Temporary Trustee. In case the Trustee shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting as Trustee under the Master Resolution, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed (a) by the District or (b) by the majority of Bondholders, by an instrument or concurrent instruments in writing signed by the holders, or by their attorneys in fact, duly authorized.

Concerning Any Successor Trustee.

(a) Upon acceptance of appointment by the successor Trustee, the District shall give notice of the succession of the Trustee by first class mail to the Bondholders at the addresses shown on the books of the Bond Registrar. Each Trustee appointed under the Master Resolution shall signify its acceptance of the duties and obligations imposed upon it by the Master Resolution or any Supplemental Resolution as Trustee by executing and delivering to the District a written acceptance of its duties and obligations.

Every successor Trustee shall execute, acknowledge, and deliver to its predecessor and also to the District an instrument in writing accepting appointment, and thereupon the successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but the predecessor shall, nevertheless, on the written request of the District, or of its successor, and upon payment of all amounts due the predecessor, execute and deliver an instrument transferring to the successor Trustee all the estates, properties, rights, powers, duties, and trusts of the predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee to its successor. Should any instrument in writing from the District be required by any successor Trustee for more fully and certainly vesting in the successor the estate, rights, powers, and duties vested or intended to be vested in the predecessor, any instruments in writing shall, on request, be executed, acknowledged, and delivered by the District. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor, together with all other instruments provided for in the Master Resolution, shall be filed or recorded by the successor Trustee in each recording office where the Master Resolution shall have been filed or recorded.

Trust Estate May Be Vested in Separate or Co-Trustee.

(a) It is the purpose of the Master Resolution that there shall be no violation of any law of any jurisdiction (including particularly the laws of South Carolina) denying or restricting the right of banking corporations or associations to transact business as Trustee in those jurisdictions. It is recognized that in case of litigation under the Master Resolution or any Supplemental Resolution, and, in particular, in case of the enforcement of either an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution that warrants all of the requirements of the Master Resolution as a co-trustee. The following provisions are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a co-trustee (and the Trustee is expressly granted that power in the Master Resolution), each and every remedy, power, right, claim, demand, cause of action, immunity, and estate expressed or intended by the Master Resolution or any Supplemental Resolution to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in the co-trustee but only to the extent necessary to enable the co-trustee to exercise the powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by the co-trustee shall run to and be enforceable by either of them.

(c) Should any instrument in writing from the District be required by the co-trustee appointed by the Trustee for more full and certainly vesting in and confirming to it the properties, rights, powers, trusts, duties, and obligations, any instruments in writing shall, on request, be executed, acknowledged, and delivered by the District. In case any co-trustee, or a successor to any, shall dissolve, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of the co-trustee so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to the co-trustee.

SUMMARY OF THE SECOND SUPPLEMENTAL RESOLUTION

Designation of Paying Agent and Registrar

Pursuant to the Second Supplemental Resolution, U.S. Bank Trust Company, National Association has been designated Paying Agent for the payment of principal of and interest on 2024 Bonds and as Bond Registrar with respect to the registration, transfer and exchange of 2024 Bonds.

Ratification and Establishment of Funds and Accounts

In addition to the Funds and Accounts established in the Master Resolution, the District has established the following funds and accounts, and the moneys deposited in such funds and accounts shall be held for the purposes set forth in the Master Resolution and the Second Supplemental Resolution:

(a) within the Debt Service Fund, the Series 2024A Debt Service Account;

(b) within the Debt Service Fund, the Series 2024B Debt Service Account;

(c) the Series 2024A Costs of Issuance Fund;

(d) the Series 2024B Costs of Issuance Fund;

(e) the Series 2024 Reserve Account to be established in the Common Reserve Account of the Debt Service Reserve Fund;

(f) the Series 2024A Rebate Account;

(g) the Series 2024A Construction Fund to be held by the District; and

(h) the Series 2024B Construction Fund to be held by the District.

Disposition of Proceeds of 2024 Bonds

The net proceeds from the sale of the Series 2024A Bonds shall be applied simultaneously with the delivery of such Series 2024A Bonds, as follows:

(a) there shall be deposited into the Series 2024 Reserve Account, such portion of the Reserve Requirement as directed by an Authorized Officer of the District;

(b) there shall be deposited in the Series 2024A Costs of Issuance Fund an amount equal to the Series 2024A Costs of Issuance of the Series 2024A Bonds as directed by an Authorized Officer of the District; and

(c) the remaining balance of proceeds of the Series 2024A Bonds shall be deposited in the Series 2024A Construction Fund.

The net proceeds from the sale of the Series 2024B Bonds shall be applied simultaneously with the delivery of such Series 2024B Bonds, as follows:

(a) there shall be deposited into the Series 2024 Reserve Account such portion of the Reserve Requirement directed by an Authorized Officer of the District;

(b) there shall be deposited in the Series 2024B Costs of Issuance Fund an amount equal to the Series 2024B Costs of Issuance of the Series 2024B Bonds as directed by an Authorized Officer of the District; and

(c) the remaining balance of proceeds of the Series 2024B Bonds shall be deposited in the Series 2024B Construction Fund.

Debt Service Accounts

The District shall deposit into the Series 2024A Debt Service Account the amount of money required by the Master Resolution to be used to pay principal of and interest on the Series 2024A Bonds. The District shall deposit into the Series 2024B Debt Service Account the amount of money required by the Master Resolution to be used to pay principal of and interest on the Series 2024B Bonds.

Series 2024 Reserve Account

Pursuant to the Master Resolution, the District has elected to have the 2024 Bonds participate in the Common Reserve Account and treated as a single Series of Bonds for such purpose. At the time of issuance of the 2024 Bonds, portions of the proceeds of the 2024 Bonds shall be deposited into the Series 2024 Reserve Account. The Series 2024 Reserve Account shall be established, held, invested, and used as an integral part of the Debt Service Reserve Fund as provided in the Master Resolution and shall be available to make payments on all Bonds participating in the Common Reserve Account of the Debt Service Reserve Fund. In the event a Reserve Fund Surety Policy is ever deposited to the Common Reserve Account of the Debt Service Reserve Fund, the Series 2024 Reserve Account shall be credited with the portion of any Reserve Fund Surety Policy in accordance with the terms of such Reserve Fund Surety Policy. In the event amounts in the Common Reserve Account of the Debt Service Reserve Fund exceed the Reserve Requirement for the Common Reserve Account of the Debt Service Reserve Fund, such excess shall be transferred to the Series 2024 Debt Service Account.

Construction Funds

Withdrawals from the Series 2024A Construction Fund and the Series 2024B Construction Fund shall be made as determined by the District.

Promptly after the Completion Date, the District shall either (i) transfer any moneys held in the Series 2024A Construction Fund and the Series 2024B Construction Fund and not needed to pay costs of the Series 2024 Project to the Trustee for deposit into the applicable Debt Service Account to be applied to pay the principal and interest on the applicable 2024 Bonds, or (ii) use such moneys for other capital projects of the District, as determined by the District.

The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Officer of the District stating that except for amounts retained by the District for costs of the Series 2024 Project incurred but not then due and payable, the Series 2024 Project has been completed in accordance with the approved plans and specifications therefor and all labor, services, materials, and supplies used in construction and improvement have been paid for, all other facilities necessary in connection with the Series 2024 Project have been constructed, acquired, and installed in accordance with the specifications therefor, and all costs and expenses incurred in connection therewith have been paid, and any other approvals or permits required by any government authority for the use of the Series 2024 Project for its intended purposes have been obtained, including but not limited to, certificates that the construction and intended use of the Series 2024 Project are in compliance with all applicable zoning and building codes.

Designation of CFCs as Revenues Under Master Resolution

Pursuant to the definition of "Revenues" in the Master Resolution, the Commission has designated such CFCs received in each of the Fiscal Years ending in 2025 through 2034 which the District determines are allocable to land use charges or eligible for the payment of principal, interest and other amounts payable with respect to Bonds or for the payment of Operation and Maintenance Expenses as Revenues for purposes of the Master Resolution. In addition, CFCs received in each Fiscal Year after Fiscal Year 2034 which the District determines are allocable to land use charges or eligible for the payment of principal, interest and other amounts payable with respect to Bonds or for the payment of Operation and Maintenance Expenses are designated and included as Revenues for purposes of the Master Resolution until such time as the Commission by Supplemental Resolution excludes and removes CFCs from Revenues for purposes of the Master Resolution; provided, however, that the Commission shall take no action by Supplemental Resolution or otherwise to exclude and remove CFCs from Revenues for purposes of the Master Resolution unless the Commission first obtains a certificate to the effect that the District will be in compliance with the rate covenant provisions of the Master Resolution (see "SUMMARY OF THE MASTER RESOLUTION – Rate Covenant") when CFCs are no longer designated as Revenues. Satisfaction of the requirements set forth under the definition of "Released Revenues" is not required for CFCs received after Fiscal Year 2034 to be excluded and removed as Revenues pursuant to the immediately preceding sentence.

Credit Facility Provisions

The Master Resolution provides that if a Credit Facility is provided for a Series of Bonds or for specific Bonds, the Commission may in the Supplemental Resolution under which such Bonds are issued provide such rights to the Credit Provider as the Commission shall deem to be appropriate. The Commission has authorized the Chair or Vice-Chair of the Commission or the President/CEO or Vice President/CFO of the District to cause the purchase, from proceeds of the 2024 Bonds, of a Credit Facility for the purpose of enhancing the marketability of such Series and maturities of the 2024 Bonds as they may determine, or to effect the satisfaction of the Reserve Requirement with respect thereto, if the Chair or Vice-Chair of the Commission or the President/CEO or Vice President/CFO of the District determines that the purchase of such Credit Facility is advisable and in the best interest of the District. Such officers, or any one of them acting alone, are further authorized to negotiate, execute and deliver such insurance or replenishment agreements (each, a "Credit Facility Agreement") as may in their judgment be necessary or desirable in connection therewith. By their purchase of a Series 2024 Bond which is insured or guaranteed by a Credit Facility in the form of a municipal bond insurance policy or guaranty, the purchaser agrees and accepts that its rights under the Master Resolution and as a holder of a Series 2024 Bond are in all respects subject to the rights of the Credit Provider under any such Credit Facility Agreement.

Designation of Certain CFCs as Revenues with Respect to 2024 Bonds

Pursuant to the definition of "Revenues" in Article I of the Master Resolution, the Commission confirms the designation of CFCs received in each of the Fiscal Years ending in 2025 through 2034 as Revenues for purposes of the Master Resolution and further designates such CFCs received in each of the Fiscal Years ending in 2025 through 2034 as Revenues for purposes of the Master Resolution. In addition, CFCs received in each Fiscal Year after Fiscal Year 2034 are designated and included as Revenues for purposes of the Master Resolution until such time as the Commission by Supplemental Resolution excludes and removes CFCs from Revenues for purposes of the Master Resolution; provided, however, that the Commission shall take no action by Supplemental Resolution or otherwise to exclude and remove CFCs from Revenues for purposes of the Master Resolution unless the Commission first obtains a certificate to the effect that the District will be in compliance with Sections 6.03(a) and (b) of the Master Resolution when CFCs are no longer designated as Revenues. Satisfaction of the requirements set forth under the definition of "Released Revenues" is not required for CFCs received after Fiscal Year 2034 to be excluded and removed as Revenues pursuant to the immediately preceding sentence. The District shall provide notice under the Continuing Disclosure Agreement in the event that CFCs received after Fiscal Year 2034 are excluded and removed as Revenues for purposes of the Master Resolution.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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POPE FLYNN
GROUP

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MAIN 803.354.4900
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August 29, 2024

Greenville-Spartanburg Airport District
Greer, South Carolina

Re: $37,220,000 Greenville-Spartanburg Airport District Airport Revenue Bonds, Series 2024A and $66,005,000 Greenville Spartanburg Airport District Taxable Airport Revenue Bonds, Series 2024B

Ladies and Gentlemen:

We have acted as Bond Counsel to the Greenville-Spartanburg Airport District, an airport district and a political subdivision of the State of South Carolina (the "*District*"), in connection with the issuance of the District's $37,220,000 Airport Revenue Bonds, Series 2024A (the "*Series 2024A Bonds*") and its $66,005,000 Taxable Airport Revenue Bonds, Series 2024B (the "*Series 2024B Bonds*" and, together with the Series 2024A Bonds, the "*2024 Bonds*").

The 2024 Bonds are issued pursuant to the provisions of the Constitution and laws of the State of South Carolina (the "*State*"), including particularly Title 55, Chapter 11, Article 3, and Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (the "*Act*"), and a Master Bond Resolution adopted July 8, 2024 (the "*Master Resolution*"), as supplemented, including as supplemented particularly by a Second Supplemental Resolution adopted July 8, 2024 (the "*Second Supplemental Resolution*" and, together with the Master Resolution, the "*Resolutions*"). The proceeds of the 2024 Bonds will be used (1) to pay the costs of the acquisition, by construction and purchase, of a five-story approximately 1,500-space parking garage on the campus of the Airport, (2) to fund the Reserve Requirement in the Series 2024 Reserve Account within the Common Reserve Account of the Debt Service Reserve Fund (as such terms are defined in the Resolutions) with respect to the 2024 Bonds, and (3) to pay certain costs and expenses relating to the issuance of the 2024 Bonds.

We have examined the Act and the Constitution of the State and certified copies of proceedings of the Greenville-Spartanburg Airport Commission, the governing body of the District, authorizing the issuance of the 2024 Bonds, and such other records and documents as we have considered necessary or appropriate for the purposes of this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Resolutions and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion, under existing law, that:

1. The District is validly existing as an airport district and a political subdivision of the State with the power to adopt the Resolutions, perform the agreements on its part contained therein and issue the 2024 Bonds.

2. The Resolutions have been duly adopted by the District and constitute valid and legally binding obligations of the District enforceable against the District.

3. The Resolutions create a valid lien on the Net Revenues and other funds pledged by the Resolutions for the security of the 2024 Bonds on a parity, with respect to the pledge of Net Revenues, with the 2020 Note and other Bonds, if any, issued or to be issued under the Resolutions.

4. The 2024 Bonds have been duly authorized, executed, and delivered by the District and are valid and binding limited obligation of the District, payable solely from the Net Revenues and other funds provided therefor in the Resolutions.

5. Interest on the Series 2024A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"); however, such interest is taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations. Our opinion as to the exclusion of interest on the Series 2024A Bonds from gross income set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2024A Bonds.

Interest on the Series 2024B Bonds is not excluded from gross income for federal income tax purposes under the Code.

6. Under existing law, the 2024 Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the 2024 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

The rights of the holders of the 2024 Bonds and the enforceability of the 2024 Bonds and the Resolutions may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the 2024 Bonds, or regarding the perfection or priority of the lien on Net Revenues or other funds created by the Resolution. We note that, unless perfected, the lien on Net Revenues may not be effective. Further, we express no opinion regarding tax consequences arising with respect to the 2024 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Sincerely,

Pope Flynn, LLC

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated August 29, 2024, is executed and delivered by the Greenville-Spartanburg Airport District, a body politic and corporate and a political subdivision of South Carolina (the "Issuer"), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) herein, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Vice President/CFO of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means the Greenville-Spartanburg Airport District, a body politic and corporate and a political subdivision of South Carolina.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 following the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;”

7. “Modifications to rights of securities holders, if material;”

8. “Bond calls, if material, and tender offers;”

9. “Defeasances;”

10. “Release, substitution, or sale of property securing repayment of the securities, if material;”

11. “Rating changes;”

12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”

13. “The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, 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 obligated person, if material, or agreement to covenants, events of default remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security 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 obligated person, any of which reflect financial difficulties.”

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”

2. “change in obligated person;”

3. “notice to investors pursuant to bond documents;”

4. “certain communications from the Internal Revenue Service, other than those communications included in the Rule;”

5. “secondary market purchases;”

6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”

8. “litigation/enforcement action;”

9. “change of tender agent, remarketing agent, or other on-going party;” and

10. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. <u>Content of Annual Reports.</u>

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including financial and statistical information as of a date not earlier than the end of the preceding fiscal year comparable to the information provided in the Official Statement under the headings set forth below, to the extent that such items are not included in the Audited Financial Statements.

(i) "THE AIR SERVICE AREA;"

(ii) “THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Airlines Service the Airport;”

(iii) “THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Airport Demand;”

(iv) “THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Historical Enplanements;”

(v) “THE GREENVILLE-SPARTANBURG AIRPORT DISTRICT – Airline Market Shares;” and

(vi) “FINANCIAL MATTERS OF THE DISTRICT – Historical Financial Trends.”

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. <u>Reporting of Notice Events.</u>

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice 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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of the holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, 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 an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect the holders of the Bonds, 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 an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. <u>CUSIP Numbers</u>. The Issuer will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. <u>Additional Disclosure Obligations</u>. The Issuer acknowledges and understands that other state and federal laws including, but not limited to, the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. <u>Voluntary Filing</u>.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

[Signature page to follow]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:______________________________
Name:___________________________
Title:_____________________________

GREENVILLE-SPARTANBURG AIRPORT DISTRICT, as Issuer

By:______________________________
Name: David N. Edwards, Jr.
Title: President/CEO

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Greenville-Spartanburg Airport District, South Carolina
Obligated Person(s)	Greenville-Spartanburg Airport District, South Carolina
Name of Bond Issue:	$37,220,000 Airport Revenue Bonds, Series 2024A (Non-AMT) $66,005,000 Taxable Airport Revenue Bonds, Series 2024B
Date of Issuance:	August 29, 2024
Date of Official Statement	August 13, 2024
CUSIP Numbers:	396613DJ7 396613DK4 396613DL2 396613DM0 396613DN8 396613DP3 396613DQ1 396613DR9 396613DS7 396613DT5 396613DU2 396613DV0 396613DW8 396613DX6 396613DY4 396613DZ1 396613EA5

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer	Greenville-Spartanburg Airport District, South Carolina
Obligated Person(s)	Greenville-Spartanburg Airport District, South Carolina
Name of Bond Issue:	$37,220,000 Airport Revenue Bonds, Series 2024A (Non-AMT) $66,005,000 Taxable Airport Revenue Bonds, Series 2024B
Date of Issuance:	August 29, 2024
Date of Official Statement	August 13, 2024
CUSIP Numbers:	______________________________

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _________________.

Dated: _________________________

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Issuer

____

cc: Obligated Person
Issuer

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

____

Issuer's Six-Digit CUSIP Number:

____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

____

Number of pages attached: _______

Description of Notice Events (Check One):

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, IRS notices or events affecting the tax status of the security;"
7.______ "Modifications to rights of securities holders, if material;"
8.______ "Bond calls, if material, tender offers;"
9.______ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security 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 obligated person, any of which reflect financial difficulties."
17._______"Failure to provide annual financial information as required."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:___________________________
Name: ______________________________ Title: ______________________________
Date: _______________________________

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated August __, 2024 between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

____

Issuer’s Six-Digit CUSIP Number:

____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

____

Number of pages attached: ______

Description of Voluntary Event Disclosure (Check One):

1.____“amendment to continuing disclosure undertaking;”
2.____“change in obligated person;”
3.____“notice to investors pursuant to bond documents;”
4.____“certain communications from the Internal Revenue Service;”
5.____“secondary market purchases;”
6.____“bid for auction rate or other securities;”
7.____“capital or other financing plan;”
8.____“litigation/enforcement action;”
9.____“change of tender agent, remarketing agent, or other on-going party;” and
10.____“other event-based disclosures.”

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly: ‘

Signature:_________________________
Name: ___________________________ Title: ____________________________
Date: ____________________________

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated August __, 2024 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

____

Issuer's Six-Digit CUSIP Number:

____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

____

Number of pages attached: ______

Description of Voluntary Financial Disclosure (Check One):

1. ___ "quarterly/monthly financial information;"
2. ___ "change in fiscal year/timing of annual disclosure;"
3. ___ "change in accounting standard;"
4. ___ "interim/additional financial information/operating data;"
5. ___ "budget;"
6. ___ "investment/debt/financial policy;"
7. ___ "information provided to rating agency, credit/liquidity provider or other third party;"
8. ___ "consultant reports;" and
9. ___ "other financial/operating data."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:_________________________
Name: ___________________________ Title: _____________________________
Date: ____________________________

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

GREENVILLE-SPARTANBURG AIRPORT DISTRICT, SOUTH CAROLINA
AIRPORT REVENUE BONDS, SERIES 2024A (NON-AMT) AND TAXABLE AIRPORT REVENUE BONDS, SERIES 2024B

GSP INTERNATIONAL AIRPORT
ROGER MILLIKEN FIELD

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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