Regular Council Meeting

April 27, 2023

FRESNO CITY COUNCIL

City of FRESNO

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CITY CLERK'S OFFICE

Supplement Packet

ITEM(S)

10:00 A.M. #2 (ID 23-640)

Actions pertaining to the City of Fresno Airport Revenue Bonds:

1. TEFRA HEARING - Tax Equity and Fiscal Responsibility Act (TEFRA) to hear and consider information concerning the proposed issuance of tax-exempt bonds by the City of Fresno of exempt facility bonds for the purpose of financing various improvements at Fresno Yosemite International Airport
2. ***RESOLUTION - Authorizing the issuance, sale and delivery of City of Fresno Airport Revenue Bonds, Series 2023 Bonds, authorizing the execution and delivery of a fourth supplemental indenture, bond purchase contract, escrow agreement, continuing disclosure certificate, official statement, and related documents, and authorizing certain other actions and the execution of certain other documents in connection therewith. (Requires 5 Affirmative Votes) (Subject to Mayor's veto)

Supplemental Packet Contains: Preliminary Official Statement, Bond Purchase Contract, Fourth Supplemental Indenture – Fresno Yosemite Airport

Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways,

AFS DRAFT #4
4/11/23

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2022

TWO NEW ISSUES-BOOK-ENTRY ONLY

UNDERLYING RATINGS: S&P: ___
Kroll: ___
RATING ON INSURED BONDS: S&P: ___
Kroll: ___
(See "BOND INSURANCE" herein)
(See "RATINGS" herein)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes, except that no opinion is expressed as to the status of interest on any Series 2023A Bond for any period that such Series 2023A Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2023A Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2023B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax, Bond Counsel observes that interest on the Series 2023A Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and that, for tax years beginning after December 31, 2022, interest on the Series 2023 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Series 2023A Bonds and Series 2023B Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. See "TAX MATTERS."

FRESNO YOSEMITE International Airport

$94,485,000*
CITY OF FRESNO
AIRPORT REVENUE BONDS
SERIES 2023A
(AMT)

$5,690,000*
CITY OF FRESNO
AIRPORT REVENUE
[REFUNDING] BONDS
SERIES 2023B
(Non-AMT)

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

The City of Fresno (the "City") will issue $94,485,000* principal amount of its City of Fresno Airport Revenue Bonds, Series 2023A (AMT) (the "Series 2023A Bonds") and $5,690,000* principal amount of its City of Fresno Airport Revenue [Refunding] Bonds, Series 2023B (Non-AMT) (the "Series 2023B Bonds," and, together with the Series 2023A Bonds, the "Series 2023 Bonds"). The Series 2023 Bonds are being issued pursuant to an Indenture of Trust dated as of June 15, 2000 (the "Original Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented, including as amended and supplemented by a Fourth Supplemental Indenture dated as of May 1, 2023 (the "Fourth Supplemental Indenture"), by and between the City and the Trustee. The Original Indenture as supplemented and amended is referred to as the "Indenture." The Series 2023A Bonds are being issued to: (i) finance a portion of the costs of

construction of certain improvements at the Fresno Yosemite International Airport terminal; (ii) refund $13,290,000 outstanding principal amount of City of Fresno Airport Revenue Bond Series 2013B (AMT)]; (iii) capitalize interest on the Series 2023A Bonds through January 1, 2026; and (iv) to make a deposit to the 2023 Debt Service Reserve Fund; (v) pay certain costs associated with the issuance of the Series 2023A Bonds. The Series 2023B Bonds are being issued to: (i) provide funds to refund $6,805,000 outstanding principal amount of City of Fresno Airport Revenue Bond Series 2013A (Non-AMT); (ii) to make a deposit to the 2023 Debt Service Reserve Fund; and (iii) pay certain costs associated with the issuance of the Series 2023 Bonds. See "PLAN OF FINANCE."

The Series 2023 Bonds will be issued in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2023 Bonds. Individual purchases of the Series 2023 Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Purchasers will not receive physical certificates representing their interests in the Series 2023 Bonds. Principal of, redemption premium, if any, and interest on the Series 2023 Bonds will be paid by the Trustee directly to DTC which in turn is obligated to remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the applicable Series of Series 2023 Bonds. See APPENDIX F–"INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM." So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee of DTC, references herein to the registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners of the Series 2023 Bonds.

Interest on the Series 2023 Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2024, at the respective rates set forth on the inside cover page.

The Series 2023 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE SERIES 2023 BONDS–Redemption Provisions."

The Series 2023 Bonds are equally secured by a pledge of Revenues from the City's Fresno Yosemite International Airport (the "Airport"), subject to application thereof to Operating Expenses (each as defined herein), and certain funds and accounts held under the Indenture and have a parity lien on such Revenues with $52,109,508 aggregate outstanding principal amount of previously issued Airport Revenue Bonds of various series as described herein, subject to the provisions of the Indenture regarding limitations on the use of certain Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS–Parity Debt."

[On the date of the delivery of the Series 2023 Bonds, the Authority will deposit a reserve account surety bond (the "Reserve Account Surety Bond") issued by the Bond Insurer (defined below) in the amount of the Series 2023 Bonds Reserve Requirement for deposit into the Debt Service Reserve Fund stablished under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS–Debt Service Reserve Fund and APPENDIX I–"SPECIMEN RESERVE ACCOUNT SURETY BOND."]

[The scheduled payment of principal of and interest on the Series 2023A Bonds and the Series 2023B Bonds maturing on July 1, 20__ through July 1, 20__ (the "Insured Series 2023B Bonds") when due will be guaranteed under municipal bond insurance policies to be issued concurrently with the delivery of the Series 2023A Bonds and the Insured Series 2023B Bonds by _____ (the "Bond Insurer"). See "BOND INSURANCE" herein and APPENDIX H–"SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

[Bond Insurer Logo]

An investment in the Series 2023 Bonds involves risk. For a discussion of some of the risks associated with an investment in the Series 2023 Bonds, see "INVESTOR CONSIDERATIONS."

THE SERIES 2023 BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE AS TO PRINCIPAL, INTEREST AND REDEMPTION PREMIUM, IF ANY, SOLELY OUT OF, AND SECURED BY A PLEDGE OF AND LIEN ON, THE REVENUES OF THE AIRPORT AND CERTAIN FUNDS AND ACCOUNTS PROVIDED FOR IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2023 BONDS. NO HOLDER OF A SERIES 2023 BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE SERIES 2023 BONDS OR THE INTEREST THEREON.

The Series 2023 Bonds are offered when, as and if issued by the City and received by the Underwriter, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney and by ArentFox Schiff LLP, San Francisco, California, Disclosure Counsel, and for the Underwriter by Quint & Thimmig LLP , Larkspur, California. It is expected that the Series 2023 Bonds will be delivered through the facilities of DTC on or about May __, 2023, in New York, New York against payment therefor.

Raymond James

Dated: _____, 2023

_____

* Preliminary, subject to change.

MATURITY SCHEDULE

$94,485,000*
CITY OF FRESNO
AIRPORT REVENUE BONDS
SERIES 2023A
(AMT)[1]

$_____ Serial Series 2023A Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.[2]

$_____ ____% Term Series 2023A Bonds Due July 1, 20__–Yield: ____%–Price: ____–CUSIP No.[2]: _____

$5,690,000*
CITY OF FRESNO
AIRPORT REVENUE [REFUNDING] BONDS
SERIES 2023B
(Non-AMT)

$_____ Serial Series 2023B Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.[2]

$_____ ____% Term Series 2023B Bonds Due July 1, 20__–Yield: ____%–Price: ____–CUSIP No.[2]: _____

_____

[(1) Insured by _____. See "BOND INSURANCE."].

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City or the Underwriter and are included solely for the convenience of the holders of the Series 2023 Bonds. None of the City, its Municipal Advisor, or the Underwriter is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the Series 2023 Bonds or as indicated above. The CUSIP number fora specific maturity is subject to being changed after the issuance of the Series 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2023 Bonds.

* Preliminary, subject to change.

CITY OF FRESNO

MAYOR

Jerry Dyer

CITY COUNCIL

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Esmeralda Z. Soria, *Vice President, District 1*
Mike Karbassi, *District 2*
Miguel Arias, *District 3*
Luis Chavez, *District 5*
Garry Bredefeld, *District 6*
Nelson Esparza, *District 7*

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Georgeanne A. White, *City Manager*
Ruthie F. Quinto, CPA, *Assistant City Manager*
Andrew Janz, *City Attorney*
Santino Danisi, City *Controller/Finance Director*
Todd Stermer, CMC, *City Clerk*

AIRPORTS DEPARTMENT

Henry Thompson, A.A.E., IAP, *Director of Aviation*

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Disclosure Counsel

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The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California
Trustee and Escrow Agent

Unison Consulting Inc.
Chicago, Illinois
Airport Consultant

Causey Demgen & Moore P.C.
Denver, Colorado
Verification Agent

No dealer, broker, salesperson or other person has been authorized by the City of Fresno (the "City") or the underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2023 Bonds by a person in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The information set forth herein has been obtained from the City and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Indenture. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with one or more nationally recognized municipal securities information repositories.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking" statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended and Section 27A of the United States Securities Act of 1933 as amended. Such statements are generally identifiable by the words "plans," "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes," 'budgets" and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The City 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 expectations of the City with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

In making an investment decision investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. These securities have not been approved or disapproved by the Securities and Exchange Commission or any State securities commission nor has the Securities and Exchange Commission or any State securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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

In connection with this offering, the Underwriter may overallot or effect transactions that stabilize or maintain the market price of the Series 2023 Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2023 Bonds to certain dealers and banks at prices lower than the public offering price stated on the cover page hereof and said public offering price may be changed from time to time by the Underwriter.

The Series 2023 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption from the registration requirements contained in such Act. The Series 2023 Bonds have not been registered or qualified under the securities laws of any state.

The City maintains a website (www.fresno.gov). The information presented on that website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2023 Bonds.

[_____ (the "Bond Insurer") makes no representation regarding the Series 2023A Bonds and the Insured Series 2023B Bonds or the advisability of investing in the Series 2023A Bonds and the Insured Series 2023B Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading "BOND INSURANCE" and APPENDIX H–"SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

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CITY LOCATION MAP

[AIRPORT MAP or other GRAPHIC]

OFFICIAL STATEMENT

$94,485,000*
CITY OF FRESNO
AIRPORT REVENUE BONDS
SERIES 2023A
(AMT)

$5,690,000*
CITY OF FRESNO
AIRPORT REVENUE [REFUNDING] BONDS
SERIES 2023B
(Non-AMT)

INTRODUCTION

This Official Statement is furnished in connection with the offering by the City of Fresno (the "City") of $94,485,000* principal amount of its City of Fresno Airport Revenue Bonds, Series 2023A (Non-AMT) (the "Series 2023A Bonds") and $5,690,000* principal amount of its City of Fresno Airport Revenue [Refunding] Bonds, Series 2023B (AMT) (the "Series 2023B Bonds," and, together with the Series 2023A Bonds, the "Series 2023 Bonds"). All capitalized terms used in this Official Statement, including on the cover page hereof, and not herein defined shall have the meanings given such terms in the Indenture (hereinafter defined). See APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–Certain Definitions."

Authority for Issuance

The Series 2023 Bonds are authorized under the City Charter of the City and relevant provisions of its Municipal Code and a resolution of the City Council of the City and are issued and are secured under an Indenture of Trust dated as of June 15, 2000 (the "Original Indenture") between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented, including as amended and supplemented by a Fourth Supplemental Indenture dated as of May 1, 2023 (the "Fourth Supplemental Indenture" and together with the Original Indenture, as previously amended and supplemented, the "Indenture").

The Series 2023 Bonds have a parity lien on Revenues with $19,450,000 aggregate outstanding principal amount of Airport Revenue Bonds, Taxable Series 2007 (the "Series 2007 Bonds"), and $32,659,508 outstanding principal amount of Airport Revenue Bonds, Series 2019 (the "Series 2019 Bonds") subject to the provisions of the Indenture regarding limitation on the use of certain Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Additional Obligations."

The Series 2007 Bonds, the Series 2019 Bonds, and the Series 2023 Bonds are collectively referred to as the "Bonds."

Purpose

The Series 2023A Bonds are being issued to: (i) finance a portion of the costs of constructing certain improvements to the terminal building at the Fresno Yosemite International Airport (the "2023 Project"); (ii) provide funds to refund and redeem $13,290,000 of outstanding principal amount of the Series 2013B Bonds (the "Refunded Series 2013B Bonds"); (iii) [capitalize interest on the Series 2023A Bonds through January 1, 2026; (iv) to make a deposit to the 2023 Debt Service Reserve Fund; and (v) pay certain costs associated with the issuance of the Series 2023A Bonds. See "THE 2023 PROJECT."

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* Preliminary, subject to change.

The Series 2023B Bonds are being issued to: (i) provide funds to refund and redeem $6,805,000 outstanding principal amount of the Series 2013A Bonds (the "Refunded Series 2013A Bonds" and together with the Refunded Series 2013B Bonds, the "Refunded Bonds"); (ii) to make a deposit to the 2023 Debt Service Reserve Fund; and (iii) pay certain costs associated with the issuance of the Series 2023B Bonds. See "PLAN OF FINANCE – The Series 2023B Bonds."

Upon the issuance of the Series 2023 Bonds, amounts derived from the reserve account established for the Refunded Bonds will be deposited in the escrow for the Refunded Bonds.

The Airport

The City owns and operates two airports: the Fresno Yosemite International Airport (the "Airport"), a commercial airport located approximately 7.5 miles northeast of the downtown area of the City, and Fresno-Chandler Executive Airport, a general aviation airport located approximately 1.5 miles southwest of the downtown area of the City and nine miles southwest of the Airport. The Airport is the only major commercial air carrier airport in Fresno County (the "County") and the central San Joaquin Valley. See "CITY AIRPORTS."

Security for the Bonds

Pledge. The Series 2023 Bonds are payable from, and secured by, Revenues, subject to application thereof to pay Operating Expenses, and amounts on deposit in certain funds and accounts held under the Indenture (other than [the PFC Revenue Fund], the Rebate Fund and any Debt Service Reserve Fund created for any other series of Bonds), including the 2023 Debt Service Reserve Fund and the PFC Debt Service Escrow Fund, into which the City has covenanted to deposit certain PFC Revenues. [Discuss covenant for PFC deposit for 2023 Bonds.] A portion of Revenues is comprised of CFC Revenues, which are not available to pay debt service on the Series 2023 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Pledge of Revenues Subject to Application thereof to Operating Expenses."

The Series 2023 Bonds are not secured by a pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except Revenues, subject to application thereof to Operating Expenses, and certain funds and accounts held pursuant to the Indenture. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2023 Bonds. Neither the payment of the principal of, nor the interest on the Series 2023 Bonds constitutes a debt, liability or obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which it has levied or pledged any form of taxation.

Certain Passenger Facilities Charges. The City collects Passenger Facilities Charges at the Airport and has covenanted to deposit certain amounts derived therefrom into the Covenanted PFC Account in the PFC Revenue Fund. Upon issuance of the Series 2023 Bonds, the amount covenanted to be deposited into the Covenanted PFC Account will be reduced from $1.6M to $0. However, the City intends to make annual deposits into the Covenanted PFC Account over the next several years. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Covenanted PFC Revenues; Debt Service Escrow Fund" and "CITY AIRPORTS–Historical Debt Service Coverage" and "REPORT OF THE AIRPORT CONSULTANT–Forecast Debt Service Coverage."

Debt Service Reserve Fund. The Indenture establishes the 2023 Debt Service Reserve Fund as additional security solely for the Series 2023 Bonds. The Debt Service Reserve Requirement for the Series 2023 Bonds is $_____. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023

BONDS–Debt Service Reserve Fund," APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–2023 DEBT SERVICE Reserve Fund."

[On the date of the delivery of the Series 2023 Bonds, _____ ("___") will issue a [Reserve Account Surety Bond] the "Series 2023 Bonds Policy") in the amount of the Debt Service Reserve Requirement for the Series 2023 Bonds. See APPENDIX I–"SPECIMEN DEBT SERVICE RESERVE SURETY BOND."]

[Bond Insurance Policies]

[Concurrently with the issuance of the Series 2023 Bonds, _____ will issue its Municipal Bond Insurance Policy for the Series 2023A Bonds (the "Series 2023A Bonds Policy") and its Municipal Bond Insurance Policy for the Series 2023B Bonds maturing on July 1, 20__ through July 1, 20__ (the "Series 2023B Bonds Policy" and, with the Series 2023A Bonds Policy, the "Policies"). The Policies respectively guarantee the scheduled payment of principal of and interest on the Series 2023A Bonds and the scheduled payment of principal of and interest on the Series 2023B Bonds maturing on July 1, 20__ through July 1, 20__ (the "Insured Series 2023B Bonds") when due as set forth in the form of the Policies included as APPENDIX H to this Official Statement. See "BOND INSURANCE."]

Bondholders' Risks

There are important investment considerations and other risk factors associated with the purchase of the Series 2023 Bonds. See "INVESTOR CONSIDERATIONS" for a discussion of some of these considerations and risks. Any one or more of the risks discussed, and others, could lead to a decrease in the market value and/or in the liquidity of the Series 2023 Bonds. Potential purchasers of the Series 2023 Bonds are advised to review this Official Statement carefully and to conduct such due diligence and other review as they deem necessary and appropriate under the circumstances.

Continuing Disclosure

The City has covenanted to provide certain financial information and operating data relating to the Series 2023 Bonds by not later than March 31 of each year following the end of the City's Fiscal Year (which currently would be June 30) commencing with the report for the Fiscal Year ending June 30, 2023 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and notices of material events will be filed by means of the Electronic Municipal Market Access (EMMA) site maintained by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report and the notices of material events is contained within APPENDIX E–"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Report of the Airport Consultant

In connection with the issuance of the Series 2023 Bonds, Unison Consulting, Inc. (the "Airport Consultant") has prepared the Report of the Airport Consultant, dated _____, 2023, attached hereto as APPENDIX A. The Report of the Airport Consultant should be read in its entirety for a discussion of key factors that could affect future airline traffic, forecasts of passenger enplanements for the Airport, forecasts of Revenues for Fiscal Years 2022-23 through 2027-28, and assumptions and rationale underlying the forecasts. These assumptions were provided by, or reviewed with and agreed to by, Airport management and the forecasts reflect Airport management's expected course of action during the forecast period. In the opinion of the Airport Consultant, such assumptions provide a reasonable basis for the forecasts.

As noted in the Report of the Airport Consultant, all forecasts set forth therein are subject to uncertainties. Some of the assumptions used to develop the forecast of Revenues may not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material. Neither the City nor the Airport Consultant makes any representation or gives any assurance that these assumptions will prove to be correct or that the forecasts contained in the Report of the Airport Consultant will reflect actual results.

Summaries and Additional Information

This Official Statement contains descriptions of the Airport and its finances and sources of payment for the Series 2023 Bonds, together with summaries of the terms of the Series 2023 Bonds and certain provisions of the Indenture. All references herein to agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Series 2023 Bonds are further qualified by reference to the information with respect thereto contained in the Indenture.

This Official Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale on the basis hereof shall, under any circumstances, create any implication that there has been no change in the affairs of the Airport or the City since the date hereof.

PLAN OF FINANCE

The Series 2023A Bonds

The Series 2023A Bonds are being issued to: (i) finance a portion of the costs of constructing the 2023 Project; (ii) provide funds to refund and redeem $13,290,000 of outstanding principal amount of the Series 2013B Bonds (the "Refunded Series 2013B Bonds"); (iii) capitalize interest on the Series 2023A Bonds through January 1, 2026; (iv) make a deposit to the 2023 Debt Service Reserve Fund; and (v) pay certain costs associated with the issuance of the Series 2023A Bonds. See "THE 2023 PROJECT." See also "–Plan of Refunding."

The Series 2023B Bonds

The Series 2023B Bonds are being issued to: (i) provide funds to refund and redeem $6,805,000 outstanding principal amount of the Series 2013A Bonds (the "Refunded Series 2013A Bonds" and, together with the Refunded 2013B Bonds, the "Refunded Bonds"); (ii)to make a deposit to the 2023 Debt Service Reserve Fund; and (iii) pay certain costs associated with the issuance of the Series 2023B Bonds.

Plan of Refunding

A portion of the proceeds of the Series 2023A Bonds and a portion of the Series 2023B Bonds, together with certain other available moneys, will be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") pursuant to an Escrow Agreement (the "Escrow Agreement") by and between the City and the Escrow Agent.

The amounts deposited with the Escrow Agent pursuant to the Escrow Agreement will be held by such Escrow Agent and invested in noncallable direct obligations of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America to which the direct obligation or guarantee the full faith and credit of the United

States of America has been pledged (collectively, the "Government Securities") that are irrevocably pledged solely to the payment of the interest components becoming due with respect to the Refunded Bonds. The principal of and interest on such Government Securities, when received, will be sufficient to pay the principal of and interest on the applicable Refunded Bonds.

The Refunded Series 2013A Bonds and the Refunded Series 2013B Bonds will be redeemed in full on July 1, 2023 at a redemption price equal to the principal amount thereof plus accrued interest to the date specified for redemption. See also "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The Refunded Series 2013A Bonds are listed below.

BONDS TO BE REFUNDED

CITY OF FRESNO
AIRPORT REVENUE REFUNDING BONDS
SERIES 2013A
(Non-AMT)

Maturity (July 1)	Principal Amount	Interest Rate	CUSIP No.†
2023	$655,000	5.000%	358100DT9
2024	685,000	4.000	358100DU6
2025	715,000	4.250	358100DV4
2026	745,000	4.500	358100DW2
2027	780,000	4.500	358100DX0
2028	815,000	4.750	358100DY8
2030	2,410,000	5.000	358100DZ5

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association.

The Refunded Series 2013B Bonds are listed below.

CITY OF FRESNO
AIRPORT REVENUE REFUNDING BONDS
SERIES 2013B
(AMT)

Maturity (July 1)	Principal Amount	Interest Rate	CUSIP No.†
2023	$1,180,000	5.000%	358100EL5
2024	1,240,000	4.250	358100EM3
2025	1,290,000	4.500	358100EN1
2026	1,345,000	4.750	358100EP6
2027	1,415,000	4.750	358100EQ4
2028	1,485,000	5.000	358100ER2
2030	5,335,000	5.125	358100ES0

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association.

THE 2023 PROJECT

General

The 2023 Project consists of a major expansion of the terminal building at the Fresno Yosemite International Airport including expansion of the TSA passenger screening area to enhance passenger circulation and reduce wait times, new TSA and airline baggage handling areas with added capacity and a new upper-level concourse with two dual-use passenger bridges to facilitate domestic and international boarding, larger holdrooms and space for new shopping and dining concessions. The expansion also includes a new international arrivals facility which triples the size and throughput of the existing facility to serve the growing volume of international passengers. The 2023 Project is part of an ongoing multi-year expansion program to support anticipated leisure and business passenger growth. In November of 2021, a four-level covered parking structure with 920 spaces near terminal entrances opened. The Airport is currently initiating construction on a project to reconfigure and expand airside surfaces to enhance aircraft circulation and parking to accommodate larger aircraft serving the new international/domestic gates. The City will use a Progressive Design-Build project delivery method, which consists of a single entity who is responsible for both the design and construction of the 2023 Project.

The expected cost of the 2023 Project is $147.1 million. The sources of funds is described under "–Principal Funding Sources."

Principal Funding Sources

The City is funding the anticipated $147.1 million cost of the 2023 Project from a variety of sources, in addition to proceeds of the Series 2023 Bonds, as described below. To the extent that any of the funding sources are less than expected or delayed past the expected dates of receipt, the City intends to fund the 2023 Project costs from internal cash-on-hand with the expectation that it will be reimbursed from such funding sources.

Estimated Sources and Uses of Funds for the 2023 Project

The following table sets forth the estimated sources and uses of funds for the Series 2023 Project. See also "THE 2023 PROJECT."

Table 1
ESTIMATED SOURCES AND USES OF FUNDS FOR THE 2023 PROJECT
Terminal/FIS Expansion Project Plan of Finance
Fresno Yosemite International Airport
(for the 12 months ending June 30; in thousands)

		Through	Construction Period				
	Total	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27
USES OF FUNDS							
Design Costs	$11,836	$10,457	$1,379	$ –	$ –	$ –	$ –
Construction Costs	135,221	–	4,375	66,040	53,813	10,994	–
Total Uses	**$147,058**	**$10,457**	**$5,754**	**$66,040**	**$53,813**	**$10,994**	**$ –**
SOURCES OF FUNDS							
AIP Grants	$2,000	$ –	$ –	$2,000	$ –	$ –	$ –
BIL Grants - AIG Allocated	23,372	–	1,180	12,843	4,674	4,674	–
BIL Grants - 2023 Competitive	7,100	–	–	7,100	–	–	–
TSA Grant (Design)	1,465	1,465	–	–	–	–	–
TSA Grant (Construction)	21,214	–	–	10,607	10,607	–	–
Measure C Monies	5,595	–	3,195	800	800	800	–
PFC Paygo	5,800	–	–	5,800	–	–	–
Bond Proceeds	70,000	–	–	26,890	37,732	5,378	–
Airport Cash	10,512	8,992	1,379	–	–	141	–
Total Sources	**$147,058**	**$10,457**	**$5,754**	**$66,040**	**$53,813**	**$10,994**	**$ –**

Series 2023 Bond Proceeds. Proceeds of the Series 2023A Bonds in the amount of $70 million will be applied to the Series 2023 Project.

PFC Revenues. The Airport received approval of PFC application No. 5 on March 31, 2023 for collection authority of $54.4 million, including $48.2 million for a portion of the debt service on the proposed Series 2023 Bonds and $6.2 million of pay-as-you-go expenses, of which $4.4 million is related to the concourse portion of the 2023 Project. The Airport plans to submit PFC application No. 6 in late 2023 or early 2024 for the [remaining collection authority/$_____ million]. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Passenger Facilities Charges." The Airport expects to receive FAA approval in the near future and expects to begin PFC collection on June 1, 2023.

Federal Bipartisan Infrastructure Law Grant. The City expects to apply $23.4 million of FAA funding under the Bipartisan Infrastructure Law – Airport Terminals Program to the 2023 Project.

Federal ATP Grant. The City has been awarded $7.1 million under the federal Airport terminal Program to fund safe, sustainable, and accessible projects within the terminal.

TSA Grants. The City has been awarded $22.6 million under the federal Department of Homeland Security Transit Security Grant Program for the terminal improvements related to the in-line baggage screening system.

Fresno County Measure C Funds. In 1986 Fresno County voters passed Measure C, a one-half cent sales tax to fund transportation improvement within the County. The tax under Measure C expires in 2027. A measure to extend the tax which appeared on the November 2022 ballot failed to achieve the required two-thirds vote. The City plans to apply $5.6 million of Measure C funds to the 2023 Project, of which $2.0 million has been received. Completion of the 2023 Project is not dependent upon the extension of Measure C.

Design and Construction

The City selected Q&D Construction of Reno, Nevada as the design-builder for the 2023 Project. Q&D partnered with the architectural firm CSHQA, based in Boise, Idaho (the "Architect") for design of the 2023 Project. Pursuant to a design-build contract, the Architect began work on the 2023 Project in 2020. Design has been completed and construction is expected to commence following issuance of the Series 2023 Bonds with completion expected by September 2025.

In a Progressive Design-Build Contract the design-builder delivers the project in two distinct phases with: (a) Phase One including design development, preconstruction services and the negotiation of a guaranteed maximum price (GMP) for Phase Two; and (b) Phase Two including final design, construction and commissioning. Under a GMP the City is obligated to pay only those increased construction costs initiated and approved by the City. The GMP includes more than $6 million for contingencies and change orders to offset construction risk.

The Progressive Design-Build Construction Contract requires that the Contractor provide: (i) commercial general liability insurance which includes bodily injury and property damage liability insurance with combined single limits of not less than $5 million per occurrence, (ii) commercial automobile liability insurance with combined single limits of liability of not less than $5 million per occurrence, and (iii) worker's compensation insurance as required under the California Labor Code. In addition, the "all risk" (excluding earthquake and flood) builders risk insurance in an amount of 100% of the replacement value thereof, is provided under the City's insurance policy and the contractor is responsible for paying all applicable deductibles in connection with the 2023 Project. In the event of a partial or total destruction by the perils insured against, each contractor agrees to promptly reconstruct, repair, replace and restore all work or material so destroyed or injured. The Progressive Design-Build Contract also requires Q&D to maintain (i) material and labor bonds in an amount of not less than 100% of its contract price, to satisfy claims of material suppliers and of mechanics and laborers employed by Q&D and (ii) performance bonds in the amount of 100% of the contract price to guarantee faithful performance of all of its work.

Environmental Matters and Land Use Approvals

Projects undertaken by the City, including the 2023 Project, are generally subject to the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code) ("CEQA"). Under CEQA, a public agency is required, following preparation of an initial assessment, to determine whether an environmental impact report (an "EIR"), a negative declaration or a mitigated negative declaration is required for a project. If there is substantial evidence that significant environmental effects may occur, an EIR is required to be prepared. The City Airports Department conducted a CEQA Environmental Assessment and made a mitigated negative declaration finding that

was recorded with the County of Fresno in April 2020. All other land use approvals necessary to proceed with the 2023 Project have been obtained or are expected to be received in due course.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds from the sale of the Series 2023 Bonds. See also "THE 2023 PROJECT."

TABLE 2
ESTIMATED SOURCES AND USES OF FUNDS

	Series 2023A Bonds	Series 2023B Bonds	Total
SOURCES OF FUNDS:			
Principal Amount			
Less: Underwriter's Discount			
Plus: Net Original Issue Premium			
2013 Bonds Debt Service Reserve Fund			
TOTAL			
USES OF FUNDS:			
Deposit to 2023 Project Account			
Deposit to Escrow Fund[1]			
Deposit to Capitalized Interest Account[2]			
[Deposit to the Series 2023 Debt Service Reserve Fund]			
Deposit to the Series 2023 Costs of Issuance Fund[3]			
TOTAL			

(1) For redemption of Refunded 2013A Bonds and Refunded Series 2013B Bonds. See "PLAN OF FINANCE."
(2) Interest on the Series 2023A Bonds is capitalized through January 1, 2026.
(3) Includes fees and costs of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Airport Consultant, the Trustee, the Verification Agent, accountants, [bond insurance premiums, reserve account surety bond premium] printing costs, and other miscellaneous costs of issuance of the Series 2023 Bonds.

DESCRIPTION OF THE SERIES 2023 BONDS

General

The Series 2023 Bonds will be issued in fully registered form, without coupons, and, when issued will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Series 2023 Bonds. Ownership interests in the Series 2023 Bonds may be purchased in book-entry form only. Purchasers will not receive certificates representing their interests in the Series 2023 Bonds purchased. Payments of principal of, redemption premium, if any, and the interest on the Series 2023 Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit payments to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2023 Bonds. See APPENDIX F–"INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM." Ownership may be changed only upon the registration books maintained by the Trustee as provided in the Indenture.

The Series 2023 Bonds will be dated the date of delivery, issued in denominations of $5,000 or any integral multiple thereof and will bear interest at the rates per annum and mature in the amounts and

on the dates shown on the inside cover of this Official Statement. Interest on the Series 2023 Bonds will be payable on July 1 and January 1 of each year, commencing January 1, 20__. Interest will be calculated on the basis of a year of 360 days and twelve 30-day months.

Redemption Provisions

Optional Redemption. The Series 2023 Bonds maturing on or after July 1, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the City (delivered to the Trustee no later than 45 days prior to the redemption date), from any moneys deposited by the City, as a whole or in part on any date (in such maturities as are designated by the City to the Trustee) on or after July 1, 20__, at the redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

Series 2023A Bonds. Subject to the terms and conditions set forth in the Indenture, the Series 2023A Bonds maturing on July 1, 20__ (the "Series 2023A Term Bonds") are subject to mandatory sinking fund redemption prior to maturity, in part on July 1 of each year on and after July 1, 20__, by lot by application of Mandatory Sinking Account Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium:

20__ Series 2023A Term Bonds

Mandatory Sinking Account Payment Dates (July 1)	Mandatory Sinking Account Payments
†	

† Maturity.

If some but not all of the Series 2023A Term Bonds have been redeemed pursuant to optional redemption the total amount of all sinking account payments shall be reduced by the aggregate principal amount of Series 2023A Bonds so redeemed to be allocated among such Mandatory Sinking Account payments as determined by the City.

Notice of Redemption

Notice of redemption shall be mailed by the Trustee not less than 30 nor more than 60 days prior to the redemption date to (i) the respective owners of any Series 2023 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, (ii) the Municipal Securities Rulemaking Board, (iii) the Securities Depositories, and (iv) one or more Information Services.

So long as the book entry system is used for the Series 2023 Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered owners of Series 2023 Bonds only to Cede & Co., as nominee for DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2023 Bonds called for redemption or any other action premised on such notice. Beneficial Owners may desire to make arrangements with a DTC Participant so

that all notices of redemption or other communications to DTC which affect such Beneficial Owners, including notification of all interest payments, will be forwarded in writing by such DTC Participant. See APPENDIX F–"INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Cancellation of Redemption Notice

The City may, at its option, prior to the date fixed for redemption, rescind and cancel a redemption. Such cancellation does not constitute an event of default under the Indenture.

Selection of Series 2023 Bonds for Redemption

If less than all Outstanding Series of Series 2023 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select such Series 2023 Bonds of such maturity date to be redeemed in any manner that it deems appropriate and fair and shall promptly notify the City in writing of the numbers of the Series 2023 Bonds so selected for redemption. For purposes of such selection, Series 2023 Bonds shall be deemed to be composed of $5,000 multiples of principal, and any such multiple may be separately redeemed.

Effect of Redemption

If notice of redemption has been given as provided in the Indenture and moneys for the payment of the redemption price of such Series 2023 Bonds is held by the Trustee, on the redemption date designated in such notice, the Series 2023 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price therein specified. Interest on the Series 2023 Bonds called for redemption shall cease to accrue from and after the date fixed for redemption and the Series 2023 Bonds called for redemption will cease to be entitled to any benefit or security under the Indenture, and the registered owners of said Series 2023 Bonds will have no rights in respect thereof except to receive payment of the redemption price therefor.

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DEBT SERVICE SCHEDULE

The following table presents the debt service requirements for the Bonds following the issuance of the Series 2023 Bonds.

TABLE 3
DEBT SERVICE SCHEDULE

Fiscal Year Ended June 30	Debt Service on Outstanding Bonds†	Series 2023A Bonds			Series 2023B Bonds			Total Series 2023 Bonds Debt Service	Total Debt Service
		Principal	Interest	Total	Principal	Interest	Total		
TOTAL									

† Outstanding Bonds consists of the Series 2007 Bonds and the Series 2019 Bonds. The Series 2007 Bonds financed the construction of a consolidated rental car facility for which a Customer Facility Charge was imposed, collections of which may only be applied to pay debt service on the Series 2007 Bonds. The Series 2019 Bonds were a loan from the California Infrastructure and Economic Development Bank to finance construction of the recently-finished parking garage.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS

Overview

The primary security for the Bonds is Revenues derived from Airport operations. Such Revenues, subject to application thereof to payment of Operating Expenses, are pledged as security. In addition, amounts derived from a passenger facilities charge (the "PFCs") levied by the Airport will be applied to debt service on the Series 2023 Bonds. PFCs are not part of Revenues, but the application of PFCs to debt service reduces the amount of debt service remaining to be paid from Revenues.

A portion of Revenues, the amounts derived from a Customer Facility Charge (the "CFC") levied by the Airport, may not, under the Indenture and applicable law, be applied to debt service on the Series 2023 Bonds. The CFC was levied by the Airport to finance the construction of a consolidated rental car facility and CFC collections may only be applied to pay debt service on the Series 2007 Bonds issued to finance that facility, or any bonds issued to refund such bonds.

The following discussion summarizes the security for the Bonds set forth in the Indenture. Reference is made to APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for full definitions of certain terms and a fuller description of the provisions of the Indenture relating to the collection and application of funds thereunder. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Table 5–Flow of Funds Chart" for presentations of the flow of funds securing the Bonds. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Passenger Facility Charges."

Limited Obligation

The Series 2023 Bonds are not secured by a pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except the Revenues, subject to application thereof to payment of Operating Expenses, and certain other funds and accounts held pursuant to the Indenture. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the principal of, redemption premium, if any, and interest on the Series 2023 Bonds. The payment of the principal of, or the interest on the Series 2023 Bonds does not constitute a debt, liability or obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which it has levied or pledged any form of taxation.

Pledge of Revenues Subject to Application thereof to Operating Expenses

The Series 2023 Bonds are secured by a pledge of, lien on and security interest in the Revenues derived by the City from the operation of the Airport on a parity with the pledge and lien on and security interest securing the Series 2007 Bonds, the Series 2019 Bonds, and any Additional Bonds issued under the Indenture, subject to the provisions of the Indenture regarding limitation on the use of certain Revenues. The pledge of Revenues to repay the Series 2023 Bonds is subject to the prior application thereof to payment of Operating Expenses.

"Revenues" include, without limitation, all rentals, rates, fees and other charges for the use of the Airport or for related services, and income from investment of amounts held in certain Indenture funds and accounts, subject to certain exclusions. Revenues do not include PFC Revenues (defined below). See APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–DEFINITIONS." "Revenues" also include CFC Revenues (defined below), but CFC Revenues may not be applied to debt service on the Series 2023 Bonds, and are not pledged to payment of debt service on the Series 2023 Bonds.

Passenger Facility Charges

The City expects that a portion of debt service on the Series 2023 Bonds will be paid from revenues ("PFC Revenues") from passenger facilities charges (the "PFCs") collected by air carriers and remitted to the City.

Overview of PFCs. The Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508) allows public agencies controlling commercial service airports with regularly scheduled service and enplaning 2,500 or more passengers annually to charge each enplaning passenger using the airport a $1.00, $2.00 or $3.00 facility charge, referred to as a "PFC." The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181) increased the maximum allowable PFC which may be charged by qualifying airports from $3.00 to $4.50.

Public agencies wishing to impose and use PFCs are required to apply to the Federal Aviation Administration (the "FAA") for such authority and meet the requirements specified in the legislation and pending regulations issued by the FAA. Regardless of the number of PFC applications which have been approved by the FAA, an airport can only collect a maximum of $4.50 on each enplaning passenger under current legislation.

The proceeds from PFCs are to be used to finance approved eligible airport-related projects that preserve or enhance capacity, safety or security of the national air transportation system, reduce noise from an airport that is part of the system or provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport-related projects" include airside development, planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage. PFCs received by the City are subject to audit and final acceptance by the FAA and costs reimbursed with PFC collections are subject to adjustment upon audit by the FAA.

Pursuant to various FAA approvals, the City is authorized to collect PFCs in the amount of $4.50 per enplaned passenger until the amount of $55.9 million is received. Use of PFC funds is limited to either debt service for, or direct costs of, those projects listed in the Record of Decision authorizing the Airport to collect a $4.50 PFC.

After the Airport receives PFC authorizations from the FAA and notifies the airlines, the airlines collect PFC revenues and remit to the Airport on a monthly basis, net of collections fees. The PFC authorizations can be amended over time based on actual project costs and related financing costs. While PFC revenues are not pledged Revenues under the Indenture, the Airport expects to collect a substantial amount of PFC Revenues and use a portion of such PFC Revenues for (a) the eligible debt service of the Series 2023A Bonds and (b) for the 2023 Project on a pay-as-you-go basis. The Airport has received the approval for the PFC Application No. 5, which, among other authorizations, allows the Airport to use approximately $1.8 million annually for the eligible debt service on the Series 2023A Bonds. The Airport expects to submit PFC Application No. 6 for other PFC-eligible components of the 2023 Project. As reflected in Appendix A – REPORT OF THE AIRPORT CONSULTANT, the Airport Consultant estimates that 62% of the annual debt service on the Series 2023A Bonds, or $3.8 million, will be eligible for PFC revenues after the future PFC Application No.6 approval.

Application of PFCs to Debt Service. The Indenture requires the City to deposit all PFC Revenues it receives into the PFC Revenue Fund held by the City. Thereafter, the City transfers an amount of PFC Revenues (the "Covenanted PFC Revenues") equal to the "Covenanted Portion" of PFC Revenues, which consist of the first $3.00 per enplaned passenger (as such amount may be changed by

the City) and any investment income into the Covenanted PFC Account held by the City. These Covenanted PFC Revenues are accumulated in the Covenanted PFC Account in each Fiscal Year until the balance reaches the "Minimum PFC Contribution", which is the amount of PFC Revenues that can legally be applied to debt service) (which is pledged to the payment of the Series 2023A Bonds. Upon issuance of the Series 2023 Bonds, and the refunding of the Series 2013 Bonds, the Minimum PFAC Contribution will be reduced from $1.6 million to $0.

Following the end of each Fiscal Year, the City must transfer the balance in the Covenanted PFC Account to the Trustee to be applied to debt service (or reserve fund replenishment) in the following Fiscal Year. The Trustee may only apply such amounts received to the Series 2023 Bonds or any other bonds with debt service eligible to be paid from PFC Revenues. The City may apply PFC Revenues nmot applied to pay debt service to PFC-eligible projects or for any other lawful purpose.

The City may apply excess PFC Revenues above the Minimum PFC Contribution to pay debt service on the Series 2023 Bonds to the extent legally payable from PFCs. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Passenger Facility Charges" for a discussion of limitations on the ability to apply PFC Revenues to debt service. The City has, in the past, applied a portion of such excess PFC Revenues to debt service on Bonds. To the extent Covenanted PFC Revenues in any Fiscal year are less than $1.6 million, the City intends to apply, to the extent available, non-covenanted PFC Revenues to offset debt service payments.

The City intends to apply a portion of the collected amounts from PFC application No. 5 to pay principal and interest on the Series 2023 Bonds as permitted by the Indenture. In the event the PFC application No. 6 is not approved, the City would have to pay debt service from other available funds and may have to increase airline rates and charges to pay debt service.

Historical PFC Collections and Application

Table 4 below sets forth historical PFC collections and application to debt service.

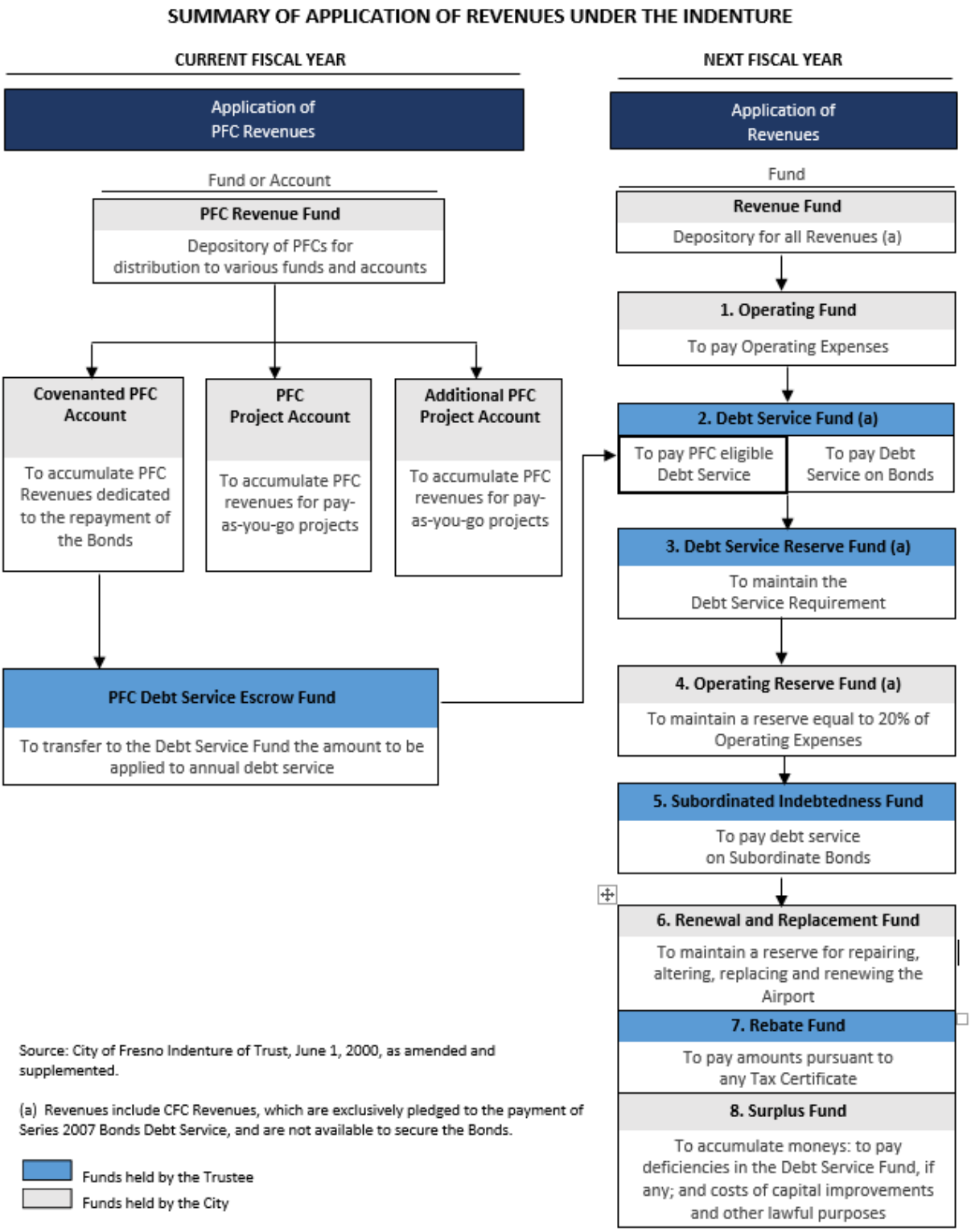
TABLE 4
HISTORICAL PFC COLLECTIONS AND APPLICATION

Fiscal Year	PFC Collections	PFC Revenue Applied to Debt Service
2017-18	$3,419,433	$1,600,000
2018-19	3,886,931	1,600,000
2019-20	3,143,343	1,600,000
2020-21	2,688,516	1,600,000
2021-22	4,234,185	1,600,000
2022-23		

[Statement re lapse of authority?]

(1) Covenanted PFC Revenues are accumulated in each Fiscal Year up to the Minimum PFC Contribution which is applied to Debt Service in the following Fiscal Year. See "*–Application of PFCs to Debt Service*" above.
(2) Applied to Debt Service in the then-current Fiscal Year.
Source: Airport Management Records.

TABLE 5
FLOW OF FUNDS CHART



Source: City of Fresno Indenture of Trust, June 1, 2000, as amended and supplemented.

(a) Revenues include CFC Revenues, which are exclusively pledged to the payment of Series 2007 Bonds Debt Service, and are not available to secure the Bonds.

Rate Covenant

The City has covenanted in the Indenture to fix and collect rentals, rates, fees and charges to provide Revenues at least sufficient in each Fiscal Year for the payment of all of the following: (i) Operating Expenses during such Fiscal Year; (ii) Adjusted Debt Service for such Fiscal Year; (iii) the amount, if any, to be paid during such Fiscal Year, into each Debt Service Reserve Fund; (iv) the amount, if any, to be paid in such Fiscal Year into the Operating Reserve Account, (v) the amount, if any, to be paid in such Fiscal Year into the Subordinated Indebtedness Fund, (vi) the amount, if any, to be paid during such Fiscal Year into the Renewal and Replacement Fund; and (vii) all other charges or other amounts payable out of Revenues during such Fiscal Year.

In addition to the requirements described in the preceding paragraph, the City will fix, and collect rentals, rates, fees and charges so as to yield Net Revenues during the then-current Fiscal Year in an amount, together with Other Available Funds, which is equal to at least 125% of Adjusted Debt Service for all Outstanding Bonds for said Fiscal Year. The City may make adjustments from time to time in such rentals, rates, fees and charges and may make such classification thereof as it deems necessary. If, following the establishment of rentals, rates, fees and charges, Operating Expenses or other costs in connection with the operation and maintenance of the Airport exceed the amounts estimated by the City, or the Revenues are less than the amounts estimated by the City, the City shall as soon as practical revise such rentals, rates, fees and charges so as to satisfy the foregoing requirements. The City shall not reduce rentals, rates, fees and charges below those then in effect unless the Revenues from such reduced rates will at all times be sufficient to meet the foregoing requirements.

Purchasers of the Series 2023 Bonds are advised to review the Debt Service Coverage calculations under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS– Historical Debt Service Coverage" and "–Forecast Debt Service Coverage" which calculations present how PFC Revenues have been applied, and are expected to be applied, to demonstrate compliance with the rate covenant."

Debt Service Reserve Fund

General. The Original Indenture created a Debt Service Reserve Fund and within such Debt Service Reserve Fund, one or more funds or accounts relating to one or more series of Bonds. The Indenture establishes the 2023 Debt Service Reserve Fund as security solely for the Series 2023 Bonds. The deposit to the Debt Service Reserve Fund for the Series 2023 Bonds will be $_____, which amount will be deposited from proceeds of the Series 2023 Bonds. Amounts in the 2023 Debt Service Reserve Fund will be used to make up deficiencies in the amounts available to pay principal of, premium, if any, or interest on the Series 2023 Bonds when due.

The Indenture defines "Debt Service Reserve Requirement" as of any date of calculation by the City with respect to any Series of Bonds, an amount which, when added to the amount of any Financial Guaranties then in effect and delivered pursuant to the Indenture or any Supplemental Indenture then in effect, is equal to the least of (A) 10% of the initial offering price of such Series of Bonds (determined in accordance with the Code); (B) Debt Service for the Outstanding Bonds of such Series for the then current or any future Fiscal Year in which such Debt Service is a maximum, or (C) 125% of the average annual Debt Service on such Series of Bonds. In the event a Debt Service Reserve Fund is maintained to secure more than one Series of Bonds, these calculations may be made on a composite basis. In calculating Debt Service for the last Fiscal Year in which the Series 2023 Bonds are outstanding for the purposes of calculating the amounts in clauses (B) and (C) above, an amount equal to the amount then on debt in the 2023 Debt Service Reserve Fund will be deducted from such year's Debt Service.

See APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–2023 DEBT SERVICE Reserve Fund" for a more detailed description of provisions of the Indenture pertaining to the 2013 Debt Service Reserve Fund.

Additional Obligations

Additional Bonds. Additional Bonds on a parity with the lien on Revenues, subject to application thereof to payment of Operating Expenses, with the Series 2023 Bonds and all currently outstanding Bonds may be issued under the Indenture for the purpose of paying all or a portion of the cost of any Capital Improvement. The Indenture requires, among other things, that one of the following three conditions be satisfied prior to the issuance of Additional Bonds:

(i) the Net Revenues, together with Other Available Funds, as determined from the accounting records of the City, for the last Fiscal Year or last 12 month period for which financial statements were prepared whichever is later, preceding the date of the issuance of such Series of Bonds, plus:

(a) An allowance for additional Net Revenues from any additions or improvements to the Airport to be made from any source, including the proceeds of such Series of Bonds or Bonds previously issued, but which, during all or any part of such Fiscal Year or reported 12 month period, were not in service (but less any Net Revenues attributable to any such additions or improvements and received during such Fiscal Year or reported 12 month period), all in an amount equal to 100% of the estimated additional average annual Net Revenues to be derived from such additions and improvements for the first 24 months in which each addition or improvement is respectively to be in operation, all as shown by the certificate or opinion of a Qualified Independent Airport Consultant; and

(b) An allowance for additional Net Revenues arising from any increase in the charges made for the use of the Airport which has become effective prior to the issuance of such Series of Bonds, but which, during all or any part of such Fiscal Year or reported 12 month period, was not in effect, in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or reported 12 month period, as shown by the certificate or opinion of a Qualified Independent Airport Consultant;

shall have produced a sum equal to at least 125% of Maximum Annual Adjusted Debt Service with respect to the Bonds to be Outstanding upon the issuance of such Series of Bonds. For the purposes of calculating Maximum Annual Adjusted Debt Service, the City may assume that PFC Revenues to be deposited into the PFC Debt Service Escrow Fund for each future Fiscal Year shall equal the PFC Revenues deposited in such Fund in the Fiscal Year preceding the year in which such calculation is made.

(ii) With respect to any Series of Additional Bonds issued to pay the Cost of a Capital Improvement and in lieu of satisfying the requirements described in Paragraphs (i) or (iii) of this section, a written report of a Qualified Independent Airport Consultant setting forth projections indicating that the estimated annual Net Revenues, together with Other Available Funds, as then estimated by the Qualified Independent Airport Consultant, for each of the first three complete Fiscal Years immediately following the estimated Date of Beneficial Occupancy of the Capital Improvement to be financed from the proceeds of such Series of Additional Bonds, will produce a sum equal to at least 125% of Maximum Annual Adjusted Debt Service in each of such years with respect to the Bonds to be Outstanding upon the issuance of such Series of Bonds. For the purposes of calculating Maximum Annual Adjusted Debt Service in each of the three Fiscal Years referenced above, the City shall reduce Maximum Annual

Adjusted Debt Service by the amount of PFC Revenues projected to be deposited in the PFC Debt Service Escrow Fund in each of such Fiscal Years. Notwithstanding the above, such three-year period shall be deemed to end no later than the date which is five years after the end of the Fiscal Year in which such calculation is made.

(iii) With respect to any Series of Bonds issued to pay the Cost of completing any Capital Improvement for which Bonds have previously been issued, which Series of Bonds in the aggregate shall not exceed 10% of the outstanding principal amount of the Bonds previously issued for the Cost of such Capital Improvement, and in lieu of satisfying the requirements described in paragraphs (i) or (ii) above, a certificate of an Authorized Representative certifying that the amount of proceeds to be available for such Cost of such Capital Improvement will be sufficient to pay the remaining estimated Cost of such Capital Improvement and a certificate of a Qualified Independent Airport Consultant to the effect that the scope of such Capital Improvement has not been materially increased since the last issuance of Bonds in connection with the issuance of which the requirements described in paragraphs (i) or (ii) above were satisfied.

Refunding Bonds. Refunding Bonds may be issued under the Indenture to refund all Outstanding Bonds of one or more Series or all or any Outstanding Bonds within a Series. The Indenture requires that Refunding Bonds be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding including providing amounts for the costs of issuance of such Refunding Bonds and the making of any deposits into the funds and accounts required by the provisions of the Supplemental Indenture authorizing such Series of Refunding Bonds. With respect to any Series of Refunding Bonds, the Trustee must receive a certificate of an Authorized Representative to the effect that the Debt Service for all Outstanding Bonds in each Fiscal Year after the issuance of such Refunding Bonds, and the application of the proceeds thereof to the refunding of Bonds, shall not be greater than the Debt Service for all Outstanding Bonds immediately prior to the issuance of such Refunding Bonds.

Other Bonds or Indebtedness. The City may incur indebtedness payable from Revenues on a subordinate basis to the pledge of Revenues, following application thereof to payment of Operating Expenses, which secures the Series 2023 Bonds. The City may also enter into interest rate swap agreements in connection with future issuances of Bonds upon compliance with the terms of the Indenture.

There is currently no subordinate indebtedness outstanding under the Indenture.

Other Obligations

Nothing in the Indenture is intended to restrict or limit the right of the City to issue Grant Bonds or Special Facility Bonds, or to incur other indebtedness or obligations which are payable from any source of funds not included in the Trust Estate established pursuant to the Indenture.

Historical Debt Service Coverage

The following table reflects historical Net Revenues and the calculation of debt service coverage on the Bonds by the Airport Consultant based on such Net Revenues for Fiscal Years 2017-18 through 2021-22.

TABLE 6
HISTORICAL DEBT SERVICE COVERAGE
(FISCAL YEARS ENDED JUNE 30)
($ IN THOUSANDS)

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues	$26,535,186	$28,101,705	$27,150,097	$33,470,367	$41,093,450
Less: CFC Revenues[1]	(644,077)	(793,494)	(525,262)		544,182
Less: Operating Expenses	(17,354,855)	(18,700,803)	(19,800,353)	(20,626,205)	(21,037,213)
Net Revenues[1]	8,536,254	8,607,408	6,824,482	-	20,600,419
Other Available Funds[2]	377,368	386,003	395,160		415,921
Net Revenues and Other Available Funds	8,913,622	8,993,411	7,219,642	12,844,162	21,016,340
Series 2013 Bonds Debt Service	2,801,344	2,802,344	2,801,944		2,804,394
Less: PFC Revenues	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
Adjusted Series 2013Bonds Debt Service[3]	1,201,344	1,202,344	1,201,944		1,204,394
Series 2019 Bonds Debt Service	0		2,141,222		1,958,989
Total Adjusted Debt Service	2,710,814	2,746,357	4,923,805		4,827,068
Calculated Debt Service Coverage	3.29	3.27	1.47	(4)	4.35
Required Debt Service Coverage	1.25	1.25	1.25	(4)	1.25

(1) State of California law requires the exclusion from the calculation of debt service coverage of CFC revenues in excess of annual Debt Service on Series 2007 Bonds.
(2) See "–PFC Revenues" above.
(3) Includes application of certain PFC revenues to debt service on the Series 2013 Bonds.
(4) Debt Service in Fiscal Year 2020-21 was paid from grant funds.
Source: Airport Management Records.

Forecast of Debt Service Coverage

The following table sets forth a summary of the forecast of Net Revenues in the Report of the Airport Consultant attached hereto as APPENDIX A and the calculation of debt service coverage on the Bonds (including the Series 2023 Bonds) based on such Net Revenues for Fiscal Years 2022-23 through 2027-28.

TABLE 7
FORECAST OF DEBT SERVICE COVERAGE
(FISCAL YEAR ENDED JUNE 30)
($ IN THOUSANDS)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Revenues	$42,420	$45,481	$43,391	$47,794	$51,769	$53,438
Less Operating Expenses	(26,371)	(29,156)	(30,613)	(33,185)	(35,938)	(37,735)
Net Revenues	$16,049	$16,326	$12,778	$14,609	$15,831	$15,703
Other Available Funds(1)	426	437	447	458	470	482
Total Available	$16,475	$16,762	$13,225	$15,066	$16,300	$16,184
Net Debt Service						
Series 2007 Bonds	$1,705	$1,746	$1,789	$1,831	$1,879	$1,926
Series 2013 Bonds	2,802	–	–	–	–	–
Series 2019 Bonds	1,957	1,954	1,952	1,949	1,946	1,943
Series 2023 Bonds(2)*	–	2,800	2,800	6,623	8,903	8,904
Subtotal	$6,463	$6,501	$6,540	$10,403	$12,729	$12,774
PFC Contribution(3)	(1,600)	(1,600)	(1,600)	(3,965)	(5,370)	(5,369)
Adjusted Debt Service	$4,863	$4,901	$4,940	$6,438	$7,358	$7,405
Indenture Based Debt Service Coverage	**3.39**	**3.42**	**2.68**	**2.34**	**2.22**	**2.19**

(1) Other Available Funds equal 25% of debt service on the Series 2007 Bonds.
(2) Estimated by Raymond James.
(3) There is no assurance that the actual amounts will not vary from the amounts shown.
* Preliminary, subject to change.
Source: Unison Consulting, Inc. See APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT."

[BOND INSURANCE]

[To Come – If Applicable]

CITY AIRPORTS

Overview

The City owns and operates two airports ("City Airports"); the Fresno Yosemite International Airport (the "Airport"), a commercial service airport, and Fresno-Chandler Executive Airport ("Chandler Airport"), a general aviation reliever airport. The Airport is a small-hub commercial service airport with precision instrument approaches and a 24-hour air traffic control tower that principally serves commercial, air cargo, military and high-performance aircraft. The Chandler Airport is classified by the FAA as a "reliever airport" and is intended to complement service at the Airport by serving lower performance general aviation aircraft of less than 12,500 pounds gross weight. The City Airports serve a six-county region in central San Joaquin Valley. For information regarding the City Airports, see "CITY AIRPORTS."

Service Area

The Airport serves a six-county region in central San Joaquin Valley. See APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT – Section 2.2 – AIRPORT SERVICE AREA" for more information.

Current Airport Facilities

General. The Airport is operated as a self-supporting enterprise of the City. The Airport occupies approximately 1,700 acres and is located approximately 7.5 miles northeast of the downtown area of the City.

Airfield. The runway and taxiway system at the Airport occupies approximately 550 acres and includes two parallel runways. The primary runway, 29R-11L, is 9,539 feet long and 150 feet wide with 1,000 by 500 foot runway safety areas at the departure ends of runway 29R. Runway 29R-11L, together with its associated taxiways, can accommodate most aircraft in service today and has been designed for Group IV aircraft in accordance with FAA criteria for future generations of aircraft. There is a 675 foot separation between the runways. If required, runway 11L/29R can be extended to 10,000 feet on property within the present boundaries of the Airport. Runway 11R/29L, the secondary runway at the Airport, is 8,008 feet long and 150 feet wide with a 1000 foot by 500 foot runway safety area on each end.

Runway 29R-11L is equipped with a Category III(b) instrument landing system (an "ILS"), a 3,000 foot Approach Light System with Runway Alignment Indicator Lights, high-intensity strobe approach light lane, high-intensity runway edge, centerline, and touchdown zone lights, runway end identification lights, and visual approach slope indicators. This system permits qualified pilots operating appropriately equipped aircraft to land in near-zero visibility conditions. The system enhances the air service capability at the Airport during the winter months when tule fog is prevalent in the Central Valley.

***Passenger Terminal Facilities*.** The passenger terminal facilities (the "Terminal") consist of the terminal, baggage claim, and concourse buildings together with associated aircraft boarding aprons, access and service roadway systems and parking areas. The terminal building, originally completed in 1962 and remodeled in 1993 and 2010, covers approximately 63,000 square feet and contains airline ticket counters, baggage handling areas, administrative offices, concessions and other passenger services. The concourse building, originally constructed in 1962, remodeled in both 1978 and 1997, and expanded in 2002, covers approximately 88,000 square feet and contains six passenger loading bridges, passenger boarding lounges, security areas, airline offices, a food court, a business center, a children's play area and various concessions. The enclosed baggage claim facility was completed in 1988, remodeled in 2009,

and comprises an area of approximately 14,000 square feet and includes car rental counters and two baggage carousels. The terminal provides free wireless internet (Wi-Fi) access.

As part of a terminal modernization project in 2008, the Airport implemented shared use technology for the ticketing and check in process, which allows an airline to operate at any ticket counter location. The shared use technology enables the ticketing/check-in counters to be utilized to their maximum possible efficiency. As a result, the Airport can defer the need for expansion of the terminal ticketing counter space. See "CAPITAL PROJECTS AND PLANNING."

Gates. The Airport has a total of 12 gates used by the airlines on a common use basis, including 6 gates located on the second-floor concourse, referred to as the "POD Concourse," and 6 gates located on the ground floor. Gates 9 and 10 provide ground-level boarding for the gates 11 and 12 parking positions. The second-floor POD Concourse gates and ground floor Gate 8 are served by passenger boarding bridges with 400HZ power and preconditioned air, and the other gates are supplied 400HZ power through the use of portable convertors. All other terminal space, with the exception of airline offices, are also used on a common use basis. See "CAPITAL PROJECTS AND PLANNING."

Fuel System. Fuel is delivered by truck to airlines, corporate and private aircraft, the U.S. Forest Service, the California Highway Patrol, the Fresno County Sheriff and the military aircraft operating at the Airport by third party contractors authorized by the City to provide such fueling services.

Ground Transportation and Parking Facilities. An Airport entryway to align with a planned freeway 180 extension was completed in April 2001. There are a total of 3,486 parking spaces at the Airport, consisting of a four-level covered parking structure with 920 spaces near terminal entrances opened in November of 2021, a 2,268-space surface public parking lot that connects to the passenger terminal facilities by at-grade walkways, and 298 additional spaces reserved for employee parking. The Airport provides a free, 13-space, Cell Phone Waiting Area located east of terminal that permits motorists to remain in their vehicles for up to 60 minutes to pick up incoming passengers when called by cell phone. The Cell Phone Waiting Area is in compliance with the Aviation Act requirements that restricts vehicles from waiting at the curbside of terminals.

Cargo and Maintenance Facilities. Cargo carried by commercial airlines is processed through the remodeled terminal. Cargo carried by freight forwarders and consolidators is located on an approximately 87 acre "Air Cargo Park" located on the north side of the Airport. The Air Cargo Park was constructed by the Airport in 2004 and includes an approximately 15.5 acre aircraft ramp and cargo processing area, ground service equipment storage, truck loading and unloading areas, administrative support spaces, and storage and maintenance facilities.

Pursuant to the terms of a 10-year land lease, Federal Express and United Parcel Services each constructed an approximately three acre cargo processing facility adjacent to the Air Cargo Park. Both are currently operating at the cargo facility. The Federal Express lease period originally ended in January 2017, and has been extended twice with the current term expiring on December 31, 2026; and the United Parcel Service lease originally ended in April 2019 and has also been extended twice with the current term expiring on December 31, 2026.

Approximately 264,000 square feet in maintenance facilities are located on the northeast side of the airfield. Two airlines operating at the Airport occupy these facilities pursuant to the terms of long-term leases.

Consolidated Rental Car Facility. In 2009, the Airport completed construction of a 46,000 square foot single-story consolidated rental car facility (the "CRCF") adjacent to the Terminal building to

house all rental car operations at the Airport, including customer service, storage and maintenance. The CRCF was designed to accommodate the six car rental companies currently operating at the Airport. The CRCF is designed to accommodate additional car rental companies without any major reconfiguration.

The rental car ready/return area, which is part of the CRCF, is adjacent to the Terminal Bag Claim area. There is no shuttle service needed, as customers can walk to their rental vehicle and can return it to the same area as they enter the terminal through the bag claim entrance upon their return. The CRCF was funded from proceeds of the Series 2007 Bonds and CFC Revenues are pledged to repayment thereof.

General Aviation. General Aviation facilities at the Airport are located primarily west of the Terminal on approximately 13 acres. The General Aviation area consists of private and corporate aircraft hangar facilities, as well as nine aviation-related businesses, offering fueling, flight training, flight schools, aircraft sales and rentals, aircraft storage and maintenance, avionics services, charters and hangar rentals.

There are also two other General Aviation hangars located at the Airport, one is operated by the California Highway Patrol and the other is operated by Rogers Helicopter.

Organization and Management

Management of the City Airports is led by the Director of Aviation, who has the authority to administer the affairs of the City Airports as the Manager thereof. The Director of Aviation is appointed by and serves at the pleasure of the City Manager.

Brief biographies of the principal members of the senior management team at the Airport are set forth below:

Henry L. Thompson, A.A.E., IAP was appointed Director of Aviation in December 2021 after a nation-wide search. Mr. Thompson comes to Fresno Airports with more than 35 years of experience in aviation/airport management. His career includes management of small, medium, and large commercial service airports, including more than 22 years at San Francisco International Airport (SFO); Mineta-San Jose International Airport (SJC); Shreveport Airport Authority (SHV/DTN), and Santa Barbara Airport (SBA). He served in the United States Air Forces in Air Traffic Controller and Airport Management for more than 9 years. Mr. Thompson also served as a Financial Accountant at the Chronicle Publishing Company's cable television headquarters for 6 years. He has a Master of Business Administration (MBA) in Finance from Golden Gate University, San Francisco, and a Bachelor of Business Administration (BBA) from National University, San Diego. He is an Accredited Airport Executive (A.A.E.) through the American Association of Airport Executives (AAAE) and an International Aviation Professional (IAP) through Airports Council International (ACI).

Francisco Partida, C.M., USAP was appointed Assistant Director of Aviation in March 2023 after a nation-wide search. Mr. Partida is an experienced airport executive with a strong background in management and joins Fresno's Airports Department from Brownsville/South Padre Island International Airport in Brownsville, Texas. He brings over 18 years of professional aviation experience, including having served in airport management, as a corporate pilot, and in private sector marketing and advertising positions. Mr. Partida is enrolled in the Master of Science in Leadership Program (MS) at Embry Riddle Aeronautical University and earned a bachelor's degree in Tourism Business Management from the Universidad Cuauhtémoc in Guadalajara, Mexico. He is a Certified Member (C.M.) of the American Association of Airport Executives (AAAE) and a United States Airport Professional (USAP) through Airports Council International – North America (ACI-NA).

Melissa Garza-Perry was appointed Airports Properties Manager in 2018. Ms. Garza-Perry is responsible for negotiating, drafting and managing the contracts between the City and all entities doing business on or at the City Airports. Prior to this appointment, she served as Airports Properties Supervisor for the City of Fresno, Airports Department; as Airports Properties Specialist for the City of Fresno Airports Department; and she started her aviation career as the Senior Secretary for the Properties Department for the City of Fresno, Airports Department. She has been with the City of Fresno for over 18 years of service. Ms. Garza-Perry holds a Bachelor of Science degree in Business Administration with an option in the Legal Environment of Business from California State University, Fresno and a Juris Doctor degree from San Joaquin College of Law.

Mark Davis was appointed Airports Planning Manager in 2014. Mr. Davis is responsible for planning, environmental studies, securing grant funding, design, and construction of the capital improvement programs at the Airport and Chandler Airport. Prior to this appointment, he spent 5 years with the Airport and 2 years with the City General Services Department as a Project Manager, interfacing directly with architects, engineers, construction managers and contractors on Airport and City development projects and overseeing the Airport Noise Program. Before joining City service, Mr. Davis owned and operated an industrial manufacturing and construction firm for 25 years. Mr. Davis has a Bachelor's degree in Business Administration from National University in San Diego, California.

Alicia Mirando was appointed Airports Operations Manager in 2017. Ms. Mirando is responsible for the day to day safe, compliant, and effective operation of the City's two airports as well as emergency preparedness and aviation security. Ms. Mirando has spent the last 12 years working in airport operations and management at both commercial service and general aviation airports including Boeing Field King County International Airport (BFI), City of Fresno (FAT/FCH), and Greeley-Weld County Airport (GXY). She also has prior airline systems operations and other aviation industry experience totaling more than 16 years. Ms. Mirando has a Bachelor of Science degree in Aviation Management from the Metropolitan State University of Denver and is a Certified Member (C.M.) of the American Association of Airport Executives and an FAA-licensed aircraft dispatcher.

Airline Service

General. In Fiscal Year 2021-22, eight certificated carriers provided nonstop service from the Airport to 12 domestic destinations and to Guadalajara, Leon, Morelia, and Mexico City, Mexico. These airlines primarily offer flights to the regional hubs of major airlines, including Chicago (United Airlines), Los Angeles (United Airlines and Alaska Airlines), Denver (United Airlines, Frontier Airlines, and Southwest Airlines), San Francisco (United Airlines), Phoenix (American Airlines), Salt Lake City (Delta Airlines), Seattle, Portland and San Diego (Alaska Airlines), Dallas/Fort Worth (American Airlines), Las Vegas Southwest, and Allegiant), Guadalajara (AeroMexico and Volaris airlines), Mexico City (AeroMexico) and Morelia and Leon (Volaris).

Aircraft Operations

Table 8 shows historical aircraft operations at the Airport. Operations increased from 77,162 in Fiscal Year 2020-21 to 85,722 in Fiscal Year 2021-22. From Fiscal Year 2020-21 to Fiscal Year 2021-22, the total number of aircraft operations increased 11.09%. General aviation and military operations together accounted for 62.41% of total operations at the Airport in Fiscal Year 2021-22, while air carriers represented 26.36% and air taxi, commuter passenger and cargo airlines accounted for 11.23%.

TABLE 8
FRESNO YOSEMITE INTERNATIONAL AIRPORT
HISTORICAL AIRCRAFT OPERATIONS

Fiscal Year	Air Carriers	Air Taxi/ Commuters	General Aviation	Military	Total	Annual Increase (Decrease)
2013	11,738	21,922	83,721	9,029	126,410	2.95%
2014	12,201	22,665	83,772	9,438	128,076	1.32
2015	13,094	19,943	69,660	7,573	110,270	(13.90)
2016	15,698	15,536	63,493	6,434	101,16	(8.26)
2017	17,087	15,371	54,423	5,953	92,834	(8.23)
2018	17,911	13,772	41,913	7,752	81,348	(12.37)
2019	20,123	12,753	50,616	7,033	90,525	11.28
2020	17,904	10,135	45,180	6,556	79,775	(11.88)
2021	17,672	8,199	43,789	7,502	77,162	(3.28)
2022	22,598	9,626	46,453	7,045	85,722	11.09
First Seven Months of Fiscal Year (July through January)						
2022	10,409	4,447	24,881	4,419	44,156	N/A
2023	11,998	5,096	28,501	4,842	50,437	N/A

Source: Air Traffic Control Tower Counts.

The number of general aviation operations increased from 43,789 in Fiscal Year 2020-21 to 46,453 in Fiscal Year 2021-22, reflecting larger numbers of private aircraft using the services provided by the Airport's two Fixed Base Operators. As of January 31, 2023, 163 general aviation aircraft are based at the Airport.

The California Air National Guard is the primary military user of the Airport, typically flying [60] flights per week. The U.S. Army Aviation Classification Repair Activity Depot maintains a helicopter repair facility on site for Black Hawk and Cobra aircraft. For the past several years, annual totals ranged from a low of 5,953 in Fiscal Year 2016-17 to a high of 10,072 in Fiscal Year 2009-10 for military aircraft operations.

In Fiscal Year 2021-22, 102 general aviation aircraft were based at Chandler Airport compared to 98 in Fiscal Year 2020-21. Annual aircraft operations at Chandler Airport have ranged from approximately 24,885 in 2017 to approximately 30,660 in 2022.

Table 9 below sets forth the air carriers serving the Airport in Fiscal Year 2021-22.

TABLE 9
FRESNO YOSEMITE INTERNATIONAL AIRPORT
SCHEDULED AIRLINES SERVING THE AIRPORT
(FISCAL YEAR 2021-22)

Mainline Jet Aircraft[1]	Regional, Commuter Aircraft and Charter[2]	All-Cargo Airlines
Aeromexico	Delta Airlines	FedEx
Alaska/Horizon Airlines	United Airlines	United Parcel Service
Allegiant Air	Charter airlines (various)	
American Airlines		
Express Jet		
Southwest Airlines		
United Airlines		
Volaris		

(1) Defined as aircraft with greater than 60 seats.
(2) Defined as aircraft with less than or equal to 60 seats.
Source: Airport Management Records

Low Cost Carriers. Currently, there are three airlines operating at the Airport offering low-cost carrier service: Allegiant, Southwest, and Volaris.

The combined market share of the low-cost carriers increased from approximately 21.04% of enplaned passengers in Fiscal Year 2020-21 to approximately 30.46% of enplaned passengers in Fiscal Year 2021-22. For the first six months (July through December) of Fiscal Year 2022-23, the combined market share of low-cost carriers decreased to approximately 26.7% of enplaned passengers compared to approximately 28.7% during the same period of Fiscal Year 2021-22. The decrease is due primarily to Express Jet filing for bankruptcy protection and Frontier Airlines no longer operating out of the Airport.

Other Air Service. Other users of the Airport include more than 131 corporate and privately owned aircraft operating from two major Fixed Base Operators ("FBOs"). The U.S. Forest Service and the California Department of Forestry operate two aerial tankers from their Air Attack Base, fighting forest fires throughout the western states. The California Highway Patrol, Fresno County Sheriff, and Fresno Police Department maintain flight facilities for helicopter and fixed-wing operations. The Airport is also home to three military aviation activities. The largest is the California Air National Guard which maintains its headquarters for the 144th Fighter Wing. Five subsidiary air defense command units operate 15 F-16 aircraft. The California Army National Guard operates an Aviation Classification Repair Activity Depot (AVCRAD).

Passenger Traffic

Enplanements. During Fiscal Year 2021-22, the Airport handled 1.1 million total enplaned passengers, representing a 70.91% increase compared to total enplaned passengers in Fiscal Year 2020-21. See APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT–Section [3.2.4–"Monthly Enplanements."

Historical passenger enplanements for Fiscal Years 2012-13 through 2021-22 and the first seven months (July through January) of Fiscal Year 2022-23 are shown in the Table 10 below.

TABLE 10
FRESNO YOSEMITE INTERNATIONAL AIRPORT
ENPLANED PASSENGERS BY AIRCRAFT

Fiscal Year June 30	Aircrafts with 60 or More Seats	Aircrafts with Fewer Than 60 Seats	Charter Airline	Total Enplanements	Average Annual Increase (Decrease)
2013	298,584	386,377	3,578	688,539	6.65%
2014	424,471	289,146	3,407	717,024	4.14
2015	333,864	367,178	3,429	704,471	(1.75)
2016	280,790	456,357	3,391	740,538	5.12
2017	566,991	200,818	3,581	771,390	4.17
2018	584,644	228,660	3,349	816,653	5.87
2019	676,051	251,473	2,911	930,435	13.93
2020	544,314	206,246	2,407	752,967	(19.07)
2021	484,614	160,501	1,398	646,513	(14.14)
2022	916,625	186,728	1,622	1,104,975	70.91
First Seven months of Fiscal Year (July through January)					
2022	488,516	170,655	1,729	660,900	N/A
2023	504,425	151,349	2,742	658,516	N/A

Source: Airport and Unison Consulting, Inc.

Table 11 below shows historical enplaned passengers by airline.

TABLE 11
FRESNO YOSEMITE INTERNATIONAL AIRPORT
ENPLANED PASSENGERS BY AIRLINE

	Fiscal Year Ending June 30						
						First Seven Months (July through January)	
Mainline/Jet Aircraft	**2018**	**2019**	**2020**	**2021**	**2022**	**2022**	**2023**
Alaska/Horizon	129,283	159,259	126,658	108,345	165,468	100,354	87,247
Allegiant Air	60,455	66,024	55,513	41,874	74,703	41,416	46,767
American Airlines	215,438	306,675	242,039	191,392	270,573	164,029	168,583
Express Jet	–	–	–	–	1,591	–	471
Frontier †	3,445	25,509	16,582	18,226	10,376	9,678	–
Southwest Airlines	–	–	–	28,606	156,060	84,555	105,420
Aeromexico	45,082	45,469	37,975	30,611	43,611	25,565	27,507
Volaris	62,056	73,115	65,547	65,560	105,859	62,919	68,901
Subtotal	**515,759**	**676,051**	**544,314**	**484,614**	**828,241**	**488,516**	**504,896**
Regional/Commuter Aircraft							
Delta Connection	52,914	55,655	49,391	62,619	89,975	59,571	40,541
Envoy (AE)	68,885	–	–	–	–	–	–
United Express	175,746	195,818	156,855	97,882	185,137	111,084	110,337
Subtotal	**297,545**	**251,473**	**206,246**	**160,501**	**275,112**	**170,655**	**150,878**
Charter Aircraft	3,349	2,911	2,407	1,398	1,622	1,729	2,742
TOTAL	**816,653**	**930,435**	**752,967**	**646,513**	**1,104,975**	**660,900**	**658,516**
Percent Change	5.9%	13.9%	(19.1%)	(14.1%)	70.9%	(12.2%)	(40.4%)
Mainline/Jet Aircraft				**PERCENT OF TOTAL**			
Alaska/Horizon	5.8%	17.1%	16.8%	16.85%	15.0%	N/A	N/A
Allegiant Air	7.4	7.1	7.4	6.5	6.8	N/A	N/A
American Airlines	26.4	33.0	32.1	29.6	24.5	N/A	N/A
Express Jet	–	–	–	–	0.1	N/A	N/A
Frontier †	0.4	2.7	2.2	2.8	0.9	N/A	N/A
Southwest Airlines	0.0	0.0	0.0	4.4	14.1	N/A	N/A
Aeromexico	5.5	4.9	5.0	4.7	3.9	N/A	N/A
Volaris	7.6	7.9	8.7	10.1	9.6	N/A	N/A
Subtotal	**63.2%**	**72.7%**	**72.3%**	**75.0%**	**75.0%**	N/A	N/A
Regional/Commuter Aircraft							
Delta Connection	6.5%	6.0%	6.6%	9.7%	8.1%	N/A	N/A
Envoy (AE)	8.4	–	–	–	–	N/A	N/A
United Express	21.5	21.0	20.8	15.1	16.8	N/A	N/A
Subtotal	**36.4%**	**27.0%**	**27.4%**	**24.8%**	**24.9%**	N/A	N/A
Charter Aircraft	0.4%	0.3%	0.3%	0.2%	0.1%	N/A	N/A
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	N/A	N/A

† Service ended February 2015 and resumed May 2018.
Source: Airport Management Records.

COVID-19 Impact and Recovery. At the start of the COVID-19 pandemic, December 2019 through April 2020 monthly enplanements dropped substantially. Monthly enplanement remained below pre-pandemic levels until February of 2021. From then on, recovery came swiftly, with enplanements returning to and passing 2019 levels by May 2021. Since then, and through the entirety of Fiscal Year 2021-22, FAT's monthly enplanements have remained above pre-pandemic levels.

Landed Weight. During Fiscal Year 2021-22 total landed weight at the Airport increased by 389.45 million pounds (35.9%) compared to total landed weight during Fiscal Year 2020-21. See also, APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT–Section 3–"HISTORICAL AIRLINE TRAFFIC."

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Total landed weight by airline share for Fiscal Years 2017-18 through 2021-22 and for the first seven months (July through January) of Fiscal Year 2022-23 are shown in the table below.

TABLE 12
FRESNO YOSEMITE INTERNATIONAL AIRPORT
AIRLINE SHARES OF LANDED WEIGHT
(FISCAL YEARS)

	Aircraft Landed Weight (units: 1,000 lbs)					First Seven Months (July through January)	
Passenger Airlines	**Fiscal Year 2017-18**	**Fiscal Year 2018-19**	**Fiscal Year 2019-20**	**Fiscal Year 2020-21**	**Fiscal Year 2021-22**	**Fiscal Year 2021-22**	**Fiscal Year 2022-23**
Airlines operating large jets:							
Alaska/Horizon[1]	152,032	198,773	173,301	179,265	203,295	127,155	99,606
Allegiant Air	56,973	75,569	66,871	53,799	90,977	52,116	54,150
American Airlines	283,181	348,440	291,418	221,927	274,667	172,465	173,531
Express Jet	–	–	–	–	3,404	–	638
Frontier	–	22,617	16,810	21,139	12,166	–	–
Southwest Airlines	–	–	–	34,342	185,290	108,942	112,745
Envoy (AE)	57,389	–	–	–	–	–	–
Aeromexico	45,840	41,840	33,664	36,720	46,224	27,504	29,452
Volaris	58,493	71,588	68,096	85,411	119,023	70,861	69,260
SUBTOTAL	**653,908**	**758,827**	**650,160**	**623,603**	**935,046**	**559,043**	**539,382**
Airlines operating smaller aircraft:							
Delta Airlines	55,744	58,941	70,378	109,724	108,190	74,383	46,958
United Airlines	223,327	225,687	203,647	122,079	207,510	119,884	122,692
SUBTOTAL	**279,071**	**284,628**	**274,025**	**231,803**	**315,700**	**194,267**	**169,650**
Charter aircraft	27,507	14,328	11,480	12,881	134,229	140,042	9,909
TOTAL PASSENGER AIRLINES	**960,486**	**1,057,783**	**935,665**	**877,287**	**1,384,975**	**893,352**	**718,941**
All–Cargo Airlines							
Ameriflight	1,216	782	651	248	–	–	–
FedEx	54,846	54,054	51,282	51,480	52,668	31,482	28,908
USDA	–	3,708	11,555	34,586	21,933	21,933	36,978
United Parcel Service	73,500	48,930	74,130	110,279	130,844	80,231	68,766
SUBTOTAL ALL-CARGO AIRLINES	**129,562**	**107,474**	**137,618**	**196,594**	**88,445**	**133,646**	**134,652**
TOTAL ALL AIRLINES	**1,090,048**	**1,165,257**	**1,073,283**	**1,073,881**	**1,473,420**	**1,026,998**	**853,593**

Source: Airport Management Records.

Origin-Destination Patterns. Table 13 below shows domestic origin-destination patterns and airline service as of June 30, 2022.

TABLE 13
DOMESTIC PASSENGER ORIGIN-DESTINATION PATTERNS AND AIRLINE SERVICE
(as of June 30, 2022)

	City of Origination or Destination	Air Miles from Fresno	Origin-Destination Passengers		Average Scheduled Nonstop Departures
			Number	Percent of Total†	
1.	Las Vegas, NV	258	270,970	12.40%	4.7
2.	Guadalajara, MX	1,495	189,067	8.65	2.2
3.	Seattle/Tacoma, WA	750	108,121	4.95	2.8
4.	Denver, CO	842	95,299	4.36	4,3
5.	Phoenix, AZ	493	74,934	3.43	3.5
6.	San Diego, CA	314	72,375	3.31	1.7
7.	Dallas/Fort Worth, TX	1,310	70,344	3.22	2.9
8.	Portland, OR	627	63,139	2.89	1.3
9.	Chicago, IL	1,726	45,098	2.06	0.7
10.	Los Angeles, CA	208	41,931	1.92	3.7
11.	Morelia, MX	1,624	38,275	1.75	0.4
12.	Salt Lake City, UT	501	37,101	1.70	3.9
13.	Orlando, FL	2,291	32,353	1.48	–
14.	Minneapolis/St. Paul, MN	1,486	31,081	1.42	–
15.	Atlanta, GA	1,922	30,936	1.42	–
16.	Cancun, MX	2,249	29,514	1.35	–
17.	Houston, TX	1,476	26,463	1.21	–
18.	Nashville, TN	1,826	24,886	1.14	–
19.	Mexico City, MX	1,730	23,783	1.09	0.3
20.	Austin, TX	1,345	23,620	1.08	–
	Subtotal – Cities Listed		**1,329,292**	**60.82%**	**32.3**
	All Others		856,198	39.18	3.7
	TOTAL ALL CITIES		**2,185,490**	**100.00%**	**36.0**

† Totals may not add up due to rounding.
Source: Sabre MIDT, Innovata Schedules via Diio.

Daily Schedule Nonstop Airline Departures. Table 14 below shows daily scheduled nonstop airline departures as of June 30, 2022.

TABLE 14
FRESNO YOSEMITE INTERNATIONAL AIRPORT
DAILY SCHEDULED NONSTOP AIRLINE DEPARTURES
(as of June 30, 2022)

	Destination	Airline	Average Daily Departures	Average Seats Per Departure
1.	Chicago, IL	American Airlines	1.00	172
2.	Chicago, IL	United Airlines	1.00	76
3.	Dallas, TX	American Airlines	3.43	172
4.	Denver, CO	Frontier Airlines	0.14	150
5.	Denver, CO	Southwest Airlines	0.29	143
6.	Denver, CO	United Airlines	1.57	50
7.	Denver, CO	United Airlines	0.71	126
8.	Guadalajara, MX	AeroMexico	1.00	160
9.	Guadalajara, MX	Volaris	1.00	179
10.	Las Vegas, NV	Allegiant Air	0.43	156
11.	Las Vegas, NV	Southwest Airlines	0.86	143
12.	Leon, MX	Volaris	0.29	179
13.	Los Angeles, CA	Alaska/Horizon	1.14	76
14.	Los Angeles, CA	Delta Airlines	0.57	70
15.	Los Angeles, CA	United Airlines	2.00	50
16.	Mexico City, MX	Volaris	0.29	179
17.	Morelia, MX	Volaris	0.43	179
18.	Phoenix, AZ	American Airlines	1.00	65
19.	Phoenix, AZ	American Airlines	1.00	150
20.	Phoenix, AZ	American Airlines	1.00	76
21.	Portland, OR	Alaska/Horizon	2.00	76
22.	Salt Lake City, UT	Delta Airlines	2.00	70
23.	Salt Lake City, UT	Delta Airlines	0.86	76
24.	Salt Lake City, UT	Delta Airlines	1.57	69
25.	San Diego, CA	Alaska/Horizon	1.43	76
26.	San Francisco, CA	United Airlines	3.00	50
27.	Seattle, WA	Alaska/Horizon	2.86	76
28.	Seattle, WA	Delta Airlines	0.14	70
	TOTAL		**33.01**	**3,114**

† Totals may not add up due to rounding.
Source: Airport Management Records.

Air Freight and Express

Historical trends in freight and express, excluding mail, are presented in following table. Since 2022, air mail is carried entirely on cargo aircraft at the Airport. Other cargo is carried by all-cargo carriers, since the passenger airlines using turboprop aircraft do not carry cargo.

TABLE 15
FRESNO YOSEMITE INTERNATIONAL AIRPORT
HISTORICAL TOTAL FREIGHT AND EXPRESS

	Total Freight and Express (Pounds)					
	Passenger Airlines					
Fiscal Year Ended June 30,	**Aircrafts with 60 or More Seats**	**Aircrafts with Fewer Than 60 Seats**	**All-Cargo Airlines**	**Total Enplanements**	**All-Cargo Airline Share**	**Average Annual Increase (Decrease)**
2013	70,941	8,811	23,548,885	23,628,637	100	4.49%
2014	74,165	13,578	24,305,861	24,393,604	100	3.24
2015	99,983	32,828	25,710,578	25,843,389	99	5.94
2016	66,952	17,960	24,462,260	25,547,172	100	(5.02)
2017	105,999	–	19,785,514	19,891,513	99	(18.97)
2018	85,779	–	20,888,599	20,974,378	100	5.44
2019	88,449	–	22,323,554	22,412,003	100	6.85
2020	147,075	–	34,774,881	34,923,956	100	55.82
2021	172,833	–	33,784,071	33,956,904	99	(2.82)
2022	148,007	–	34,200,304	34,348,311	100	1.15
First Seven months of Fiscal Year (July through January)						
2022	72,595	–	19,318,769	19,391,364		
2023	96,720	–	15,797,102	15,893,822		

Source: Airport Management Records.

Airline Agreements

All passenger carriers providing schedule services at the Airport have executed separate but substantially similar Airport Use and Lease Agreements (the "Airlines Agreements") with the earliest expiration date of June 30, 2027 and two extension option of five years each. Such airlines include AeroMexico, Alaska Airlines, Allegiant Air, American airlines, Delta Air Lines, Skywest Airlines, United Airlines, and Volaris (collectively, the "Signatory Airlines"). The Airline Agreements provide a hybrid compensatory ratemaking methodology, including a residual landing feel calculation and a compensatory terminal rental rate calculation.

The airfield area net requirements include the allocable debt service net of PFC revenues, rolling debt service coverage, amortization charges, operating expenses and required deposits to the Operating Reserve Account, minus certain airfield area credit and adjusted for prior year's true-up results. The landing fee rate is calculated as the airfield area net requirement divided by the landed weight of passenger and cargo carriers. The terminal rental rate is calculated as the similar cost requirements allocable to the terminal building cost center, divided by usable space. The FIS fee rate is calculated as

the similar cost requirements allocable to the FIS, divided by FIS users, but is limited to $12 per FIS user through the date of beneficial occupancy of the terminal/FIS expansion project and $15 thereafter.

The City provides a signatory credit annually calculated as the net remaining revenues less a capital allowance of $4.0 million, with 50% allocable to the Signatory Airlines, subject to a cumulative cap of $7.5 million during the term of the Airline Agreements. The signatory credit is distributed 25%, 65%, and 10% based on landed weight, enplaned passengers, and FIS users respectively, and is limited to $2.0 million annually.

The City may adjust the landing fee rate and terminal rental rate if the City expects the costs to vary by more than 10%. During any Fiscal Year, if the City anticipates that the minimum annual debt service coverage of 125% may not be met, as required by the Indenture rate covenant, the City will adjust airline rates as necessary, including using rentable space instead of usable space for the calculation of terminal rental rate, and modify airfield area credit, among other actions.

Car Rental Agreements

Each of the three on-Airport rental car companies at the Airport (Avis Rent A Car System, Inc. Enterprise Holdings, Inc. and The Hertz Corporation (collectively, the "Car Rental Companies") currently operates at the Airport pursuant to a concession agreement and a service facility lease agreement (collectively, the "Existing Agreements"). Pursuant to the Existing Agreements, the City receives privilege fees in the amount equal to 10% of the gross revenues against a minimum annual guarantee (a "MAG"), plus rental fees for counter space in the terminals, and rent for ready/return and service facilities.

The City and each Car Rental Company entered into a Restated Concession Agreement (the Concession Agreement") governing the non-exclusive right to conduct a car rental business at the Airport, and an Extended and Restated Service Facility Lease Agreement (the "Service Facility Lease" and together with the "Concession Agreement, the "Car Rental Agreements") governing the use of the CRCF, including certain non-exclusive use and common use areas. Each Car Rental Agreement became effective on April 1, 2009.

Each Car Rental Agreement requires the Car Rental Company to continue to collect the Customer Facility Charge (the "CFC") from its customers and to remit such amounts to the City monthly and to separately account for on its books and records the CFCs collected for and on behalf of the City. The CFC was originally imposed by the Airport in July 2005 pursuant to California Civil Code Section 1936, which permits an airport to impose a fee on a rental car company to finance consolidated rental car facilities and any common-use transportation system between the Airport and the rental car facility. The Series 2007 Bonds were issued to construct a consolidated rental car facility and the CFC Revenues were pledged to repay such bonds. CFC Revenues are not available to pay debt service on the Series 2023 Bonds. However, application of the CFC Revenues to the Series 2007 Bonds reduces the amounts derived from other Revenues which need to be applied to pay debt service on the Series 2007 Bonds. See "CITY AIRPORTS–Current Airport Facilities–*Consolidated Rental Car Facility*."

On-Airport Rental Car Concession Agreements. All Car Rental Concession Agreements will expire on August 31, 2024. The City may terminate a Concession Agreement only upon written notice following the occurrence of certain events, including, but not limited to, such Car Rental Company becoming insolvent, failing in business, or making any general arrangement or assignment for the benefit of creditors; filing a bankruptcy action or a petition for reorganization; appointment of a receiver; failure to pay rent, concessions fees or the security deposit when due; cessation of services at the Airport for 72 consecutive hours; and failure to maintain in full force and effect a Service Facility Lease.

Payment of Terminal Rent and Contingent Rent. Each Car Rental Company operating in the CRCF is required to: (i) pay rent for its exclusive use area in the Terminal, for non-exclusive use of ready/return areas and *pro rata* rent for common use areas; and (ii) pay "Contingent Rent," if any, defined as any amount by which Debt Service on the Series 2007 Bonds exceeds the sum of (A) CFC fees collected in such year, and (B) funds in the Excess CFC Revenue Account, plus restricted funds in the Surplus Fund.

Payment of Annual Concession Fees. In addition to the rents described above, each Car Rental Company is required to pay annual fees (the "Annual Concession Fees") in an amount equal to the greater of: (i) 10% of the gross revenues of such Car Rental Company or (ii) the applicable MAG. Following the first anniversary of the date of beneficial occupancy ("DBO") and for each year thereafter, the MAG will be established at an amount equal to the greater of the MAG for the prior contract year or 85% of the Annual Concession Fees due from the Car Rental Company for the prior contract year.

Security Deposit. To guarantee timely payment of the Annual Concession Fees, each Car Rental Company is required to deposit with the City a security deposit in the amount equal to one-fourth of its MAG in the form of a payment bond, irrevocable letter of credit, renewable annually, cash or other form deemed acceptable by the City.

Adjustment of Rentals and Fees. In accordance with each Concession Agreement, the City may adjust the rental rates specified in the Concession Agreement by official City action. The rental payments will be adjusted annually commencing on the first anniversary following DBO based upon the annual percentage change in the Consumer Price Index for San Francisco All Urban Consumer, Base Year 2009 index or any successor of that index calculated on a calendar year basis and published by the Bureau of Labor Statistics, U.S. Department of Labor (the "CPI-U-Index"), but in no event will that annual adjustment in rent payments result in rent being charged that is less than the amount charged in the prior contract year or more than 2% above the amount charged during the prior contract year.

Permitted Changes to Exclusive Use Areas. Pursuant to the Concession Agreements, and subject to certain restrictions contained therein, the City reserves the right to reallocate the ready/return area allocated to any Car Rental Company commencing with the second year following DBO at which time rental payments due under the Concession Agreement will be calculated.

***Service Facility Lease*.** Each Service Facility Lease will expire on January 1, 2029. The City may terminate a Service Facility Lease only upon written notice following the occurrence of certain events, including, but not limited to, such Car Rental Company becoming insolvent, failing in business, or making any general arrangement or assignment for the benefit of creditors; filing of a bankruptcy action or a petition for reorganization; appointment of a receiver; failure to make any payment of rent or fees required under the Service Facility Lease or furnish any security deposit when due; cessation of services at the Airport for 72 consecutive hours; and failure to maintain in full force and effect a Concession Agreement.

Payment of Rent and Fees. Commencing on the DBO, each Car Rental Company operating in the CRCF is required to pay rent for their exclusive use area, non-exclusive use area within the CRCF and *pro rata* rent and maintenance costs for common use areas within the CRCF.

Security Deposit. To guarantee timely payment of the rent under the Service Facility Lease, each Car Rental Company is required to deposit with the City a security deposit in the amount equal to three months of estimated rent.

Adjustment of Rent. In accordance with each Service Facility Lease, the rental rates specified in the Service Facility Leases will be adjusted annually commencing on the first anniversary following DBO based upon the annual percentage change in the CPI-U-Index, but in no event will the annual adjustment in rent result in rent being charged that is less than the amount charged in the prior contract year or more than 2% above the amount charged during the prior contract year.

Potential Effects of a Rental Car Company Bankruptcy. The bankruptcy of a Car Rental Company could result in delays or reductions in payments on the Series 2023 Bonds. SEE "INVESTOR CONSIDERATIONS - Bankruptcy of Airlines Operating at the Airport or Other Airport Tenants."

Airport Concessions

The Airport has had concession agreements with HOST, Inc. and Hudson News since 2003 providing for all food and beverage and news and gift options throughout the terminal facility.

In calendar year 2023, the Airport will be entering into agreements with two new national brand concessionaires to provide for the food and beverage and news and gift locations throughout the airport terminal facility. These agreements will include new offerings and local brands to meet the needs of the growing traveling public and will be in effect for 15 years, with estimated calendar year 2023 rental revenue equal to $574,980 for food and beverage concession space and $254,241 for food and beverage support space with annual CPI adjustments, plus 10% of all gross sales; and equal to $339,068 for news and gift concession space and $204,143 for news and gift support space with annual CPI adjustments, plus 10% of all gross sales.

Certain Federal, State, and Local Laws and Regulations

Aviation Act. In November 2001, the President of the United States signed into law the Aviation Act which requires airports in the nation to make certain modifications to securities procedures. For a discussion of certain requirements of the Aviation Act, see "CITY AIRPORTS–Airport Security."

Federal Law Prohibiting Revenue Diversion. Federal law requires that all revenues generated by a public airport be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property. The City is the "sponsor" of the Airport for purposes of these federal requirements.

In February 1999, the FAA adopted a policy that applies to airport sponsors that receive federal grants for airport development from the FAA, including the Airport. The policy specifies that use of airport revenues for: (1) land rental to, or use of land by, the sponsor for non-aeronautical purposes at less than the fair market rate; (2) impact fees assessed by any governmental body that exceed the value of services or facilities provided to the airport; or (3) direct subsidy of air carrier operations, constitutes unlawful revenue diversion, unless that use is "grandfathered" pursuant to a law controlling financing by the airport owner or operator, or a covenant or assurance in a debt obligation issued by the airport owner prior to September 1982.

The City Airports make payments to the City for services provided by the Fire, Police, Finance, City Attorney's Office, Personnel, General Services and Information Technology departments. The FAA has authority to order the City to reimburse to the Airport any improper payments made to the City, and to suspend or terminate pending FAA grants to the Airport and/or any then-existing PFC authorizations as a penalty for any violation of the revenue diversion rules. The U.S. DOT may also withhold non-aviation

federal funds that would otherwise be made available to the City as a penalty for violation of the revenue diversion rules. See also "AIRPORT FINANCIAL INFORMATION–Payments to the City."

State Proposition 218. On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the California Constitution, and contains a variety of interrelated provisions concerning the ability of local governments, including the City, to impose both existing and future taxes, assessments, fees and charges.

Article XIII C removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Consequently, the voters of the City could, by future initiative, seek to repeal, reduce, or prohibit the future imposition or increase of, any local tax, assessment, fee or charge. "Assessment," "fee," and "charge" are not defined in Article XIII C and it is unclear whether the definitions of such terms contained in Article XIII D (which are generally property-related as described below) are so limited under Article XIII C.

Article XIII D conditions the imposition of a new or increased "fee" or "charge" on either voter approval or the absence of a majority protest, depending upon the nature of the fee or charge. The terms "fee" and "charge" are defined to mean levies (other than ad valorem taxes, special taxes and assessments) imposed by a local government upon a parcel or upon a person as an incident of the ownership or tenancy of real property, including a user fee or charge for a "property-related service." No assurance can be given that the voters of the City will not, in the future, approve initiatives which seek to repeal, reduce, or prohibit the future imposition or increase of, assessments, fees, or charges, including the fees and charges of the Airport, which are the source of Net Revenues pledged to the payment of debt service on the Series 2007 Bonds. The City believes that Article XIII D does not apply to Airport fees and charges imposed by the Airport.

The interpretation and application of the Proposition 218 will ultimately be determined by the courts or through implementing legislation. The City is unable to predict the outcome of any such litigation or legislation.

Sustainability Efforts

The City and the Airport have a long history of making their facilities and operations more sustainable. The Airport has a track record of installing environmental projects, including one of the first airport solar farms in the United States.

In 2009 when then the FAA initiated a pilot program for airport sustainability programming, the Airport became one of the first 10 airports to participate in the program.

Over the years, the Airport has continued its focus and commitment to sustainability with a goal of minimizing the impacts of airport operational activity on the local environment through targeted and meaningful actions that include:

- Upgrading the existing solar farm, installed more than 14 years ago, with the latest technology in solar panels that will produce more energy and function more efficiently providing a 4 MWh offset to annual energy consumption at the Airport.

- Including solar panels in the construction of the multi-level parking garage that opened in November 2021. This installation offset an additional 0.7 MWh of electrical consumption, enough clean energy to power the facility without relying on power from the grid.

- Installing 54 electric vehicle charging stations to provide needed infrastructure for electric vehicles. This move supports both public needs and supplies charging capability for Airport fleet vehicles as the transition is made to cleaner vehicle technology.

- Providing electricity and electrical infrastructure to support conversion of airline owned ground support vehicles (GSE) from diesel to electric. To date over half of the GSEs have been converted to "clean air" electric vehicles.

- LED lighting upgrades throughout the Airport including within the interior and exterior of the terminal facilities, parking facilities, and runway and taxiway lighting systems. The net result is a reduction in power required for these facilities and additional cost savings from reduced maintenance and replacement costs.

- Including solar and LED technologies in the proposed Terminal Expansion Program (see "THE 2023 PROJECT") to reduce the amount of energy consumption needed to support the expansion while supporting the sustainability goals of the Airport.

- Because the Airport is located in a drought hazard area, it is installing low flow water fixtures throughout its facilities and drought tolerant landscaping to reduce dependence on critical water resources.

Sustainability efforts by the Airport continue with additional electrification, solar, and LED projects planned to further reduce the over-all impact of the Airport to the environment and local community. Incorporating sustainability goals into the Airports' practices, policies and programs ultimately supports the Airport's sustainability efforts across its operational and business functions. These efforts will include a partnership with Airport tenants and users of the Airport who participate in the Airport's programs and championing their individual efforts as part of the over-all sustainability program for the Airport and in support of a healthier environment for the Central Valley.

Noise Mitigation

General. The Airport has had an FAA approved Noise Compatibility Program (an "NCP") in place since 1990. The NCP provides for the protection and safe operation of the Airport and improves the quality of life for surrounding inhabitants. The NCP addresses aircraft operations, airport operations, airspace use, land use, and program management.

Noise Abatement Procedures. The NCP focuses on: (i) military hours of operation and power management; (ii) minimizing reverse thrusters for jet aircraft, helicopter routes and training times; (iii) military and civilian flight training; (iv) preferential runway usage, controlled intersection use and engine run-ups; (v) flight paths and arrival altitudes; (vi) updating Specific Plans around the Airport for compatible land use; (vii) providing for school sound proofing studies in noise impacted areas; (viii) purchasing land developed with non-compatible land uses; and (ix) acoustic treatment and execution of avigation (*i.e.* aerial navigation) easements for homes in noise impacted areas.

Residential Sound Insulation Program. As a result of the NCP the Airport established a residential sound insulation program, known locally as the Sound Mitigation Acoustical Remedy Treatment ("SMART") program. This program provides acoustic treatment of homes located within the 65-75 decibel (dB) Community Noise Equivalent Level (the "CNEL") noise contour of the Airport. This is an ongoing program with 1,311 homes and five elementary schools insulated to date. Approximately 1,800 homes remain to be treated. Funding for the SMART program is provided by FAA Airport Improvement Program grants and matched with Airport sources. Beginning in Fiscal Year 2007-08, the

City match component of the SMART program grants has been provided by funds derived from the passage Fresno County Measure C, ½ cent sales tax designated for local transportation projects.

Employee Relations

As of June 30, 2022, there were 127.7 full-time equivalent budgeted employee positions at the Airport. Of these employees, 117.4 are represented by one of seven collective bargaining units. The bargaining unit, the number of employees and contract expiration dates are set forth in Table 16 below. Following expiration of a contract, employment continues under the terms of an existing contract until a new contract is in place.

TABLE 16
FRESNO YOSEMITE INTERNATIONAL AIRPORT
COLLECTIVE BARGAINING UNITS

Bargaining Unit	Employees Represented	Contract Expiration
City of Fresno Management Employees Association/Unit 14	10.0	June 16, 2024
City of Fresno Professional Employees Association/Unit 13	18.0	December 31, 2023
Fresno Airport Public Supervisors/Unit 15	5.0	December 31, 2023
Fresno Airport Public Safety Officers/Unit 11	11.2	December 31, 2022†
Fresno City Employee Association/Unit C3	30.2	June 16, 2024
IBEW, Local Union 100/Unit 107	4.0	June 16, 2024
I.U.O.E. Stationary Engineers, Local 39/Unit 1	33.0	January 1, 2023†
TOTAL	117.4	

† In negotiations.
Source: Airport Management Records.

Airport Security

In the immediate aftermath of September 11, 2001, the FAA mandated stringent new safety and security requirements, which have been implemented by the airlines serving the Airport. In addition, Congress passed the Aviation and Transportation Security Act (the "Aviation Act"), which imposed additional safety and security measures. Certain safety and security functions at the Airport have been assumed by the TSA, established by the Aviation Act. Among other things, the Aviation Act required that (i) as of January 18, 2002, all checked baggage be screened and that by December 31, 2002, explosive detection screening be conducted on all checked baggage; (ii) all individuals, goods, property, vehicles and other equipment entering secured areas of airports be screened; (iii) security screeners be federal employees, United States citizens and satisfy other specified requirements; and (iv) that vehicles be parked at least 300 feet from airport terminals.

The Airport, the TSA and the airlines have satisfied all of these requirements. A portion of the mandated law enforcement costs, in the amount of approximately $200,000 per year, is paid for by the TSA. The Airport's current agreement with the TSA is for the period of performance beginning January 1, 2021 through December 31, 2023 for a total of $459,900.

Hazardous Material Management

The City Fire Department is responsible for on-site environmental compliance at the City Airports and is supported by ERM West, a company providing environmental assessment remediation, compliance and other environmental risk services, to provide rapid cleanup where contamination is unexpectedly encountered. The City Airports contract with a licensed and qualified third party hazardous materials contractors for the disposal of hazardous materials.

[Liquidity]

[The Airport and the City have a policy of seeking to maintain a minimum of 360 days of cash on hand for Airport operations.]

CAPITAL PROJECTS AND PLANNING

The City maintains an ongoing process of evaluating the capital requirements necessary to expand Airport facilities to keep pace with increasing airline traffic demand and has developed a Capital Program for the Airport for Fiscal Year 2022-23 through Fiscal Year 2026-27 (the "Capital Program"). The cost of the Capital Program is estimated to be approximately $223.8 million; Airport management reports that [$111.1] million of that amount will be funded with federal grants. The most significant project in the Capital Program is the 2023 Project, which is estimated to cost $145.1 million and expected to be completed in Fiscal Year 2024-25. The Airport is in the process of developing a capital program for Fiscal Year 2023-24 through 2027-28. See APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT– Section 1.2– "THE CAPITAL PROGRAM."

Many of the airfield capital improvements are mandated by the FAA and are generally payable from FAA grants with a 10% share of matching funds from Fresno County Measure C sales tax transportation funds. See "THE AIRPORT–Passenger Terminal Facilities" and "–Gates."

AIRPORT FINANCIAL INFORMATION

The City does not prepare separate financial statements for the Airport, and financial information relating to the Airport is included with the general purpose financial statements of the City. The financial statements of the City are prepared in conformity with accounting principles generally accepted in the United States as applied to governmental agencies, including those established by the Government Accounting Standards Board ("GASB"), the standard-setting body for establishing governmental accounting and financial reporting principles.

The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds (including the Airports Fund), are reported as separate columns in the fund financial statements. Enterprise funds, such as the Airports Fund, account for operations that are financed and operated in a manner similar to private business enterprises and for which costs are financed or recovered primarily through user charges.

The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets and the Statement of Cash Flows for the Airport as of June 30, 2022 are included as APPENDIX B.

The Series 2023 Bonds are limited obligations of the City and are not secured by a pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except the Revenues and certain funds and accounts held pursuant to the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS."

Set forth in Table 17 below is a summary of the Airport's historical financial performance.

TABLE 17
FRESNO YOSEMITE INTERNATIONAL AIRPORT
HISTORICAL FINANCIAL RESULTS

	Fiscal Year (Ending June 30)				
	2017-18	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Operating Revenues:					
Charges for Services	**$24,035**	**$25,765**	**$24,101**	**$21,807**	**$34,439**
Operating Expenses:					
Cost of Services	$11,705	$13,356	$14,123	$15,287	$14,820
Administration	6,636	7,698	7,786	6,726	7,949
Amortization	–	–	–	–	165
Depreciation	10,431	11,025	10,998	10,845	11,709
Total Operating Expenses	**$28,772**	**$32,079**	**$32,907**	**$32,858**	**$34,643**
Operating Income (Loss)	($4,737)	($6,315)	($8,806)	($11,051)	(204)
Non-Operating Revenues (Expenses):					
Operating Grants	$844	$436	$224	$7,882	$7,959
Interest Income	182	1,986	2,336	544	970
Net Increase (Decrease) in Cash Fair Value	–	–	–	(660)	(3,201)
Interest Expense	(2,510)	(1,416)	(3,025)	(3,542)	(5,114)
Other Financing Sources – Lease	–	–	–	–	(224)
Passenger Facility Charges	3,419	3,887	3,144	2,689	4,234
Customer Facility Charges	2,179	2,360	1,947	1,494	2,211
Gain (Loss) on Sale of Capital Assets	–	30	–	(4,168)	–
Total Non-Operating Revenues (Expenses)	**$4,114**	**$7,283**	**$4,626**	**$4,239**	**$6,835**
Income (Loss) Before Operating Transfers	**($622)**	**$968**	**($4,180)**	**($6,812)**	**6,631**
Capital Contributions	4,413	13,754	9,279	2,540	3,221
Transfers In	–	–	44	46	–
Transfers Out	(209)	(231)	(226)	(231)	(268)
Change in Net Position	**$3,582**	**$14,491**	**$4,917**	**($4,457)**	**$9,584**
Total Net Position (Deficit) at Beginning of Year, as Restated	$171,352	$174,934	$189,425	$194,342	$189,868
Total Net Position (Deficit) at End of Year	**$174,934**	**$189,425**	**$194,342**	**$189,885**	**$199,452**

Source: Airport Management Records.

Revenues

General. The Airport operates as a self-supporting enterprise of the City. Operating revenues for the Airport have been relatively stable over the past four Fiscal Years. Gross operating revenues for the Airport in Fiscal Year 2021-22 were $34.43 million. The Airport has implemented a number of measures to increase revenues, including, but not limited to, renegotiating long-term leases, leasing undeveloped land and revising airport rates and policies.

Impact of COVID-19 Pandemic. The COVID-19 pandemic and the ensuing federal and State travel restrictions, stay-at-home orders and social distancing measures, significantly impacted Airport traffic and revenues. Enplanements for Fiscal Year 2019-20 were 26% of those for Fiscal Year 2018-19. There was a small decline in Revenues over that period. The revenue impacts are reflected in the Table 6 – "HISTORICAL DEBT SERVICE COVERAGE" below.

Aeroméxico SAB, one of Airports' two international carriers, filed for Chapter 11 bankruptcy on June 30, 2020. Aeroméxico continues to operate at Airports, and to offer pre-pandemic frequencies. The Hertz Corporation, one of three rental car companies at Airports, filed for Chapter 11 bankruptcy on May 22, 2020. Hertz continues to operate at Airports, and to offer the same, pre-pandemic brands.

On March 16, 2020, Mayor Lee Brand proclaimed a state of emergency for the City, a measure taken in part to gain access to COVID-19 federal and state monies. In May of 2020, the City applied for a grant under the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which provided for federal reimbursement of certain operating expenses. Revenues for Fiscal Year 2020-21 included $7.7million of CARES Act funds and for Fiscal Year 2021-22 included $8.0 million of CARES Act funds.

APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT," contains a substantial discussion of the impact of COVID-19 on the Airport.

Landing Fees and Terminal Rental Rates. Landing fees and terminal rental rates are reviewed annually and adjusted as necessary. A summary of historical and current landing fees and terminal rental rates for the last five Fiscal Years is set forth in Table 18 below.

TABLE 18
FRESNO YOSEMITE INTERNATIONAL AIRPORT
HISTORICAL AND CURRENT LANDING FEES AND TERMINAL RENTAL RATES
(FISCAL YEARS)

	2018-19	2019-20	2020-21	2021-22	2022-23
Landing Fees (per 1,000 pounds)	$2.54	$2.64	$2.75	$2.86	$2.73
Terminal Rental Rate (per square foot)	$46.51	$48.37	$50.30	$52.32	$74.00

Source: Airport Management Records.

Customer Facility Charge. The CFC Act, which became effective January 1, 2002, authorizes the collection of a $10 per transaction CFC for each on-airport rental car transaction to fund the reasonable costs of financing, designing or constructing consolidated rental car facilities and common use transportation systems. The City began collecting a $10 per transaction CFC on July 1, 2005 to finance the CRCF. CFC revenues are collected by the rental car companies with each rental contract transaction and remitted to the Airport monthly. CFC Revenues have been applied directly to costs of construction and to payment of debt service on the Series 2007 Bonds, which were issued to fund the CRCF.

In January, 2013, the CFC Act was amended to permit cities and airports to change the CFC from $10 per transaction to a maximum of $5 per day, increasing to $7.50 per day effective in 2014 and $9.50 per day effective in 2017. Effective January 2013, the Airport changed the CFC to $4.50 per day, which has increased CFC Revenues.

CFC Revenues comprise a portion of Revenues. However, CFC Revenues are not available to pay debt service on the Series 2023 Bonds, but are pledged to pay debt service on the Series 2007 Bonds and any bonds issued to refund such bonds or to finance improvements to the CRCF.

See TABLE 6–"HISTORICAL DEBT SERVICE COVERAGE" and TABLE 7–"FORECAST OF DEBT SERVICE COVERAGE" which illustrate the application of CFC Revenues.

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Terminal Concessions. The City leases terminal space to concessionaires pursuant to concession agreements, which provide for the payment to the City of the greater of a percentage of gross revenue or a minimum annual guarantee (a "MAG"). The concession agreements also contain a re-establishment clause that permits the City to adjust rental rates, within certain parameters, if necessary to satisfy the Rate Covenant.

TABLE 19
FRESNO YOSEMITE INTERNATIONAL AIRPORT
PRINCIPAL CONCESSIONAIRES

Concessionaire	Concession	Contract Expiration	Fiscal Year 2019-20 Concession Revenue†	Fiscal Year 2020-21 Concession Revenue†	Fiscal Year 2021-22 Concession Revenue†
Anton Air Foods dba HMS Host(2)	Food Beverage	1/1/2023*	$273,124	$119,363	$391,868
Clear Channel/Interspace Airport Advertising(3)	Advertising	7/31/2023	234,778	266,473	284,515
Hudson Group(2)	Newsstand and Gifts	1/1/2023*	154,052	150,704	280,123
Avis Rent A Car System, Inc.	Rental Car	8/31/2024	801,122	971,033	1,672,795
Enterprise Holdings Inc.	Rental Car	8/31/2024	1,184,239	1,199,117	1,890,437
The Hertz Corporation	Rental Car	8/31/2024	839,050	625,117	1,328,485
Standard Parking Management, Inc.	Parking	3/31/2024	6,956,474	5,118,185	10,011,612
SUB TOTAL			$10,442,841	$8,449,992	$15,859,834
Other Concessionaires			474,635	665,289	591,411
TOTAL CONCESSION REVENUE			$10,917,475	$9,115,280	$16,451,245
Less: CRRSA & ARPA Concession Relief					(914,778)
Total Concessions Revenue Net of Concession Relief					$15,536,467

[Footnotes to be updated]
† Column does not total due to rounding.
* Contracts that expired on January 1, 2023 entered into holdover status/month-to-month until new concessions agreements are signed by those selected from the concessions RFP.
(1) Agreement Amended to April 30, 2022 in 2012 (Anton Air Foods).
(2) Agreement provides for payment of percentage revenues ranging from 5% to 8% of sales subject to the MAG (Anton Air Foods, Hudson Group).
(3) Agreement provides for payment of the greater of the MAG or between 23% to 36% of gross revenues, depending upon the type of display (Clear Channel/Interspace).
Source: Airport Management Records.

In Fiscal Year 2021-22, revenues from terminal concessions represented approximately 45% of Revenues.

For Fiscal Year 2022-23, the total budgeted concession revenue is $6,322,000, which represents approximately 15% of budgeted revenues.

Principal Revenue Sources

Set forth in the table below is a description of the Airport's principal revenue sources. Ten tenants, accounted for more than 49% of total operating revenue in Fiscal Year 2021-22.

TABLE 20
FRESNO YOSEMITE INTERNATIONAL AIRPORT
PRINCIPAL REVENUE PRODUCERS

	Fiscal Year 2020-21	Fiscal Year 2021-22		
Company	**Revenues ($ in thousands)**	**Revenues ($ in thousands)**	**Percent of Operating Revenue**	**Percent of Total Revenue[1]**
Standard Parking Management Inc.	$5,118,185	$10,011,612	30.03%	20.97%
Enterprise Holdings Inc.	2,058,483	2,111,112	6.33	4.42
American	1,746,440	1,899,591	5.70	3.98
Volaris	1,727,345	1,868,191	5.60	3.91
Avis Rent A Car System, Inc.	1,711,371	1,769,006	5.31	3.71
The Hertz Corporation	1,808,416	1,592,290	4.78	3.34
United Airlines	1,224,801	1,364,519	4.09	2.86
Alaska Airlines	1,147,569	1,246,039	3.74	2.61
Skywest	878,296	878,161	2.63	1.84
AeroMexico	699,713	770,698	2.31	1.61
Subtotal Ten Highest	$18,120,619	$23,511,218	70.52%	49.24%
Other Operating Revenue[3]	5,556,173	8,409,882	25.22	17.61
Pension Revenues	(1,869,266)	1,419,355	4.26	2.97
Total Operating Revenue	**$21,807,526**	**$33,340,456**	**100.00%**	**69.83%**
Passenger Facility Charges[4]	$2,688,516	$4,234,185		8.87%
Customer Facility Charges	1,493,596	2,210,801		4.63
Operating Grant-COVID 19	7,882,376	7,959,030		16.67
Total Other Revenue	$12,064,488	$14,404,016		30.17
Total Airport Revenue	**$33,872,014**	**$47,744,472**		**100.00%**

(1) Numbers do not total due to rounding.
(2) The Aviation Classification Repair Activity Depot (AVCRAD) is operated by the California Army National Guard.
(3) Includes amounts received from the lease of other Airport buildings, grounds and facilities to aviation and non-aviation tenants.
(4) PFC Revenues are available to pay debt service on "eligible airport-related projects" as defined in the PFC Act. PFC Revenues ***are not*** pledged to the repayment of the Series 2023 Bonds beyond the $1.6 million minimum contribution. See "–PFC Revenues."
(5) Represents Airports COVID 19 grants under the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act of 2021.
Source: Airport Management Records.

Operating Expenses

Operating expenses at the Airport are accounted for by cost center allocation and include direct and indirect expenses of the Airport System (airfield, terminal, tower, general aviation, corporate aviation, military, non aviation south, non aviation north, airport rescue and fire fighting ("ARFF"), and security) and two indirect cost centers (general administration and general shop). Approximately 80% of expenses are allocable to the terminal, airfield and ARFF cost centers. The terminal, airfield and ARFF cost

centers include expenses directly associated with the operation of those areas and any general administration or shop expenses derived from the two indirect cost centers. [Dafang suggests removing because new financial system does not work like this anymore.]

Operating expenses have been increasing approximately 4.08% per year over the past five Fiscal Years. In Fiscal Year 2021-22 operating expenses for the Airport were approximately $34.6 million, a 5.4% increase compared to Fiscal Year 2020-21. This increase was due to _____.

Operating expenses for the Airport for Fiscal Year 2022-23 are projected to be $____ million a ____% increase compared to Fiscal Year 2021-22. Factors behind this increase include [increases in employee compensation and incremental growth in operational costs].

Payments to the City

***Payments for Services*.** The Airport makes payments to the City for the cost of certain direct services provided by the City, including those provided by the Police Department, the Fire Department, the City Attorney, the Personnel Department, and other city departments. In Fiscal Year 2021-22 the aggregate amount of those payments was $3.7 million, and is expected to be $3.9 million in Fiscal Year 2022-23.

Airport labor costs include funding of health and retirement benefits for employees who participate in the Fresno City Employees Health and Welfare Trust Fund, the City of Fresno Fire and Police Retirement System and the City of Fresno Employees Retirement System.

Compensated Absences. Vacation pay, which may be accumulated on average up to 600 hours depending on an employee's bargaining unit and length of service, is payable upon termination. Sick leave, which may be accumulated up to 12 hours per month, has no maximum. Several bargaining units have payoff provisions at retirement based on formulas specific to the groups. The majority of employees however, do not have sick leave payoff provisions in their bargaining unit's contract. Annual leave, which may be accumulated up to 800 – 1,000 hours (depending upon the employee bargaining unit), is payable upon termination or retirement. Commencing July 1, 2006, the ceiling was increased from 1,000 to 1,200 hours. Holiday leave may be accumulated indefinitely depending upon the bargaining units and is payable for active employees as well as at termination or retirement. Annual leave allows for the cashing out of the greater of 48 hours or 10% of the accumulated balance once each Fiscal Year. Supplemental sick leave is awarded to unrepresented management, middle management, professionals and to white collar employees at the rate of 40 hours at the beginning of each Fiscal Year. The balance can only be used after other leave balances are exhausted, or for other specific reasons outlined in the various memoranda of understanding or Salary Resolutions. The balance is payable at termination or retirement or may be placed in a Health Reimbursement Arrangement.

Since Fiscal Year 2011-12, members of certain bargaining units are permitted to transfer some or all of their sick leave and supplemental sick leave balances to a Health Reimbursement Arrangement. The cash value of these balances is placed into a separate account (by employee), administered by HealthComp, earns interest, and is used to pay health premiums for the employee, spouses and dependents until the individual balance therein is exhausted.

The portion of the City's obligation relating to employees' rights to receive compensation for future absences, that is attributable to services already rendered, is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. In Fiscal Year 2021-22, payments for compensated absences on termination were budgeted and paid from the department incurring the liability.

Accrued Employee Leave balances for the Airport as of June 30, 2022 was $1,776,601, of which $354,285 is the current portion. For the Fiscal Year ending June 30, 2023 Accrued Employee Leave balances for the Airport are budgeted at $_____.

City Health and Welfare Trust Self Insurance Program. The City created the Fresno City Employees Health and Welfare Trusts (the "Trusts") in 1972 to provide healthcare to eligible City employees not represented by Stationary Engineers Local ad retired employee who elect to be covered or are covered by the Trusts.

City Retirement Systems. The City sponsors two single-employer contributory defined benefit plans for its employees, pursuant to Article XI of the City's Charter. A two-tiered system covers all full-time fire fighters, police officers, and Airport safety (the "Fire and Police Retirement System"), with Tier 1 covering fire fighters, police officers, and Airport safety personnel hired between October 27, 1927 and August 26, 1990; and Tier 2 covering fire fighters, police officers, and Airport safety personnel hired after August 27, 1990. A separate system covers all other permanent full-time employees (the "Employees Retirement System," and together with the Fire and Police Retirement System, the "Systems"). The following is a summary of information relating to the Systems. For a more detailed discussion see Appendix B–"CITY OF FRESNO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022–Note 11-Employee Benefit Programs–Retirement Plans."

Description. The Systems are single-employer defined benefit pension plans administered by the City of Fresno Fire and Police Retirement Board with respect to the Fire and Police Retirement System and the City of Fresno Employees Retirement Board with respect to the Employees Retirement System (collectively, the "Retirement Boards"). The Systems provide retirement, disability and death benefits to their respective plan members and beneficiaries. The Retirement Boards each consist of five members, selected as follows: two members elected by and from City employees affected, two members from management appointed by the Mayor with approval of the City Council, and the fifth member (not connected with its government) chosen by the previously designated four members.

As of June 30, 2022, there were [three] Airport employees in the Fire and Police Retirement System and [75] Airport employees in the Employees Retirement System. As of June 30, 2022, the total membership in the Fire and Police Retirement System was 2,348 (comprised of 1,136 active members, 1,154 retirees and beneficiaries receiving benefits, and 58 inactive vested members) and the total membership in the Employees Retirement System was 4,804 (comprised of 2,435 active members, 2,167 retirees and beneficiaries receiving benefits, and 202 inactive vested members). [For Fiscal Year 2022-23 ___ Airport employees in the Fire and Police Retirement System and [___] Airport employees in the Employees Retirement System are budgeted.

Defined benefit retirement plans have the potential of developing unfunded liabilities. New unfunded liabilities may arise if, among other things, the investments in the Systems' funds under-realize their assumed rates of return, if the City adopts retroactive benefit increases or the City's compensation rates exceed actuarial projections.

The Systems use the accrual basis of accounting. Investment income is recognized when it is earned and expenses are recognized when they are incurred. Contributions are recognized when due. Benefits and refunds are recognized when due and payable under the terms of the Systems pursuant to the City Municipal Code.

Basis of Accounting. Securities lending transactions by the Systems are accounted for in accordance with GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending

Transactions ("GASB 28"), which establishes reporting standards for securities lending transactions. In accordance with GASB No. 28, cash received as collateral on securities lending transactions and investments made with that cash are reported as assets and liabilities resulting from these transactions and are both reported in the Statement of Plan Net Assets. In addition, the costs of securities lending transactions are reported as an expense in the Statement of Changes in Plan Net Assets.

Contributions. The contribution requirement for members of the Systems and the City is established by the City Municipal Code and is administered by the Retirement Boards. The contribution rates, which are based upon calculations of the independent actuary of the Systems and adopted by the respective Retirement Boards, are presented as a percentage of the annual covered salary/payroll. Employer contributions consist of two components Normal Cost (*i.e.* the annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits) and contributions to the unfunded actuarial accrued liability (the "UAAL") (*i.e.* the annual contribution rate that, if paid over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL).

The annual required contribution for the Systems for Fiscal Year 2020-21 was determined as part of the June 30, 2021 actuarial valuation using the entry age actuarial cost method for the Fire and Police System and the projected unit credit actuarial cost method for the Employees System. The actuarial assumptions for the Fire and Police Retirement System included an 7.00% investment rate of return; projected annual salary increases at 4.00% to 12.75%, varying by service; an inflation rate of 2.75%. The actuarial assumptions for the Employees Retirement System included an 8.00% investment rate of return; projected annual salary increases at 3.75% to 11.25% varying by service; and an inflation rate of 2.75%. For Fiscal Year 2022-22, the contribution rate for the Fire and Police System Tier I was 28.76%, for the Fire and Police System Tier II was 25.27% and for the Employees System was 13.33%. The Systems do not have a UAAL as of June 30, 2022. As of June 30, 2022, the Fire and Police Retirement System was 120.5% funded and the Employees Retirement System was 113.7% funded. For Fiscal Year 2022-23, the contribution rate for the Fire and Police System Tier I is 29.55%, for the Fire and Police System Tier II is 25.79%, and for the Employees System is 13.03%.

Each System issues publicly available financial reports that include financial statements and required supplementary information for the related System. Copies of the reports may be obtained by writing the City of Fresno Employees Retirement Office, 2828 Fresno Street, Suite 201, Fresno, California 93721.

Other Post-Employment Benefit Plans

Plan Description. The City Retirees Healthcare Plan is a single-employer defined benefit medical plan administered by HealthComp and funded through the Trusts. It is reported as an Internal Service Fund of the City and provides Other Post-Employment Benefits ("OPEB") to eligible retirees and his/her dependents, spouse or domestic partner. The City does not accumulate assets in a dedicated trust, or equivalent arrangement, for the purpose of funding its retirement healthcare obligation. Therefore, the actuarial value of the plan assets are zero. The trust does not issue separate publicly available financial statements. For additional information regarding OPEB, see Appendix B–"CITY OF FRESNO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022–Note 11-Employee Benefit Programs–Other Post-Employment Benefits."

Contributions. The City provides post-employment healthcare benefits for certain eligible retirees. OPEB includes the authorization for retirees to purchase health insurance through the plan at current employee rates. The establishment and amendment of benefit provisions are negotiated between

the employee bargaining units and the City, and are recommended by the City Manager subject to the approval of the Mayor and the City Council. While participant retirees pay 100% of their premium costs, they are allowed to purchase insurance at blended premium rates. Thus, the City's contribution is deemed to be that portion of retiree claims costs over premiums required to be contributed by retirees. Currently, the City does not pre-fund retiree health benefits and instead provides for benefits on a pay-as-you-go basis.

Employees Covered. As of July 1, 2021, there were a total of 3,542 participants covered by the OPEB plan, of which, 234 were Inactive employees or beneficiaries currently receiving benefit payments and 3.308 were Active employees. Of the total number of participants 103 or approximately [2.69]% are Airport employees.

Net OPEB Liability. The City's net OPEB liability of $99.8 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date to determine the June 30, 2022 total OPEB liability.

For actuarial assumptions and other inputs for the OPEB plan see Appendix B–"CITY OF FRESNO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022–Note 11-Employee Benefit Programs–Other Post-Employment Benefits–Actuarial Assumptions and Other Inputs."

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The July 1, 2021 valuation was prepared using a discount rate of 3.54%. If the discount rate were 1% higher than what was used in this valuation, the Net OPEB Liability would decrease to $87.8 million or by (12.02%). If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase to $114.4 million, or by 14.70%.

	1% Decrease 2.54%	**Current Discount Rate 3.54%**	**1% Increase 4.54%**
Net OPEB Liability (in thousands)	$114,428	$99,761	$87,774

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The July 1, 2021 valuation was prepared using an initial trend rate of 0.0%. If the trend rate were 1% higher than what was used in this valuation, the Net OPEB Liability would increase to $118.6 million or by (18.93%). If the trend rate were 1% lower than was used in this valuation, the Net OPEB Liability would decrease to $84.9 million or by 14.94%.

	1% Decrease -1%	**Current Healthcare Cost Trend Rates 0.00%**	**1% Increase 1%**
Net OPEB Liability (in thousands)	$84,858	$99,761	$118,649

Changes in the Net OPEB Liability. The changes in the Net OPEB Liability for the City OPEB Plan are as follows:

	Net OPEB Liability Increase / (Decrease) (in thousands)
Net OPEB Liability as of June 30, 2021	$152,604
Changes for the Year:	
Service Cost	6,604
Interest	3,221
Assumption Changes	(40,728)
Benefit Payments	(2,912)
Net Changes	(52,843)
Net OPEB Liability as of June 30, 2022	$99,761

Post Retirement Supplemental Benefit Program. The Post-Retirement Supplemental Benefit Program (the "PRSB") was created effective January 1, 1999 to provide assistance to eligible retirees to pay for various post-retirement expenses which in most cases consists of premiums for health insurance or medications. Each Retirement Board annually reviews its actuarial valuation report and declares an actuarial surplus, if available, in accordance with the procedures set forth in the City Municipal Code. The PRSB is distributed to eligible retirees if and only if a distributable actuarial surplus is available or if a balance exists in the PRSB reserve to provide for the payment of the post-retirement expenses.

If an actuarial surplus is declared in either of the systems, the surplus is allocated to the respective system into two components: the first component is composed of two-thirds of the declared surplus which is used to reduce or eliminate the City's pension contributions, with any unused portion deposited in the City Surplus Reserve for offset of required City contributions in subsequent years. The second component, representing the remaining one-third of the declared surplus, is distributed among eligible post-retirement supplemental benefit recipients in accordance with procedures set forth in the City Municipal Code, with any unused portion deposited in the PRSB Reserve and available for use in subsequent years if needed.

Deferred Compensation Plan. The City offers its employees, including Airport employees, a deferred compensation plan (the "Deferred Compensation Plan") administered by a Deferred Compensation Board in accordance with Internal Revenue Code Section 457. The Deferred Benefit Plan, which is available to all permanent full-time and part-time employees and Council Members, permits deferral of a portion of the employee's salary into a tax-deferred program. The Deferred Compensation Plan is not available to employees or other beneficiaries for withdrawal until termination, retirement, death, unforeseeable emergency or Loan Program. Upon separation from employment with the City, an individual may roll over their deferred account into another IRS allowable plan, or upon receipt, the distribution will become taxable.

The Deferred Compensation Board contracted with Fidelity Management Trust Company ("Fidelity") to serve as the trustee and plan administrator. The Administration Systems assist Fidelity in the administration of the Deferred Compensation Plan. Additionally, City staff in the Payroll section of the Finance Department, the City Attorney's Office, and Information Services Division all assist in the administration of the Deferred Compensation Plan. The City has no fiduciary accountability for the Deferred Compensation Plan. Accordingly, the assets and related liabilities to plan participants in the Deferred Compensation Plan are not included in the basic financial statements of the City.

Health Benefit Plan. The City offers its employees, including Airport employees, participation in the Fresno City Employees Health and Welfare Trust Plan (the "Trust"). The Trust offers a self-insured medical plan for full-time and permanent part-time employees and their dependents. The Trust also provides dental, vision, pharmacy and chiropractic coverage. Employees have the opportunity, on an annual basis, to elect either (i) a higher benefit level Preferred Provider Organization Plan (PPO) which has a $200 individual annual deductible and a $600 family maximum annual deductible, with the plan paying 80% of covered charges and the employee responsible for the remaining 20% of covered charges, or (ii) a reduced benefit level PPO which has a $1,300 individual annual deductible. Employees electing the lower benefit level pay nothing for their coverage. Employees electing the higher benefit level pay a percentage of the monthly premium through payroll deductions, with the percentage of the premium the employee is required to pay negotiated by each bargaining unit.

Environmental Contamination

In 1989, contamination (primarily TCE, a common solvent) was discovered and identified in soils and groundwater beneath property currently part of Airport property. The site known as Old Hammer Field, an Army military base during the 1940's was the subject of investigation and cleanup efforts which had previously been jointly funded by the Boeing Company, the U.S. Army Corps of Engineers, and the City. The area had been used for the repair, overhaul, maintenance, refurbishing and construction of aircraft during and after World War II. The City had limited fiscal liability for cleanup efforts. The California Department of Toxic Substances Control (the "DTSC") was the lead regulatory agency overseeing the site cleanup.

After years of legal negotiations, a settlement agreement between the U.S. Army Corps of Engineers, the Boeing Company, and the City was reached. The settlement called for the Airports Department to be responsible, going forward, for 10% of the cleanup costs. The settlement also called for the U.S. Army Corps of Engineers and Boeing to make a joint one-time payment of $1,350,000 for past costs. This payment was made in Fiscal Year 2010-11.

The Court approved the settlement agreement which included one-time payment noted above, covenants not to sue and an operating agreement for purposes of coordinating further efforts to implement the State-Approved Remedial Action Plan to obtain Site Closure. All parties agreed to bear their own costs and expenses, including attorney's fees in the case.

The liability for future cleanup costs on the Old Hammer Field site is recorded on the Fiscal Year 2021-22 [ACFR] in the amount of $405,932. Total costs have been estimated to range between $10 and $20 million, with the City's share of cleanup costs to be 10%. The cleanup time frame has also been estimated and is expected to continue for 20 to 40 years. Cleanup costs totaled $45,187in Fiscal Year 2021-22.

The City will re-evaluate this accrual annually and make adjustments as necessary.

There can be no guarantee that certain factors, including actual total cleanup costs and the City's share thereof, would not result in a higher annual cost or require a substantial payment at any one time from Airport funds. However, Airport staff believes that payments from Airport funds for the cleanup will not have a material impact on Airport Revenues or operations.

Investment of the Airport Funds

The Indenture provides that the Revenue Fund and the accounts and funds established therein, are held by the City. Amounts in the Revenue Fund are accounted for separately from all other funds of the City. The Indenture further provides that moneys in all funds and accounts (including Revenues) established under the Indenture which are held by the City may be invested in Investment Securities in accordance with the policies and procedures of the Treasurer in effect from time to time. For definitions of "Revenues" and "Investment Securities" under the Indenture, see APPENDIX D–"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–Certain Definitions." For a summary of the Investment Policy of the City, see APPENDIX C–"CITY INVESTMENT POLICY."

Payments due from the Revenue Fund are made from the City's larger pooled investment fund, which serves as a disbursement account for expenditures from the City's various segregated and pooled funds, including those of the Airport held in the Airport Enterprise Funds. The objectives of the City's current investment policy, in order of priority, are preservation of capital, maintenance of liquidity and yield. Investments generally are made so that securities can be held to maturity.

Set forth in the table below are the approximate cash values, as of June 30, 2022, of amounts in the Airport Enterprise Funds. These amounts include certain minimum balances maintained in the City Pool for liquidity purposes. The Indenture requires that amounts on deposit in the Revenue Fund be transferred monthly in order of priority set forth therein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS–Table 5 Flow of Funds Chart."

TABLE 21
AIRPORT ENTERPRISE FUNDS
(AS OF JUNE 30, 2022)

Funds	Cash Value
Unrestricted	
Revenue Fund	
FYI Operating Fund	
Chandler Operating Fund	
Airports Project Mgt. Fund	
Capital Fund	
Surplus Fund	
UNRESTRICTED TOTAL	
Restricted	
FYI Env. Remediation Fund	
PFC Fund	
Airways Golf Course Fund	
2007 Debt Service	
Federal Grants Fund	
CFC Fund	
Measure C Fund	
FYI/Chandler Rental Deposit	
Cash with Fiscal Agent	
RESTRICTED TOTAL	

Source: Airport Management Records.

Risk Management and Insurance

Under the Indenture and provided such insurance is obtainable at reasonable rates and upon reasonable terms and conditions, the City is required to procure and maintain at all times while any of Bonds are outstanding, insurance on the Airport against such risks as are usually insurable in connection with other major airports and to file with the Trustee each year a certificate describing all insurance coverage then in effect, including any self-insurance fund. Such insurance is required to be adequate in amount as to the risks insured against, and shall be maintained with reasonable insurers, the Indenture also requires the City to procure and maintain so long as Bonds are outstanding; public liability insurance, with combined limits of not less than $60,000,000 per occurrence to protect the City from claims for bodily injury or death which may arise from the operations of the Airport, which insurance may be combined in one or more policies with one or more insurers and may include hangar keepers' legal liability and excess insurance with such limits of liability as may be determined by the City; and adequate fidelity insurance or bonds on all officers and employees handling or responsible for funding of the Airport.

Although insurance coverage for war, terrorism and hijacking is available for commercial insurers, since September 11, 2001, the scope of coverage for such insurance is limited and the premiums prohibitive. Due to these factors, the City, in consultation with the City's Risk Manager, has elected not to secure such coverage.

The City may provide in satisfaction of, or in connection with, any insurance required to be maintained under the Indenture a self-insurance deductible or a self-insurance method or plan of protection so long as such plan is (i) a funded program and actuarially sound and (ii) reviewed for adequacy no less often than every two years by an independent insurance consultant nationally recognized as qualified to survey risks and determine the adequacy of self-insurance reserves for self-insurance programs.

Management Discussion and Analysis

Between Fiscal Year 2019-20 and Fiscal Year 2021-22, the Airport's financial situation has improved substantially. Revenues increased by approximately 42.9% while Operating Expenses increased by approximately 5.3%, leading to a 201.86% increase in Net Revenues in this period. The increase in Revenues from Fiscal Year 2019-20 ($24.1 million) through Fiscal Year 2021-22 ($34.4 million) resulted from _____.

Enplanements increased 46.75% over this three-year period to 1,104,975 which is 174,540 enplanements greater than the Fiscal Year 2018-19 record level of 930,435. The increase in enplanements was driven by population growth in the Airport's service area and by airline service additions.

At the same time, non-airline revenues have increased. Key non-airline revenue sources include: parking revenues (which are almost 29% of Revenues), rental car revenues, including rental car facility concession fees, service facility rental and terminal counter rental; fixed-base operator revenues including rental and fuel flowage charges, rental revenues from a joint cargo facility owned by UPS and Federal Express and a Delta Connection/United Express maintenance facility and enhanced terminal concession revenues. Airport management continues to look for ways to diversify the revenue stream.

From Fiscal Year 2019-20 to Fiscal Year 2021-22, expenditures rose _____%. Airport management continues to look for ways to control operational costs while still meeting customer service needs.

The increased revenues and stable expenditures have resulted in an improved cash picture for the Airport. Days-of-cash-on-hand has increased from ___ in Fiscal Year 2019-20 to [694] in Fiscal Year 2021-22. In addition to the cash improvement due to operations, increases in both Passenger Facility Charges and Consolidated Facility Charges (which can be used for repayment of the Series 2023 Bonds and Series 2013 Bonds, respectively) Bonds provided substantially increased cash flow to the Airport during this period.

The City's accounting methodology does not readily permit the generation of partial year financial statements in the same format as the City's full year audited financial statements. As a result no "stub-period" financial information for Fiscal Year 2022-23 is presented in this Official Statement. Airport management does, however, expect such financial statements, when available, to reflect continued financial improvement at the Airport.

REPORT OF THE AIRPORT CONSULTANT

General

The Report of Unison Consulting, Inc. the Airport Consultant, dated _____, 2023 is included in its entirety as APPENDIX A and sets forth historical and forecasted Net Revenues of the Airport and Net Revenues for the five Fiscal Years ending June 30, 2022. Historical information was provided by Airport Management. The forecasts included in the analysis are based on assumptions concerning future events and circumstances. These assumptions were provided by, or reviewed with and agreed to by, Airport management and the forecasts reflect Airport management's expected course of action during the forecast period. In the opinion of the Airport Consultant, such assumptions provide a reasonable basis for the forecasts.

INVESTOR CONSIDERATIONS

This section provides a general overview of certain investor considerations, including risk factors, which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2023 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Series 2023 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Series 2023 Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Series 2023 Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

The COVID-19 Pandemic and Other Public Health Concerns

Due to the discretionary nature of business and personal travel spending, air transportation demand and, by extension, the Airport's revenues, are heavily influenced by numerous economic factors as well as health and security concerns. For example, the current COVID-19 pandemic and the economic impacts thereof have had a significant and adverse impact on the demand for air travel and the airline industry. The COVID-19 pandemic has resulted in substantial financial challenges for airlines serving the Airport, including substantial financial losses and announcements warning of layoffs or reduction in workforce. While the Airport has in the past seen passenger traffic return after or grow through airline

bankruptcies and consolidations and other events affecting the airline industry, the COVID-19 pandemic is an unprecedented event and its near-term and long-term effects on the airline industry cannot be predicted with any certainty, including the prospect of prolonged downsizing of aircraft fleets and associated levels of capacity. Other structural changes to the industry also result from the impact of airline consolidations, optimization of route structures, low cost carriers, internet travel web sites and carriers reorganizing under the U.S. Bankruptcy Code. See "– Effect of Airline Bankruptcies," below.

The COVID-19 pandemic has had and likely will continue to have substantial adverse effects on passenger traffic and Airport operations and financial performance. The dynamic nature of the COVID-19 pandemic and the prospect of future disease outbreaks or other widespread health concerns leads to many uncertainties, so the Airport cannot predict: (i) the scope, duration or extent of the current COVID-19 pandemic, or another outbreak or pandemic, (ii) any additional or future restrictions or warnings related to air travel, gatherings or any other activities, or the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down, in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic or future health concerns may have on air travel (including to and from the Airport), the retail and services provided by Airport concessionaires, Airport costs or Airport revenues; (iv) to what extent the COVID-19 pandemic or a future outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, and if any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's CIP (including the Project), or other Airport operations; (v) the extent to which the COVID-19 pandemic or a future outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Airport may amend, adjust, or make other changes to the Airport's arrangements with its tenants and concessionaires; (vii) whether any of the foregoing will have a material adverse effect on the finances and operations of the Airport; or (viii) the extent or duration of telecommuting and the possibility of increased utilization of video conferencing by businesses and others after the COVID-19 pandemic which may reduce demand for business travel.

The City cannot predict the extent and duration of changes in air traffic volume as a result of the COVID-19 pandemic and its associated economic impacts. It is possible that air travel behavior and patterns may be permanently altered after the COVID-19 pandemic has ended as a result of residents' and businesses' telecommuting experiences during the outbreak. In particular, such experiences may result in a permanent decline in business travel, the extent of which is currently unknown.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term and may be repeated in the future and that recovery may be prolonged, adversely impacting Airport revenues. Future outbreaks, pandemics or other events outside the City's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in revenues.

For a more detailed discussion of the impact of the COVID-19 pandemic on the Airport, see ["THE AIRPORT–Recent Developments Related to the COVID-19 Pandemic"] and APPENDIX A–"REPORT OF THE AIRPORT CONSULTANT – Section 2.1 – COVID 19 PANDEMIC" for more information on the impact of the COVID-19 pandemic on the Airport's operations and finances.

General Factors Affecting Air Transportation Demand

The Airport's ability to collect Net Revenues depends significantly on the level of aviation activity and enplaned passenger traffic at the Airport. There are numerous factors which affect air traffic generally and air traffic at the Airport more specifically. Demand for air travel is influenced by factors such as (i) the growth of or decline in the population and economy of the Airport's service area, (ii) national, regional and international economic conditions, (iii) national and international political conditions, including the imposition of regulations and tariffs, acts of war, terrorism or sabotage, and unpredictable events; (iv) the price of airfare, (v) the level of competition from surrounding airports, (vi) availability of airline service and route networks to the Airport, (vii) the occurrence of accidents involving commercial passenger aircraft, (viii) currency exchange rates, (ix) the occurrence of natural and man-made disasters, (x) the availability of business travel substitutes including video conferencing and streaming technology, and (xi) public health concerns including the occurrence of pandemics such as the COVID-19 pandemic.

With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at U.S. airports. Recessions in the U.S. economy in 2001 and 2008-2009 and the COVID-19 pandemic in 2020-2021 have been accompanied by high unemployment and reduced discretionary income, contributing to reduced airline travel demand. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions, recovery from the COVID-19 pandemic, and national and global economic growth. No assurance can be given with respect to the levels of aviation activity that will be achieved at the Airport in future Fiscal Years.

General Factors Affecting the Airline Industry

Future traffic at the Airport is sensitive to all the factors listed above in "–General Factors Affecting Air Transportation Demand" above. In addition, it is sensitive to factors particularly affecting the airline industry. The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs, and varying demand. Passenger and cargo volumes are very sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events.

Some of the factors that may materially affect the airline industry, and by extension, the Airport include (i) the availability and price of aviation fuel and other necessary supplies, (ii) the costs of maintaining and upgrading aging aircraft fleets, (iii) the capacity of the national air transportation system and limits to airport infrastructure, (iv) price competition, especially competitive pricing facilitated by mergers, consolidations, affiliations, or discharge of obligations through bankruptcy, (v) the cost and availability of financing and the level of access to liquidity and the capital markets, (vi) the cost of keeping pace technological changes, (vii) the cost and availability of employees, (viii) labor relations within the airline industry, (ix) pilot and other labor shortages, and (x) the costs of regulatory compliance.

As a result of these and other factors, many airlines have in the past operated at a loss, filed for bankruptcy, restructured their businesses, reduced costs, laid off workers, renegotiated labor agreements, reduced or consolidated routes, ceased operations and/or merged with other airlines. Airline consolidation, capacity discipline, economic conditions, and relatively stable fuel prices had in recent years contributed to success and record profitability of the airlines from 2010 through 2019. However, those profits were substantially impacted by the effects of the COVID-19 pandemic on global travel

demand. The City cannot currently predict whether recovery from the COVID-19 pandemic will be accompanied by renewed disruptions in the airline industry, including further airline consolidation and effects on service patterns. Any such actions, among others, could have a material impact on the Airport's ability to collect revenues in amounts sufficient to pay debt service on the Series 2023 Bonds.

Risks Related to PFC Revenues

PFC Revenues are dependent upon the number of enplaned passengers using the Airport. In addition, the City's ability to recognize PFC Revenues that are sufficient to pay debt service on the Bonds used to finance PFC-approved Project Costs and to satisfy the City's other obligations under the Indenture will require (a) that the air carriers collecting the PFC remit the net proceeds thereof to the City in accordance with the PFC Regulations, and (b) that the City's ability to impose and collect the PFC not be terminated by the FAA prior to the payment, or provision for the payment, of all Bonds used to finance PFC-approved Project Costs.

No assurance can be given that the PFC Regulations will not be modified or restricted by the FAA or the U.S. Congress so as to reduce the amount of PFC Revenues available to the City.

Bankruptcy of Airlines Operating at the Airport or Other Airport Tenants.

Airlines operating at the Airport and other Airport tenants have filed for bankruptcy relief in the past and may do so in the future. For example, The Hertz Corporation and Aeromexico have filed for bankruptcy in recent years. If a bankruptcy case is filed with respect to an airline or other tenant, any lease to which the debtor airline or other tenant is a party will be treated as an executory contract or unexpired lease pursuant to Section 365 of the United States Bankruptcy Code, as amended (the "Bankruptcy Code"). Under Section 365, a trustee in bankruptcy or the airline or other tenant, as debtor-in-possession, might reject the applicable Airline Agreement or lease, in which case, among other things, the rights of that airline or other tenant to continued possession of the facilities subject to the lease (including, in the case of airlines, gates and boarding areas) would terminate. Such facilities could ultimately be leased by the Airport to other users. In the case of airline facilities, the Airport's ability to lease such facilities to other airlines may depend on the state of the airline industry in general, on the nature and extent of the increased capacity at the Airport, if any, resulting from the airline's bankruptcy, and on the need for such facilities by other airlines. In the case of other facilities, the Commission's ability to lease such facilities to other users may also depend on the state of the airline industry or the travel industry in general, on the nature and extent of the increased capacity at the Airport, if any, resulting from the tenant's bankruptcy, and on the need for such facilities by other users. The rejection of a lease in connection with the bankruptcy of an airline or other tenant may result in the loss of revenues to the Airport and a resulting increase in the costs, including the cost per enplaned passenger for other airlines at the Airport. In addition, in any bankruptcy, the Airport may be required to repay rentals and fees, including landing fees and terminal rentals, and other amounts paid by the tenant to the Airport during the 90-day period prior to the date of the bankruptcy filing. Such payments are considered "preferential" and are avoidable in a bankruptcy case pursuant to Section 547 of the Bankruptcy Code. The Airport would, however, likely have defenses to claims brought under Section 547 of the Bankruptcy Code, including that the subject payments were made in the ordinary course of business or that the Airport provided subsequent new value to the tenant.

Also, under the Bankruptcy Code, any rejection of a lease could result in the Airport holding a claim for rents and other items that would have accrued in the future, which claim would have the same rank as that of claims held by general unsecured creditors of the airline or other tenant, in addition to pre-bankruptcy amounts owed.

Federal Funding; Impact of Federal Sequestration

On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, known as the "FAA Reauthorization Act of 2018," which was signed into law on October 5, 2018 by the President. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA's programs for five federal fiscal years, and increases funding for the Airport Improvement Program ("AIP"). The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set asides and the national priority ranking system). Between 2007 and the prior reauthorization bill in 2012, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in summer 2011. There can be no assurance that Congress will enact, and the President will sign, future FAA reauthorization acts or provide for additional extensions before the current authorization expires. Failure to adopt such legislation may have a material adverse impact on the AIP grant program and the Airport. In addition, the AIP could be affected by the automatic across-the-board spending cuts known as sequestration, described in more detail below. The City is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Airport would need to fund from other sources (including operating revenues, additional Bonds, or others), (ii) result in adjustments to the Airport's capital improvement plan, or (iii) extend the timing for completion of certain projects.

Federal funding received by the City and aviation operations at the Airport could be adversely affected by any future implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations, and the availability of certain federal grant funds typically received annually by the City. This may cause the FAA or TSA to implement furloughs of its employees and hiring freezes and may result in flight delays and cancellations.

Growth of Low-Cost Carriers

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

Over the last decade, as larger U.S. carriers consolidated and became more focused on capacity discipline, the ticket prices for their flights began to increase. LCCs/ULCCs emerged in markets where passenger levels were significant enough that the LCCs/ULCCs could overcome any barrier to entry. The low-cost structure of the LCCs/ULCCs stimulated traffic and budget conscious travelers to emerge as an underserved segment of the traveling public. Allegiant Air, having enplaned the largest share of passengers at the Airport in each fiscal year 2018 through 2021, is generally considered an ultra-low-cost-carrier.

There can be no assurance that the LCCs/ULCCs will continue to maintain such levels in the future. The continued presence of the LCCs/ULCCs serving at the Airport, and the levels at which such airlines might provide service at the Airport, are a function of a variety of factors, including airline fares and competition; airline industry economics, including labor costs and the price of aviation fuel; capacity of the Airport and competition from other airports; and the strength of the origin and destination market at

the Airport. Most of these factors are beyond the control of the City. Accordingly, no assurance can be given as to the levels of aviation activity that the LCCs/ULCCs will provide at the Airport.

See "THE AIRPORT–Passenger Air Carriers" above for a discussion of the LCCs/ULCCs, including Allegiant Air, operating at the Airport.

Cost of Aviation Fuel

Airline profitability is significantly affected by the price of aviation fuel. Fuel is the largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries' policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, disruptions in delivery systems such as pipelines, and weather. The cost of aviation fuel has fluctuated in the past in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel historically have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

Possible New and Increased Regulations Addressing Climate Change

[working on update]

Climate change concerns are leading to new laws and regulations at the federal and State levels that could have a material adverse effect on airlines operating at the Airport and could also affect ground operations at airports. The U.S. Environmental Protection Agency (the "EPA") has taken steps towards the regulation of greenhouse gas ("GHG") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. On December 14, 2009, the EPA made an "endangerment and cause or contribute finding" under the Clean Air Act, codified at 40 C.F.R. 1. In the finding, the EPA determined that the body of scientific evidence supported a finding that six identified GHGs – carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride – cause global warming, and that global warming endangers public health and welfare. The EPA also found that GHGs are a pollutant and that GHG emissions from motor vehicles cause or contribute to air pollution. This finding requires that the EPA regulate emissions of certain GHGs from motor vehicles. The Clean Air Act regulates aircraft emissions under provisions that are parallel to the requirements for motor vehicle emissions. Accordingly, the EPA may elect or be forced by the courts to regulate aircraft emissions as a result of this endangerment finding.

Regulation by the EPA can be initiated by private parties or by governmental entities other than the EPA. In 2007, several states, including California, petitioned the EPA to regulate GHGs from aircraft. On July 11, 2008, the EPA issued an Advanced Notice of Proposed Rulemaking (the "ANPR") relating to GHG emissions and climate change. Part of the ANPR requested comments on whether and how to regulate GHG emissions from aircraft. The final rule, the Mandatory Reporting of Greenhouse Gases Rule (74 FR 56260), requires reporting of GHG data and other relevant information from large stationary sources and electricity and fuel suppliers, but not mobile aircraft. While the EPA has not yet taken any action to regulate GHG emissions from aircraft, regulation may still be forthcoming. On July 5, 2011, the U.S. 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 greenhouse gas and black carbon emissions of

aircraft engines endanger public health and welfare. In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including California, and have been proposed on the federal level. California passed Assembly Bill 32, the "California Global Warming Solutions Act of 2006," which requires the Statewide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, the California Air Resources Board ("CARB") made the final adjustments to its implementation of Assembly Bill 32: the "California Cap-and-Trade Program" (the "Program") which was implemented in January 2012. The Program covers regulated entities emitting 25,000 MtCO2e per year or more and entities in certain listed industries, including major industrial sources, electricity generating facilities, and fuel suppliers. Non-covered entities are encouraged to opt-in and voluntarily participate in the Program. It is expected that the Program will result in rising electricity and fuel costs, which may adversely affect the airlines serving the Airport and Airport operations. At the federal level, GHGs are not currently regulated as pollutants. Although previous proposals have not been successful, it is possible GHG emissions from aircraft may be regulated by the federal government.

The City has an existing Sustainability Management Plan ("SMP") and already meets the California requirements. The Airport was one of 10 airports nationally selected by the FAA in 2010 to participate in a pilot program to develop a SMP, which addresses reduction of GHG emissions. The SMP baseline study revealed that past, and ongoing sustainability practices have already brought the Airport into full compliance with the State of California's AB32 standards related to global warming and the mitigation of GHG emissions. The Airport also meets the Western Climate Initiative, in which the State participates, goal of reducing emissions 15% by 2020 as compared to the 2005 levels. Meeting these GHG goals also considered projected passenger growth at the Airport.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities and the potential for terrorist acts may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel. With enactment of the Aviation and Transportation Security Act ("ATSA") in November 2001, the TSA was created and established different and improved security processes and procedures at United States airports. ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. ATSA also permits the deployment of air marshals on all flights and requires air marshals on all "high-risk" flights. The federal government controls aviation industry security requirements, which can significantly impact the economics of the industry. Additional security requirements due to unexpected events could increase costs directly and indirectly to the industry and could have an adverse effect on passenger demand.

Natural Disasters

Earthquake. There are several active geological faults in the State that have potential to cause serious earthquakes that could result in damage within the City and to the Airport, buildings, roads, bridges, and other property.

While the City is not located in any existing Alquist-Priolo special study zone delineated by the State Division of Mines and Geology as an area of known active faults, it is possible that new geological faults could be discovered in the area and that an earthquake occurring on such faults could result in damage of varying degrees of seriousness to property and infrastructure in the City, including the Facilities.

Any natural disaster or other physical calamity, including earthquake, may have the effect of damaging the Airport and/or adversely impacting the economy of the City and the surrounding area.

Flooding. In 2004 the U.S. Army Corps of Engineers (the "Corps of Engineers") released and the Federal Emergency Management Agency, which administers the federal government's flood insurance programs, approved a revised floodplain map indicating that while portions of the County are located within a 100-year floodplain (an area expected to be inundated during a flood event of the magnitude for which there is a 1% (or 1-in-100) probability of occurrence in any year), the City is not. The floodplain maps are updated periodically and while the City is not currently located within a floodplain, the City can make no representation that future maps will not be revised to include the City within an area deemed subject to flooding.

Wildfires. The State continues to battle devastating wildfires annually. According to recent research, California's annual wildfire extent increased fivefold since the 1970's. This trend is likely to continue, resulting in significant economic and public safety challenges for the State, the City, and the County.

Climate change concerns are leading to new laws and regulations at the federal, State and local levels. Research suggests that the State will experience hotter and drier conditions, reductions in winter snow and increases in winter rains, sea level rise, significant changes to the water cycle, increased occurrences of extreme and unpredictable weather events, and increased catastrophic wildfires and severity of flood events. The compound impacts may affect economic systems throughout the State, including the City. The City is unable to predict the impact that such laws and regulations, if adopted, and the effects of climate change will have on the Airport.

Drought. From 2012 through 2016, the State experienced "exceptional drought conditions" (the most severe drought classification) according to the U.S. Drought Monitor. Other notable historical droughts included 2007-09, 1987-92, 1976-77, and off-and-on dry conditions spanning more than a decade in the 1920s and 1930s.

Droughts cause public health and safety impacts, as well as economic and environmental impacts. Public health and safety impacts are primarily associated with catastrophic wildfire risks and drinking water shortage risks for small water systems in rural areas and private residential wells. Examples of other impacts include costs to homeowners due to loss of residential landscaping, degradation of urban environments due to loss of landscaping, agricultural land fallowing and associated job loss, degradation of fishery habitat, and tree mortality with damage to forest ecosystems.

In order to mitigate the effects of a future drought, in 2018 the City completed construction of a surface water treatment facility (the "SWTF") in the southeast area of the City. The SWTF purifies water that is obtained though the City's rights to water from the San Joaquin and Kings rivers. In a "normal" hydrological year, these rights give the City access to enough water to meet all of its residents' water needs. The use of the SWTF to meet the daily and annual water needs of the City results in little (if any) water being pumped out of the ground, thereby recharging the underground aquifer that exists in the San Joaquin Valley. That aquifer is then used to meet water needs during a drought situation.

It is not possible for the City to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the City or the Airport service area.

Climate Change

General. The adoption by the State of the California Global Warming Solutions Act of 2006 (Assembly Bill No. 32) and subsequent companion bills demonstrate the commitment by the State to take action and reduce greenhouse gases ("GHG") to 1990 levels by 2020 and 80% below 1990 levels by 2050. The State Attorney General's Office, in accordance with the terms of Senate Bill No. 375, now requires that local governments examine local policies and large-scale planning efforts to determine how to reduce GHG emissions. Additionally, in 2006, the State adopted Senate Bill No. 32, which established a revised Statewide GHG emission reduction target of 40% below 1990 levels by 2030.

The State's 100 Percent Clean Energy Act of 2018 ("Senate Bill No. 100"), establishes targets for making the State's power sources emissions free by December 31, 2045. Achieving that goal will require the State to increase its renewable energy portfolio as a source of electricity and will require utility companies, including those companies from whom the City may purchase energy, to source energy from renewable zero-carbon resources.

City Climate Change Policy. In December 2014 the City Council adopted a Greenhouse Gas Reduction Plan (the "2014 Plan") as a part of its General Plan and Master Environmental Impact Report (the "MEIR"). The 2014 Plan was considered a "Qualified Plan," under CEQA guidelines for the development of GHG reduction plans. The 2014 Plan established a target of reducing per capita GHG emission by 21.7% below business-as-usual (BAU) levels by 2020. It also included GHG reduction measures designed to achieve the reduction target; suggested a monitoring program designed to monitor progress by annually documenting the 19 key indicators and Citywide vehicle miles traveled ("VMT") every three years; discussed "interim" targets for years 2035 and 2050, pursuant to Executive Order S-03-053 and the Fresno Green Sustainability Strategy that contained a commitment to meet the Assembly Bill No 32 goals.

In March 2020, the 2014 Plan was updated (the "2020 Plan") to re-evaluate the City's existing GHG reduction targets and strategies, provide new goals and supporting measures to reflect and ensure compliance with changes in local and State policies, and encourage economic growth to keep the City economically competitive while achieving GHG reductions and maintaining the "Qualified Plan" status under CEQA.

Construction and Completion Risk

Completion of the 2023 Project may be delayed by a number of factors or costs could increase significantly due to, among other factors, litigation, the need to obtain approvals, permit delays by contractors, labor and material shortages, labor disputes, weather, unforeseen engineering, environmental or geological problems or other events. The City [will enter/has entered] into a fixed price design build contract with respect to the 2023 Project. This contract will include a maximum 10% contingency for change orders and a completion and delivery date of no later than January 1, 2009. See also "THE 2023 PROJECT." A delay in the completion of the 2023 Project is not expected to have a material adverse effect on Net Revenues or the ability of the City to pay principal of or interest on the Series 2023 Bonds.

Cybersecurity

The Airport and airlines rely on electronic systems and technologies to conduct operations. Computer networks and data transmission and collection are vital to the safe and efficient operations 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. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue. The Airport maintains a security posture designed to deter cyber-attacks, has engaged consultants to assist in its cybersecurity, and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that the Airport's security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport.

Uncertainties of Projections, Forecasts and Assumptions

Projected compliance with certain of the covenants contained in the Indenture is also based upon assumptions and projections. Projections and assumptions are inherently subject to significant uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur and actual results are likely to differ, perhaps materially, from those projected. Accordingly, the projections contained in the Report of the Airport Consultant are not necessarily indicative of future performance, and neither the City nor the Airport Consultant assumes any responsibility for the accuracy of such projections.

Future Legislation and Regulation

The Airport is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The Airport is highly regulated by federal agencies including the FAA, the Transportation Security Administration ("TSA"), Customs and Border Protection ("CBP") and the U.S. Department of Health and Human Services. In the past, actions, rules and policies by these agencies (in particular the FAA, the TSA and CBP) have required the Airport to undertake additional capital and equipment expenditures, have affected passenger traffic, or both. The COVID-19 pandemic may lead to additional rules and regulations. The Commission is unable to predict the adoption or amendment of additional laws, rules or regulations, or their effect on the operations or financial condition of the Airport.

Determination of Taxability

The interest rates on the Series 2023 Bonds are not subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Series 2023 Bond is or was includible in the gross income of the owner of a Series 2023 Bond for federal income tax purposes. It may be that Bondowners would continue to hold their Series 2023 Bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.

Income Taxation Risk Upon Defeasance of the Series 2023 Bonds

In the event the Airport were to defease all or a portion of the Series 2023 Bonds, for federal income tax purposes, the Series 2023 Bonds that are the subject of such a defeasance may be deemed to be retired and "reissued" as a result of the defeasance. In such an event, a bondholder who owns such a Series 2023 Bond may recognize a gain or loss on the Series 2023 Bond at the time of defeasance. Holders who own Series 2023 Bonds should consult their own tax advisors regarding the tax consequences of a defeasance of the Series 2023 Bonds. See "TAX MATTERS."

ABSENCE OF MATERIAL LITIGATION

General

There is no action, suit or proceeding pending concerning the validity of the Indenture or the Series 2023 Bonds or the issuance and delivery thereof, the existence of the City, the title of the officers thereof who shall execute the Series 2023 Bonds to their respective offices, or the pledge of Revenues to the payment of the Series 2023 Bonds.

Other Matters

In the regular course of its business, the City is a party to a variety of pending and threatened lawsuits and administrative proceedings with respect to the Airport's operations and other matters, in addition to those specifically discussed herein. The City does not believe that any such lawsuits or proceedings will have a material adverse effect on the business operations or financial condition of the Airport.

RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("Standard & Poor's"), has assigned a rating of "___" to the Series 2023 Bonds and Kroll Bond Rating Agency, LLC ("Kroll"), has assigned a rating of "___" to the Series 2023 Bonds. [The Series 2023A Bonds and the Insured Series 2023B Bonds have received a rating of "____"by Standard & Poor's with the understanding that upon delivery of the Series 2023A Bonds and the Insured Series 2023B Bonds the Policies will be delivered by the _____. See "BOND INSURANCE" and APPENDIX H–"SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

A rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Series 2023 Bonds. An explanation of the significance of each rating may be obtained from the rating agencies at their respective addresses, as follows: Moody's Investors Service, 99 Church Street, New York, New York 10007; Standard & Poor's, 55 Water Street, New York, New York 10041 and Fitch, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that a rating will apply for any given period of time, or that the rating will not be revised downward or withdrawn if, in the judgment of the agency providing such rating, circumstances so warrant. The City undertakes no responsibility to oppose any such revision or withdrawal. A downward revision or withdrawal of a rating may have an adverse effect on the marketability or market price of the Series 2023 Bonds.

UNDERWRITING

Pursuant to the terms of a bond purchase agreement dated _____, 2023 (the "Purchase Agreement"), between the City and Raymond James & Associates, Inc. (the "Underwriter"), the Underwriter will purchase all of the Series 2023 Bonds, if any are purchased, however, the obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement. The Underwriter will purchase the Series 2023A Bonds at a price of $_____ representing the principal amount of the Series 2023A Bonds, plus net original issue premium in the amount of $_____, and less an Underwriter's discount in the amount of $_____.

The Underwriter will purchase the Series 2023B Bonds at a price of $_____ representing the principal amount of the Series 2023B Bonds, plus net original issue premium in the amount of $_____, and less an Underwriter's discount in the amount of $_____.

The public offering prices of the Series 2023 Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell Series 2023 Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page hereof.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the City ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2023A Bonds and the Series 2023B Bonds (the "Series 2023 Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any Series 2023A Bond for any period that such Series 2023A Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2023A Bonds or by a "related person" within the meaning of Section 147(a) of the Code. In the further opinion of Bond Counsel, interest on the Series 2023B Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2023A Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and that, for tax years beginning after December 31, 2022, interest on the Series 2023 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2023 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on the Series 2023 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX G hereto.

To the extent the issue price of any maturity of the Series 2023 Bonds is less than the amount to be paid at maturity of such Series 2023 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2023 Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2023 Bonds is the first price at which a substantial amount of such maturity of the Series 2023 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2023 Bonds accrues daily over the term to maturity of such Series 2023 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2023 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2023 Bonds. Beneficial Owners of the Series 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2023 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2023 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2023 Bonds is sold to the public.

Series 2023 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium

Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2023 Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2023 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2023 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2023 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2023 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2023 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2023 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2023 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2023 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Series 2023 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners 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 City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2023 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 2023 Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

Payments on the Series 2023 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2023 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2023 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance and sale of the Series 2023 Bonds are subject to the approval of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney and by ArentFox Schiff LLP, San Francisco, California, Disclosure Counsel; and certain legal matters will be passed upon for the Underwriter by Quint & Thimmig, Larkspur, California, Underwriter's Counsel. Bond Counsel assumes no responsibility for the fairness, accuracy or completeness of this Official Statement. Bond Counsel expects to deliver an opinion at the time of issuance of the Series 2023 Bonds substantially in the form set forth in APPENDIX G.

PROFESSIONALS INVOLVED IN THE OFFERING

The City has retained KNN Public Finance, LLC, Berkeley, California, to serve as Municipal Advisor with respect to the Series 2023 Bonds. Orrick, Herrington & Sutcliffe, LLP is serving as Bond Counsel to the City, ArentFox Schiff LLP, San Francisco, California is serving as Disclosure Counsel to the City, and Quint & Thimmig, Larkspur, California is serving as Underwriter's Counsel.

The Municipal Advisor, Bond Counsel, Disclosure Counsel, and Underwriter's Counsel will each receive compensation with respect to the Series 2023 Bonds which is contingent upon the sale and delivery of the Series 2023 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2023 Bonds, Causey Demgen & Moore P.C., Denver, Colorado (the "Verification Agent"), will deliver a report stating that it has reviewed and confirmed the mathematical accuracy of certain computations relating to the adequacy of the funds to be held pursuant to the Escrow Agreement and the interest thereon, if any, to pay, when due, the redemption price and interest on the Refunded Bonds on the redemption date thereof.

FINANCIAL STATEMENTS

The City does not prepare separate financial statements for the Airport. Financial information relating to the Airport is included in the fund financial statements of the Annual Comprehensive Financial Reports of the City. The City of Fresno Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022, is included as APPENDIX B attached hereto. In accordance with State statutes and Section 804(c) of the City Charter, the Annual Comprehensive Financial Report of the City has been audited.

The auditor has not been engaged to perform and has not performed any procedures on the financial statements contained in APPENDIX B since the date thereof, nor has the auditor performed any procedures relating to this Official Statement.

CONTINUING DISCLOSURE

The City has covenanted to provide certain financial information and operating data relating to the Series 2023 Bonds by not later than March 31, of each year following the end of the City's Fiscal Year (which currently would be June 30) commencing with the report due March 31, 2024 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and notices of material events will be filed by means of the Electronic Municipal Market Access (EMMA) site maintained by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is contained within APPENDIX E–"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

The 2018 Successor Agency to the Redevelopment Agency Audited Financial Statements were not posted to EMMA timely and a Failure to File Notice was not posted. In addition, the City's 2018 Audited Financial Statements were not posted to the outstanding CUSIP 358184BH1 for the Fresno Joint Powers Financing Authority Lease Revenue Bonds, Series of 1998 (Exhibit Hall Expansion Project). It was posted 1/8/2020 and it was due 3/27/2019 (287 days late).

Otherwise, during the five year period preceding the date of this Official Statement, the City did not fail to comply in any material respect with any previous undertakings in accordance with said Rule to provide Annual Disclosure Reports or notices of material events.

MISCELLANEOUS

This Official Statement has been duly authorized, executed and delivered by the City.

The summaries and descriptions of provisions of the Indenture, the Continuing Disclosure Certificate, the purchase contract pursuant to which the Underwriter is purchasing the Series 2023 Bonds, and all references to other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described. Copies of such documents may be obtained from the Trustee or, during the offering period, from the Underwriter. The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

CITY OF FRESNO

By:_____
Jerry P. Dyer, Mayor

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

APPENDIX B

CITY OF FRESNO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX C

CITY INVESTMENT POLICY

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX E

FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Fresno, a municipal corporation and chartered city duly organized and validly existing under the Constitution and the laws of the State of California (the "City") in connection with the issuance of the City of Fresno (the "City") will issue $_____ principal amount of its City of Fresno Airport Revenue Refunding Bonds, Series 2023A (Non-AMT), and $_____ principal amount of its City of Fresno Airport Revenue Refunding Bonds, Series 2023B (AMT) (together, the "Series 2023 Bonds"). The Series 2023 Bonds are being issued pursuant to an Indenture of Trust dated as of June 15, 2000 (the "Original Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented, including as amended and supplemented by a Fourth Supplemental Indenture dated as of _____ 1, 2023 (the "Fourth Supplemental Indenture"), by and between the City and the Trustee. The City covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Series 2023 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person which (a) has 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) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean Willdan Financial Services, or any successor Dissemination Agent designated in writing by the City to and which has filed with the City a written acceptance of such designation.

"*Filing Date*" shall mean March 31 of each year, commencing March 31, 2024.

"Financial Obligation" as used in this Disclosure Certificate 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.

"*Fiscal Year*" shall mean with respect to the City, the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve month or fifty-two week period thereafter selected by the City with notice of such selection of change in fiscal year to be provided as set forth herein.

"*Holders*" shall mean either the registered owners of the Series 2023 Bonds, or, if the Series 2023 Bonds are registered in the name of Depository Trust Company or another recognized depository, any applicable participant in its depository system.

"*Listed Event*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access ("*EMMA*") website of the MSRB, currently located at http://emma.msrb.org.

"*Participating Underwriter*" shall mean Raymond James & Associates, Inc., the original underwriter of the Series 2023 Bonds required to comply

"*Repository*" shall mean any Electronic Municipal Market Access site maintained by the Municipal Securities Rulemaking Board at http://emma.msrb.org or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Filing Date, commencing with the report due for the City's Fiscal Year ended June 30, 2023, provide to the Repository, in an electronic format and accompanied by such identifying information as is prescribed by the Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent.

(c) If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a), the City shall send a notice to the Repository, in substantially the form attached as Exhibit A to this Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the applicable electronic format for filings through the Repository;

(ii) file the Annual Report with the Repository by the date required therefor by Section 3(a) and file any notice of a Listed Event, if requested by the City, as soon as practicable following receipt from the City of such notice; and

(iii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the Fiscal Year most recently ended, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Government Accounting Standards Board and reporting standards as set forth by the State Controller in "State of California Accounting Standards and Procedures for Counties." If the audited financial statements of the City are not available by the time the Annual Report is required to be filed as described above, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the financial statements, the following types of information will be provided in one or more reports (references are to the tables included in the Report of the Airport Consultant, attached as Appendix A to the Official Statement, with the exception of items (b)(iii) and (b)(vi) which tables are included in the Official Statement):

(i) Air Traffic Data

(A) Scheduled Airlines serving the Airport (similar to Table 9 in the Official Statement;
(B) Daily Scheduled Nonstop Airline Departures (similar to Table 14 in the Official Statement);
(C) Historical Enplaned Passengers by Aircraft (similar to Table 10 in the Official Statement);
(D) Enplaned Passengers by Airline (similar to Table 11 in the Official Statement Report of the Airport Consultant); and
(E) Origin - Destination Passenger Market Shares and Airline Service (similar to Table 13 in the Official Statement).

(ii) Freight and Express Cargo Traffic Data (similar to Table 15 in the Official Statement);

(iii) Airline Shares of Landed Weight (similar to Table 12 in the Official Statement);

(iv) Historical Financial Results (similar to Table 17 in the Official Statement);

(v) Landing Fees and Terminal Rentals (similar to Table 18 in the Official Statement); and

(vi) Debt Service Coverage (in a format similar to Table 6 in the Official Statement).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or the Repositories. The City shall clearly identify each such other document so included by reference.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the City to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the City or to reflect changes in the business, structure, operations, legal form of the City or any mergers, consolidations, acquisitions or dispositions made by or affecting the City; provided that any such modifications shall comply with the requirements of the Rule.

SECTION 5. Reporting of Significant Events.

(a) To the extent applicable and pursuant to provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds (each of which is a "Listed Event"):

(i) principal and interest payment delinquencies.

(ii) non-payment related defaults, if material.

(iii) modifications to rights of Holders, if material.

(iv) bond calls other than scheduled sinking fund redemptions, if material, and tender offers.

(v) defeasances.

(vi) rating changes.

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 570 1-TEB) or other material notices of determinations with respect to the tax status of the Series 2023 Bonds, or other material events affecting the tax-exempt status of the Series 2023 Bonds.

(viii) unscheduled draws on the debt service reserves reflecting financial difficulties.

(ix) unscheduled draws on credit enhancements reflecting financial difficulties.

(x) substitution of any credit or liquidity providers or their failure to perform.

(xi) release, substitution or sale of property securing repayment of the Series 2023 Bonds, if material.

(xii) bankruptcy, insolvency, receivership or similar event of the City; provided that for the purposes of the event identified in this clause (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or

federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, 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 City;

(xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) 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 security holders, if material; and

(xvi) 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.

(b) If the Dissemination Agent is other than the City, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the City and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c) and promptly direct the Dissemination Agent whether or not to report such event to the owners of the Series 2023 Bonds. In the absence of such direction, the Dissemination Agent shall not report such event unless required to be reported by the Dissemination Agent to the owners of the Series 2023 Bonds under the Indenture. The Dissemination Agent may conclusively rely upon such direction or lack thereof. For purposes of this Disclosure Certificate, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events. Notwithstanding the foregoing, notice of any Listed Event shall be filed with the Repository through its EMMA system, in an electronic format as prescribed by the Repository, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in subparagraphs (ii), (iii), (iv) (but only with respect to bond calls), (xi), (xiii) and (xiv) of Section 5(a), only in the event the City determines that knowledge of occurrence of a Listed Event would be material under applicable federal securities laws, the City shall file or cause to be filed a notice of such occurrence with the Repository through its EMMA system, in an electronic format as prescribed by the Repository, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(d) The City acknowledges that the events described in subparagraphs (ii), (iii), (iv), (xi), (xiii), and (xiv) of Section 5(a) contain the qualifier "if material". The City shall cause a notice to be filed as set forth in this Section 5 with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of United States federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if

such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in Section 5(c).

(e) If in response to a request under Section 5(b), the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing t not to report the occurrence.

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section 5(a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2023 Bonds pursuant to the Indenture.

(g) For purposes of this Disclosure Agreement, any event described in Section 5(a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 City, 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 City.

(h) The Dissemination Agent may conclusively rely on an opinion of counsel that the City's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time upon delivery of written notice thereof to the County at least 30 days prior to the effective date of such resignation. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate, may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2023 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2023 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2023 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2023 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter, and Holders and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____

CITY OF FRESNO

By: _____
Controller/Finance Director

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Fresno, California
Name of Bond Issues:	City of Fresno Airport Revenue Refunding Bonds, Series 2023A (AMT), and City of Fresno Airport Revenue Refunding Bonds, Series 2023B (Non-AMT)
Date of Issuance:	_____

NOTICE IS HEREBY GIVEN that the City of Fresno (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by Section __.__ of the Fourth Supplemental Indenture dated as of _____ 1, 2023 between the City and The Bank of New York Mellon Trust Company, N.A., as successor Trustee. [The City anticipates that the Annual Report will be filed by _____.]

Dated:_____

WILLDAN FINANCIAL SERVICES AGENT,
as Dissemination Agent

By:_____
Authorized Officer

cc: City of Fresno
Trustee

APPENDIX F

INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series 2023 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2023 Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2023 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates 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 DTC's 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"). S&P Global Ratings has rated DTC "AA+." 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. The information set forth on such website is not incorporated herein by reference.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of

ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 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 the Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 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 Series 2023 Bonds of like maturity 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 Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee (or its agent), on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee (or its agent) or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Series 2023 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE CITY NOR THE TRUSTEE (OR ANY AGENT THEREOF) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT

PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the City 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 City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

The City and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Series 2023 Bonds paid to DTC or its nominee as the registered owner, or will distribute any prepayment notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the City **n**or the Trustee are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Series 2023 Bonds or an error or delay relating thereto.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2023 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE (OR ITS AGENT) AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SF:322276929.1

$_____
CITY OF FRESNO
Airport Revenue Bonds
Series 2023A
(AMT)

$_____
CITY OF FRESNO
Airport Revenue Refunding Bonds
Series 2023B
(Non-AMT)

BOND PURCHASE CONTRACT

_____, 2023

City of Fresno
2600 Fresno Street
Fresno, California 93271

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc., as underwriter (the "Underwriter"), hereby offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the City of Fresno (the "City"), which, upon acceptance, will be binding upon the City and the Underwriter. This offer is made subject to acceptance thereof by the City prior to 11:59 p.m., Pacific Daylight time, on the date hereof, and upon such acceptance, as evidenced by the execution hereof by an authorized officer of the City in the space provided below, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter. All capitalized terms used and not defined in this Purchase Contract have the meanings assigned to them in the Indenture (herein defined).

1. **Purchase and Sale of Bonds**.

(a) Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the City hereby agrees to sell to the Underwriter, and the Underwriter agrees to purchase from the City, all (but not less than all) of:

(a) the City's $10,810,000 aggregate principal amount of Airport Revenue Bonds, Series 2023A (AMT) (the "2023A Bonds"), at the purchase price of $_____ (which is the aggregate principal amount of the 2023A Bonds, less an Underwriter's discount of $_____, plus an original issue premium of $_____), and

(b) the City's $_____ aggregate principal amount of Airport Revenue Refunding Bonds, Series 2023B (Non-AMT) (the "2023B Bonds" and, with the 2023A Bonds, the "Bonds"), at the purchase price of $_____ (which is the aggregate principal amount of the 2023B Bonds, less an Underwriter's discount of $_____, plus an original issue premium of $_____).

As an accommodation to the City, the Underwriter will pay, from the purchase price of the 2023A Bonds, the sum of $_____ to _____ (the "Municipal Bond Insurer") as the

premium for its municipal bond insurance policy issued for the 2023A Bonds (the "2023A Municipal Bond Insurance Policy"). The net purchase proceeds of the 2023A Bonds in the amount of $_____ will be delivered to the Trustee, on behalf of the City.

As an accommodation to the City, the Underwriter will pay, from the purchase price of the 2023B Bonds, the sum of $_____ to the Municipal Bond Insurer as the premium for its municipal bond insurance policy issued for the 2023B Bonds (the "2023B Municipal Bond Insurance Policy"). The net purchase proceeds of the 2023B Bonds in the amount of $_____ will be delivered to the Trustee, on behalf of the City.

The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the City on other matters) nor has it assumed any other obligation to the City except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter has financial and other interests that differ from those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The City hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

(b) The Bonds shall be dated their date of delivery. The Bonds shall mature on the dates and in the principal amounts, with interest with respect thereto computed at the rates, and be subject to redemption, all as set forth in Exhibit A attached hereto. The Bonds shall be issued pursuant to, secured under the provisions of, and payable as provided in the Indenture of Trust, dated as of June 15, 2000 (the "Original Indenture of Trust"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as successor in interest to BNY Western Trust Company and as trustee thereunder (the "Trustee"), as heretofore supplemented and amended by the First Supplemental Indenture, dated as of May 1, 2007, by and between the City and the Trustee (the "First Supplemental Indenture"), as further supplemented and amended by the Second Supplemental Indenture, dated as of July 1, 2013, by and between the City and the Trustee (the "Second Supplemental Indenture"), as further supplemented and amended by the Third Supplemental Indenture, dated as of May 1, 2019, by and between the City and the Trustee (the "Third Supplemental Indenture") and as further supplemented and amended by the Fourth Supplemental Indenture, dated as of June 1, 2023, by and between the City and the Trustee (the "Fourth Supplemental Indenture" and, with the Original Indenture of Trust, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "Indenture"), and shall be substantially in the form described in the Indenture and the City of Fresno Municipal Improvements Revenue Bond Law, being Article 7 of Chapter 18 of the Municipal Code of the City, which incorporates, to the extent made applicable by such law, the Revenue Bond Law of 1941, being Chapter 6 of Division 2 of Title 5 of the Government Code of the State of California (the "State"), as enacted and as thereafter amended (the "Law"). The Bonds shall be limited obligations of the City and are not secured by a pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except the Revenues (as defined in the Indenture) and certain funds and accounts held pursuant to the Indenture.

The payment of principal of and interest on the 2023A Bonds, when due, will be insured by the 2023A Municipal Bond Insurance Policy issued by the Municipal Bond Insurer concurrently with the delivery of the 2023A Bonds. The payment of principal of and interest on the 2023B Bonds when due, will be insured by the 2023B Municipal Bond Insurance Policy issued by the Municipal Bond Insurer concurrently with the delivery of the 2023B Bonds.

(c) The net purchase proceeds of the 2023A Bonds will be used to (i) finance a portion of the costs of construction of certain improvements at the Fresno Yosemite International Airport terminal, (ii) refund $_____ outstanding principal amount of City of Fresno Airport Revenue Bond Series 2013B (AMT) (then"2013B Bonds"), (iii) capitalize interest on the 2023A Bonds through January 1, 2026, (iv) fund a debt service reserve fund for the 2023A Bonds, and (v) pay certain costs associated with the issuance of the 2023A Bonds. The net purchase proceeds of the 2023B Bonds will be used to (i) provide funds to refund $_____ outstanding principal amount of City of Fresno Airport Revenue Bond Series 2013A (Non-AMT) (the "2013A Bonds"), (ii) fund a debt service reserve fund for the 2023B Bonds, and (iii) pay certain costs associated with the issuance of the 2023B Bonds.

(d) Except as disclosed in the Official Statement referred to below, the City has not in the previous five years failed to comply in any material respect, and is as of the date hereof in compliance in all material respects, with its disclosure obligations under any and all prior undertakings related to Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities Exchange Commissioner (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended, to provide annual reports and notices of material event.

2. **Bona Fide Public Offering**. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on Exhibit A attached hereto. Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; *provided, however*, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Purchase Contract, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the City for the Bonds.

3. **Issue Price**.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the Closing Date an "issue price" or similar certificate substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule 1 attached to Exhibit B, the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public

as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) Schedule 1 attached to Exhibit B sets forth the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the

10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

4. **Official Statement**.

(a) In connection with the offering and sale of the Bonds, the City has duly authorized and approved of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement, dated _____, 2023, relating to the Bonds (including the cover page, the inside cover page and appendices thereto, the "Preliminary Official Statement") which, as of its date, the City has deemed final for purposes of the Rule, except for information permitted to be omitted therefrom by the Rule. The City agrees to deliver to the Underwriter as many definitive copies of the Preliminary Official Statement, as amended to conform to the terms of this Purchase Contract and with such other changes and amendments as are mutually agreed upon by the Underwriter and the City (the "Official Statement"), as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-2 and all other rules of the Municipal Securities Rulemaking Board. The City agrees to deliver the Official Statement to the Underwriter within seven business days after the execution of this Purchase Contract. The City hereby authorizes and approves the distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering and sale of the Bonds, provided that the Underwriter shall be responsible for complying with all requirements of the SEC and the Municipal Securities Rulemaking Board relating to the delivery of the Official Statement to the purchasers of the Bonds.

(b) If, at any time prior to the date 25 days following the later of the Closing Date (defined below) or the "End of the Underwriting Period" (which will be the date the Underwriter no longer retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public, which date shall be provided to the City Council by written notice of the Underwriter) the City has knowledge of an event that might or would cause the Official Statement to contain an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will promptly notify the Underwriter in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the opinion of the Underwriter, the City or its counsel, to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance reasonably satisfactory to the Underwriter, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. **Delivery of Bonds**. At 8:00 A.M., Pacific Daylight time, on _____, 2023, or at such earlier or later time or date as shall be agreed by the City and the Underwriter (such time and date being herein referred to as the "Closing Date"), the City will direct the Trustee to deliver the Bonds to The Depository Trust Company ("DTC") in New York, New York (or to the Trustee in the event of a Fast Automated Securities Transaction ("F.A.S.T.")), for the account of the Underwriter (or at such other location as may be designated by the Underwriter), the Bonds in the form of a separate single fully-registered Bond for each series of Bonds and maturities (all Bonds being typewritten and bearing CUSIP numbers), duly executed by the City and authenticated by the Trustee, and at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California ("Bond Counsel"), or such other location or locations mutually agreed upon by the City and the Underwriter, the other documents herein mentioned; and the Underwriter will accept such delivery and pay the purchase prices of the Bonds as set forth in Section 1 by wire transfer, payable in immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding the foregoing, neither the failure to place CUSIP numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds on the Closing Date in accordance with the terms of this Purchase Contract.

6. **Representations, Warranties and Covenants of the City**. The City represents, warrants and covenants as follows:

(a) The City is a municipal corporation and chartered city duly organized and validly existing under the Constitution and the laws of the State, with the full right, power and authority to issue the Bonds and to execute, deliver and perform its obligations under the Bonds, this Purchase Contract, the Indenture, the Escrow Agreement, dated as of June 1, 2023, by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), relating to the defeasance of the 2013A Bonds and 2013B Bonds (the "Escrow Agreement"), the Continuing Disclosure Certificate, dated _____, 2023 (the "Continuing Disclosure Certificate"), and the Official Statement.

(b) The Bonds, the Fourth Supplemental Indenture, the Escrow Agreement, the

Continuing Disclosure Certificate and this Purchase Contract, when duly executed and delivered by all parties thereto, will constitute valid and binding obligations of the City, enforceable in accordance with their terms.

(c) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly adopted and authorized the distribution of the Preliminary Official Statement and the Official Statement, and authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Bonds, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and the consummation by the City of all other transactions contemplated by the Official Statement and this Purchase Contract.

(d) The Preliminary Official Statement, at the date thereof (except for any information relating to the Municipal Bond Insurer, the 2023A Municipal Bond Insurance Policy, the 2023B Municipal Bond Insurance Policy, DTC and its book-entry system included therein, and the information therein under the caption "UNDERWRITING," as to which no opinion or view is expressed), does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof, the Official Statement (except for any information relating to DTC and its book-entry system included therein, and the information therein under the caption "UNDERWRITING," as to which no opinion or view is expressed) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) If between the date of this Purchase Contract and the Closing Date, an event occurs, of which the City has knowledge, which might or would cause the information contained in the Official Statement, as theretofore supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under it was presented, not misleading, the City will notify the Underwriter, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will amend or supplement the Official Statement in a form and in manner approved by the Underwriter.

(f) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court, governmental agency, public board or body, known to the City to be pending or threatened against the City seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting any proceedings of the City taken concerning the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Bonds, the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract or contesting in any way the completeness or accuracy of the Official Statement or the existence or powers of the City relating to the issuance of the Bonds.

(g) The execution and delivery of the Bonds, the Fourth Supplemental Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and compliance with the provisions on the City's part contained therein and in the Original Indenture of Trust, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, fiscal agent agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance

result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or instrument, except as provided by the Indenture.

(h) The City is not in breach of or in default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, trust agreement, fiscal agent agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both would constitute a default or an event of default under any such instrument.

(i) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter (1) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (2) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the City be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

7. **Representations of the Underwriter**. The Underwriter represents that it has full power and authority to enter into this Purchase Contract, that the execution, delivery and performance of this Purchase Contract and the purchase of the Bonds contemplated herein have been duly authorized by the Underwriter, and that this Purchase Contract, upon due authorization, execution and delivery by the City, will be a valid and binding obligation of the Underwriter.

8. **Conditions to Obligations of Underwriter**. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the City contained herein and upon the accuracy of the statements to be contained in the documents, opinions, and instruments to be delivered at the Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, accept delivery of, and pay for the Bonds on the Closing Date is subject to the performance by the City of its obligations hereunder at or prior to the Closing. The parties hereto expressly understand that the obligations of the Underwriter to purchase the Bonds are and shall be subject to the following further conditions:

(a) At the time of the Closing, (i) the representations and warranties of the City contained herein shall be true, complete and correct; (ii) each of the documents and certificates required to be delivered at Closing shall have been duly executed, acknowledged and delivered by the appropriate parties thereto, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter; and (iii) the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(b) The Underwriter shall have the right in its absolute discretion to cancel the Underwriter's obligation to purchase the Bonds if between the date hereof and the Closing any of the following events occur:

(i) Legislation shall have been enacted by the Congress of the United States or the Legislature of the State or favorably reported thereto for passage by any Committee to which such legislation has been referred for consideration or be pending before any such

Committee or shall have been recommended to the Congress of the United States for passage by the President of the United States or recommended to the Legislature of the State for passage by the Governor of the State, or a decision shall have been rendered by a court of the United States, including the Tax Court of the United States, or of the State, or a ruling or an official release shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority having jurisdiction over tax matters, with respect to federal or State taxation upon revenues or other income of the City or upon interest on obligations of the general character of the Bonds, or other actions or events shall have transpired that would, in the reasonable judgment of the Underwriter, have the purpose or effect, directly or indirectly, of changing the federal or State tax consequences of any of the transactions contemplated in connection herewith and that in the reasonable judgment of the Underwriter, affects materially and adversely (A) the market price or marketability of the Bonds or (B) the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(ii) Legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangement, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Agreement Act of 1939, as amended, or suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose, is initiated or threatened in any such court or by any such authority;

(iii) There exists any event which, in the reasonable judgment of the Underwriter, either makes untrue or incorrect in any material respect as of such time any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, unless the City amends or supplements the Official Statement in accordance with Section 6(e) of this Purchase Contract;

(iv) There occurs any change in the affairs of the City that would materially adversely affect the ability of the City to perform its obligations under this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate or the Indenture;

(v) Any new restriction on transactions in securities are established materially affecting the free market for securities (including the imposition of any limitation on interest rates) or materially increasing restrictions now in force or the extension of credit by, or the charge to the net capital requirements of, the Underwriter established by the New York Stock Exchange, the SEC, any other federal or state agency or the Congress of the United States, or by Executive Order;

(vi) An order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the SEC, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement is or would be in violation of the

federal securities laws as amended and then in effect;

(vii) There shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Bonds as contemplated in the Official Statement (exclusive of any amendment or supplement thereto);

(viii) There is in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading become fixed and remain in force, or maximum ranges for prices for securities are required and remain in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction;

(ix) A general banking moratorium is declared by either federal, State or New York authorities having jurisdiction and remains in force;

(x) Trading in the City's outstanding securities is suspended by the SEC.

(xi) There shall have occurred, or any notice shall have been given, of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations;

(xii) An order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency relating to Circular 230 (31 C.F.R. part 10) is issued, made or proposed, that, in the judgment of the Underwriter, affects materially and adversely the market for the Bonds or the market price generally of obligations of the general character of the Bonds; or

(xiii) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

(c) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) the Fourth Supplemental Indenture, the Escrow Agreement and the Continuing Disclosure Certificate, duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(ii) the approving opinion of Bond Counsel, addressed to the City, dated the date of the Closing, in substantially the form attached to the Official Statement as Appendix G, together with a reliance letter addressed to the Underwriter;

(iii) a supplemental opinion of Bond Counsel, addressed to the City, dated the date of Closing, to the effect that:

(A) this Purchase Contract has been duly executed and delivered by the City and, assuming due authorization, execution and delivery by the other party hereto, is valid and binding upon the City, subject to laws relating to bankruptcy,

insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws related to or affecting creditors' rights, to the application of equitable principles to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities;

(B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Agreement Act of 1939, as amended; and

(C) the statements contained in the Official Statement on the cover and in the sections thereof entitled "DESCRIPTION OF THE SERIES 2023 BONDS" (other than information relating to DTC), "SECURITY FOR THE SERIES 2023 BONDS" (other than under the subcaptions "Passenger Facilities Charges, "Historical PFC Collections and Application"), "TAX MATTERS," APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE, and APPENDIX G—PROPOSED FORM OF OPINION OF BOND COUNSEL, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, and Bond Counsel's opinion with respect to the tax status of interest on the Bonds, are accurate in all material respects.

(iv) an opinion of ArentFox Schiff LLP, as Disclosure Counsel to the City, addressed to the City and the Underwriter, dated the date of Closing, to the effect that no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds which caused such firm to believe that the Official Statement as of its date or the Closing Date (except for Appendices A, B, C, E and F thereto, and any financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion or any information about the Municipal Bond Insurer, the 2023A Municipal Bond Insurance Policy, the 2023B Municipal Bond Insurance Policy, DTC or its book-entry system included therein, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) a certified copy of the resolution of the City (the "City Resolution") authorizing the issuance of the Bonds and the execution and delivery of the Fourth Supplemental Indenture, the Escrow Agreement, the Continuing Disclosure Certificate, the Official Statement and this Purchase Contract;

(vi) an opinion of the City Attorney, addressed to the Underwriter, dated the date of Closing, in the form attached hereto as Exhibit C;

(vii) a certificate dated the date of the Closing, signed by an authorized officer of the City reasonably acceptable to the Underwriter to the effect that:

(A) the representations, warranties and covenants of the City contained herein are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing;

(B) the City has complied with all the Indenture and satisfied all of the conditions on its part to be performed or satisfied at or prior to Closing; and

(C) no event affecting the City has occurred since the date of the Official

Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect;

(viii) the Official Statement executed on behalf of the City as provided in Section 4 of this Purchase Contract;

(ix) a copy of each report required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code ;

(x) a copy or verification of the filing of a letter of representation or such equivalent document as required by DTC;

(xi) a copy of the 2023A Municipal Bond Insurance Policy;

(xii) a copy of the 2023B Municipal Bond Insurance Policy ;

(xiii) an opinion of counsel to the Municipal Bond Insurer, addressed to the City and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the 2023A Municipal Bond Insurance Policy and the 2023B Municipal Bond Insurance Policy included in the Official Statement are accurate;

(B) the 2023A Municipal Bond Insurance Policy and the 2023B Municipal Bond Insurance Policy constitute legal, valid and binding obligations of the Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the City or the Underwriter may reasonably request;

(xiv) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Bond Insurer, to the effect that

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the 2023A Municipal Bond Insurance Policy and the 2023B Municipal Bond Insurance Policy is true and accurate and

(B) as to such other matters as the City or the Underwriter may reasonably request;

(xv) satisfactory evidence that the Bonds have been rated assigned the underlying ratings of "____," "___" and "____" by Kroll Bond Rating Agency and Standard & Poor's Ratings Services, respectively, and that the 2023A Bonds and the 2023B Bonds have been assigned the insured rating of "AA" by Standard & Poor's Ratings Services;

(xvi) an opinion of Quint & Thimmig LLP, counsel to the Underwriter ("Underwriter's Counsel"), addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter;

(xvii) a certificate, dated the Closing Date, signed by the Trustee, in form and substance satisfactory to the City and the Underwriter to the effect that:

(A) the Trustee has all necessary power and authority to enter into, and perform its duties and accepts the trusts created under, the Indenture;

(B) the Trustee is duly authorized to enter into the Fourth Supplemental Indenture and to authenticate the Bonds pursuant to the terms of the Indenture;

(C) the Bonds have been duly authenticated and delivered by the Trustee to the Underwriter pursuant to the direction from the City;

(D) to the best of the Trustee's knowledge, the Trustee is not in breach of or default under any law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality thereof, or any applicable court or administrative decree or order to which the Trustee is subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Indenture; and

(E) to the best of the Trustee's knowledge, the execution and delivery of the Second Supplemental Indenture and the authentication of the Bonds will not conflict with or constitute a breach of or default under the Trustee's duties under any law, administrative regulation, court decree, resolution, charter or bylaws to which the Trustee is subject or by which it is bound;

(xviii) an opinion of counsel to the Trustee, addressed to the City and the Underwriter to the effect that:

(A) The Trustee is a national banking association, duly organized and existing under the laws of the United States of America and has full power and authority to execute and deliver the Fourth Supplemental Indenture; and

(B) The Fourth Supplemental Indenture, when duly authorized, executed and delivered by the Trustee, will constitute the valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms, except insofar as the validity, binding nature and enforceability of the Trustee's obligations thereunder may be limited by the effect of (1) insolvency, reorganization, arrangement, moratorium, fraudulent transfer and other similar laws, (2) the discretion of any court of competent jurisdiction in awarding equitable remedies, including, without limitation, specific performance or injunctive relief and (3) general principles of equity embodies in California statutes and common law;

(xix) a certificate, dated the Closing Date, signed by the Escrow Bank, in form and substance satisfactory to the City and the Underwriter to the effect that:

(A) the Escrow Bank has all necessary power and authority to enter into, and perform its duties and accepts the trusts created under, the Escrow

Agreement;

(B) the Escrow Bank is duly authorized to enter into the Escrow Agreement;

(C) to the best of the Escrow Bank's knowledge, the Escrow Bank is not in breach of or default under any law or administrative rule or regulation of the State or the United States of America, or of any department, division, agency or instrumentality thereof, or any applicable court or administrative decree or order to which the Escrow Bank is subject or bound and which would materially impair the ability of the Escrow Bank to perform its obligations under the Escrow Agreement; and

(D) to the best of the Escrow Bank's knowledge, the execution and delivery of the Escrow Agreement will not conflict with or constitute a breach of or default under the Escrow Bank's duties under any law, administrative regulation, court decree, resolution, charter or bylaws to which the Escrow Bank is subject or by which it is bound;

(xx) an opinion of counsel to the Escrow Bank, addressed to the City and the Underwriter to the effect that:

(A) The Escrow Bank is a national banking association, duly organized and existing under the laws of the United States of America and has full power and authority to execute and deliver the Escrow Agreement; and

(B) The Escrow Agreement, when duly authorized, executed and delivered by the Escrow Bank, will constitute the valid and binding obligation of the Escrow Bank enforceable against the Escrow Bank in accordance with its terms, except insofar as the validity, binding nature and enforceability of the Escrow Bank's obligations thereunder may be limited by the effect of (1) insolvency, reorganization, arrangement, moratorium, fraudulent transfer and other similar laws, (2) the discretion of any court of competent jurisdiction in awarding equitable remedies, including, without limitation, specific performance or injunctive relief and (3) general principles of equity embodies in California statutes and common law;

(xxi) A tax certificate and agreement by the City in form and substance satisfactory to Bond Counsel;

(xxii) A copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G (current revision), and evidence of the filing thereof with the Internal Revenue Service regarding the Bonds;

(xxiii) A verification report prepared by Causey Demgen & Moore P.C., relating to mathematical accuracy of the calculation as to the sufficiency of cash held by the Escrow Bank to meet the redemption requirements of the 2013A Bonds and the 2013B Bonds;

(xxiv) A defeasance opinion of Bond Counsel relating to the 2013A Bonds and the 2013B Bonds; and

(xxv) such additional legal opinions, certificates, proceedings, instruments and

other documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the City with this Purchase Contract, legal requirements (including tax status), and the performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

The City will furnish the Underwriter with such conformed copies of such opinions, certificates, letters and documents as the Underwriter may reasonably request. If the City is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter are terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall have any further obligations hereunder, except as provided in Section 10 hereof. However, the Underwriter may in its discretion waive one or more of the conditions imposed by this Purchase Contract for the protection of the Underwriter and proceed with the Closing.

9. **Conditions to Obligation of the City**. The obligations of the City under this Purchase Contract to deliver the Bonds on the Closing Date are subject to the performance by the Underwriter of its obligations hereunder at or prior to the Closing.

10. **Expenses**.

(a) Except as specifically provided in paragraph (b) of this Section 10, the Underwriter shall be under no obligation to pay, and the City shall pay from its available funds or from the proceeds of the Bonds, certain expenses set forth in this Section 10, including but not limited to (i) all expenses in connection with the preparation, distribution and delivery of the Official Statement, and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel and the Trustee in connection with the Bonds; (iii) the fees and disbursements of counsel to the City in connection with the Bonds; (iv) the fees and disbursements of advisors and consultants to the City in connection with the Bonds; (v) the premiums to be paid to the Municipal Bond Insurer; (vi) all expenses of the City in connection with the preparation, printing and delivery of the Bonds; and (vii) any expenses incurred on behalf of the City's employees which are incidental to implementing this Purchase Contract, including, but not limited to meals, transportation, lodging and entertainment of those employees.

(b) The Underwriter shall pay (i) the fees of the California Debt and Investment Advisory Commission, and (ii) all other expenses incurred by it in connection with its offering and distribution of the Bonds, including travel and advertising expenses and the fees and expenses of Underwriter's Counsel.

11. **Notice**. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the Controller of the City at the addresses set forth above. Any such notice or communication to be given to the Underwriter may be given by delivering the same in writing to:

Raymond James & Associates, Inc.
5820 Patterson Avenue, Suite 100
Richmond, VA 23226
Attention: Mr. D.J. Mehigan, Managing Director

12. **Governing Law**. This Purchase Contract shall be governed by the laws of the State.

13. **Parties in Interest**. This Purchase Contract is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriter) and no other person

shall acquire or have any right hereunder or by virtue hereof.

14. **Survival of Representations**. All representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) delivery of and payment for any of the Bonds and (b) any termination of this Purchase Contract.

15. **Severability**. If any provision of this Purchase Contract is held or deemed to be or is, in fact, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

16. **Counterpart Signatures and Facsimile Transmission**. This Purchase Contract may be executed by facsimile transmission and in separate counterparts, each of which when so executed and delivered shall be original, but all such counterparts shall together constitute but one and the same instrument.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC., as Underwriter

By _____
D.J. Mehigan
Managing Director

The foregoing is hereby accepted as of the date first written above.

CITY OF FRESNO

By _____
Name _____
Title _____

Time: _____

EXHIBIT A

MATURITY SCHEULES AND REDEMPTION PROVISIONS

$_____
CITY OF FRESNO
Airport Revenue Bonds
Series 2023A
(AMT)

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

Optional Redemption. The 2023A Bonds maturing on or after July 1, ____, are subject to redemption prior to their respective stated maturities at the written direction of the City (delivered to the Trustee no later than 45 days prior to the redemption date), from any moneys deposited by the City, as a whole or in part on any date (in such maturities as are designated in writing by the City to the Trustee) on or after July 1, ____, at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Account Redemption. The 2023A Bonds maturing on July 1, ____, are also subject to mandatory sinking fund redemption prior to maturity, in part on July 1, ____, and each July 1 thereafter to and including July 1, ____, by lot, from and in the amount of the Mandatory Sinking Account Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium:

Sinking Fund Account Redemption Date (July 1)	Sinking Fund Installments

†Maturity

The 2023A Bonds maturing on July 1, ____, are also subject to mandatory sinking fund

redemption prior to maturity, in part on July 1, ____, and each July 1 thereafter to and including July 1, ____, by lot, from and in the amount of the Mandatory Sinking Account Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium:

Sinking Fund Account Redemption Date (July 1)	Sinking Fund Installments

†Maturity

$_____
CITY OF FRESNO
Airport Revenue Refunding Bonds
Series 2023B
(Non-AMT)

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

Optional Redemption. The 2023B Bonds maturing on or after July 1, ____, are subject to redemption prior to their respective stated maturities at the written direction of the City (delivered to the Trustee no later than 45 days prior to the redemption date), from any moneys deposited by the City, as a whole or in part on any date (in such maturities as are designated in writing by the City to the Trustee) on or after July 1, ____, at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$_____
CITY OF FRESNO
Airport Revenue Bonds
Series 2023A
(AMT)

and

$_____
CITY OF FRESNO
Airport Revenue Refunding Bonds
Series 2023B
(Non-AMT)

ISSUE PRICE CERTIFICATE OF UNDERWRITER

The undersigned, on behalf of Raymond James & Associates, Inc, as underwriters ("Raymond James"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1.

2. Initial Offering Price of the Bonds Hold-the-Offering Price Maturities.

(a) Raymond James offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Bond Purchase Agreement, Raymond James has agreed in writing that, (i) for each Maturity of the Hold-the-Offering Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) "General Rule Maturities" means, the Maturities of the Bonds listed in Schedule 1 as "General Rule Maturities."

(b) "Hold-the-Offering Price Maturities" means, the Maturities of the Bonds listed in Schedule 1 as "Hold-the-Offering Price Maturities."

(c) "Holding Period" means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Raymond James has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(d) "Issuer" means the City of Fresno.

(e) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2023.

(h) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

4. Credit.

Raymond James has calculated that the present value of the amounts paid to obtain the insurance provided by _____ (the "Insurance") is less than the present value of the debt service reasonably expected to be saved as a result of having the Insurance, using as the discount factor for this purpose the expected Yield with respect to the Bonds treating the fees paid as interest with respect to the Bonds.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Raymond James's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Accordingly, Raymond James makes no representation as to the legal sufficiency of the factual matters set forth herein. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the arbitrage certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Quint & Thimmig LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other

federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

Dated: _____, 2023

RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter

By _____
Name _____
Title _____

SCHEDULE 1 TO ISSUE PRICE CERTIFICATE

SALE PRICES OF THE GENERAL RULE MATURITES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

$_____
CITY OF FRESNO
Airport Revenue Bonds
Series 2023A
(AMT)

General Rule Maturities	Hold-the-Offering Price Maturities	Maturity (June 1)	Principal Amount	Interest Rate	Price

_____
c Priced to the 7/1/____, par call date.

$_____
CITY OF FRESNO
Airport Revenue Refunding Bonds
Series 2023B
(Non-AMT)

General Rule Maturities	Hold-the-Offering Price Maturities	Maturity (June 1)	Principal Amount	Interest Rate	Price

c Priced to the 7/1/____, par call date.

SCHEDULE 2 TO ISSUE PRICE CERTIFICATE

PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT C

FORM OF OPINION OF THE CITY ATTORNEY

[Date of Closing]

City of Fresno
Fresno, California

Raymond James & Associates, Inc.
_____

Re: $_____ City of Fresno Airport Revenue Bonds Series 2023A (AMT)
$_____ City of Fresno Airport Revenue Refunding Bonds Series 2023B (Non-AMT)

Ladies and Gentlemen:

Our office has acted as counsel to the City of Fresno (the "City") in connection with the issuance, sale, and delivery of $_____ aggregate principal amount of its Airport Revenue Bonds, Series 2023A (AMT) (the "2023A Bonds"), and $_____ aggregate principal amount of its Airport Revenue Refunding Bonds, Series 2023B (Non-AMT) (the "2023B Bonds" and, with the 2023A Bonds, the "Bonds").

In connection with the Bonds, we have reviewed (i) Resolution No. 2023-_____ of the Council of the City of Fresno ("Council") adopted _____ __, 2023 (the "Resolution"), authorizing the issuance of the Bonds and the execution and delivery by the City of certain documents related to its issuance of the Bonds; (ii) the Fourth Supplemental Indenture, dated as of June 1, 2023, between the City and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to BNY Western Trust Company), as trustee (the "Supplemental Indenture"), (iii) the Bond Purchase Contract, dated _____, 2023, between Raymond James & Associates, Inc., as underwriter (the "Underwriter") and the City (the "Purchase Contract"), (iv) the Escrow Agreement, dated as of June 1, 2023, by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Agreement"), relating to the defeasance of the City's Airport Revenue Bonds, Series 2013A (Non-AMT), and the City's Airport Revenue Bonds, Series 2013B (AMT), (v) the Continuing Disclosure Certificate of the City, dated as of the date hereof (the "Continuing Disclosure Certificate"); and (vi) the Preliminary Official Statement, dated _____, 2023, and such changes and amendments thereto as of the date of this letter (the "Official Statement"). The Supplemental Indenture, the Bond Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate are collectively referred to herein as the "City Documents." Any capitalized term used herein and not otherwise defined shall have the meaning given to such terms in the Official Statement.

Based on the foregoing, we are of the opinion that:

1. The City is a charter city and municipal corporation duly organized and validly existing under the Constitution of the State of California.

2. The Resolution has been duly adopted by the Council and is in full force and effect

and has not been modified, amended or rescinded.

3. The City has the full legal right, power, and authority to execute, deliver, and perform its obligations and duties under the City Documents. The City has complied with the provisions of applicable law in all matters relating to the transactions contemplated by the City Documents.

4. The City Documents have each been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms, subject in each case to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, to the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against charter cities in the State of California ("State").

5. No approval, consent or authorization of any governmental or public agency, authority or person is required for the City to execute and deliver the City Documents, or to perform its obligations under the City Documents, except such as have been obtained, and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

6. The execution and delivery of the City Documents by the City, and compliance with the provisions thereof will not in any material respect conflict with or constitute a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound, or breach any existing law, ruling, regulation, ordinance, judgment, order or decree to which the City is subject, which breach or default may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

7. To the best of our knowledge, except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before any court, public board, or body, pending or threatened, against the City, which challenges the creation, organization or existence of the City, or the validity of the City Documents, or the validity of the proceedings taken by the City in authorizing the issuance, execution and delivery of the Bonds, or the execution and delivery of the City Agreements, or that challenges the authority of the City to perform its obligations under the City Documents, or seeking to restrain or enjoin any of the transactions referred to in or contemplated by the City Documents, or under which a determination adverse to the City would materially adversely affect its financial condition.

Our office offers no opinion as to the content of the Bonds, the Official Statement, the Preliminary Official Statement, or any other disclosure in connection with the Bonds. We offer no opinion as to the laws of any jurisdiction other than the State and local laws. This opinion is furnished to you solely for your benefit in connection with the Bonds under the authorizing Resolution and may not be used and relied upon by any other person or entity.

Very truly yours,

DRAFT
4/11/2023

FOURTH SUPPLEMENTAL INDENTURE

between the

CITY OF FRESNO

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of May 1, 2023

$_____
CITY OF FRESNO
AIRPORT REVENUE BONDS
SERIES 2023A (AMT)

AND

$_____
CITY OF FRESNO
AIRPORT REVENUE REFUNDING BONDS
SERIES 2023B (NON-AMT)

(Supplemental to the Indenture dated as of June 15, 2000)

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THIS FOURTH SUPPLEMENTAL INDENTURE made and entered into as of May 1, 2023 (this "Fourth Supplemental Indenture") by and between THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee") and the CITY OF FRESNO, a municipal corporation and charter city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City");

W I T N E S S E T H:

WHEREAS, this Fourth Supplemental Indenture is supplemental to the Indenture of Trust, dated as of June 15, 2000 (as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by this Fourth Supplemental Indenture, the "Indenture"), between the Trustee and the City pursuant to which $10,815,000 aggregate principal amount of Airport Revenue Bonds, Series 2000A (Non-AMT) (the "Series 2000A Bonds") and $32,230,000 aggregate principal amount of Airport Revenue Bonds, Series 2000B (AMT) (the "Series 2000B Bonds" and together with the Series 2000A Bonds, the "2000 Bonds") were issued;

WHEREAS, the Indenture provides certain terms and conditions under which the City may issue Additional Bonds (as defined in the Indenture) on a parity with the 2000 Bonds;

WHEREAS, the City issued $22,000,000 aggregate principal amount of Airport Revenue Bonds, Taxable Series 2007 (the "2007 Bonds") pursuant to the First Supplemental Indenture, dated as of May 1, 2007, between the Trustee and the City;

WHEREAS, the City issued $10,810,000 aggregate principal amount of Airport Revenue Refunding Bonds, Series 2013A (Non-AMT) (the "Series 2013A Bonds") and $22,810,000 aggregate principal amount of Airport Revenue Refunding Bonds, Series 2013B (AMT) (the "Series 2013B Bonds" and together with the Series 2013A Bonds, the "2013 Bonds") pursuant to the Second Supplemental Indenture, dated as of July 1, 2013, between the Trustee and the City;

WHEREAS, the City issued $35,000,000 aggregate principal amount of Airport Revenue Bonds, Series 2019 (the "2019 Bonds") pursuant to the Third Supplemental Indenture, dated as of May 1, 2019, between the Trustee and the City;

WHEREAS, the City authorized the issuance of its Airport Revenue Bonds, Series 2023A (AMT) (the "Series 2023A Bonds") in an aggregate principal amount of $ _____ and its Airport Revenue Refunding Bonds, Series 2023B (Non-AMT), in an aggregate principal amount of $_____ (the "Series 2023B Bonds" and together with the Series 2023A Bonds, the "2023 Bonds") to finance and refinance certain improvements at the Fresno Yosemite International Airport pursuant to Resolution No. _____;

WHEREAS, in order to provide for the authentication and delivery of the 2023 Bonds, to establish and declare the terms and conditions upon which the 2023

Bonds are to be issued and to secure the payment of the principal thereof, premium, if any, and interest thereon, the City has authorized the execution and delivery of this Fourth Supplemental Indenture, the proposed form of which Council approved by Resolution No. ____;

WHEREAS, all acts and proceedings required by law necessary to make the 2023 Bonds, when executed by the City and authenticated and delivered by the Trustee, the valid, binding and legal obligations of the City payable in accordance with their terms, and to constitute this Fourth Supplemental Indenture a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Fourth Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2023 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants therein and herein contained and of the purchase and acceptance of the 2023 Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE XXII

ISSUANCE AND TERMS OF 2023 BONDS

Section 22.01. Additional Definitions. Capitalized terms used in the Fourth Supplemental Indenture shall have the meanings set forth in the Indenture unless otherwise defined herein. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and, where used in the Indenture, for all purposes of the Indenture, and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

[Bond Insurer

"Bond Insurer" means _____.]

Beneficial Owner

"Beneficial Owner" has the meaning set forth in Section 22.09 of this Fourth Supplemental Indenture.

Bonds

"Bonds" means the 2007 Bonds,2019 Bonds, 2023 Bonds and all Additional Bonds.

Continuing Disclosure Certificate

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate signed by the City on the date of issuance and delivery of the 2023 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Debt Service Reserve Requirement

"Debt Service Reserve Requirement" means, for the 2023 Bonds, as of any date of calculation by the City with respect to any Series of Bonds, an amount which, when added to the amount of any Financial Guaranties then in effect and delivered pursuant to the Indenture or any Supplemental Indenture then in effect, is equal to the least of (A) ten percent (10%) of the initial offering price of such Series of Bonds (determined in accordance with the Code); (B) Debt Service for the Outstanding Bonds of such Series for the then current or any future Fiscal Year in which such Debt Service is a maximum; or (C) one hundred twenty-five percent (125%) of the average annual Debt Service on such Series of Bonds. In the event a Debt Service Reserve Fund is maintained to secure more than one Series of Bonds, these calculations may be made on a composite basis. In calculating Debt Service for the last Fiscal Year in which the 2023 Bonds are outstanding, for the purposes of calculating the amounts in clauses (B) and (C) above, an amount equal to the amount then on deposit in the 2023 Debt Service Reserve Fund will be deducted from such year's Debt Service.

Escrow Fund

"Escrow Fund" means the escrow fund established pursuant to the Escrow Agreement, dated as of May 1, 2023, by and between the City and the Trustee, as escrow agent.

Information Services

The term "Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 17302, Attention: Editor; Mergent/FIS, Inc., 5250 - 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Bond Call Department; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or such services as the City may designate in writing to the Trustee.

[Insured Obligations

"Insured Obligations" means the Series 2023A Bonds and the Series 2023B Bonds maturing on _____.]

Interest Payment Date

"Interest Payment Date" means, with respect to the 2023 Bonds, each January 1 and July 1, commencing January 1, 2024.

Record Date

"Record Date" means, with respect to the 2023 Bonds, the fifteenth (15th) day of the calendar month preceding each Interest Payment Date whether or not such fifteenth (15th) calendar day is a Business Day.

Fourth Supplemental Indenture

"Fourth Supplemental Indenture" means this Fourth Supplemental Indenture, as it may be amended or supplemented from time to time.

2023 Bonds

"2023 Bonds" means the Series 2023A Bonds and the Series 2023B Bonds.

Series 2023A Bonds

"Series 2023A Bonds" means the City of Fresno Airport Revenue Bonds, Series 2023A (AMT), issued pursuant to this Fourth Supplemental Indenture.

Series 2023B Bonds

"Series 2023B Bonds" means the City of Fresno Airport Revenue Refunding Bonds, Series 2023B (Non-AMT), issued pursuant to this Fourth Supplemental Indenture.

2023 Costs of Issuance Fund

"2023 Costs of Issuance Fund" has the meaning set forth in Section 22.06(a)(i)(3).

2023 Debt Service Reserve Fund

"2023 Debt Service Reserve Fund" has the meaning set forth in Section 22.06(a)(2) of this Fourth Supplemental Indenture.

"2023 PFC-Projected Debt Service "means the debt service, as calculated by the City, for any period in question, on that portion of the 2023 Bonds used to finance or refinance PFC-approved Project Costs."

Section 22.02. Authorization and Purpose of 2023 Bonds. The City has reviewed all proceedings heretofore taken relative to the authorization of the 2023 Bonds and has found, as a result of such review, that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the 2023 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the City is now duly authorized to issue the 2023 Bonds in the form and manner provided herein for the purpose of providing funds to finance and refinance improvements to the Airport, and that the 2023 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

In addition to the pledge of the Trust Estate, the 2023 Bonds shall be payable from, and secured as to the payment thereof and interest thereon, by a lien on amounts on deposit in the 2023 Debt Service Reserve Fund and the PFC Debt Service Escrow Fund, including the investments of such funds, subject to the application thereof for the purposes and on the terms and conditions set forth in this Indenture, and such amounts and investments shall be used to secure the payment when due of the 2023 Bonds and the interest thereon in accordance with their terms and the provisions of this Indenture.

Section 22.03. Terms of the 2023 Bonds. (a) The Series 2023A Bonds shall be Current Interest Bonds, shall be dated their date of original issuance, shall be issued only in fully registered form in Authorized Denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) (not exceeding the principal amount of Series 2023A Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Section 22.03(c):

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

The Series 2023A Bonds shall bear interest at the rates set forth above, payable on January 1, 2024] and semiannually thereafter on January 1 and July 1 in each year. The Series 2023A Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof excepting when: (a) such date of registration is after a Record Date and on or before an Interest Payment Date, then the Series 2023A Bond shall bear interest from such Interest Payment Date, or (b) such date of registration is before January 1, 2024, then the Series 2023A Bond shall bear interest from its dated date, or (c) at the time of registration of any Series 2023A Bond interest is then in default on the Outstanding Bonds, such Series 2023A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment

on the Outstanding Series 2023A Bonds. Payment of interest on the Series 2023A Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2023A Bonds registration books kept by the Trustee pursuant to Section 4.5 as the registered owner thereof as of the close of business on the Record Date immediately preceding an Interest Payment Date. Such interest shall be paid by check mailed on the Interest Payment Date by first class mail to such registered owner at the address as it appears in such books except that in the case of an Owner of one million dollars ($1,000,000) or greater in aggregate principal amount of Outstanding Series 2023A Bonds. Such an Owner's payment shall, at such Owner's written request, provided before the fifteenth (15th) day of the month preceding such Interest Payment Date, be made by wire transfer of immediately available funds in accordance with the Owner's written instructions. Any such written request shall remain in effect until rescinded in writing by the Owner.

Payment of the principal of the Series 2023A Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the principal office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee.

(b) The Series 2023B Bonds shall be Current Interest Bonds, shall be dated their date of original issuance, shall be issued only in fully registered form in Authorized Denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) (not exceeding the principal amount of Series 2023B Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Section 22.03(c):

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

The Series 2023B Bonds shall bear interest at the rates set forth above, payable on January 1, 2024, and semiannually thereafter on January 1 and July 1 in each year. The Series 2023B Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof excepting when: (a) such date of registration is after a Record Date and on or before an Interest Payment Date, then the Series 2023B Bond shall bear interest from such Interest Payment Date, or (b) such date of registration is before January 1, 2024, then the Series 2023B Bond shall bear interest from its dated date, or (c) at the time of registration of any Series 2023B Bond interest is then in default on the Outstanding Bonds, such Series 2023B Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment

on the Outstanding Series 2023B Bonds. Payment of interest on the Series 2023B Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2023B Bonds registration books kept by the Trustee pursuant to Section 4.5 as the registered owner thereof as of the close of business on the Record Date immediately preceding an Interest Payment Date. Such interest shall be paid by check mailed on the Interest Payment Date by first class mail to such registered owner at the address as it appears in such books except that in the case of an Owner of one million dollars ($1,000,000) or greater in aggregate principal amount of Outstanding Series 2023B Bonds. Such an Owner's payment shall, at such Owner's written request, provided before the fifteenth (15th) day of the month preceding such Interest Payment Date, be made by wire transfer of immediately available funds in accordance with the Owner's written instructions. Any such written request shall remain in effect until rescinded in writing by the Owner.

Payment of the principal of the Series 2023B Bonds shall be made upon the surrender thereof at maturity or on redemption prior to maturity at the principal office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee.

(c) Optional Redemption of 2023 Bonds. The 2023 Bonds maturing on or after July 1, ____ are also subject to redemption prior to their respective stated maturities at the written direction of the City (delivered to the Trustee no later than 60 days prior to the redemption date and including the information required to be provided pursuant to any notice of redemption to be delivered by the Trustee pursuant to Section 22.03(e) below), from any moneys deposited by the City, as a whole or in part on any date (in such maturities as are designated in writing by the City to the Trustee) on or after July 1, ____, at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. If less than all Outstanding 2023 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the 2023 Bonds of such maturity date to be redeemed by lot and shall promptly notify the City in writing of the numbers of the 2023 Bonds so selected for redemption. For purposes of such selection, 2023 Bonds shall be deemed to be composed of $5,000 multiples of principal, and any such multiple may be separately redeemed.

(d) Mandatory Sinking Fund Redemption. The 2023A Bonds maturing on July 1, ____, respectively, upon notice as hereinafter provided, shall also be subject to mandatory sinking fund redemption prior to maturity, in part on July 1 of each year on and after July 1, ____, respectively, by lot in accordance with the procedures of DTC, if applicable, from and in the amount of the Mandatory Sinking Account Payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date, without premium.

(i) The Trustee shall establish and maintain within the Principal Account a separate account for the Series 2023A Term Bonds designated as the 2023A Term Bonds Sinking Account. Subject to the terms and conditions set forth in this Section and Section 5.1, the Series 2023A Term Bonds maturing on July 1, ____ shall be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking

Account Payments in the amounts and upon the dates hereby established for the 2023 Term Bonds Sinking Account, as follows:

Term Bonds 2023A Sinking Account Payments

Date (July 1)	**Principal Amount**

† Maturity.

(e) Redemption Procedures. In the event of redemption pursuant to this Section 22.03(c), the City shall provide the Trustee with a revised sinking find schedule giving effect to the optional redemption so completed. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to (i) the respective Owners of the 2023 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Municipal Securities Rulemaking Board, (iii) the Securities Depositories and (iv) one or more Information Services. [Mandatory Sinking Fund Redemption shall not require that a notice of redemption be delivered to the Owners of the 2023 Bond or any of the other aforementioned parties.] Notice of redemption to the Securities Depositories and the Information Services shall be given by registered mail, electronic mail or overnight delivery or facsimile transmission. Each notice of redemption shall state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the 2023 Bonds of such maturity to be redeemed and, in the case of 2023 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2023 Bonds the redemption price, if any, thereof and in the case of a 2023 Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2023 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect therein shall not invalidate any of the proceedings taken in connection with such redemption. The City may, at its option, prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption.

Section 22.04. Form of 2023 Bonds. The 2023 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A attached hereto and by this reference incorporated herein.

Section 22.05. Execution and Authentication of 2023 Bonds. The 2023 Bonds shall be executed and authenticated as set forth in Section 4.3 of the Indenture.

Section 22.06. Procedure for the Issuance of 2023 Bonds; Creation of Accounts and Funds. (a) Issuance and Deposits. At any time after the sale of the 2023 Bonds, the City shall execute the 2023 Bonds for issuance hereunder and shall deliver the 2023 Bonds to the Trustee with a written order to the Trustee to authenticate the 2023 Bonds, and thereupon the Trustee shall authenticate the 2023 Bonds and the 2023 Bonds shall be delivered by the Trustee to the purchaser thereof upon receipt of the full purchase price therefor.

(i) Upon receipt of the full purchase price of the Series 2023A Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective Accounts or Funds, in the following order of priority:

(1) The Trustee shall set aside and deposit the proceeds received from such sale in a separate Account in the Construction Fund, which Account is hereby established and shall be known as the "2023A Project Account", the sum of $_____. All money in the 2023A Project Account shall be used for the purpose of paying Costs of the 2023 Project. Amounts shall be withdrawn from the 2023A Project Account in the Construction Fund pursuant to Section 6.3

(2) There shall be deposited in a separate Fund, which Fund is hereby established and shall be known as the "2023 Debt Service Reserve Fund," the sum of $_____, such amount being equal to the Debt Service Reserve Requirement attributable to the Series 2023A Bonds.

(3) There is hereby established a separate Fund, the "2023 Costs of Issuance Fund", and there shall be deposited in such Fund the sum of $_____. All money in the 2023 Costs of Issuance Fund shall be used for the purpose of paying the Costs of Issuance of the 2023 Bonds upon written request of the City.

(4) There shall be deposited in the Escrow Fund the sum of __.

(ii) Upon receipt of the full purchase price for the Series 2023B Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective Accounts or Funds, in the following order of priority:

(1) There shall be deposited in the 2023 Debt Service Reserve Fund, the sum of $_____, such amount being equal to the Debt Service Reserve Requirement attributable to the Series 2023B Bonds.

(2) There shall be deposited in the 2023 Costs of Issuance Fund the sum of $_____. All money in the 2023 Costs of Issuance Fund shall

be used for the purpose of paying the Costs of Issuance of the 2023 Bonds upon written request of the City. On _____, 2023, or upon the earlier written request of the City, any remaining balance in the 2023 Costs of Issuance Fund shall be transferred to the 2023 Debt Service Account within the Debt Service Fund, which Account is hereby established, and the 2023 Costs of Issuance Fund shall be closed.

(3) There shall be deposited in the Escrow Fund the sum of $_____.

(b) 2023 Debt Service Reserve Fund.

(i) If on the Business Day immediately preceding an Interest Payment Date for the 2023 Bonds, or any other date on which the Principal Amount or Redemption Price of, or interest on, the 2023 Bonds is due, the amount in the Debt Service Fund available for such payment is less than the Principal Amount or Redemption Price of, or interest on, the 2023 Bonds due on such date, after applying any available amounts transferred from the Surplus Fund as provided in Section 6.12, from the Operating Reserve Fund as provided in Section 6.9, and from the Renewal and Replacement Fund as provided in Section 6.11, the Trustee shall apply amounts from the 2023 Debt Service Reserve Fund to the extent necessary to make good the deficiency.

(ii) Except as provided in Section 22.06 (b)(iv), if on the last Business Day of any month the amount on deposit in the 2023 Debt Service Reserve Fund shall exceed the applicable Debt Service Reserve Requirement for the 2023 Bonds, such excess will be applied to the reimbursement of each drawing on a Financial Guaranty credited to such Fund (to the extent not reimbursed upon the reinstatement of such Financial Guaranty pursuant to clause (v) below) and to the payment of interest or other amounts due with respect to any Financial Guaranty credited to such Fund, and any remaining moneys will be deposited in the Debt Service Fund.

(iii) Whenever the amount in the 2023 Debt Service Reserve Fund (excluding Financial Guaranties) together with the amount available therefor in the Debt Service Fund, is sufficient to pay in full all Outstanding 2023 Bonds in accordance with their terms (including Principal Amount or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the 2023 Debt Service Reserve Fund shall be transferred to the Debt Service Fund and applied to the payment of the Outstanding 2023 Bonds (including Principal Amount or applicable sinking fund Redemption Price and interest thereon).

(iv) In the event of the refunding, purchase or redemption of one or more 2023 Bonds (or portions thereof), the Trustee shall, upon the written direction of an Authorized Representative, withdraw from the 2023 Debt Service Reserve Fund any or all of the amounts on deposit therein (excluding Financial Guaranties) and deposit such amounts with itself as Trustee to be held for the payment of the Principal Amount or Redemption Price, if any, of, and interest on, the 2023 Bonds (or portions thereof) being refunded, purchased or redeemed; provided that such withdrawal shall not be made

unless (a) immediately thereafter the 2023 Bonds (or portions thereof) being refunded, purchased or redeemed shall be paid or deemed to have been paid pursuant to Section 12.1 of the Indenture, and (b) the amount remaining in the 2023 Debt Service Reserve Fund after such withdrawal, taking into account any deposits to be made in the 2023 Debt Service Reserve Fund in connection with such refunding, purchase or redemption shall not be less than the Debt Service Reserve Requirement for the 2023 Bonds upon such refunding, purchase or redemption.

(v) In lieu of funding the 2023 Debt Service Reserve Fund with cash or Investment Securities, the City may cause to be deposited in the 2023 Debt Service Reserve Fund a Financial Guaranty or Financial Guaranties in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums, if any, then on deposit in the 2023 Debt Service Reserve Fund or being deposited in the 2023 Debt Service Reserve Fund concurrently with such Financial Guaranty or Guaranties. No deposit of a Financial Guaranty shall be made in the 2023 Debt Service Reserve Fund pursuant to this Section unless the Trustee shall have received prior to such deposit (a) an opinion of counsel to the effect that such Financial Guaranty has been duly authorized, executed and delivered by the issuer thereof and is valid, binding and enforceable in accordance with its terms, (b) [the prior written consent of the 2023 Bond Insurer], and (c) in the event such issuer is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the City that such Financial Guaranty has been duly authorized, executed and delivered by the issuer thereof and is valid, binding and enforceable in accordance with its terms under the applicable foreign law.

In computing the amount on deposit in the 2023 Debt Service Reserve Fund, a Financial Guaranty shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

Section 22.07. Validity of 2023 Bonds. The validity of the issuance of the 2023 Bonds shall not be dependent on or affected in any way by the proceedings taken by the City for the financing of the 2023 Project or by any contracts made by the City or its agents in connection therewith. The recital contained in the 2023 Bonds that the same are issued pursuant to the Law and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all 2023 Bonds shall be incontestable from and after their issuance. The 2023 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive 2023 Bonds (or any temporary 2023 Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

Section 22.08. Special Covenants as to Book-Entry Only System for 2023 Bonds. All of the 2023 Bonds initially issued shall be registered, issued and paid in accordance with the Book-Entry Only System set forth in Section 3.9 of the Indenture.

Section 22.09. Continuing Disclosure. The City hereby covenants that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of

Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, after indemnification to its satisfaction, shall) or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has 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).

Section 22.10. Terms of 2023 Bonds Subject to the Indenture. Except as expressly provided in this Fourth Supplemental Indenture, every term and condition contained in the Indenture shall apply to this Fourth Supplemental Indenture and to the 2023 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Fourth Supplemental Indenture.

This Fourth Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented hereby.

ARTICLE XXIII

SUPPLEMENTAL PROVISIONS

Section 23.01. Supplemental Provisions. The following supplemental provisions are hereby added to the Indenture:

(a) Section 6.16 is supplemented to add the following provision:

> " 4. On or before the fifth day next preceding each Interest Payment Date, the Trustee shall transfer from the PFC Debt Service Escrow Fund to the 2023 Debt Service Account of the Debt Service Fund an amount equal to the 2023 PFC Projected Debt Service due on such Interest Payment Date and to the 2023 Debt Service Reserve Fund any deficiency allocable to PFC-eligible Debt Service, such amount to be determined and communicated in writing by the City to the Trustee at least 10 days next preceding such Interest Payment Date. If the PFC Revenues on deposit are less than such required deposits, the transfers shall be made in the order indicated so as to exhaust such PFC Revenues."

(b) Section 7.3(1) is hereby supplemented to add the following provision:

> The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may

charge its ordinary and customary fees for such trades, including account maintenance fees.

(c) Section 10.03(2) is hereby supplemented to add the following provisions:

The delivery of reports and other documents and information to the Trustee hereunder is for informational purposes only and the Trustee's receipt of such documents and information shall not constitute constructive notice of any information contained therein or determinable from information contained therein.

(d) Article XIII of the Indenture is hereby supplemented by adding the following:

12.13 Electronic Means. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using the following communications methods: e mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder (collectively, "Electronic Means"); provided, however, that the City shall provide to the Trustee an incumbency certificate listing Authorized Representatives of the City with the authority to provide such Instructions and containing specimen signatures of such Authorized Representatives of the City, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative of the City listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative of the City. The City shall be responsible for ensuring that only authorized persons transmit such Instructions to the Trustee and the City is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt thereof. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions, notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third

parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

12.14 OFAC. The City covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the United States Government (including the Office of Foreign Assets Control of the United States Department of the Treasury, the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "Sanctions"). The City covenants and represents that neither it nor any of its affiliates, subsidiaries, directors or officers will use any payments made pursuant: (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions; (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions; or (iii) in any other manner that will result in a violation of Sanctions by any person.

ARTICLE XXIV

MISCELLANEOUS PROVISIONS

Section 24.01. Effective Date of Fourth Supplemental Indenture. This Fourth Supplemental Indenture shall take effect upon its execution and delivery and the issuance of the 2023 Bonds.

Section 24.02. Execution in Counterparts. This Fourth Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE XXV

BOND INSURANCE PROVISIONS

[To be added if Bond Insurance is purchased]

IN WITNESS WHEREOF, the CITY OF FRESNO has caused this Fourth Supplemental Indenture to be signed in its name by its Controller and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., to evidence its acceptance of the trusts created hereunder, has caused this Fourth Supplemental Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

CITY OF FRESNO

By_____
Controller

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF 2023 BOND

REGISTERED NO. $_____

CITY OF FRESNO
AIRPORT REVENUE BOND
SERIES 2023A (AMT)
SERIES 2023B (NON-AMT)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY OF FRESNO (herein called the "City"), a charter city and municipal corporation organized and existing under the Constitution and the laws of the State of California, acknowledges itself indebted to, and for value received hereby promises to pay to, the Owner specified above, or registered assigns, on the Maturity Date stated above, unless sooner paid as provided in the Indenture mentioned below, but solely from the funds pledged or otherwise made available therefor, upon presentation and surrender of this bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California or at such other place as the Trustee may designate, or any other Paying Agent appointed pursuant to the Indenture mentioned below, the Principal Amount specified above in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such Principal Amount, by check of the Trustee hereafter mentioned mailed to such Owner at his address as shown on the Bond Register, [or in the case of an Owner of one million dollars ($1,000,000) or greater in aggregate principal amount of this bond, such Owner's payment shall, at such Owner's written request be made by wire transfer of immediately available funds in accordance with the Owner's written instructions,] at the interest rate per annum (calculated on the basis of a 360-day year of twelve thirty-day months) stated above, payable on January 1 and July 1 of each year, commencing January 1, 2024 (each an "Interest Payment Date"), until the City's obligation with respect to the payment of such Principal Amount shall be discharged. Such interest shall be payable from the most recent Interest Payment Date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is an Interest Payment Date, in which case from the date

of authentication hereof, or unless the date of authentication hereof is on or prior to December 15, 2023, in which case from the Dated Date specified above, or unless the date of authentication hereof is after a Record Date (as defined below) and before the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this bond is registered at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date (the "Record Date").

This bond is one of a duly authorized issue of bonds of the City designated as its "Airport Revenue Bonds" (the "Bonds") and of a series of Bonds designated as its Airport Revenue Bonds, Series 2023 (the "2023 Bonds"), consisting of Airport Revenue Bonds, Series 2023A (AMT) issued in the aggregate Principal Amount of $_____ and Airport Revenue Refunding Bonds, Series 2023B (Non-AMT) issued in the aggregate Principal Amount of $_____ pursuant to the Indenture of Trust, dated as of June 15, 2000, as heretofore supplemented and amended and as further supplemented and amended by a Fourth Supplemental Indenture, dated as of ____ 1, 2023, by and between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") (said Indenture of Trust, as supplemented and amended, is herein called the "Indenture"). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture. The 2023 Bonds have been issued under and pursuant to the Bond Law to finance or refinance a portion of the costs of certain capital improvements at Fresno Yosemite International Airport and to pay costs of issuance.

Copies of the Indenture are on file at the office of the City and at the principal corporate trust office of the Trustee, and reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the trust estate securing the Bonds (the "Trust Estate") and other amounts made available therefor pursuant to the Indenture, the rights, duties and obligations of the City and the Trustee under the Indenture, the terms and conditions upon which the Bonds are or may be issued and secured under the Indenture, the rights and remedies of the Owners of the Bonds, and the limitations on such rights and remedies. By purchase and acceptance of this bond, the Owner hereof signifies its assent to all of the provisions of the Indenture.

This bond is a limited obligation of the City. The Principal Amount and Redemption Price of, and interest on, this bond are payable solely from the Trust Estate and the other moneys provided for such purpose pursuant to the Indenture and do not constitute a charge against the general credit of the City. This bond is not secured by a legal or equitable pledge of, or charge or lien upon, any property of the City or any of its income or receipts except the Trust Estate and other moneys provided for such purpose pursuant to the Indenture. No tax or other source of funds, other than the Trust Estate and the other moneys provided therefor pursuant to the Indenture, is pledged to the payment of the Principal Amount or Redemption Price of, or interest on, this bond nor is the City in any manner obligated to make any appropriation for its payment except from Revenues and the other moneys provided therefor pursuant to the Indenture. Neither the payment of the Principal Amount or Redemption Price of, or interest on, this bond

constitutes a debt, liability or obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which it has levied or pledged any form of taxation. Neither the City Council of the City nor any officer or employee of the City shall be individually liable on this bond, or the interest thereon, or in respect of any undertakings by the City under the Indenture.

As provided in the Indenture, Bonds of the City may be issued thereunder from time to time pursuant to supplemental indentures in one or more Series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture. The aggregate Principal Amount of Bonds which may be issued under the Indenture is not limited except as provided in the Indenture, and all Bonds issued and to be issued under the Indenture are and shall be equally and ratably secured by the pledge and assignment of the Trust Estate and by covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

The 2023 Bonds are subject to redemption prior to maturity upon the conditions, at the times, at the redemption prices and subject to notice as set forth in the Indenture.

The 2023 Bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. This bond is transferable, as provided in the Indenture, only upon the Bond Register kept for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, upon surrender of this bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Owner or his duly authorized attorney, whereupon a new registered 2023 Bond or Bonds, of the same aggregate Maturity Amount, terms and maturity, shall be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any tax, fee or other governmental charge as therein prescribed. Upon surrender hereof at the principal corporate office of the Trustee, as Bond Registrar, together with a written instrument of exchange satisfactory to the Bond Registrar and duly executed by the Owner of this bond or his attorney duly authorized in writing and the payment of such charges as are therein provided by the Indenture, this bond may be exchanged for an equal aggregate Maturity Amount of 2023 Bonds of the same terms and maturity of any other authorized denominations. The Trustee shall not be required to transfer or exchange any 2023 Bond during the period established by the Trustee for selection of 2023 Bonds for redemption or purchase or as to any 2023 Bond selected for redemption or purchase. The City, the Trustee and any Paying Agent for this bond may deem and treat the person in whose name this bond is registered upon the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Principal Amount or Redemption Price hereof and interest due hereon and for all other purposes.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the City with the written consent of the Owners of at least a majority in aggregate Principal Amount of the Bonds then Outstanding, and,

in case less than all of the Series of Bonds Outstanding would be affected thereby, with such consent of the Owners of at least a majority in aggregate Principal Amount of the affected Bonds then Outstanding; provided, however, that if such modification or amendment shall, by its terms, not take effect so long as any Bonds of any particular Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the Principal Amount or Redemption Price thereof, or reduce the amount of any applicable Sinking Fund Installment, or reduce the rate of interest thereon or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any other lien on the Trust Estate, or deprive the Owners of the Bonds of the lien of the pledge made on the Trust Estate and the commitment of other amounts pursuant to the Indenture (except as expressly provided in the Indenture), in each such case without the consent of the Owners of all Bonds then Outstanding.

The Indenture may also be modified or amended without the consent of the Owners of any Bonds: (i) to provide for the issuance of additional Series of Bonds in accordance with the provisions of the Indenture; and (ii) in any other respect, so long as such modification or amendment shall not materially, adversely affect the interests of the Owners of the Bonds.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed in due time, form and manner, and that the 2023 Bonds, together with all other indebtedness of the City, comply in all respects with the Charter, the Bond Law and applicable laws of the State of California.

This bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, the CITY OF FRESNO has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its City Clerk, as of the Dated Date specified above.

CITY OF FRESNO

ATTEST: _____
City Clerk

By: _____
Mayor

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2023 Bonds delivered pursuant to the within mentioned Indenture of Trust.

Dated: _____, 2023

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____
AUTHORIZED SIGNATORY

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and unto

_____

(Please Print or Typewrite Name and Address of Transferee)

the within bond and hereby irrevocably constitutes and appoints

_____

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

Dated: _____

Tax Identification Number: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.