At the crucial moment, when it is most important to be convincing, nine out of ten times we are not. Our most important messages have a surprisingly low chance of getting through.
The Croc Brain is Picky and a Cognitive Miser Whose Primary Instinct is Survival

Going to ignore you if possible— and won’t do a lot of work

- **NOT SAFE?**
  - RUN.

- **BORING?**
  - IGNORE IT.

- **COMPLICATED?**
  - RADICALLY SUMMARIZE.

Always fearful and suspicious, the Croc brain is making decision to keep you away from danger.

- **FAST**
- **NOVEL**
- **CONCRETE**
- **VISUAL**
- **HIGH CONTRAST**
A NEW STRUCTURE FOR PITCHING

PRIZING, HOOKPOINT, QUALIFYING

PRIZING
- Capital is a commodity - you are the Prize.

HOOKPOINT
- Difficult to move forward until they engage.

QUALIFY BACK
- When you have enough credibility, you can flip the frame.

PITCH

Demonstrate High Value

HOOKPOINT

QUALIFY BACK
We don’t think there’s a deal that can’t be pitched in :20 - start to finish.

---

**DISCUSSION**

<table>
<thead>
<tr>
<th align="left">Investable deal</th>
<th>Describe the whole deal, not just the asset and the IRR. Provide the Narrative Arc.</th>
</tr>
</thead>
<tbody>
<tr>
<td align="left">:20 Minutes</td>
<td>No one is going to pay much attention past the :20 mark.</td>
</tr>
<tr>
<td align="left">Qualify Back</td>
<td>When you prize yourself, and pitch well, you have the opportunity to make the investor qualify themselves to you.</td>
</tr>
</tbody>
</table>
NEW MODEL OF PITCHING

FRAME CONTROL

MARKET FORCES & THE BIG IDEA

PRIZING

TENSION & NOVELTY

INTRIGUE PINGS

PUSH-PULL

TIME CONSTRAINT

CALIBRATION

CREATES HIGH STATUS

CHANGE BLINDNESS

Demonstrate High Value

DEAL

QUALIFY BACK

PITCH ANYTHING

CREASES HIGH STATUS

CREATES HIGH STATUS
THE BIG IDEA: FRAME CONTROL

Every meeting, pitch and presentation is a social encounter that is governed by frames. Frames are a point-of-view, a perspective – a position.

Frames don’t combine or mix - they collide.

The strongest frame always wins.
FINANCIALS

The Deal. The newly expanded terminal 3 is expected to open sometime in late 2019 to early 2020 and will be completed in two phases. It is being completed on an old municipal site granted by the City.

UNDERWRITING

and KEY METRICS

The Deal. The newly expanded facility is expected to open sometime in early 2019 and will be completed in two phases. It is being completed on an old municipal site granted by the City.

UNDERWRITING ASSUMPTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Net Cash Flow</td>
<td>$10M</td>
<td>$11M</td>
<td>$12M</td>
<td>$13M</td>
</tr>
<tr>
<td>Occupancy</td>
<td>75%</td>
<td>76%</td>
<td>77%</td>
<td>78%</td>
</tr>
<tr>
<td>Market Rate for Room Night</td>
<td>$100</td>
<td>$105</td>
<td>$110</td>
<td>$115</td>
</tr>
<tr>
<td>Market Rate for Room Night</td>
<td>$110</td>
<td>$115</td>
<td>$120</td>
<td>$125</td>
</tr>
</tbody>
</table>

PROFORMA

DISCUSSION

NEW INFRASTRUCTURE

San Diego Metropolitan features an 8,000-foot runway, large enough to accommodate heavy jets.

OVER CAPACITY

22 million passengers projected for 2020

AIR TRAFFIC San Diego Metropolitan Airport will help alleviate the massive congestion.

SAN DIEGO'S LINDBERG FIELD is the second busiest single-runway airport in the world, behind London Gatwick. It's nearly at capacity. Now with more than 22 million San Diego passengers projected to plan/drop in 2020, private aircraft and freight traffic are being pushed out. But they can't go to Palm Springs — that runway is too far away and too busy. Instead, this airport is a great airport for displaced flights are going lands at the San Diego Metropolitan Airport.
INVESTMENT BANKING: BAKEOFF

INITIAL TARGET GROUP 15-20
SOLID CANDIDATES 4-6
FINAL GROUP 2-3

Start with a large number of potentials that you can take into the closing rounds.
... but only 4-6 will be a good fit for the investment, and have the ability to stay on your timeline.
Bring 2-3 into the closing round so you have options when the re trading starts.

INVESTOR A
INVESTOR B
INVESTOR C

CAPITAL EVENT
RISK REWARD DISCUSSION
Know how to communicate exactly where you are in the risk reward continuum - today capital has is more focused on specific risk/reward formulas.
More Runway = added City revenues

Imagine an airport is coming to your city, allowing you to add a new service or industry. The airport can provide various benefits, such as increased economic activity, job creation, and enhanced tourism opportunities.

<table>
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<tr>
<th>UNDERWRITING ASSUMPTIONS</th>
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<td></td>
</tr>
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<td></td>
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</tbody>
</table>

Key assumptions include:
- Passenger demand growth
- Cargo volume increase
- Local economic impact

REVENUES

- Added Value to the City of San Diego
- $10 million
- Services and Fuel
- $5 million
- Over-the-road freight
- $15 million
- Truck rental

PROFORMA

- Discussion
- Financials
- Underwriting
- Revenue
- Proforma

TAKING FLIGHT
San Diego Metropolitan Airport